

**SERVICES AGREEMENT  
BETWEEN THE CITY OF REDMOND, WASHINGTON  
AND NOVOAGLOBAL, INC. FOR  
TRAFFIC INFRACTION DETECTION & ENFORCEMENT PROGRAM**

This **AGREEMENT** (the “**Agreement**”) made this \_\_\_\_ day of \_\_\_\_, 2025, by and between NovoaGlobal, Inc., a Delaware corporation having a place of business at 8018 Sunport Drive, Suite 203, Orlando, Florida 32809 (“**NG**”), and the City of Redmond, a municipal corporation of the State of Washington, having an address at 15670 NE 85th St, Redmond, WA 98052 (the “**Customer**” and together with NG, the “**Parties**” and each singularly a “**Party**”).

**WITNESSETH:**

**WHEREAS**, pursuant to the Chapter 10.25 of the Redmond Municipal Code as currently enacted or hereafter amended, the Customer may implement an automated photo enforcement program; and

**WHEREAS**, NG has the knowledge, possession, and ownership of certain equipment, licenses and processes, referred to collectively as the NG Safety System (the “**System(s)**”); and

**WHEREAS**, the Customer desires to use the Systems to monitor and enforce school speed zone violations. Future uses could include park zone speed enforcement and red-light violations in accordance with applicable laws and ordinances; and

**WHEREAS**, the Parties desire to enter into this Agreement, whereby NG will (i) install and assist the Customer in the administration and operation of the Systems, as described in more detail on **Exhibit A** to this Agreement at the locations within the Customer’s jurisdiction, and provide to the Customer the services (the “**Services**”), all as more fully described on **Exhibit A**;

NOW, **THEREFORE**, in consideration of the mutual terms, covenants, and conditions contained herein, and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

**1. RECITALS AND EXHIBITS.** The foregoing recitals are true and correct and are hereby incorporated in *haec verba*. All exhibits attached to this Agreement contain additional terms of this Agreement and are hereby incorporated in *haec verba*.

**2. SERVICES**

**2.1.** NG agrees to use commercially reasonable efforts to install and provide to the Customer for the Term the Systems and Services including the equipment (the “**Equipment**”) and software (the “**Software**”) to be supplied and installed by NG in accordance with **Exhibit A** (including the provision of all construction drawings, permit applications and other documents required by applicable law for the

installation and operation of the System(s)). In addition, if and to the extent set forth in ***Exhibits A and B*** NG shall also supply to the Customer:

**2.1.1.**infraction preparation processes that assist the Customer in complying with current applicable law;

**2.1.2.**training of personnel designated by the Customer involved with the operation of the Systems and/or the enforcement and disposition of infractions;

**2.1.3.**expert witness testimony regarding the operation and functionality of the System; and

**2.1.4.**other support services for the System as set forth in ***Exhibit A***.

**2.2.** The Customer understands and agrees that (i) NG may, subject to the prior approval of the Customer, which approval shall not be unreasonably delayed, conditioned or withheld, subcontract with third parties for the provision or installation of part or parts of the Systems or Services and (ii) installation of the Systems requires the Customer's cooperation and compliance with NG's reasonable instructions (including but not limited to Customer's provision of the personnel, equipment, engineering plans, and other resources as described in ***Exhibit A*** or as otherwise reasonably requested by NG) and reasonable access by NG (or such third parties) to Customer premises and systems and the Customer agrees to provide all of the foregoing to NG.

**2.3.** The Customer understands and agrees that the Systems will be owned by NG (or its designees). The Customer shall use its best efforts to assist NG to identify any third-party who is responsible for damage to the Systems or any part thereof.

**2.4.** NG shall coordinate its work with the Customer's police, public works and engineering departments and, as necessary or required, with the Department of Transportation.

### **3. LICENSE/RESERVATION OF RIGHTS**

**3.1.LICENSE.** Subject to the terms and conditions of this Agreement, NG hereby grants the Customer during the Term, and the Customer hereby accepts from NG upon the terms and conditions herein specified, a non-exclusive, non-transferable license during the Term of this Agreement to: (a) solely within the Customer, access and use the NG System (including any hardware and software provided or given access to the customer) for the sole purpose of reviewing Potential Violations and authorizing the issuance of NOIs pursuant to the terms of this Agreement, and to print copies of any content posted on the NG System in connection therewith, (b)

disclose to the public (including outside of the Customer) that NG is providing services to the Customer in connection with Photo Enforcement Program pursuant to the terms of this Agreement, and (c) use and display the NG Marks on or in marketing, public awareness or education, or other publications or materials relating to the Photo Enforcement Program, so long as any and all such publications or materials are approved in advance by NG. Except as provided in Section 22 the license rights granted to Customer in the Section shall terminate at the expiration or termination of the Agreement.

- 3.2. RESERVATIONS OF RIGHTS.** The Customer hereby acknowledges and agrees that: (a) NG is the sole and exclusive owner of the NG System, the NG Marks, all Intellectual Property arising from or relating to the NG System, and any and all related Equipment, (b) the Customer neither has nor makes any claim to any right, title or interest in any of the foregoing, except as specifically granted or authorized under this Agreement, and (c) by reason of the exercise of any such rights or interests of Customer pursuant to this Agreement, the Customer shall gain no additional right, title or interest therein.
- 3.3. RESTRICT USE.** The Customer hereby covenants and agrees that it shall not (a) make any modifications to the NG System, including but not limited to any Equipment, (b) alter, remove or tamper with any NG Marks, (c) use any of the NG Marks in any way which might prejudice their distinctiveness, validity or the goodwill of NG therein, (d) use any trademarks or other marks other than the NG Marks in connection with the Customer's use of the NG System pursuant to the terms of this Agreement without first obtaining the prior consent of NG, or (e) disassemble, de-compile or otherwise perform any type of reverse engineering to the NG System, the NG System, including but not limited to any Equipment, or to any, Intellectual Property or Proprietary Property of NG, or cause any other Person to do any of the foregoing.
- 3.4. PROTECTION OF RIGHTS.** NG shall have the right to take whatever action it deems necessary or desirable to remedy or prevent the infringement of any Intellectual Property of NG, including without limitation the filing of applications to register as trademarks in any jurisdiction any of the NG Marks, the filing of patent application for any of the Intellectual Property of NG, and making any other applications or filings with appropriate Governmental Authorities. The Customer shall not take any action to remedy or prevent such infringing activities, and shall not in its own name make any registrations or filings with respect to any of the NG Marks or the Intellectual Property of NG without the prior written consent of NG.
- 3.5. INFRINGEMENT.** The Customer shall use its reasonable best efforts to give NG prompt notice of any activities or threatened activities of any Person of which it

becomes aware that infringes or violates the NG Marks or any of NG's Intellectual Property or that constitute a misappropriation of trade secrets or act of unfair competition that might dilute, damage or destroy any of the NG Marks or any other Intellectual Property of NG. NG shall have the exclusive right, but not the obligation, to take action to enforce such rights and to make settlements with respect thereto. In the event that NG commences any enforcement action under this Section 3.5, then the Customer shall render to NG such reasonable cooperation and assistance as is reasonably requested by NG, and NG shall be entitled to any damages or other monetary amount that might be awarded after deduction of actual costs; provided, that NG shall reimburse the Customer for any reasonable costs incurred in providing such cooperation and assistance.

