

**PROFESSIONAL SERVICES AGREEMENT
"AGREEMENT"**

THIS AGREEMENT made this 18th day of May, 2010, between American Traffic Solutions, Inc. (herein "ATS"), a corporation duly registered under the laws of the State of Kansas with its principal place of business at 7681 E. Gray Road, Scottsdale, Arizona 85260, County of Maricopa, State of Arizona, and the City of Mukilteo, herein "Customer", a municipal corporation of the State of Washington with principal offices at 11930 Cyrus Way, Mukilteo, Washington 98275.

WITNESSETH:

WHEREAS, ATS has the exclusive knowledge, possession and ownership of certain equipment, licenses, and processes, referred to collectively as the "Axisis™ System" (herein "Axisis"), and

WHEREAS, Customer desires to use the Axisis™ System to monitor and enforce red light violations, and may, in the future desire to monitor and enforce traffic speed or other traffic movements and to issue citations for traffic violations.

NOW THEREFORE, the parties agree:

1. DEFINITIONS:

As used in this Agreement, the following words and terms shall, unless the context otherwise requires, have the respective meanings provided below:

"**Citation**" means a citation issued by a competent state or municipal law enforcement agent or agency or by a court of competent jurisdiction relating to a violation documented or evidenced by Axisis™.

"**Person**" or "**persons**" means any individual, partnership, joint venture, corporation, trust, unincorporated association, governmental authority or political subdivision thereof or any other form of entity.

"**Camera System**" means a photo-traffic monitoring device consisting of one (1) rear camera, strobe, and traffic monitoring device capable of accurately detecting a traffic infraction on up to four lanes controlled by up to two (2) signal phases and which records such data with one or more images of such vehicle. "Camera System" shall also, where the sense requires, include any enclosure or cabinet and related appurtenances in which the Axisis™ is stationed.

"**School Zone Camera System**" means a photo-traffic monitoring device consisting of one (1) rear camera, strobe, and traffic monitoring device capable of accurately detecting a traffic infraction in a designated school zone during the periods the school zone has restricted speed to protect students

"**Approach**" is defined as one direction of travel of one or more lane on a road or a traffic intersection up to 4 lanes controlled by up to two (2) signal phases.

"**Violation**" means failure to obey an applicable traffic law or regulations, including, without limitation, failure to obey a traffic signal, operating a motor vehicle in excess of the posted speed limit, and operating a motor vehicle without displaying a valid license plate.

"**Operational Time**" means the actual time that a Camera System is monitoring traffic.

"**VIMS Analysis**" is a statistical assessment of violations rates at suspected problem intersections and approaches to determine the need for a red light system.

2. ATS AGREES TO PROVIDE:

The scope of work identified in Exhibit "A, Section 1"

3. CUSTOMER AGREES TO PROVIDE:

The scope of work identified in Exhibit "A, Section 2."

4. TERM AND TERMINATION:

a. This contract shall be effective on the signature date above.

b. The term of this Agreement shall be for five (5) years beginning on the date of first issued and payable notice of a violation (the "Start Date") and may be automatically be extended for one additional five (5) year period. However, Customer may terminate this Agreement at the expiration of any term by providing written notice of its intent not to extend the Agreement 120 days prior to the expiration of the current term. The program includes a three year Pilot program.

c. This Agreement may be terminated:

- i) By mutual written consent of the parties;
- ii) For cause, by either party where the other party fails in any material way to perform its obligations under this Agreement. Termination under this subsection is subject to the condition that the terminating party notifies the other party of its intent to terminate, stating with reasonable specificity the grounds therefor, and the other party fails to cure the default within forty-five (45) days after receiving notice.
- iii) For convenience as result of material change in circumstances, including but not limited to changes in applicable law, licensing or permitting requirements or changes that result from decisions of judicial or administrative tribunals.

d. Upon termination of this Agreement, the parties shall take the following actions, and shall have the following obligations, which survive termination during the wind-down period: The Customer shall cease using the Axis™ System, shall return or allow ATS to recover all provided equipment within a reasonable time not to exceed 60 days, and shall not generate further images to be processed. Unless directed by the Customer not to do so, ATS shall continue to process all images taken by the Customer before termination and provide all services associated with processing in accordance with this Agreement, and shall be entitled to all Fees specified in the Agreement as if the Agreement were still in effect.

e. Three year "pilot program" to determine the effects of the program. Terms: With 60 days written notice, on the third anniversary of the Start Date, either party shall have the option to terminate this Agreement. The option to terminate shall expire except as otherwise provided herein.

