

**OELWEIN POLICE DEPARTMENT
CITY OF OELWEIN, IOWA**



MEMORANDUM

FROM: Jeremy P. Logan, Chief of Police

DATE: December 15, 2021

TO: City Administrator Dylan Mulfinger – Mayor Brett DeVore – Oelwein City Council

SUBJECT: Redlight – Speed Camera Agreement

The City of Oelwein has previously received information/presentations from two separate Redlight/Speed Camera companies. Research has followed since those companies presented and references have been checked by contacting communities that utilize each company and some communities that have utilized both companies.

In consideration of these presentations and references, I made contact with Sensys Gatso to discuss a potential agreement. After some negotiation, a tentative agreement has been reached, pending council authorization.

- No infrastructure costs will be required by the city, unless the city selects a camera location in which an existing viable pole cannot be utilized.
- No equipment costs will be required by the city.

I would respectfully request that the contractual agreement with Sensys Gatso be approved.

Master Services Agreement

This Master Services Agreement is made on _____, 2021 (the “Effective Date”), between Sensys Gatso USA, Inc., a Delaware corporation with a principal business address at 900 Cummings Center, Suite 316-U, Beverly, MA 01915 (“Sensys Gatso”) and the City of Oelwein, Iowa with a principal business address at 20 2nd Ave SW, Oelwein, IA 50662 (the “Customer”).

WHEREAS, Customer wishes to retain the business and technology services of Sensys Gatso (the “Services”) as set forth in this Master Services Agreement (the “Agreement”) and in one or more attachments, incorporated herein by reference (each a “Service Attachment”) to facilitate the detection, issuance and/or processing of violations of one or more of Customer’s traffic law or code enforcement programs (each a “Program”); and

WHEREAS, in connection with each Service, Sensys Gatso agrees to provide the equipment described in a Service Attachment (“Equipment”); and

WHEREAS, Sensys Gatso also agrees to provide Customer with access to certain proprietary technology (the “System”) to facilitate the back-end processing of notices issued to registered owner(s) of vehicles determined to be violating a Program (each a “Notice of Violation”), pursuant to the terms of this Agreement;

NOW THEREFORE, the parties mutually agree as follows:

1. AGREEMENT TERM; TERMINATION

- 1.1. Initial Term; Extensions. The Agreement shall commence on the Effective Date and continue for a period of five (5) years (the “Initial Term”). Upon expiration of the Initial Term, the Agreement will automatically renew for one (1) year terms (each a “Renewal Term” and, collectively with the Initial Term, the “Term”), unless either party provides a written notice to terminate not later than thirty (30) days prior to expiration of the then-current Initial Term or Renewal Term. Renewal Terms are subject to renewal pricing which shall be mutually agreed upon by the parties no less than sixty (60) days prior to the expiration of the then-current Initial Term or Renewal Term.
- 1.2. Termination by Agreement. This Agreement may be terminated at any time by the mutual written agreement of Sensys Gatso and Customer.
- 1.3. Termination for Cause. Either party may terminate this Agreement or any Service Attachment, as applicable, for cause if: (a) the other party has breached its obligations under the Agreement or the Service Attachment, as applicable; (b) applicable state law is amended, or a state agency adopts a rule or other requirement to prohibit or substantially restrict the operation of automated traffic law or code enforcement systems described in a Service Attachment, including the Equipment and System being provided by Sensys Gatso; or (c) any court of competent jurisdiction rules that the System, or other similar systems, violates applicable law or cannot otherwise be used to enforce Notices of Violation. The terminating party must provide thirty (30) days advance written notice to the other party of its intent to terminate, which notice must include the reasons for the termination. In the case of a breach of this Agreement or a Service Attachment, the notice must provide the other party with an opportunity to cure the breach during the sixty (60) day period following receipt of the notice. Notwithstanding the foregoing, in the event of termination based upon (b) or (c) above, Sensys Gatso or Customer may suspend the Services described in such Service Attachment, immediately upon the effective date of such amendment or ruling, as applicable.
- 1.4. Termination by Customer for Convenience. Customer may terminate this Agreement or a Service Attachment at its convenience by giving Sensys Gatso not less than ninety (90) days’ prior written notice. If Customer terminates this Agreement, or any Service Attachment, for convenience, Customer shall pay Sensys Gatso the termination for convenience fee, if any, set forth in each applicable Service Attachment

(the “Termination Fee”). Any Termination Fee must be paid within thirty (30) days after the Effective Date of Termination.