- 3.6. **INFRINGEMENT USE.** The Customer shall give NG prompt written notice of any action or claim action or claim, whether threatened or pending, against the Customer alleging that the NG Marks, or any other Intellectual Property of NG, infringes or violates any patent, trademark, copyright, trade secret or other Intellectual Property of any other Person, and the Customer shall render to NG such reasonable cooperation and assistance as is reasonably requested by NG in the defense thereof; provided, that NG shall reimburse the Customer for any reasonable costs incurred in providing such cooperation and assistance. If such a claim is made and NG determines, in the exercise of its sole discretion, that an infringement may exist, NG shall have the right, but not the obligation, to procure for the Customer the right to keep using the allegedly infringing items, modify them to avoid the alleged infringement or replace them with non-infringing items.

#### 4. **TERM**

- 4.1. The effective date of this Agreement shall be the date first written above (the “**Effective Date**”). The initial term (the “**Initial Term**”) of this Agreement, shall begin upon the Effective Date, following full execution of the Agreement by the Parties, and shall continue until the fifth (5th) annual anniversary of the Installation Date (the “**Installation Date**”). The “Installation Date” shall be the latest date that a System becomes installed and operational (issue payable violations).
- 4.2. The terms of this Agreement shall be automatically extended for two (2) additional terms of five (5) years (each, a “**Renewal Term**”), on the same terms and conditions specified herein except that the amounts due pursuant to Section 6 hereof shall be adjusted in accordance with the lesser of the change in the Consumer Price Index – All Urban Consumers – U.S. City Average (“**CPI**”) or four (4) percent and by multiplying said amounts by the percentage change in the CPI (or four (4) percent, as applicable) from the beginning of the immediately preceding term to the

end of the immediately preceding Term. (Each Renewal Term, if any, together with the Initial Term, the “**Term**”).

## **5. TERMINATION AND EXPIRATION**

- 5.1.** This Agreement may be terminated by mutual written consent of the Parties.
- 5.2.** This Agreement may be terminated for cause, by either Party if the other Party fails in any material way to perform its obligations under the Agreement or otherwise defaults in the performance of any obligation under this Agreement and such failure or default continues for more than forty-five (45) days after written notice thereof to the defaulting Party.
- 5.3.** NG may terminate this Agreement, without liability, on thirty (30) days advance written notice if NG concludes in its reasonable discretion that (i) potential or actual liability of NG to third parties (other than persons claiming to own Intellectual Property required for the operation of the System) arising out of or in connection with the System makes the program impractical, uneconomical or impossible to continue.
- 5.4.** The Customer may terminate this Agreement on thirty (30) days advance written notice if the Customer concludes in its reasonable discretion that (i) potential or actual liability of the Customer to third parties arising out of or in connection with the System makes the program impractical, uneconomical, legally contested or impossible to continue; and/or (ii) the Systems cannot be installed. Violation of the Customer’s ethics code would constitute cause to terminate this agreement.
- 5.5.** The Customer may terminate this Agreement on thirty (30) days advance written notice if state statutes are amended to prohibit or substantially change the operation of the Systems, or a court having jurisdiction over the City rules, or state or federal statute declares, that infractions generated from the Systems are inadmissible in evidence.
- 5.6.** Upon termination or expiration of this Agreement, the Parties recognize that the Customer will have to process violations in the “pipeline,” and that NG accordingly must assist the Customer in this accord. Accordingly, the Parties shall take the following actions during the wind-down period, and shall have the following obligations, outlined in Sections 5.7 and 5.8 below, which obligations shall survive termination or expiration of the Agreement:
- 5.7.** The Customer shall cease using the Software and Equipment in its possession, custody or control and shall (a) immediately allow NG a reasonable opportunity to remove such Equipment not to exceed sixty (60) days and (b) (i) immediately

deliver to NG or irretrievably destroy, or cause to be so delivered or destroyed, any and all copies of such Software in whatever form and any written or other materials relating to such Software in the Customer's possession, custody or control and within thirty (30) days deliver to NG a certification thereof or (ii) allow NG reasonable access to the System(s) on which such Software is loaded and permission to NG to remove such Software and documentation.

- 5.8.** Unless directed by the Customer not to do so, NG 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 the fees specified in the Agreement as if the Agreement were still in effect.

## **6. FEES AND PAYMENT**

The Customer agrees to pay NG a monthly fee as follows (the “**Monthly Fees**”):

- 6.1. Monthly Fees** (pro-rated for any partial month) as described in *Exhibit B* (Compensation & Pricing) in arrears with respect to each approach at which a System has been installed. The Monthly Fee shall commence on the first business day of the month following Commencement of Operations of each System and shall continue on the first business day of each month for the Term or until this Agreement is sooner terminated or such payment is modified in accordance with Section 4.2. For purposes of this Agreement, “**Commencement of Operations**” shall mean the first full day that the System captures events for processing and issuance of notices of violation.
- 6.2. The Customer, being a Municipal Corporation, is not generally exempt from sales tax per WAC 458-20-189. Accordingly, NG shall add sales tax to the invoices provided to the Customer in compliance with Washington State Law; provided, if Customer obtains a ruling from the Washington State Department of Revenue that the fees paid by the Customer to NG under this Agreement are exempt from sales tax, then NG shall not add sales tax to invoices.**
- 6.3.** In the event that the United States Postal Service increases applicable First-Class Mail and/or Certified Mail postage from the rates in effect at the time of Commencement of Operation, NG may invoice the Customer for the increased postage actually paid by NG in connection with this Agreement. For example, if First Class Mail postage were increased by \$0.02, and NG mailed 1,000 notices, NG would invoice the Customer \$20.00. All such charges to Customer shall be included in the cost-neutrality calculation.
- 6.4.** Payment of all undisputed fees and undisputed other charges owed pursuant to this Agreement is due as set forth above, and, to the extent invoice is required, within

thirty (30) days after receipt of the invoice. Invoices will be sent to the Customer at:

AccountsPayable@redmond.gov

- 6.5. Notwithstanding anything in this Agreement to the contrary, if amounts due to NG pursuant to Section 6.1 in any month during the Term plus any amounts due to NG pursuant to this Section 6.4 (“**Monthly Photo Enforcement Fees**”) exceed the revenue generated by operation of the Systems and actually received by the Customer during that same month (“**Monthly Photo Enforcement Revenue**”) then the Customer shall have the option to either pay the Monthly Photo Enforcement Fees or pay to NG for such month only the amount of Monthly Photo Enforcement Revenue. In such case, the difference between Monthly Photo Enforcement Fees and Monthly Photo Enforcement Revenue (a “**Payment Shortfall**”) shall be accumulated and added to the Monthly Photo Enforcement Fees for the following month. Payment Shortfalls, if any, shall accumulate from month-to-month until paid in full, provided that under no circumstances shall the Customer ever be required to make a payment of Monthly Photo Enforcement Fees to NG except from Monthly Photo Enforcement Revenue. At the final expiration of this Agreement (last day of validity of the agreement including any extensions) any accumulated Payment Shortfalls shall be forfeited.