5. ASSIGNMENT:

Neither party may assign all or any portion of this Agreement without the prior written consent of the other, which consent shall not be unreasonably withheld or delayed; provided, however, the Customer hereby acknowledges and agrees that the execution, delivery and performance of ATS's rights pursuant to this Agreement shall require a significant investment by ATS, and that, in order to finance such investment, ATS may be required to enter into certain agreements or arrangements ("Financing Transactions") with equipment lessors, banks, financial institutions or other similar persons or entities (each, a "Financial Institution" and collectively, "Financial Institutions"). The Customer hereby agrees that ATS shall have the right to assign, pledge, hypothecate or otherwise transfer ("Transfer") its rights, or any of them, under this Agreement to any Financial Institution in connection with any Financing Transaction between ATS and any such Financial Institution subject to the Customer's prior written approval, which approval shall not be unreasonably withheld or delayed. The Customer further acknowledges and agrees that in the event that ATS provides written notice to the Customer that it intends to Transfer all or any of ATS's rights pursuant to this Agreement, and in the event that the Customer fails to provide such approval or fails to object to such Transfer within forty-five (45) business days after its receipt of such notice from ATS, ATS shall be free to effect said Transfer.

6. FEES AND PAYMENT:

Customer shall pay for all equipment, services and maintenance based on the fee schedule indicated in Exhibit A, Schedule 1, ("Fees").

Not more than once every 30 days, ATS shall file its invoice for payment, accompanied by evidence satisfactory to the Customer justifying the request for payment. The costs, records and accounts pertaining to this Agreement shall be kept by ATS and made available for inspection by representatives of the Customer for a period of three (3) years after final payment. Copies shall be made available upon request.

Each anniversary date of the term, the unit prices will increase by the CPI, according to the average of the U.S. Department of Labor, Consumer Price Indices for the City (Seattle-Tacoma-Bremerton) and the Metro Phoenix MSA, in the month of June in the year preceding the anniversary date.

a. Cost Neutrality Clause

During the term of the contract, Customer shall not be required to pay ATS more than Customer (or ATS on Customer's behalf) has collected/received in fines payments through the use of the Axis System cumulatively throughout the term of the contract. For the purposes of this clause, the term "fines" applies to that portion of fines actually retained by the Customer according to the distribution method applicable under State law. This clause will be applied as follows:

If collections for the program during any month are less than the full amount of ATS invoices, ATS shall be entitled the full amount of fines actually collected. ATS will maintain an accounting of any net balances owed to ATS and shall apply future collections first to the accrued balance and then to the current months invoice. At any time that ATS fees and any accrued balances are fully repaid, additional collections will be retained by the Customer. Any positive revenue balances generated from this program will be used to offset existing balances, if any, due ATS.

7. INTERSECTION AND VIOLATION RATE ANALYSIS:

Prior to implementing the Axis System, ATS may conduct an analysis of each Approach being considered for a Camera System. If ATS deems necessary, ATS will use the Axis™ VIMS (Violation Incident Monitoring System) or other tool or means to complete the analysis over a 4 to 24 hour period. The Customer will be provided a report on violations recorded at each monitored approach, including the time of day and lanes on which the violations occurred. For any Approach recommended by the Customer, ATS may install a Camera System. However, ATS may elect not to install a Camera System where traffic violation data does not support installation of the Axis System.

8. COMMUNICATION OF INFORMATION:

ATS agrees that all information obtained by ATS through operation of the Axis System shall be made available to the Customer at any time during ATS's normal working hours, excluding trade secrets and other confidential or proprietary information not reasonably necessary for the prosecution of citations or the fulfillment of Customer's obligation under this Agreement.

9. CONFIDENTIAL INFORMATION:

No information given by ATS to Customer will be of a confidential nature, unless specifically designated in writing as proprietary and confidential by ATS. Provided, however, nothing in this paragraph shall be construed contrary to the terms and provisions of any "Open Records Act" or similar laws, insofar as they may be applicable. ATS shall not use any information acquired by this program with respect to any violations or the Customer's law enforcement activities for any purpose other than the program.