- 1.5. Effect of Termination. On the termination date (if this Agreement is terminated for convenience pursuant to Section 1.4) or on the first day after any other date of termination or expiration of this Agreement (“Effective Date of Termination”), the Services shall cease immediately. The following Sections of the Agreement shall survive any termination or expiration of the Agreement: 1.5 (Effect of Termination), 1.6 (Removal of Equipment), 2.1 (Service Fees), 3.8 (Storage of Violation Data), 5.2 (Ownership; Licenses), 5.3 (Indemnification Obligations), 5.4 (Limitation of Liability), 5.9 (Applicable Law; Jurisdiction and Venue), and 5.14 (Notices). Notwithstanding the foregoing, unless otherwise prohibited by law, Sensys Gatso will continue to process Program violations detected or issued pursuant to this Agreement prior to the Effective Date of Termination until such violation is dismissed by Customer, payment is made, or judgment is entered by a court.
- 1.6. Removal of Equipment. Within forty-five (45) days following the Effective Date of Termination, Sensys Gatso shall retrieve all Equipment from Customer. Customer shall not charge any storage fees for the Equipment during this period.

2. COMPENSATION

In consideration for the Services, Customer shall pay Sensys Gatso as follows:

- 2.1. Service Fees. Customer shall pay Sensys Gatso those fees set forth in one or more Service Attachments (the “Service Fees”).
- 2.2. Service Fees Payment.
 - 2.2.1. Invoicing. Sensys Gatso shall provide an itemized invoice to Customer within ten (10) days of each revenue sweep from the Master Account to a Customer-designated account as described in Section 3.7. Each invoice shall indicate the total amounts collected pursuant to each Service Attachment and the Service Fees deducted by Sensys Gatso from such amounts.
 - 2.2.2. Fees are Sole Compensation. Except as explicitly set forth in a Service Attachment, the Service Fees, any Termination Fees, and any Credit Card Convenience Fees, as defined in Section 3.6, shall be Sensys Gatso’s sole compensation for the Services. All costs and expenses associated with the supply, installation, commissioning, operation, maintenance, repair, replacement, and removal of the Equipment and maintenance of the System shall remain the responsibility of Sensys Gatso unless otherwise set forth in a Service Attachment.

3. SCOPE OF SERVICES

- 3.1. Sensys Gatso Project Manager. Sensys Gatso will designate one Sensys Gatso employee as Customer’s principal contact at Sensys Gatso (“Sensys Gatso Project Manager”).
- 3.2. Services; System Operation. Sensys Gatso shall perform the Services in accordance with the Business Rules, as defined in Section 4.4. Sensys Gatso shall operate the System on a continuous, 24-hour basis, seven (7) days per week, except for reasonable scheduled and unscheduled downtime, and Force Majeure as set forth in Section 5.5. The System shall utilize commercially reasonable security protocols and shall be accessible by end-users over the internet through supported web browsers.
- 3.3. System Upgrades. In the event Sensys Gatso makes upgrades to the software or related performance capabilities of the System generally available to its customers, Sensys Gatso will provide such upgrades without charge to Customer.

- 3.4. Customer Personnel Training. On days and at times agreed by the parties, Sensys Gatso will provide training to Customer personnel designated by Customer with respect to accessing and using the System. Sensys Gatso may make available to Customer certain written materials to support Customer personnel use of the System (the "Training Materials").
- 3.5. Notices of Violation. Except for Notices of Violation issued by Customer personnel at the time of violation, Sensys Gatso shall issue a Notice of Violation to the registered owner(s) of each vehicle identified by Customer personnel as described in a Service Attachment, in a form and manner approved by Customer. With respect to any registered owner(s), or an individual designated by a registered owner as the violator if permitted by applicable law, who has not paid a Notice of Violation in a timely manner, Sensys Gatso may send additional notices thereafter as further described in a Service Attachment.
- 3.6. Payment Methods; Telephone Support. Sensys Gatso shall provide the registered owner(s) or designated violator the opportunity pay or contest a Notice of Violation using one of the following methods: "by web," "by telephone," and "by mail." To the extent permitted by applicable law, Sensys Gatso may pass through to registered owners any reasonable credit card convenience fees imposed upon Sensys Gatso by its suppliers for violations paid by credit card ("Credit Card Convenience Fee"). Registered owners may remit payment to Sensys Gatso by mail in the form of a money order or check drawn upon a U.S. bank in order to avoid paying the Credit Card Convenience Fee. Customer shall have no obligation for the payment of any Credit Card Convenience Fee. Additionally, Sensys Gatso will maintain a toll-free telephone number for registered owners to discuss Notices of Violation and make payments, with hours of 8:00 a.m. to 5:00 p.m. (Eastern) Monday through Friday, not including state and federal holidays.
- 3.7. Deposit of Fines. Sensys Gatso will collect Notice of Violation fines from those who voluntarily pay and shall have authority to receive such payments and endorse checks, drafts, money orders and other negotiable instruments which may be received in payment on Customer's behalf. Sensys Gatso will place such amounts in a separate account with a banking institution approved by Customer ("Master Account"). The Master Account shall be established in a manner which permits: (a) funds to be swept to a Customer-designated bank account by Sensys Gatso; and (b) for Customer to have viewing rights to the Master Account. Sensys Gatso will sweep Notice of Violation fines from the Master Account to the Customer-designated bank account on or around the 1st and the 15th of each month, provided, however, that Sensys Gatso shall deduct from each funds sweep those Service Fees owed by Customer for the Services pursuant to Section 2.
- 3.8. Storage of Violation Data. Sensys Gatso will store all violation data for three (3) years after payment or final adjudication of such violation or such other period as required by applicable law. Customer shall have reasonable access to the violation data during the storage period.
- 3.9. NLETS Requirements. All authorized Sensys Gatso or subcontractor personnel reviewing vehicle information database or other program obtained via the National Law Enforcement Telecommunications System ("NLETS") on behalf of Customer shall comply with all applicable federal, state and NLETS requirements.
- 3.10. Reports. The System shall include functionality that permits Customer to run reports with regard to the functioning of the System, including but not limited to the number of Notices of Violation issued and paid, the aggregate amounts paid by registered owners or designated violators, the number of contested Notices of Violation, the amount of scheduled and unscheduled downtime of the System, and such other data as set forth in a Service Attachment or reasonably requested by Customer.
- 3.11. Public Awareness. Sensys Gatso shall assist and support Customer's efforts in public education and awareness programs, by providing information including, but not limited to, violation statistics and violation statistic improvements. Sensys Gatso shall provide Customer with a pamphlet that Customer may reproduce and distribute to Customer residents (each a "Pamphlet"). The Pamphlet, which may be