## 7. RESPONSIBILITIES OF THE CUSTOMER

- 7.1. The Customer shall provide NG with any “as built” drawings in electronic format (AutoCad) that are available at no cost to the Customer and shall consider for approval NG’s engineering drawings without unusual or unreasonable cost or delay.
- 7.2. The Customer shall not levy any fees on NG for the installation of Systems. However, if municipal ordinance requires the assessment of fees for the installation of Systems, said fees shall be limited to permit fees as required by the Customer’s Municipal code and the Customer’s Public Utilities electrical permits for service.
- 7.3. The Customer shall diligently prosecute infractions in court at its own expense. NG shall, at its own expense, participate in any proceeding challenging the use of the System or validity of its results and/or use of the U.S. Mails to deliver the infraction.
- 7.4. The Customer will cooperate with NG in obtaining electrical connections at the roadside and NG shall pay all costs associated with such connection and shall pay for all power required by the System.

- 7.5. To allow for proper operation of the System, when known to the Customer, the Customer shall provide NG with advance written notice of any modifications proposed to intersections or portions of the roadway, including traffic signal operations, that will likely affect operation of a System after its installation. In the event any such intersection or roadway modification requires a material change to the System, the Customer shall pay the costs reasonably incurred by NG to adapt the affected video monitoring system(s) or fixed speed enforcement unit(s) to make such video monitoring system(s) or fixed speed enforcement unit(s) compatible therewith. Notwithstanding the above, NG makes no guarantee that it will be able to make any such adaptation. In the event that NG is unable to adapt the affected System, then both parties shall be relieved of any further obligations under this Agreement with respect only to the affected System. In addition, NG does not, and will not, make recommendations or otherwise manage the configuration or operation of the intersection traffic light system.
- 7.6. During the Term, except as expressly permitted by this Agreement the Customer shall not use the System, or allow the System's use by a third party, without the prior written permission of NG.

## **8. LIMITED WARRANTY AND LIMITATION ON DAMAGES**

- 8.1. NG warrants that the System's functionality will conform in all material respects to the description of the System set forth on *Exhibit A*.
- 8.2. EXCEPT AS SPECIFICALLY PROVIDED HEREIN, NG HEREBY DISCLAIMS ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THE SERVICES AND SYSTEM, INCLUDING, WITHOUT LIMITATION, ALL IMPLIED WARRANTIES OF TITLE, NON-INFRINGEMENT, NON-INTERFERENCE WITH ENJOYMENT, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE AND ALL WARRANTIES IMPLIED FROM ANY COURSE OF DEALING OR USAGE OF TRADE. THE CUSTOMER ACKNOWLEDGES THAT EXCEPT AS EXPRESSLY PROVIDED HEREIN NO OTHER WARRANTIES HAVE BEEN MADE TO MUNICIPALITY BY OR ON BEHALF OF NG OR OTHERWISE FORM THE BASIS FOR THE BARGAIN BETWEEN THE PARTIES.
- 8.3. The Customer acknowledges and agrees that:
- 8.3.1. The Systems may not detect every violation;
  - 8.3.2. Since the System may flag as a violation conduct that is in fact not a violation, the output of the System will require review, analysis and



approval by personnel appropriately qualified and authorized by the Customer under applicable law prior to the issuance of any infraction;

**8.3.3.**The System has no control over, and relies on the proper functioning of equipment for signal light changes, which equipment is provided by entities other than NG;

**8.3.4.**The proper functioning of the System requires the Customer's full and complete compliance with the Systems' operating instructions, which it hereby agrees to do; and

**8.3.5.**NG shall not be responsible for the configuration and/or operation of any intersection traffic light systems and NG shall have no liability or obligations with respect thereto.

## **9. INDEMNIFICATION AND INSURANCE**

**9.1.** NG shall at all times comply with all federal, state and local laws, ordinances and regulations and shall comply with the maintenance procedures and manufacturer's recommendations for operation of the Systems which affect this Agreement, and shall indemnify, defend and save harmless the Customer against any claims, arising from NG's violation of any such laws, ordinances and regulations or any claims arising from NG's performance of this Agreement, including as a result of the negligence or willful misconduct of NG, its officers and directors, agents, attorneys, and employees, but excluding any employees or agents of Customer.

**9.2.** NG agrees to indemnify, defend, and hold harmless the Customer from any claim of damages (including the payment of reasonable attorneys' fees) by a third party arising solely from either (a) a finding that the System infringes any validly issued United States patent or (b) NG's negligence, provided that such claim of damages is not attributable to (i) any act or omission set forth in Section 9.3 or (ii) any third-party software or other third-party products used with, required for use of, or supplied under their own names with or as part of the System. If, as a final result of any litigation of which NG is obligated to indemnify, the use of the System by the Customer is prevented, in whole or in part, by an injunction, NG's sole obligation to the Customer as a result of such injunction shall be, at NG's option, either to (i) replace such part as has been enjoined, or (ii) procure a license for NG or the Customer to use same, or (iii) remove same and terminate this Agreement at no additional cost to the Customer.

**9.3.** Notwithstanding anything in this Agreement to the contrary, NG assumes no obligation or liability for any claim of damages (including the payment of reasonable attorneys' fees) by a third party arising from or related to (i) any

modification of the System made by the Customer, (ii) the negligence or intentional act of the Customer, (iii) the failure to function properly of any hardware, software or equipment of any kind used by, in or on behalf of the Customer (other than that supplied by NG), (iv) the review and analysis of the System data output by the Customer personnel for infraction preparation, or (v) the Customer's use and/or administration of any traffic signal.

**9.4.** The rights of the Customer to seek indemnification under this Section 9 shall be conditioned upon (i) the Customer notifying NG promptly upon receipt of the claim or action for which indemnification is sought and (ii) the Customer's full cooperation with NG in the settlement or defense of such claim or action at no cost to the Customer. Such cooperation shall include, but not be limited to, the Customer providing access for, and permission to, NG for the purpose of the replacement of such part or parts of Systems as NG may deem necessary or desirable. The Customer may participate in the defense of any indemnified matter through counsel of its own choice and at its own expense provided that NG shall remain in, and responsible for, control of the matter. This Section 9 states the entire liability and obligation and the exclusive remedy of the Customer with respect to any actions or claims (i) of alleged infringement relating to or arising out of the subject matter of this Agreement or (ii) otherwise the subject of this paragraph.

**9.5.** NG shall maintain the following minimum scope and limits of insurance:

**9.5.1.** Comprehensive general liability insurance including but not limited to 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 \$2,000,000 per occurrence, with an aggregate liability per occurrence of \$2 million. Such insurance shall include the Customer, its officers, directors, employees, and elected officials as additional insured for liability arising from Contractor's operation.

**9.5.2.** Workers Compensation as required by applicable state law; and

**9.5.3.** Comprehensive Automobile Liability Insurance for all owned, non-owned and hired automobiles and other vehicles used by NG with a minimum \$1,000,000 per occurrence combined single limit bodily injury and property damage.

**9.6.** The Customer shall be named as additional insured on the comprehensive general liability policies provided by NG under this Agreement. NG 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 insured.