10. OWNERSHIP OF SYSTEM:

It is understood by the Customer that the System being installed by ATS is, and shall remain, the sole property of ATS, unless separately procured from ATS through a lease or purchase transaction. The System is being provided to Customer only under the terms and for the term of this Agreement.

11. INDEMNIFICATION AND INSURANCE:

ATS shall at all times comply with all federal, state and local laws, ordinances and regulations and shall comply with the maintenance procedures and manufacturer recommendations for operation of the Axis™ equipment which affect this Agreement, and shall indemnify and save harmless the Customer against any claims arising from the violation of any such laws, ordinances and regulations or any claims arising from the violations of the maintenance procedures and manufacturer recommendations for operation of the equipment as a result of the negligence or willful misconduct of ATS, its officers and directors, agents, attorneys, and employees, but excluding any employees or agents of Customer.

ATS agrees to hold harmless, indemnify and defend the Customer, its officers, agents, and employees, from and against any and all claims, losses, or liability, for injuries, sickness or death of persons, including employees of ATS, or damage to property, arising out of any willful misconduct or negligent act, error, or omission of ATS, its officers, agents, subconsultants or employees, in connection with the services required by this agreement, provided, however, that:

(a) ATS's obligations to indemnify, defend and hold harmless shall not extend to injuries, sickness, death or damage caused by or resulting from the sole willful misconduct or sole negligence of the Customer, its officers, agents or employees; and

(b) ATS's obligations to indemnify, defend and hold harmless for injuries, sickness, death or damage caused by or resulting from the concurrent negligence or willful misconduct of ATS and the Customer shall apply only to the extent of the negligence or willful misconduct of ATS.

ATS specifically assumes potential liability for actions brought by its own employees against the Customer and, solely for the purpose of this indemnification and defense, ATS specifically waives any immunity under the state industrial insurance laws, Title 51 RCW. ATS recognizes that this waiver was specifically entered into pursuant to the provisions of RCW 4.24.115 and was the subject of mutual negotiation.

ATS shall maintain the following minimum scope and limits of insurance:

- (a) Commercial General Liability Insurance including coverage for bodily injury, property damage, premises and operations, products/completed operations, personal and advertising injury, and contractual liability with a combined single limit of \$1,000,000 per occurrence. Such insurance shall include the Customer, its officers, directors, employees, and elected officials as additional insured's for liability arising from ATS's operation.
- (b) Workers Compensation as required by applicable state law, and Employers' Liability insurance with limits of not less than \$500,000 each accident; ATS shall at all times maintain worker's compensation insurance coverage in the amounts required by law, but shall not be required to provide such coverage for any actual or statutory employee of Customer.
- (c) Comprehensive Business Automobile Liability Insurance for all owned, non-owned and hired automobiles and other vehicles used by ATS with a minimum \$1,000,000 per occurrence combined single limit bodily injury and property damage.

The Customer and its officers and employees, shall be named as additional insured on the comprehensive general liability policies provided by ATS under this Agreement. ATS shall require any subcontractors doing work under this Agreement to provide and maintain the same insurance, which insurance shall also name the Customer and its officers, employees, and authorized volunteers as additional insureds.

Certificates showing ATS is carrying the above described insurance, and evidencing the additional insured status specified above, shall be furnished to the Customer within thirty calendar days after the date on which this Agreement is made. Such certificates shall show that the Customer shall be notified of all cancellations of such insurance policies. ATS shall forthwith obtain substitute insurance in the event of a cancellation.

Inasmuch as the Customer is a body politic and corporate, the laws from which Customer derives its powers, insofar as the same law regulates the objects for which, or manner in which, or the concerns under which, the Customer may enter into this Agreement, shall be controlling and shall be incorporated by reference into this Agreement. The Customer shall be responsible for vehicle insurance coverage on any vehicles driven by Customer employees. Coverage will include liability and collision damage.

12. STATE LAW TO APPLY:

This Agreement shall be construed under and in accordance with the laws of the State Washington and venue for any action that arises from or out of this Agreement shall be the Snohomish County Superior Court.