customized to include branding provided by Customer, shall include a description of the operation of the System in non-technical terms.

3.12. Insurance. Sensys Gatso shall, during the Term of this Agreement, maintain insurance coverage in at least the minimum amounts set forth in this Section 3.12.

3.12.1. Workers' Compensation and Employer's Liability with limits not less than:

Workers' Compensation:	statutory
Employer's Liability:	\$500,000 ea. accident-injury
	\$500,000 ea. employee-disease
	\$500,000 disease-policy

This insurance shall provide that coverage applies to the state in which Customer is located.

3.12.2. Comprehensive Motor Vehicle Liability with limits for vehicles owned, non-owned, or rented of not less than \$1,000,000 Bodily Injury and Property Damage Combined Single Limit.

3.12.3. Comprehensive General Liability with limits not less than \$1,000,000 Bodily Injury and Property Damage Combined Single Limit.

3.12.4. Umbrella Liability with limits not less than \$2,000,000 Bodily Injury and Property Damage Combined Single Limit. This policy shall apply in excess of the limits stated in Sections 3.12.1 through 3.12.3 above.

3.12.5. Sensys Gatso shall list Customer as an additional insured under all of the policies described in this Section 3.12 and shall file with Customer certificates of insurance reflecting the minimum insurance coverage and limits provided in this Section 3.12 prior to commencing work on the System.

4. CUSTOMER RESPONSIBILITIES

4.1. Customer Project Manager. Customer will designate one Customer employee as Sensys Gatso's principal contact at Customer ("Customer Project Manager").

4.2. Cooperation. Customer will cooperate with Sensys Gatso during all aspects of the planning, installation, implementation, and operation of the Equipment and the System and perform any other Customer obligations set forth in this Agreement and in any Service Attachments attached hereto.

4.3. Access to Information Services. To the extent required by NLETS or other data provider agreed by the parties, Customer will provide written authorization (in a form reasonably acceptable to Customer) for Sensys Gatso to perform motor vehicle ownership inquiries on behalf of Customer.

4.4. Business Rules. Customer will establish and document certain Program parameters as reasonably requested by Sensys Gatso (the "Business Rules"). Customer will provide Sensys Gatso with at least sixty (60) days' written notice of any proposed changes to the Business Rules. Business Rules shall be deemed Program Data, as defined in Section 5.2.1.

4.5. Collection of Unpaid Fines. For any Services for which Sensys Gatso is compensated based on Notices of Violation fines or other fees paid by violators, Customer agrees to take collections action against those registered owners or designated violators that fail to pay or contest a Notice of Violation as set forth in Section 3.7. Customer may retain a third-party collections agency or law firm to recover the fines, including collections costs and expenses, or retain Sensys Gatso to perform such collections activities pursuant to a Collections Service Attachment. Any amounts collected through the collections process described in this Section 4.5 will be included in total Notice of Violation fines collected for the purposes of calculating Service Fees, if applicable.