**9.7.** Certificates showing NG is carrying the above described insurance, and evidencing the additional insured status specified above, shall be furnished to the Customer within thirty (30) 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. NG shall forthwith obtain substitute insurance in the event of a cancellation.

**9.8.** All insurance required by express provision of this Agreement shall be carried only in responsible insurance companies licensed to do business in the State of Washington and shall name as additional insured the Customer. Insurance shall be placed with insurers with a current A.M. Best rating of not less than A:VII. NG will furnish the Customer with Certificates of Insurance and applicable endorsements for all such policies promptly upon receipt of them. NG may effect for its own account insurance not required under this Agreement.

**9.9.** NG's maintenance of insurance as required by the Agreement shall not be construed to limit the liability of NG to the coverage provided by such insurance, or otherwise limit the Customer's recourse to any remedy available at law or in equity. NG's Automobile Liability and Commercial General Liability insurance policies are to contain, or be endorsed to contain that they shall be primary insurance as respect the Customer. Any insurance, self-insurance, or self-insured pool coverage maintained by the Customer shall be excess of NG's insurance and shall not contribute with it. If the NG maintains higher insurance limits than the minimums shown above, the Customer shall be insured for the full available limits of Commercial General and Excess or Umbrella liability maintained by the NG, irrespective of whether such limits maintained by NG are greater than those required by this Agreement or whether any certificate of insurance furnished to the Customer evidences limits of liability lower than those maintained by NG.

**10. CHANGE ORDERS OR ADDITIONAL SERVICES.** Changes to Services and additional Systems may be added to this Agreement by mutual consent of the Parties in writing as an addendum to this Agreement. The Customer and NG agree that should legislation or local ordinance be enacted to enable new photo enforcement solutions within the Customer's jurisdiction, the Customer shall have the option to negotiate services and fees and issue a change order to cover such services.

**10.1.** Project manager. The Customer will appoint a project manager, which shall be a command staff City of Redmond Police Officer who will have oversight of the

installation and implementation of the NG systems. The project manager has the authority to make daily operational management decisions.

## **11. CONFIDENTIAL AND PROPRIETARY INFORMATION; PUBLIC RECORDS LAW COMPLIANCE.**

**11.1.** The Parties agree that they shall comply with the public records disclosure provisions of the Revised Code of Washington, Chapter 42.56, Public Records Act and RCW 46.63.220; and further that Customer is obligated to disclose records upon request unless a specific exemption from disclosure exists. Nothing in the Agreement is intended to prevent the Customer's compliance with the Public Records Act, and Customer shall not be liable to NG due to Customer's compliance with any law or court order requiring the release of public records provided that the Customer provides prior written notice of such required disclosure to NG.

**11.2.** NG agrees that:

**11.2.1.** All information obtained by NG through operation of the Systems shall be made available to the Customer at any time during NG's normal business hours, excluding Proprietary Information not reasonably necessary for the prosecution of infractions or fulfillment of the Customer's obligations under this Agreement.

**11.2.2.** NG shall not use any information acquired from the performance of the Services contemplated in this Agreement, including without limitation, information with respect to any violations, violators, information obtained from recorded images or information concerning the Customer's law enforcement activities for any purpose other than for the benefit of the Customer.

**11.2.3.** No information given by NG to the Customer will be of a confidential nature, unless the information qualifies as Proprietary Information (defined in Section 11.2.4 below), specifically designated in writing as "**Proprietary Information**."

**11.2.4.** As used in this Agreement, the term "Proprietary Information" shall mean all trade secrets or confidential or proprietary information designated as such by NG, whether letter or by the use of an appropriate proprietary stamp or legend, prior to or at the time any such trade secret or confidential or proprietary information is disclosed by NG to the Customer. In addition, the term "**Proprietary Information**" shall be

deemed to include any notes, analyses, compilations, studies, interpretations, memoranda or other documents prepared by NG .

**11.3.** The Customer shall use the Proprietary Information only for the purpose of fulfilling its duties hereunder (the “**Purpose**”) and such Proprietary Information shall not be used for any other purpose without the prior written consent of NG. “Purpose” shall be deemed to not include any disclosure of the Proprietary Information to any person or entity. The Customer shall hold in confidence, and shall not disclose to any person or entity, any Proprietary Information nor exploit such Proprietary Information for its own benefit or the benefit of another without the prior written consent of NG.

## **12. INDEPENDENT CONTRACTOR; NO AGENCY.**

**12.1.** It is understood that NG is an independent contractor and not an agent or employee of the Customer for any purpose including, but not limited to, federal tax and other state and federal law purposes. NG assumes responsibility for payment of all federal, state and local taxes imposed or required of NG under unemployment insurance, Social Security and income tax laws. NG shall be solely responsible for any worker’s compensation insurance required by law and shall provide the Customer with proof of insurance upon demand. The parties agree that the Customer shall not:

**12.1.1.** Pay dues, licenses or membership fees for NG;

**12.1.2.** Require attendance by NG, except as otherwise specified herein;

**12.1.3.** Control the method, manner or means of performing Services under this Agreement, except as otherwise specified herein; or

**12.1.4.** Restrict or prevent NG from working for any other party.

**12.2.** Neither party has the right or the power to enter into any contract or commitment on behalf of the other party, including entering into agreements with third parties, exercising incidents of ownership with respect to property owned by the Party or executing contracts binding upon the other Party.

**12.3.** NG is an independent contractor providing services to the Customer and the employees, agents and servants of NG shall in no event be considered to be the employees, agents, or servants of the Customer. Except as expressly provided herein, this Agreement is not intended to create an agency relationship between NG and the Customer.

## **13. NOTICES.**

- 13.1.** Any notices or demands which under the terms of this Agreement or under any statute must or may be given or made by NG or the Customer shall be in writing and shall be given or made by personal service, first class mail, FedEx, or by certified or registered mail to the Parties at the address specified in the preamble to this Agreement.
- 13.2.** Except as otherwise specified, all notices, payments and reports hereunder shall be deemed given and in effect as of the date of mailing or transmission, as the case may be, when sent by next day delivery or courier service, postage pre-paid, or three (3) days after the date of mailing when sent by first class mail, postage pre-paid, addressed in all such cases to the Parties as set forth in the preamble to this Agreement directed in each case to the President of NG at the address in the preamble or the Mayor of the Customer at the address in the preamble, or to such other addresses as the Parties may from time to time give written notice of as herein provided.
- 14. ASSIGNMENT.** Except as specifically provided in this Agreement, neither Party may assign, or delegate performance of its obligations under, this Agreement, without prior express written consent of the other Party, except that NG may assign or otherwise encumber this Agreement for the purpose of obtaining financing; provided, however, that this Agreement may be assigned to any Person that acquires all or substantially all of NG' assets in one transaction.
- 15. AMENDMENT AND MODIFICATION.** This Agreement may be modified or amended from time to time by the Parties, provided, however, that no modification or amendment hereto shall be effective unless it is stated in writing, specifically refers to this Agreement and is executed on behalf of the Party against whom enforcement of such modification or amendment is sought.
- 16. NON WAIVER.** The failure of either Party to require performance of any provision of this Agreement shall not affect the right to subsequently require the performance of such provision or any other provision of this Agreement. The waiver of either Party of a breach of any provision shall not be taken or held to be a waiver of any subsequent breach of that provision or any subsequent breach of any other provision of this Agreement.
- 17. FORCE MAJEURE.** Neither Party shall be liable to the other for failure or delay in meeting any obligations hereunder which arises in whole or in part from causes which are unforeseen by, or beyond the control of, such Party, including without limitation, acts of God or of a public enemy, acts of terrorism, acts of the Government (other than the Customer in the case of the Customer) in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, acts or omissions of (i) non-subcontractor third-parties and (ii) third party equipment, telecommunications and

software suppliers, and unusually severe weather. When any such circumstance(s) exist, NG shall have the right, in its sole discretion, to allocate its available production, deliveries, services, supplies and other resources among any and all buyers (whether or not including the Customer), as well as among departments and affiliates of NG, without any liability to the Customer.