13. DISPUTE RESOLUTION:

a. All disputes arising out of or in connection with the Agreement shall be attempted to be settled through good-faith negotiation between senior management of both parties, followed if necessary within thirty (30) days by professionally-assisted mediation. Any mediator so designated must be acceptable to each party. The mediation will be conducted as specified by the mediator and agreed upon by the parties. The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the dispute. The mediation will be treated as a settlement discussion and therefore will be confidential. The mediator may not testify for either party in any later proceeding relating to the dispute. No recording or transcript shall be made of the mediation proceedings. Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

b. Failing resolution through negotiation or mediation, any remaining dispute shall be submitted to binding arbitration in accordance with the Arbitration Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association ("AAA Rules") before a single arbitrator. The place of arbitration will be mutually agreed upon within 14 days of a decision to seek arbitration. Limited discovery will be permitted in connection with the arbitration upon agreement of the parties or upon a showing of substantial need by the party seeking discovery. The arbitrator's decision shall follow the plain and natural meaning of the relevant documents, and shall be final and binding. The arbitrator will have no power to award (i) damages inconsistent with the Agreement or (ii) punitive damages or any other damages not measured by the prevailing party's actual damages, and the parties expressly waive their right to obtain such damages in arbitration or in any other forum. All aspects of the arbitration will be confidential. Neither the parties nor the arbitrator may disclose the existence, content or results of the arbitration, except as necessary to comply with legal or regulatory requirements. Each party will promptly pay its share of all arbitration fees and costs, provided that such fees and costs shall be recoverable by the prevailing party as determined by the arbitrator.

If a party fails to pay such share promptly upon demand, the arbitrator shall, upon written request by the other party, enter a final and binding decision against the nonpaying party for the full amount of such share, together with an award of attorney's fees and costs incurred by the other party in obtaining such decision, which decision may be entered in any court of competent jurisdiction. Except for the failure of a party to pay arbitration fees and costs that requires resort to the arbitrator to order such payment, the parties will bear their own attorneys' fees in any matter or dispute under this Agreement. All mediation and arbitration proceedings shall occur within 50 miles of Customer's principal offices.

14. CHANGE ORDERS OR ADDITIONAL SERVICES:

Changes to services or scope and additional systems and services may be added to this agreement by mutual consent of the parties in writing as an addendum to this Agreement. Customer and ATS agree that should legislation or local ordinance be enacted to enable speed enforcement within the City limits, the Customer shall have the option to negotiate services and fees and issue a change order to cover such services. All other terms and conditions shall remain the same.

15. LEGAL CONSTRUCTION:

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

16. PRIOR AGREEMENT SUSPENDED:

This Agreement constitutes the sole and only agreement of the parties and supersedes any prior understanding, written or oral, between the parties respecting the written subject matter.

17. AMENDMENT:

No amendments, modifications, or alterations of the terms hereof shall be binding unless the same be in writing, dated subsequent to the date of this Agreement and duly executed by the parties.

18. NO AGENCY:

ATS is an independent contractor providing services to the Customer and the employees, agents and servants of ATS shall in no event be considered to be the employees, agents, or servants of the Customer. This contract is not intended to create an agency relationship between ATS and the Customer.

19. FORCE MAJEURE:

Neither party will be liable to the other or be deemed to be in breach of this agreement for any failure or delay

in rendering performance arising out of causes beyond its reasonable control and without its fault or negligence. Such causes may include but are not limited to, acts of God or the public enemy, terrorism, significant fires, floods, earthquakes, epidemics, quarantine restrictions, strikes, freight embargoes, unusually severe weather, or governmental authorities approval delays which are not caused by any act or omission by ATS. The party whose performance is affected agrees to notify the other promptly of the existence and nature of any delay.

20. TAXES:

In the event that any excise, sales or other taxes are due relating to this service contract, the Customer will be responsible for the payment of such taxes; provided that in the normal course of business such taxes are owed and paid by the party to whom the services are provided.

21. REPRESENTATIONS AND WARRANTIES:

ATS represents and warrants that it has the requisite training, skill and experience necessary to provide the services under this Agreement, and is appropriately accredited and licensed by all applicable agencies and governmental entities. ATS warrants that all materials, equipment and/or services provided under this Agreement shall be fit for the purpose(s) for which intended. Acceptance of any service or inspection by Customer shall not alter or affect the obligations of ATS or the rights of the Customer.