5. GENERAL PROVISIONS

5.1. Representations and Warranties.

5.1.1. Sensys Gatso represents and warrants that at all times during the Term:

- a. it has the legal power to enter into the Agreement and any Service Attachment;
- b. the Equipment will conform with all written specifications provided by Sensys Gatso to Customer;
- c. the Services described herein will be performed in a workmanlike and professional manner with due care and skill;
- d. it will perform the Services in compliance with all applicable federal, state, and local laws including without limitation the Fair Labor Standards Act; any statutes regarding qualification to do business; any statutes prohibiting discrimination because of, or requiring affirmative action based on, race, creed, color, national origin, age, sex, or other prohibited classification including without limitation the Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12101 *et seq*;
- e. it is not barred by law from contracting with Customer or with any other unit of state or local government as a result of (i) a delinquency in the payment of any tax administered by the Department of Revenue in the state in which Customer is located unless Sensys Gatso is contesting, in accordance with the procedures established by the appropriate revenue act, its liability for the tax or the amount of the tax or (ii) any finding of recovery made against Sensys Gatso by the Auditor of such state;
- f. the only persons, firms, or corporations interested in this Agreement as principals are those disclosed to Customer prior to the execution of this Agreement and that this Agreement is made without collusion with any other person, firm, or corporation; and
- g. neither it nor any of its principals, shareholders, members, partners, or affiliates, as applicable, is a person or entity named as a Specifically Designated National and Blocked Person (as defined in Presidential Executive Order 13224) and that it is not acting, directly or indirectly, for or on behalf of a Specifically Designated National and Blocked Person. Sensys Gatso further represents and warrants to Customer that Sensys Gatso and its principals, shareholders, members, partners, or affiliates, as applicable, are not, directly or indirectly, engaged in, and are not facilitating, the transactions contemplated by this Agreement on behalf of any person or entity named as a Specifically Designated National and Blocked Person.

5.1.2. Customer represents and warrants that at all times during the Term:

- a. it has the legal power to enter into the Agreement and that it has complied with any and all applicable federal, state, and local procurement requirements in connection therewith;
- b. it has the legal right to grant the licenses set forth in Section 5.2.3, and
- c. it will establish Business Rules, and utilize the Services and the System, in compliance with all applicable federal, state and local laws.

5.1.3. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION 5.1:

- a. THE PARTIES EXPRESSLY DISCLAIM ALL WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NON-INFRINGEMENT AS WELL AS ALL WARRANTIES ARISING BY USAGE OF TRADE, COURSE OF DEALING OR COURSE OF PERFORMANCE.

- b. SENSYS GATSO MAKES NO WARRANTY THAT THE SERVICES, THE EQUIPMENT OR THE SYSTEM WILL MEET CUSTOMER'S REQUIREMENTS, OR THAT THE SERVICES AND SYSTEMS WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR FREE; NOR DOES SENSYS GATSO MAKE ANY WARRANTY AS TO THE RESULTS THAT MAY BE OBTAINED FROM THE USE OF THE SERVICES, THE EQUIPMENT OR THE SYSTEM. THE PROGRAM DATA AND PROGRAM MATERIALS ARE PROVIDED "AS IS" WITHOUT WARRANTIES OF ANY KIND.

5.2. Ownership; Licenses.

- 5.2.1. Program Data. Customer shall retain all right, title and interest in and to any information, data, study findings, or report content created by Sensys Gatso related specifically to the Program or its operation ("Program Data"). Customer grants to Sensys Gatso: (a) a non-exclusive, worldwide, royalty-free, fully paid up, sublicensable, non-transferrable right and license during the Term to copy, distribute, display and create derivative works of and use Program Data solely to perform the Services; and (b) a perpetual, irrevocable, non-exclusive, worldwide, royalty-free, fully paid up, right and license to use Program Data solely in an aggregated, de-identified and/or anonymized format such that Customer, its personnel and violators are not identified, in order to evaluate and enhance Sensys Gatso's systems and services. Sensys Gatso and its affiliates may identify Customer as an entity utilizing the Services and the System in its marketing materials, including but not limited to its website and proposals to perform the same or similar Services for others, without the prior written consent of Customer.
- 5.2.2. Program Materials. Sensys Gatso shall retain all right, title and interest in and to any information, data, software (including with respect to any System integration performed by or on behalf of Sensys Gatso), templates, studies, reports or other documents, including Training Materials, Pamphlets, and other materials used generally by Sensys Gatso in performing services for its clients ("Program Materials"). Sensys Gatso grants to Customer a non-exclusive, royalty-free, fully paid up, non-sublicensable, non-transferrable right and license during the Term to create a limited number of copies, distribute, display and create derivative works of and use, Program Materials solely by its authorized personnel for Customer's internal use in connection with the Services.
- 5.2.3. Customer Marks. Customer hereby grants to Sensys Gatso and its affiliates a non-exclusive, non-transferable, sublicensable, license during the Term to use, reproduce, display, and distribute the Customer name, seal, logo, domain name and other marks owned or controlled by Customer ("Customer Marks") solely in connection with the Program Materials and as otherwise required in connection with the performance of the Services. Sensys Gatso will provide Customer the opportunity to review and approve all uses of the Customer Marks. Notwithstanding the foregoing, Sensys Gatso and its affiliates may identify the Customer as an entity utilizing the Services in its marketing materials, including but not limited to its website and proposals to perform the same or similar services for others, without the prior written consent of Customer. Nothing in this Agreement grants the Customer any right to use the name, logo or other marks of Sensys Gatso or its affiliates except as incorporated in Program Data and Program Materials, or otherwise with the prior written consent of Sensys Gatso.