## **18. DISPUTE RESOLUTION AND REMEDIES.**

**18.1.** All disputes arising out of or in connection with the Agreement shall be attempted to be settled through good-faith negotiation between the Customer's appointed Manager and the President of NG, followed if necessary within thirty (30) calendar days by professionally-assisted mediation. Any mediator so designated must be acceptable to each party and must be a certified mediator in the State of Washington. 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.

**18.2.** Failing resolution through negotiation or mediation, all actions, disputes, claims and controversies under common law, statutory law or in equity of any type or nature whatsoever, whether arising before or after the date of this Agreement, and whether directly or indirectly relating to: (a) this Agreement and/or any amendments and addenda hereto, or the breach, invalidity or termination hereof; (b) any previous or subsequent agreement between the parties; and/or (c) any other relationship, transaction or dealing between the parties (collectively the "**Disputes**"), will be subject to and resolved by binding arbitration pursuant to the Commercial Arbitration Rules of American Arbitration Association. Any award or order rendered by the arbitrator may be confirmed as a judgment or order in any state or federal court of competent jurisdiction within the federal judicial district which includes the residence of the Party against whom such award or order was entered. The prevailing Party in any arbitration shall be entitled to reasonable attorney fees and costs.

**19. GOVERNING LAW; JURISDICTION; VENUE.** The parties agree that this Agreement is consummated, entered into, and delivered in King County, Washington. Notwithstanding conflicts of laws provisions, this Agreement has been and is to be governed by, construed, interpreted and enforced in accordance with the laws of the State of Washington. In the

event that any litigation is commenced by either party to enforce this Agreement, the action will be filed and litigated, if necessary, solely and exclusively in a State court of competent jurisdiction located in King County, Washington. The parties waive any and all rights to have this action brought in any place other than King County, Washington, under applicable venue laws. The Parties hereby irrevocably waive any and all rights to have this action brought in any place other than those stated herein. The Parties hereby irrevocably waive any claim that any such action has been brought in an inconvenient forum.

**20. ATTORNEY'S FEES AND COSTS.** In the event litigation is commenced to enforce this Agreement, costs of said suit including reasonable attorney's fees in all proceedings, trials, investigations, appearances, appeals and in any bankruptcy proceeding or administrative proceeding shall be paid to the prevailing Party by the other Party.

**21. GENERAL AND MISCELLANEOUS.**

**21.1.** Time shall be of the essence of this Agreement.

**21.2.** In this Agreement, wherefore the singular and masculine are used, they shall be construed as if the plural or the feminine or the neuter had been used, where the context or the party or parties so requires, and the rest of the sentence shall be construed as if the grammatical and the terminological changes thereby rendered necessary had been made.

**21.3.** Paragraph headings are provided as an organizational convenience and are not meant to be construed as material provisions of this Agreement.

**21.4.** Preparation of this Agreement has been a joint effort of the Parties and the resulting document shall not, solely as a matter of judicial construction, be construed more severely against one of the parties than the other.

**21.5.** This Agreement may be executed in counterparts, each constituting a duplicate original, but such counterparts shall constitute one and the same Agreement.

**21.6.** The burdens of this Agreement shall be binding upon, and the benefits of this Agreement shall inure to, all successors in interest to the Parties to this Agreement from and after the Effective Date.

**21.7.** Each Party to this Agreement agrees to do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged and delivered, all such further acts, and assurances in a manner and to the degree allowed by law, as shall be reasonably requested by the other party in order to carry out the intent of and give effect to this Agreement. Without in any manner limiting the specific rights and obligations set forth in this Agreement or illegally limiting or infringing upon the governmental authority of the Customer, the Parties declare their intention to cooperate with each



other in effecting the purposes of this Agreement, and to coordinate the performance of their respective obligations under the terms of this Agreement.

**21.8.** Except as set forth in this Agreement and the Exhibits hereto, no representation, statement, understanding or agreement, whether written or oral, has been made and there has been no reliance on anything done, said or any assumption in law or fact with respect to this Agreement for the duration, termination or renewal of this Agreement other than as expressly set forth in this Agreement and there has been no reliance upon anything so done or said that in any way tends to change or modify the terms or subject matter of this Agreement or to prevent this Agreement from becoming effective.

**21.9.** This Agreement supersedes any agreements and understandings, whether written or oral, entered into by the Parties hereto prior to the Effective Date of this Agreement.

**22. SURVIVABILITY.** Termination or expiration of this Agreement shall not relieve either Party of their respective obligations, which are expressly noted to survive termination or expiration or under the following sections which shall survive termination and expiration: Sections 3, 4, 5, 7, 8, 10, 17, 18, 19, 20, and this Section 22.

**23. SEVERABILITY.** If any covenant or provision of this Agreement is, or is determined to be, invalid, illegal or unenforceable by a court of competent jurisdiction, then such covenant or provision will be ineffective only to the extent of such prohibition or invalidity. All remaining covenants and provisions of this Agreement shall nevertheless remain in full force and effect, and no covenant or provision of this Agreement shall be deemed to be dependent upon any covenant or provision so determined to be invalid, illegal or unenforceable unless otherwise expressly provided for herein. The invalidity of any provision of this Agreement or any covenant herein contained on the part of any party shall not affect the validity of any other provision or covenant hereof or herein contained which shall remain in full force and effect.

**24.** Each party acknowledges that it has read this Agreement and understands the terms and conditions herein. Further, the parties have caused this Agreement to be executed on its behalf by the authorized officer whose signature appears below under its name, to be effective as of the date written above.

IN WITNESS WHEREOF, the Parties hereto have set their hands by their duly authorized representatives as of the day and year first above written.

City of Redmond, Washington

NovoaGlobal, Inc.

By: \_\_\_\_\_  
Angela Birney  
Mayor

By: \_\_\_\_\_  
Carlos Lofstedt  
President and CEO

Approved as to form:

\_\_\_\_\_  
**XXXXXX**  
City Attorney

## **EXHIBIT A SERVICES**

NG shall provide the Customer with the Systems. In connection with furnishing the Systems, NG shall provide the following, each of which is more fully described below:

1. SITE INSTALLATION PLANNING; DESIGN AND EQUIPMENT INSTALLATION
2. TRAINING AND SUPPORT
3. INFRACTION PREPARATION AND PROCESSING SERVICES
4. MAINTENANCE
5. PUBLIC EDUCATION CAMPAIGN
6. EXPERT WITNESS TESTIMONY AND COURT TRAINING
7. REPORTING

### **1. SITE INSTALLATION PLANNING, DESIGN AND EQUIPMENT INSTALLATION**

#### **1.1. Permits, Franchise, License.**

1.1.1. NG shall obtain all necessary and applicable permits from the City, as well as any other regulatory agency, before commencing installation or work related to the Systems.