22 NOTICES:

Any notices or demand which under the terms of this Agreement or under any statute must or may be given or made by ATS or Customer shall be in writing and shall be given or made by personal service, telegram, first class mail, FedEx, or by certified or registered mail to the parties at the following address:

Attn: _____

American Traffic Solutions, Inc.
14861 N. Scottsdale Rd, Suite 109
Scottsdale, AZ 85254
Attn: Chief Operating Officer

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date on Page 1.

AMERICAN TRAFFIC SOLUTIONS, INC.

Adam E. Tuton, Executive Vice President

Mayor

ATTEST:

City Clerk

Exhibit A
ATS SCOPE OF WORK

1 AMERICAN TRAFFIC SOLUTIONS (ATS) SCOPE OF WORK

1.2 ATS IMPLEMENTATION

- 1.2.13 ATS agrees to provide a turnkey solution for Camera Systems to the Customer wherein all reasonably necessary elements required to implement and operate the solution are the responsibility of ATS, except for those items identified in Section 2 titled "Customer Scope of Work". ATS and the Customer understand and agree that new or previously unforeseen requirements may, from time to time, be identified and that the parties shall negotiate in good faith to assign to the proper party the responsibility and cost for such items. In general, if work is to be performed by the Customer, unless otherwise specified, the Customer shall not charge ATS for the cost. All other in-scope work, external to the Customer, is the responsibility of ATS.
- 1.2.14 ATS agrees to make every effort to adhere to the Project Time Line outlined in Schedule 4.
- 1.2.15 ATS will assist the Customer with video evaluation of candidate sites using the Axis VIMS system.
- 1.2.16 ATS will install Camera Systems at a number of intersection or grade crossing approaches to be agreed upon between ATS and the Customer after completion of site analyses to be entered into Schedule 5. In addition to the initial locations, the parties may agree from time to time, by additional Work Order(s), to add to the quantities and locations where Camera Systems are installed and maintained.
- 1.2.17 ATS will operate each Camera System on a 24-hour basis, barring downtime for maintenance and normal servicing activities.
- 1.2.18 ATS' in-house marketing department will assist the Customer with public information and outreach campaign strategies, upon Customer's request. In addition, depending upon the agreed-upon strategy, ATS may pay for agreed upon extra scope expenditures for public relations consultants, advertising, or media relations provided that such extra scope expenditures will be reimbursed to ATS from collected revenues.
- 1.2.19 ATS agrees to provide a secure web site (www.violationinfo.com) accessible to citation recipients (defendants) by means of a Notice # and a PIN, which will allow violation image and video viewing.
- 1.2.20 The Customer and ATS will complete the Project Business Process Work Flow design within 30 calendar days of contract signature; the parties to this agreement will use the drafts included on Schedules 2 and 3 as the basis for the final workflow design.
- 1.2.21 ATS normally shall provide technician site visits to each Camera System once per month to perform preventive maintenance checks consisting of camera enclosure lens cleaning; camera, strobe and controller enclosure cleaning; inspection of exposed wires; and general system inspection and maintenance.
- 1.2.22 ATS shall repair a non-functional Camera System within 72 business hours of determination of a malfunction.
- 1.2.23 ATS shall repair the Axis VPS system within 1 business day from the time of the outage. Outages of Customer internet connections or infrastructure are excluded from this service level.

1.2.24 For any city using ATS lockbox or *epayment* services, ATS will establish a demand deposit account bearing the title, "American Traffic Solutions, Inc. as agent for Customer" at U.S. Bank. All funds collected on behalf of the Customer will be deposited in this account and transferred by wire the first business day of each week to the Customer's primary deposit bank. The Customer will identify the account to receive funds wired from U.S. Bank. Customer shall sign a W-9 and blocked account agreement, to be completed by the Customer, to ensure the Customer's financial interest in said U.S. Bank account is preserved.

1.3 ATS OPERATIONS

1.3.13 ATS shall provide the Customer with an optional one-time warning period up to 30 days in length at the outset of the program.

1.3.14 As the party responsible for initial contact with the red light violator, ATS shall provide the Customer with an automated web-based citation processing system (Axisis™ VPS) including image processing, 1st notice color printing and mailing of at Citation or Notice of Violation per chargeable event. Each citation shall be delivered by First Class mail to the registered owner within the statutory period. Mailings to owners responding to first notices identifying drivers in affidavits of non-liability or by rental car companies are also included according to each pricing option.

1.3.15 Subsequent notices (such as second or pre-collection letters) may be delivered by First Class or other mail means for additional compensation to ATS as agreed by the parties in Schedule 1.