5.3. Indemnification Obligations.

- 5.3.1. Sensys Gatso shall indemnify, defend, and hold harmless Customer and its elected officials, officers, employees, agents, attorneys, representatives, and permitted assigns and all persons acting through, by, under or in concert with them (the "Customer Indemnitees") from and against any and all third party claims arising out of or related to:
 - a. any material breach of the representations and warranties of Sensys Gatso set forth in Section 5.1.1;

- b. negligence or misconduct of Sensys Gatso or its employees, contractors, or agents that results in bodily injury to any natural person (including third parties) or any damage to any real or tangible personal property (including the personal property of third parties), except to the extent caused by the negligence or misconduct of any Customer Indemnitee; or
 - c. a claim that the System infringes the copyright or U.S. patent of a third party. In the event such a claim is made or appears likely to be made, Sensys Gatso will either: (i) enable Customer to continue to use the System; (ii) modify the System to render it non-infringing; or (iii) replace the System with a replacement System at least functionally equivalent. If Sensys Gatso determines that none of these alternatives is reasonably available, Sensys Gatso shall have the right to terminate this Agreement effective immediately.
- 5.3.2. To the extent not prohibited by the constitution or laws of the state in which Customer is located, Customer shall indemnify, defend, and hold harmless Sensys Gatso and its affiliates, shareholders or other interest holders, managers, officers, directors, employees, agents, representatives and successors, permitted assigns and all persons acting through, by, under or in concert with them (including but not limited to Equipment suppliers and installers) (the "Sensys Gatso Indemnitees") from and against any and all third party claims arising out of or related to:
- a. any material breach of the representations and warranties of Customer set forth in Section 5.1.2;
 - b. negligence or misconduct of Customer or its employees, contractors, or agents that results in bodily injury to any natural person (including third parties) or any damage to any real or tangible personal property (including the personal property of third parties), except to the extent caused by the negligence or misconduct of any Sensys Gatso Indemnitee; or
 - c. the validity of the results of Customer's use of the System or any portion thereof; or the validity of any Notice of Violation issued, prosecuted, and collected as a result of Customer's use of the System except to the extent caused by Sensys Gatso's failure to comply with the terms of the Agreement.
- 5.3.3. In the event of any third party claim, action, or demand for which a party seeks indemnification from the other pursuant to this Section 5.3 (each a "Claim"), the Indemnified Party must give the Indemnifying Party written notice of such Claim promptly after the Indemnified Party first becomes aware of it. The Indemnifying Party will have the right to choose counsel to defend against the Claim (subject to approval of such counsel by the Indemnified Party, which approval may not be unreasonably withheld, conditioned, or delayed) and to control and settle the Claim. The Indemnifying Party will have the right to participate in the defense of the Claim at its sole expense.
- 5.4. **LIMITATION OF LIABILITY.** EXCEPT FOR AMOUNTS PAYABLE WITH RESPECT TO THE INDEMNIFICATION OBLIGATIONS SET FORTH IN SECTION 5.3: (A) NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR LOST PROFITS OR FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES IN CONNECTION WITH THE AGREEMENT, THE SERVICES, OR THE SYSTEMS, HOWEVER CAUSED, UNDER ANY THEORY OF LIABILITY; AND (B) THE AGGREGATE LIABILITY OF EITHER PARTY FOR DIRECT DAMAGES ARISING OUT OF THE AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE LIMITED TO THE SERVICE FEES PAID OR PAYABLE BY CUSTOMER UNDER THE APPLICABLE SERVICE ATTACHMENT DURING THE TWELVE (12) MONTHS PRIOR TO THE EVENT GIVING RISE TO SUCH CLAIM.
- 5.5. **Force Majeure.** Neither party shall be liable for delays in the performance of its obligations hereunder due to a Force Majeure Event. "Force Majeure Event" means conditions or other circumstances, such as acts of God, that: (a) were not foreseen, and could not have been reasonably foreseen, by the party obligated to perform, (b) are beyond the control of the party obligated to perform, and (c) materially hinder or interfere with the ability of the party obligated to perform to complete performance; provided, however, that no

such condition or circumstance will be a Force Majeure Event if it is the result of the fault, negligence, or material breach of this Agreement by the party obligated to perform. Examples of Force Majeure events include wars, floods, strikes and labor disputes, unusual delay in transportation, epidemics abroad, earthquakes, severe adverse weather conditions not reasonably anticipated, and delays in permitting.