#### **1.2. The Systems.**

1.2.1. NG will initially install up to eighteen (18) Systems (which shall remain property of NG), monitoring such locations as the Customer and NG shall mutually agree. Up to twenty (20) additional Systems may be added at the option of the Customer with NG's consent. None of the quantities mentioned under this paragraph shall be interpreted as mandatory quantities. The actual quantities to be installed can only be approved by the City. The installation of any system will require the written approval of the City Mayor or designee. If a System location no longer qualifies for photo enforcement under RCW 46.63.220 (such as permanent school closure), then the System shall be removed and Monthly Photo Enforcement fees for such System shall cease. Each System shall comprise equipment capable of monitoring violations at a single approach to an intersection for up to five lanes of traffic. NG will install new Systems upon mutual agreement of the Parties. School zone fixed speed enforcement systems will conduct enforcement while beacon systems are in an activated state within the identified school zone. NG will ensure School zone fixed speed

enforcement systems are integrated with Customers Public Works school zone flashing beacons.

- 1.2.2. The Systems, including, but not limited to, technology and accuracy, equipment, cameras, technological support and warranty, shall be as described in Section F of NG's proposal answers to the Customer's RFP, which Section is incorporated herein by reference.
- 1.2.3. Automated traffic safety cameras may only take pictures of the vehicle and vehicle license plate. The image must not display the face of the driver or of passengers in accordance with RCW 46.63.220.
- 1.2.4. The Systems shall include all equipment located at each intersection, telecommunications equipment, and Software and shall have the capability of transferring images from the roadside in accordance with RCW 46.63.220 to be accessed at the Customer's Police Department processing facility.
- 1.2.5. Substitution, Relocation, Subtraction, or Addition of a Site. If NG or the Customer reasonably determines that one or more Sites selected for installation of a System is not for any reason appropriate for the System (and such determination is made at least fifteen (15) days prior to the commencement of installation of the System at any such intersection), then alternate intersection(s) may be substituted by written consent of the Parties. If the average monthly violation collected from any individual system does not meet the level required for the individual system to be cost neutral for a period of twelve (12) consecutive months, the Customer's Police Department shall have the right to request relocation of the system to a more effective location. This request must be in writing and before twenty four (24) months of the expiration of the contract or any of its extensions. NG shall have the option to comply or to reduce the fee temporarily or permanently to a level equal to the violation (revenue) collected from that individual system.
- 1.2.6. Timeframe for Installation of the System. NG shall install and activate the Systems in accordance with an Implementation Plan to be mutually agreed to by NG and the Customer, which installation shall, at minimum, conclude within sixty (60) days after all necessary permits and approvals are received by NG. NG shall work diligently to obtain all necessary permits and approvals and use reasonable commercial efforts to install the System in accordance with the schedule set forth in the Implementation Plan. The Customer agrees that the estimated dates of installation and activation of the

System set forth in the Implementation Plan are subject to delay based on conditions beyond the control of NG and are not guaranteed.

1.2.7. Installation/Ownership of the System. NG shall procure, install and provide support of Equipment at each of the agreed upon locations. As between NG and the Customer, all components for the System will remain the property of NG, and remain in NG's possession and control.

### 1.3. Installation

1.3.1. NG shall submit plans and specifications to the Customer for review and approval, which review and approval will not be unreasonably withheld, delayed or conditioned. NG shall provide at least three sets of drawings of the wiring for the System circuitry.

1.3.2. All cameras and other equipment shall be enclosed in lockable, weather and vandal-resistant housing. All wiring shall be internal to equipment (not exposed) and if commercially reasonable and if capacity exists, underground in existing traffic signal conduits, except where required to directly interface with the traffic signals and electrical service. Separate conduits or overhead wiring may be used by NG if existing conduit(s) are at capacity. If existing conduits are used, the Customer will not unreasonably withhold, delay or condition consent to such use.

1.3.3. NG will not enter Customers Traffic Signal Control Boxes without permission and/or authorization of the Customers Traffic Engineering/Public Works.

1.3.4. The provision, installation, and maintenance of all necessary electronic system communication equipment will be the sole responsibility of NG.

1.3.5. The System may be mounted on or utilize support of existing traffic signal poles, arms or other intersection structures where possible, subject to Customer review and approval, such review and approval not to be unreasonably withheld, delayed or conditioned.

1.3.6. The System poles, foundations, signs, and new infrastructure, as required, shall conform to applicable law.

1.4. Restoration of Intersections. Upon termination or expiration of the Agreement, NG shall remove the System and restore the affected public facilities including returning the intersections to their original condition; provided, however, that NG shall not be required to remove any conduit, in-ground fixture, underground wiring

or other infrastructure that will require excavation or demolition. All costs incurred by NG thereby will be the responsibility of NG.

1.5. Compliance with Law. NG shall design and install the System in compliance with all currently existing federal, state and local laws and regulations. NG covenants and agrees that its Systems shall, at all times, comply with all applicable laws, regulations, rules and orders (“Legal Requirements”). NG shall continuously monitor the status of such Legal Requirements to ensure continuous compliance. In the event of any change in the Legal Requirements, NG shall modify or replace (at its sole cost) all or any portion of its non-compliant Safety Systems. Any such modification shall be effected by NG in a reasonable period of time (not to exceed ninety (90) days for modification or one hundred eighty (180) days for complete system replacement) and NG’ failure to effect such modification or replacement in a timely manner shall be grounds for the Customer to terminate this Agreement for cause. Any such termination shall not relieve NG of its obligation to restore each site to its original condition.

2. **TRAINING OF CUSTOMER PERSONNEL.** After System installation, NG shall provide up to eight (8) hours of training for up to ten (10) persons at two (2) sessions (for a total of 16 hours of training in the aggregate) at the Customer’s facilities to acquaint Customer personnel with System operation. Training shall consist of instructional and operational training as well as hands-on equipment exercises with an instructor. All necessary training materials and documentation will be provided by NG at NG’s expense. NG shall make all such training services available to the Customer prior to the end of the thirty (30) day period following the Installation Date. If the Customer requests additional courses or training, NG shall provide these at no additional cost to the Customer. Additionally, NG’ will provide and maintain a web-based training service that includes basic operation instructions as well any system or procedure changes to ensure continuity for court personnel and law enforcement end users.