1.3.16 ATS shall apply an electronic signature to the citation when authorized to do so by an approving law enforcement officer.

1.3.17 ATS shall obtain in-state vehicle registration information necessary to issue citations assuming that it is named as the Customer's agent and the State provides the registration data at no cost.

1.3.18 ATS shall seek records from out-of-state vehicle registration databases and apply records found to Axisis to issue citations for the Customer according to each pricing option.

1.3.19 If Customer is unable to or does not desire to integrate ATS data to its court system, ATS shall provide an on-line court processing module, which will enable the court review cases, related images, correspondence and other related information required to adjudicate the disputed citation. The system will also enable the Court staff to accept and account for payments. Any costs to integrate ATS system to a court computer system shall be borne by the Customer. ATS may agree to cover these up front costs and recover the costs from collected revenue.

1.3.20 The Axisis™ VPS system, which provides the Customer with ability to run and print a reports, shall include the following:

- Issuance Rate Report
- Location Performance Summary Report
- Location Performance Detail Report
- Violation Reject Report
- Document Aging Report

1.3.21 If required by the court or prosecutor, ATS shall provide the Customer with, or train a local expert witness able to testify in Court on matters relating to the accuracy, technical operations, and effectiveness of the Axisis™ System until judicial notice is taken.

1.3.22 In those instances where damage to a Camera System or sensors is caused by negligence on the part of the Customer or its authorized agent(s), ATS will provide an estimate of the cost of repair. Upon authorization to proceed with the repairs or replacement, ATS shall replace or repair any damaged equipment and invoice for the pre-approved repair cost. ATS shall bear the cost to replace or repair equipment damaged in all other circumstances.

1.3.23 ATS shall provide a help line to help the Customer resolve any problems encountered regarding its Red Light Camera System and/or citation processing. The help line shall function during normal business hours.

2 CUSTOMER SCOPE OF WORK

2.2 GENERAL IMPLEMENTATION REQUIREMENTS

2.2.13 Within 7 business days of contract execution, the Customer shall provide ATS with the name and contact information for a project manager with authority to coordinate Customer responsibilities under the Agreement.

2.2.14 Within 7 business days of contract execution, the Customer shall provide ATS with the name and contact information for a Municipal Court manager responsible for oversight of all Court-related program requirements

2.2.15 The Customer shall make every effort to adhere to the Project Time Line outlined in Schedule 4.

2.2.16 The Customer shall, on a form provided by ATS, provide verification to the State Department of Motor Vehicles, National Law enforcement Telecommunications System, or appropriate authority indicating that ATS is acting as an Agent of the Customer for the purposes of accessing vehicle ownership data pursuant to the list of permissible uses delineated in the Drivers Privacy Protection Act 18 U.S.C. § 2721, Section (b) (1) and as may otherwise be provided or required by any provision of applicable state law.

2.2.17 The Customer and ATS shall complete the Project Business Process Work Flow design within 30 calendar days of contract signature, using the drafts included on Schedules 2 and 3 as the basis for the final workflow design.

2.3 STREETS AND TRAFFIC DEPARTMENT OPERATIONS

2.3.13 Customer shall execute a right of way agreement or amendment to allow installation of red light cameras on state roads with Washington Department of Transportation within 30 days of contract execution.

2.3.14 If the Customer chooses to move a Camera System to a new approach after initial installation, it shall pay the costs to relocate the System.

2.3.15 Customer will design, fabricate, install and maintain red light camera warning signs. If Customer cannot provide such signage, ATS will do so and charge the costs to the client.

2.3.16 The Customer shall provide access to traffic signal phase connections according to approved design.

2.3.17 Customer shall allow ATS to access power from existing power sources at no cost and shall allow or facilitate access to traffic signal phase connections to a pull box, pole base, or controller cabinet nearest to each Camera System within the Customer's jurisdiction. The costs of any additional conduit or power infrastructure needed to support installation of the Camera shall be funded by ATS and ATS shall recover such added costs out of collected revenue in addition to its normal fees.

2.3.18 The Customer shall not require ATS to provide installation drawings stamped by a licensed civil engineer. However, ATS work product and drawings shall be overseen and approved by and ATS PE and such deliverable shall conform to applicable engineering norms and reflect the details of installation work to be completed.