- 5.6. Relationship between Sensys Gatso and Customer. Sensys Gatso is an independent contractor. This Agreement does not create, and nothing in this Agreement may be deemed, construed, or applied to create, a partnership, joint venture or the relationship of principal and agent or employer and employee between the parties. Further, this Agreement does not permit either party to incur any debts or liabilities or obligations on behalf of the other party, except only as specifically provided herein.
- 5.7. Assignment. Neither party may assign this Agreement, in whole or in part, without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, Sensys Gatso may assign the Agreement to an affiliate or in connection with a merger or sale of substantially all of the assets related to the Agreement, and Sensys Gatso may use third party contractors to fulfill its obligations to provide certain Services provided that Sensys Gatso shall be responsible for the performance of such subcontractors in accordance with the terms of this Agreement. The Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and permitted assigns.
- 5.8. Escalation Procedure. The following procedure will be followed if resolution is required to a conflict arising during the performance of this Agreement:
 - 5.8.1. When a conflict arises between Customer and Sensys Gatso, the project team members will first strive to work out the problem internally.
 - 5.8.2. If the project team cannot resolve the conflict within five (5) business days, Customer Project Manager identified pursuant to Section 4.1 and the Sensys Gatso Project Manager identified pursuant to Section 3.1 will meet to resolve the issue.
 - 5.8.3. If the conflict is not resolved within five (5) business days after being escalated to the Project Managers, a senior executive of Sensys Gatso will meet with senior level administrator for Customer within five (5) days to resolve the issue.
 - 5.8.4. If no resolution is reached pursuant to Section 5.8.3, the parties may mutually agree to terminate the Agreement pursuant to Section 1.2 or seek any available legal or equitable remedies.
 - 5.8.5. During any conflict resolution as described in this section 5.8, Sensys Gatso agrees to provide the Services relating to items not in dispute, to the extent practicable, pending resolution of the conflict. Customer agrees to pay invoices per the Agreement.
- 5.9. Applicable Law; Jurisdiction and Venue. This Agreement is governed by and construed in all respects in accordance with the laws of the state in which Customer is located, without regard to any conflicts of laws rules. Any lawsuit arising out of or in connection with this Agreement must be filed in a state or federal court of competent jurisdiction in the state in which Customer is located, and both parties specifically agree to be bound by the jurisdiction and venue of such courts.
- 5.10. Entire Agreement; Amendment. This Agreement and its Service Attachments constitutes the entire agreement between the parties about the Services and supersedes all prior and contemporaneous agreements or communications. This Agreement and any Service Attachment may only be amended by a writing specifically referencing the section of the Agreement or Service Attachment to be amended and which has been signed by authorized representatives of the parties.
- 5.11. Counterparts. This Agreement may be signed in one or more counterparts, each of which will be deemed to be an original and all of which when taken together will constitute the same Agreement. Any copy of this Agreement made by reliable means (for example, photocopy or electronic mail) is considered an original.

**Fixed Location Traffic Enforcement
Service Attachment**

This Fixed Location Traffic Enforcement Service Attachment (this “Service Attachment”) is made pursuant and subject to the terms of the Master Services Agreement between Sensys Gatso USA, Inc. (“Sensys Gatso”) and the City of Oelwein, Iowa (“Customer”) dated _____ (the “Agreement”). This Service Attachment is incorporated into, and governed by the terms of, the Agreement. In the event of a conflict between the terms of the Agreement and this Service Attachment, the terms of this Service Attachment shall prevail solely with respect to the Services described herein. All capitalized terms not otherwise defined herein shall have the meaning given such terms in the Agreement.

1. SERVICE FEES

- 1.1. Red Light Enforcement Services. A fee equal to the greater of: (a) \$36 per paid Notice of Violation; or (b) thirty-six percent (36%) of all Notice of Violation fines collected by or on behalf of Sensys Gatso pursuant to Sections 3.7 and 4.5 of the Agreement (not including Credit Card Convenience Fees, if any).
- 1.2. Camera Relocation Fee. A fee equal to be mutually agreed by the parties in the event of certain relocations of a Camera described in Section 2.3 of this Service Attachment (“Camera Relocation Fee”).
- 1.3. Subsequent Notice Fee. For each second Subsequent Notice (defined in Section 2.7 of this Service Attachment) sent by Sensys Gatso, and any necessary notices sent thereafter at Customer’s request, a fee equal to \$1.35 (a “Subsequent Notice Fee”).
- 1.4. Termination Fee. A Termination Fee, as defined in Section 1.4 of the Agreement, of \$1,500 per Camera for each month that remains in the Initial Term as of the Effective Date of Termination. There is no Termination Fee if Customer terminates this Service Attachment at the end of the Initial Term or during any Renewal Term.