### 3. **INFRACTION PREPARATION AND PROCESSING SERVICES**

3.1. Infraction Preparation and Processing. NG shall perform the initial review of all data generated at the roadside, process and format violations utilizing a computerized traffic Infraction program that shall store all information required for Infraction processing by state, local law, and in accordance with court of jurisdiction specification, transfer the Infractions to the Police Department’s computer within seven (7) days of the violation, for review and decision on whether or not to issue an Infraction. If NG is permitted by applicable law or regulation to do so, NG shall also review all DMV information and print and mail Infraction forms. NG shall pay all mailing and postage costs, and such other miscellaneous costs and expenses as may be reasonably necessary to issue an Infraction and

deliver it by U.S. mail. The Notice of Infraction form used by NG shall be in compliance with Washington Infraction Rule of Courts of Limited Jurisdiction 2.1(a). To the extent required by applicable law, NG shall obtain a certification of mailing issued by the Post Office. Notwithstanding anything to the contrary in the foregoing provisions of this Section 3.1, NG will not process nor support any Infractions not captured by the System and/or approved by the Customer.

- 3.2. Officer Discretion. NG recognizes and agrees that the decision to issue or dismiss a Infraction shall be the sole and exclusive decision of the Customers Police Department. In no event shall any NG employee or representative have the ability to authorize or dismiss any Infractions.
- 3.3. Mailing of Infractions. Infractions shall be mailed to the violator as soon as is reasonably practicable, and in no event longer than ten (10) business days after being approved by the Customer and NG has been notified of such approval. The form of Infraction shall be subject to the approval of the Customer, which approval may not be unreasonably delayed, conditioned or withheld.
- 3.4. Cooperation With Police and the Courts. NG shall be responsible for, and pay for the cost of issuing and the mailing in accordance with applicable law. NG shall coordinate with the Customer and the Courts, and shall comply with the applicable law and court procedures regarding the mailing and other requirements necessary for the issuance and processing of Traffic Infractions. All Infractions shall be reviewed and approved by the Customer's Police Department prior to mailing. In addition, NG will cooperate with the Courts to set up the necessary communications, systems for processing and upon request establish procedures that will enable NG to send delinquent notices to those registered owners/drivers for whom such notices are appropriate. NG acknowledges that it is aware that the state law (RCW 46.63.220(9) requires that the infraction be mailed to the violator within fourteen (14) days of the date of violation, inclusive of the time it takes for the City personnel to review the violations data. With respect to each authorization to issue an infraction from the Customer, NG shall print and mail an infraction within five (5) days after NG's receipt of such authorization.
- 3.5. With respect to each authorized violation, within five (5) business days after NG's receipt of such authorization, NG shall file with the King County District Court, Northeast Division, a copy (electronic or otherwise) of the Infraction. NG acknowledges its understanding that Washington State law requires all infractions be filed within five business days of issuance (date signed by Police Officer) or the infraction is subject to dismissal under Court Rule. Filing of issued infractions within five days shall be considered a material provision of this Agreement. This

paragraph only applies in case that the Customer chooses to use JIS. If the Customer elects to use NG's Back Office then no filing would be required.

- 3.6. Rental car and business vehicles. NG will coordinate with the Customer and Courts to establish an acceptable procedure to streamline and coordinate the processing, notification, and accountability of rental car violation and corporate vehicle violations.
- 3.7. Preparation of Evidence Packages. NG shall provide electronic copies of evidence packages in such form as may be reasonably agreed upon with the courts to enable the Customer to enforce its Infractions in court.
- 3.8. Access to License Information. NG shall maintain the ability to access the license information, the registered owner residence and mailing address for all US registered vehicles, and the purchaser information when there is a vehicle report of sale, and all subscription or per-request fees for information, if any, shall be paid by NG. If possible, NG will identify rental vehicle and corporate vehicle violations to migrate and merge original violation with rental and business nomination for appropriate processing needs. If NG is unable to access such information, NG shall provide the make and license plate number of each violator to the Customer, which will obtain and input the information into the System, or provide such information to NG, within a reasonable period of time.
- 3.9. Numbering System. NG, in coordination with the Customer, shall develop and implement an independent numbering system for automated infractions and correlating the original violations with nominations.
- 3.10. Transmission of Information. NG shall make all Infraction information available via an electronic file using comma separated value files on a secure FTP site. NG shall maintain a documented chain of custody for all electronically transmitted information while the information is under NG's control.
- 3.11. Customer Service. NG shall provide an automated toll-free customer service telephone number to the public. Customer Service Representatives will be available Monday through Friday, from 10:00 a.m. to 5:00 p.m. (ET), excluding holidays, in order to schedule violation video viewing appointments for the courts and to answer basic questions regarding the Customer's program.

#### 4. MAINTENANCE

- 4.1. Maintenance of System. Except as provided herein, NG shall Maintain the System (as such term is defined below); provided however, that NG shall not be responsible for any maintenance, repair or replacement required as a result of (i) the negligence



or intentional act of the Customer, its employees, agents or independent contractors (other than NG) and/or (ii) any equipment or software not provided by NG. NG shall maintain a maintenance log that documents all service issues. To “Maintain the System” shall mean to keep the System in a state of operation such that the System’s functionality and operation conforms in all material respects to the description of the System set forth in this Exhibit. NG will initially respond to any camera or system malfunction within twenty-four (24) hours of detection, and make all reasonable efforts to have the system fully operational within seventy-two (72) hours. In the event that a System is not fully operational within seventy-two (72) hours of reporting the incident, NG shall credit the monthly invoice in the amount of the prorated Monthly Photo Enforcement fees for the downed System for each day the System is down after the initial seventy-two (72) hours. The System shall automatically notify appropriate personnel of any system failure, malfunction, or other problem that would cause the System to be inoperable. The System shall be designed so that ninety percent (90%) of all system malfunctions can be repaired within four (4) hours. NG shall also install all software revisions for Systems as and when developed and made commercially available by NG. NG is responsible to ensure systems are operational. NG will repair and upgrade as needed, including damage caused by vandalism, traffic accidents, weather damage, or any unforeseen event that should cause a failure of operations, and shall maintain a reasonably clean appearance and in a graffiti-free condition.

- 4.2. Equipment Checks. NG shall use commercially reasonable efforts to perform remote camera and equipment checks to confirm proper operation of computers, cameras and communications network. Routine in-field camera equipment inspection will be done as needed. The System shall have the capability of on-line monitoring of all cameras at each intersection.
- 4.3. NG will conduct routine testing, evaluation, and monitor the system to ensure the system is operational. If a deficiency, malfunction, or failure of the system is detected NG will notify the Customers Police Department within 72 hours by written or electronic notification. If the system cannot be restored or repaired to full functional capability within 7 consecutive calendar days NG will reduce the fee to reflect the time the system is deficient, malfunctioning, or failing. The fee reduction shall be applied to the effected billing cycle and continue until the system is restored to full operation. This reduction shall be identified on the billing statement to the Customers Finance Department.

## 5. PUBLIC EDUCATION CAMPAIGN

- 5.1. Public Awareness Program. NG shall assist the Customer with a Public Awareness Program. Such assistance shall consist of:

- 5.1.1. Paying for and installing all signage required by State law and local ordinance or as otherwise required by resolution of the Customer's Council
- 5.1.2. Reasonable assistance for a media event to launch the community education program
- 5.1.3. Preparing, publishing and printing a brochure for distribution
- 5.1.4. A reasonable amount of training for a Customer staffed speaker's bureau
- 5.1.5. Providing a toll-free customer service hotline which shall be staffed sufficiently during all regular business hours.