2.3.19 The Customer shall approve or reject ATS submitted plans within 7 business days of receipt and shall limit iterations to a total of one revision beyond the initially submitted plans. Total plan approval duration shall not exceed 10 business days.

2.3.20 The Customer shall not charge ATS or its subcontractor for building, constructions, street use and/or pole attachment permits.

2.4 POLICE DEPARTMENT OPERATIONS

2.4.13 The Police Department shall process each potential violation in accordance with State Laws and/or City Ordinances within 3 business days of its appearance in the Police Review Queue, using Axisis™ to determine which violations will be issued as Citations or Notices of Violation.

2.4.14 Police Department workstation computer monitors for citation review and approval should provide a resolution of 1280 x 1024.

2.4.15 For optimal data throughput, Police Department workstations should be connected to a high-speed internet connection with bandwidth of T-1 or greater.

2.4.16 Police Department shall provide signatures of all authorized police users who will review events and approve citations on forms provided by ATS.

2.5 COURT OPERATIONS

2.5.13 If Customer does not provide check payment processing, Customer use ATS payment processing services. The fees for lockbox and epayment services are presented on Schedule 1.

2.5.14 Court shall provide a judge or hearing officer and court facilities to schedule and hear disputed citations.

2.5.15 Court shall provide the specific text required to be placed on the Citation notice to be issued by ATS within 30 calendar days of contract signature.

2.5.16 The Court shall approve the Citation form within 15 days receipt from ATS.

2.5.17 Municipal Court shall handle inbound and outbound phone calls and correspondence from defendants who have questions about disputes, and other issues relating to citation adjudication. Court may refer citizens with questions regarding ATS or Axisis technology and processes to websites and/or toll-free telephone numbers provided by ATS for that purpose.

2.5.18 Within 10 days after expiration of a second notice, Municipal court shall pursue delinquent collections of unpaid notices with an existing contractor or ATS.

2.5.19 Any potential one time, direct costs to ATS (including ATS' costs) to develop an interface between the Court system will be initially paid by ATS will be reimbursed to ATS from collected revenues from the program once available.

2.6 INFORMATION TECHNOLOGY DEPARTMENT OPERATIONS

2.6.13 In the event that remote access to the ATS Axisis VPS System is blocked by Customer network security infrastructure, the Customer's Department of Information Technology

shall coordinate with ATS to facilitate appropriate communications while maintaining required security measures.

- 2.6.14 If Customer-owned telecommunications lines or WiFi networks are present at or near the site, and if feasible to share such existing bandwidth, ATS shall be allowed to use such infrastructure for data transmission. ATS shall work with the City's IT department to ensure City security protocols are maintained.

Schedule 1

Service Fee Schedule

Fixed Fee per Month with Surcharge for Excess Use	
Red Light Camera System – per intersection approach system installed	
Up to 2 Lane System	\$4,250
Up to 5 Lane System	\$4,750
<p>Includes red light camera equipment, installation, maintenance, violation processing services. Event processing includes in web application hosting, maintenance and remote administration, clerical data entry and quality review steps, state and out of state DMV records access and data acquisition, mailing of 1st notice in color with return envelope, mailing of reminder notice-text only, lockbox payment processing, web-payments access with user convenience fee, call center support for general program questions, web site accessible to citizens for image viewing, information and payments, and design support for city-implemented public awareness program.</p>	
Fees for Optional Court Services	
1. Lockbox payment processing service including processing of checks, money orders, cashiers checks and cash as well as initial program setup and ongoing monthly accounting – fee per processed payment.	\$1.50
Fixed Speed System	
Fixed Site Speed Camera for School Zone Enforcement	
Monthly fee includes up to a 5-lane site and up to 600 issued citations per month per camera. ATS charges a surcharge of \$4.00 for the mailing and handling each additional citation issued per month per camera over the 600 base. Fees are only charged during months the cameras are operational.	\$4,750

Workflow Diagrams

[to be added after consultation with Police and Court]

Schedule 4
Project Timeline

[TBD]

Schedule 5
Initial Camera Locations

The Customer will designate first phase implementation of cameras at designated intersections. ATS shall make its best efforts to install a camera system within forty-five (45) business days of receipt of approved permits and powered delivered for each agreed upon intersection approach, providing that customer has received permission for all implementations in writing from any third-party sources.