2. SCOPE OF SERVICES

- 2.1. Equipment. Sensys Gatso shall install, operate, and maintain at least two (2) fixed location traffic red light enforcement cameras (each a “Camera”) in accordance with Sensys Gatso’s standard installation and maintenance practices. Upon mutual agreement by the parties, Sensys Gatso may supply additional cameras equipped with red light and/or speed enforcement.
- 2.2. Camera Installation; Camera Poles. Sensys Gatso will install Cameras on Customer owned or controlled poles at enforcement locations mutually agreed by Sensys Gatso and Customer based upon community safety considerations. In the event that there is no feasible pole located at an identified location, Customer may elect to install a pole as described in Section 3.3 of this Service Attachment, or Sensys Gatso will install a pole at such location subject to the additional terms and conditions set forth in Exhibit A (each a “Camera Pole”).
- 2.3. Relocation by Sensys Gatso. Customer may relocate a Camera once during the Initial Term or any Renewal Term at no cost to Customer as long as such relocation doesn’t require the installation of a Camera Pole. If Customer requests that a Camera be relocated more than once during any Initial Term or Renewal Term to a Customer owned or controlled pole, Customer will incur a Camera Relocation Fee as set forth in Section 1.3 of this Service Attachment. Upon ten (10) days prior written notice from Customer, Sensys Gatso will move a Camera to a new location identified by Customer. If Customer requests that an installed Camera be relocated to a location that requires the installation of a Camera Pole at any time, Sensys Gatso may charge Customer a reasonable Service Fee for such installation (“Camera Pole Installation Fee”).
- 2.4. Relocation Training. Customer may elect to have Sensys Gatso train one (1) or more Customer personnel

in how to move an installed Camera to a new location, including how to attach and align the Camera, as well as how to coordinate with Sensys Gatso personnel for necessary technical adjustments for a new Camera location. Once Customer designees have completed such training, upon seven (7) days prior written notice from Customer, such designees may relocate a Camera on a mutually agreed date and time in accordance with such training to a location with a viable Camera pole. Customer shall be responsible for any damage to a Sensys Gatso Camera incurred during any relocation by Customer.

- 2.5. 24-Hour Operation. Sensys Gatso shall operate the Equipment on a continuous, 24-hour basis, seven (7) days per week, except for reasonable scheduled and unscheduled maintenance and repairs, as set forth in Section 2.8 of this Service Attachment, and Force Majeure as set forth in Section 5.5 of the Agreement. For the first thirty (30) days after the first Equipment components are activated, Customer may elect to issue warning notices rather than Notices of Violation (“Warning Period”).
- 2.6. Images and Data Processing. Sensys Gatso will: (a) upload encrypted violation images and embedded violation data from the Cameras to the System; (b) correlate images and data with motor vehicle records, and (c) assemble the images and data for each violation detected by a Camera that meets the business rules provided by Customer into an electronic package accessible through the System (each a “Violation Package”). Sensys Gatso will use commercially reasonable efforts to complete these activities within twenty (20) days of the date of violation.
- 2.7. Notices of Violation. Within ten (10) days of approval of a Notice of Violation by Customer pursuant to Section 3.1 of this Service Attachment, Sensys Gatso shall issue a Notice of Violation, including images and data of the violation, to registered owners of vehicles identified in the Violation Package by first class mail. The System shall allow the registered owner(s) to review the images and data related to the notice of violation, through the web-portal by using a unique identifier code included in the Notice of Violation. If a registered owner disputes responsibility for a violation and identifies a different violator in a manner agreed by Customer, then Sensys Gatso will reissue the Notice of Violation to that different violator within ten (10) days after such identification. With respect to any Notice of Violation that is not paid or contested within forty-five (45) days of mailing of the Notice of Violation, Sensys Gatso may send additional notices thereafter, in a form mutually agreed upon by the parties (each a “Subsequent Notice”). Sensys Gatso shall provide reasonable aid and assistance in the prosecution of Notices of Violation issued hereunder, including the provision of fact witnesses, as may be required in a court or quasi-judicial panel of competent jurisdiction, at no additional charge to Customer.
- 2.8. Equipment Maintenance and Repair. Sensys Gatso shall maintain the Equipment and shall promptly repair or replace any damaged or defective components at its own expense, except if the damage was caused by the negligent operation of a Customer owned or controlled vehicle. Sensys Gatso shall perform preventative maintenance and cleaning of Equipment components on a regular basis, including review and testing of Camera settings and operation, communications, and other Equipment components. Sensys Gatso will use commercially reasonable efforts to notify Customer and initiate repairs within seventy-two (72) hours after identification of any material damage, defect, or other issue with respect to the Equipment.
- 2.9. Signage. If required by State legislation or local governing ordinance, Sensys Gatso will provide and install necessary signage at no cost to Customer informing inbound traffic that Customer utilizes traffic law photo-enforcement devices to enforce traffic laws. Sensys Gatso shall provide and install additional signage as requested by Customer and agreed by Sensys Gatso at Customer’s expense.
- 2.10. Traffic Studies. If agreed in writing by Sensys Gatso and Customer, Sensys Gatso will conduct an informal traffic study for proposed enforcement locations (each a “Traffic Study”). Any reports resulting from a Traffic Study will be considered Program Data, as defined in Section 5.2.1 of the Agreement. Notwithstanding anything to the contrary in Section 5.1 of the Agreement, the Traffic Study and any resulting reports are provided “as-is” with no warranties of any kind.