## 6. EXPERT WITNESS TESTIMONY AND COURT TRAINING

- 6.1. Expert Witness Testimony. NG shall provide expert witness testimony at its sole expense, as reasonably necessary, to testify regarding the accuracy and technical operation of the System as necessary for court challenges to the operation of the System.
- 6.2. Court Training. NG shall conduct a one-day workshop-orientation session for Municipal Court judges (and/or their designees), hearing officers, other appropriate court officials and the Customer prosecutor. NG will provide and maintain a web based training service that includes basic operation as well as any system or procedure changes to ensure continuity for court staff end users.

## 7. REPORTING

- 7.1. Reporting in General. NG will provide the Customer with monthly reports on System performance, the content and precise timing of which will be mutually agreed upon by the Customer and NG. All mutually agreed upon reports shall be constantly and automatically updated and made available for the Customer to review at the Customer's discretion. NG will also prepare and submit financial, program progress, monitoring, evaluation, and other such reports as may be required by the Customer or state law. NG shall maintain and permit on-site inspections of property, personnel, financial, and other records and reports as may be required by the Customer to assure proper accounting for all compensation paid by the Customer to NG.
- 7.2. Bi-Monthly Report. NG shall submit to the Customer a Bi-Monthly Report on project results within fifteen (15) days after the end of two-week period and NG shall provide web access to such reports.
- 7.3. Monthly Report. NG shall submit to the Customer's Public Works/Traffic Engineering department a monthly Report on statistical information regarding

traffic volumes, average speed, traffic congestion within thirty (30) days after the end of calendar month and NG shall provide web access to such reports.

7.4. Annual Report. Per RCW 46.63.220, NG shall submit an annual report of the number of notices of infraction issues for each camera system and any other relevant information about the automated traffic safety cameras the Customers Police Department deems appropriate for the Customers Police Department web page.

7.5. Additional Reports or Information. Any other reports and information are not part of the Agreement and the preparation and delivery of any other such reports or information may result in additional fees.

7.6. NG shall permit authorized Customer personnel to generate reports using NG's system.

7.7. Database. NG shall maintain a database with the following information per violation:

7.7.1. Location, date and time

7.7.2. Vehicle description including license plate state and number

7.7.3. Applicable vehicle code section violated (if available to NG)

7.7.4. Infraction prepared or reason for not preparing Infraction (if available to NG)

7.7.5. Registered vehicle owner's name and address, and related information required to prepare Infractions where violation is made by a driver other than registered owner (if available to NG) (Affidavit of Non-Liability)

7.7.6. Status of Infraction (outstanding, cancelled, reissued, paid, bail forfeited, traffic school, warrants issued, etc.) (if available to NG)

7.8. NG shall maintain at its sole expense all records, including, but not limited to all video recordings, which it generates or receives as a result of the performance of services pursuant to the Agreement for the period of time required by, and otherwise in accordance with, the Revised Code of Washington, Chapter 42.56, Public Records Act and Revised Code of Washington 46.63.220, as same may be amended from time to time. Upon receipt of a request from the Customer for a copy of any record being maintained by NG, NG shall provide the requested record to the Customer within a reasonable time following such request, but in no event later than seven (7) days following the date the request is received by NG. NG shall provide a data and information storage solution that is in compliance with the

Washington State Law Enforcement Retention Schedule, in conjunction with the Local Government Common Records Retention Schedule (CORE).

7.9. Additional Services (if requested by the Customer in writing):

7.9.1.Payment Processing Services. NG shall use reasonable commercial efforts which are mutually agreeable to the Customers treasury department and the court system to receive Infraction fees from violators, deposit amounts collected into an appropriate bank account, provide accounting records to the Customer, and remit the amounts received as instructed by the Customer. In addition, if approved by the Customers treasury and the courts NG will provide an online payment portal for violators.

7.9.2.Intersection Assessment Program. NG will generate a video-based analysis of an intersection or school zones designed to evaluate the frequency of red-light violations or school zone speed violations for each approach at the targeted intersection. The video media will contain up to 16 hours of video monitoring assuming the equipment remains installed at the intersection or school zone during the course of monitoring, but not to exceed three consecutive calendar days. A report summarizing the results, along with the media generated will be provided to the Customer. There is no charge for the initial 18 approaches or any future system placement requests to be evaluated by NG pursuant to this Agreement.

## **EXHIBIT B**

### **COMPENSATION AND PRICING**

#### **MONTHLY FEE**

Pricing for NG Safety Systems relating to fixed red light photo enforcement shall be as follows:

- \$3,999.00 per system per month.

Pricing for NG Safety Systems relating to fixed speed photo enforcement shall be as follows:

- \$3,999.00 per system per month, with less than 400 Infractions issued per month.
- \$4,900.00 per system per month, with between 400 and 800 Infractions issued per month.
- \$5,700.00 per system per month, with more than 800 Infractions issued per month.

NG acknowledges school zone fixed speed photo enforcement systems will only function during specified times throughout the school day and in accordance with Customers flashing beacon system. Additionally, NG will deduct from the total monthly fee to compensate when schools are not in session for more than seven (7) consecutive calendar days. These school breaks do not constitute a temporary suspension as defined below. To simplify the administrative work for all parties, NG shall bill the monthly fees for all months of the year, but compensate the Customer with a twenty five percent (25 %) discount on the monthly fees for School Zone Systems.

*Temporary Suspensions.* In the event of construction by the Customer, that cause a disruption of service, this Agreement, upon NG's written request, can be extended. For every twelve (12) months, (per individual system) of interrupted service the entire NG agreement can be extended for a one-month period.

#### **OPTIONAL PRICING**

Pricing for NG Safety Systems relating to portable photo enforcement (for any application) shall be as follows:

- \$4,799.00 per system per month, with less than 400 Infractions issued per month.
- \$5,700.00 per system per month, with between 400 and 800 Infractions issued per month.
- \$6,600.00 per system per month, with more than 800 Infractions issued per month.

Pricing for NG Safety Systems relating to fixed photo enforcement (for any application) shall be as follows:

- \$3,999.00 per system per month, with less than 400 Infractions issued per month.
- \$4,900.00 per system per month, with between 400 and 800 Infractions issued per month.
- \$5,700.00 per system per month, with more than 800 Infractions issued per month.

Pricing for NG Safety Systems relating to LPR-Sec (License Plate Recognition) shall be as follows:

- \$399.00 per lane per month. LPR-Sec assumes having current infrastructure and power.

**BUSINESS ASSUMPTIONS FOR ALL PRICING OPTIONS**

1. Except where a balance remains unpaid due to a deficit in the gross cash received as described herein, Customer agrees to pay NG within thirty (30) days after the invoice or Monthly report is received. A monthly late fee of 1.0% is payable for amounts remaining unpaid sixty (60) days from date of invoice or monthly report if such delay is the responsibility of the Customer.
2. Required Payment Convenience Fees will not be considered to be revenue received and are the responsibility of the violator.
3. Required Refund Fees will not be considered to be revenue received and are the responsibility of the violator.
4. Violations sent to a Collection agency will have an additional charge as negotiated with the chosen collection agency in mutually agreement with the Customer and the court system.