3. CUSTOMER RESPONSIBILITIES

- 3.1. Review of Violations. Customer will provide sworn police officers, community service officers or other designated Customer personnel to carefully review each Violation Package to determine whether: (a) the violation is approved, and a Notice of Violation can be mailed; or (b) the violation is rejected. If the violation is rejected, the Customer Project Manager, identified pursuant to Section 4.1 of the Agreement, will report to Sensys Gatso the basis for the rejection. Customer is solely responsible for determining which violations identified by Sensys Gatso are issued as Notices of Violation.
- 3.2. Customer Infrastructure. Customer will maintain any traffic control devices at enforced locations in good working order and ensure that stop lines or speed zones are clearly marked, as applicable. For Customer owned or controlled poles, Customer will provide Sensys Gatso with access to such poles, and electricity for operation of the Cameras on such poles, at no charge to Sensys Gatso.
- 3.3. Camera Pole Installation by Customer. In the event Customer elects to install a Sensys Gatso-provided Camera Pole as contemplated by Section 2.2 of this Service Attachment, Customer shall be responsible for obtaining all necessary permits and constructing a foundation in accordance with Sensys Gatso specifications. In the event any permitting agency requires one (1) or more upgrades to any traffic control infrastructure at any enforcement location where the Camera Pole will be installed, such upgrades shall be the sole responsibility of Customer. Customer will commence installation of Camera Poles within ten (10) business days after any and all necessary state, county or other permit applications have been approved and such permits have been received. Sensys Gatso shall not be responsible for any delays associated with the failure of any state or local government to promptly provide applicable permits or for Customer's delay in installation. Customer shall be responsible for any damage to a Camera Pole or Camera, or personal injury (including death) or damage to real or tangible personal property, resulting from the installation of a Camera Pole by Customer pursuant to this Section 3.3.

[Remainder of page intentionally blank]

IN WITNESS WHEREOF, Sensys Gatso and Customer have caused this Service Attachment to be executed by their properly authorized representatives as of the Effective Date.

Agreed to:

Sensys Gatso USA, Inc.

By: _____
Authorized signature

Andrew Noble
President

Date: _____

Agreed to:

The City of Oelwein, Iowa

By: _____
Authorized signature

Name: _____
Title: _____

Date: _____

Attested to:

By: _____
Authorized signature

Name (type or print): _____

Date: _____

Attested to:

By: _____
Authorized signature

Name (type or print): _____

Date: _____

EXHIBIT A

Additional Terms and Conditions for Installation of Camera Poles

In the event that Sensys Gatso is required to install one (1) or more Camera Poles pursuant to Section 2.2 or 2.3 of this Service Attachment, the following additional terms and conditions shall apply:

- A. Obtaining Permits. Sensys Gatso shall prepare all permit applications, design drawings and other documents as may be reasonably required by Customer or any other governmental entity for the installation and operation of any applicable Camera Poles. Customer will provide to Sensys Gatso, at no cost, all Customer permits necessary for the installation of Camera Poles provided Sensys Gatso meets the minimum requirements for such permits. Sensys Gatso will use commercially reasonable efforts to obtain any other necessary permits for the Camera Poles from applicable agencies and shall pay all permit or other fees charged by such governmental entities in connection with the installation and operation of the Camera Poles. Customer will reasonably assist Sensys Gatso in securing necessary permits from other governmental agencies, as required.
- B. Installation. Sensys Gatso will commence installation of the Camera Poles within ten (10) business days after any and all necessary state, county or other permit applications have been approved and such permits have been received. Sensys Gatso shall not be responsible for any delays associated with the failure of any state or local government to promptly provide applicable permits. In the event any permitting agency requires one (1) or more upgrades to any traffic control infrastructure at any enforcement location where the Camera Pole will be installed, such upgrades shall be the sole responsibility of Customer. Installation of a Camera Pole in connection with the relocation of an installed Camera may be subject to a Camera Pole Installation Fee, as described in Section 2.3 of this Service Attachment.
- C. Restoration of Locations. Upon any expiration or termination of this Service Attachment, Sensys Gatso shall remove any Camera Poles installed pursuant to this Exhibit A and restore such locations to substantially the same condition as existed prior to such installation. Notwithstanding the foregoing, Sensys Gatso will not remove any pole foundation, which shall be left approximately flush with grade with no exposed bolts or other hazards. Installed underground conduit and other equipment shall not be required to be removed. Sensys Gatso shall use commercially reasonable efforts such that removal and restoration activities occur within forty-five (45) days after the Effective Date of Termination and do not unreasonably interfere with or adversely affect traffic flow.