

PHOTO ENFORCEMENT SYSTEM SERVICES AGREEMENT

This Photo Enforcement System Services Agreement includes the attached Exhibits ("Agreement") and is made by and between American Traffic Solutions, Inc., doing business as Verra Mobility, ("Verra Mobility" or "Contractor") and the City of Bend, an Oregon municipal corporation ("City") (together, the "Parties" individually, a "Party").

RECITALS

- A. City desires to enter into this Agreement for services related to the installation, maintenance, and operation of photo traffic enforcement systems.
- B. Verra Mobility has the training, ability, knowledge, and experience to provide the services desired by the City, including the exclusive possession and ownership of the Back-office System "BOS," which delivers the AXSIS Smart Mobility Platform.
- C. City selected Verra Mobility to provide these services through a formal request for proposal process.

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby admitted and acknowledged, the Parties agree as follows:

I. DEFINITIONS

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

"Approach": One (1) direction of travel on a road including up to four (4) contiguous lanes and, if applicable controlled by up to two (2) signal phases, on which a Camera System may be installed upon the mutual agreement of the Parties.

"Back-Office System" or "BOS": The proprietary back-end system that processes Events and Violations, including the printing and mailing of Citations, the generation of evidence packages, and that provides system generated reports of Violation counts.

"Business Hours": Eight (8) hours per day, Monday through Friday, excluding weekends and holidays.

"Business Rules": The Business Rules Questionnaire to be completed by City and delivered to Verra Mobility setting forth the business rules for the implementation and operation of the Program.

"Camera System" or "Camera": A photo-traffic monitoring device consisting of one (1) rear camera, strobe (if applicable), and traffic monitoring device (including the wiring associated with each) capable of accurately detecting a Violation, which records such data with one (1) or more images of such vehicle.

“Camera System” may refer to either a Red-Light Safety Camera System or a Fixed Speed, or Transportable Speed Safety Camera System (In Cabinet Mobile System), depending on the context.

“Change Order Notice”: Written notice from City requesting changes to the work required to be performed or the addition of products or services to those required pursuant to the terms of this Agreement, setting forth in reasonable detail the proposed changes.

“Change Order Proposal”: A written statement from Verra Mobility describing the cost of the changes to the work or addition of products or services requested by City in a Change Order Notice.

“Citation”: A citation, notice of violation, notice of infraction, notice of liability or equivalent instrument issued by a competent state, county or municipal law enforcement agent or agency or by a court of competent jurisdiction relating to a Violation documented or evidenced in the BOS.

“Designated Safety Zone”: A designated safety zone in which a Camera System may be installed or deployed.

“Event”: A potential Violation captured by the Camera System.

“Fees”: The amount payable by City to Verra Mobility for equipment, services, and maintenance as set forth in **EXHIBIT A**.

“Fixed Speed Safety Camera System”: A Camera System that uses radar, or other vehicle detection technology, to capture the speed of a motor vehicle and generates recorded images of a Event and is installed on a mutually agreed upon Approach.

“Laws”: All federal, state, or local, laws, ordinances, regulations, and orders.

“Notice to Proceed”: Written confirmation from City that Verra Mobility may proceed with the installation or deployment of a given Camera System, a form of which is attached as **EXHIBIT C**.

“Owner”: The owner(s) of a motor vehicle as shown by the motor vehicle registration records of the motor vehicle department or the analogous agency of another state or country, including a lessee of a motor vehicle under a lease of six months or longer.

“Paid Citation”: A situation where the Person cited has paid any portion of the penalty, fine, funds, fees or costs associated with the particular Citation.

“Person” or “Persons”: Any individual, partnership, joint venture, corporation, limited liability company, trust, unincorporated association, governmental authority or political subdivision thereof or any other form of entity.

“Photo Enforcement Infrastructure”: The poles, foundation, conduit, and other below-grade infrastructure associated with installing Camera Systems.

“Program Revenue”: Any gross penalty, fine, funds, fees or costs paid by a violator for any reason related to any Violation.

“Project Time Line”: The initial schedule and timelines required to begin the implementation of City’s project, as mutually agreed upon by the Parties. The initial project timeline will be prepared assuming the active cooperation and engagement of the Program stakeholders set forth in Section 2.1.1 of **EXHIBIT B**.

“Red Light Safety Camera System”: A Camera System that uses vehicle detection technology to capture a vehicle traversing a red-light traffic signal and generates recorded images of an Event and is installed on a mutually agreed upon Approach.

“System”: A Camera System and the related Photo Enforcement Infrastructure.

“Transportable Speed Safety Camera System” or “In Cabinet Mobile System”: A Camera System, which is capable of capturing speed Events, capable of being moved from a Designated Safety Zone to another.

“Violation”: A failure to obey an applicable traffic law or regulation related to a failure to obey a traffic signal or related to operating a motor vehicle in excess of the posted speed limit, as determined in City’s sole discretion.

II. GENERAL TERMS AND CONDITIONS

1. VERRA MOBILITY AGREES TO PROVIDE:

The scope of work identified in **EXHIBIT B**, Section 1.

Verra Mobility will provide services with the degree of skill and diligence normally employed by professionals performing the same or similar services at the time the services are performed. Verra Mobility shall, at all times during the term of this Agreement, be duly licensed to perform the Work, and if there is no licensing requirement for the profession or Work, be duly qualified and competent.

2. CITY AGREES TO PROVIDE:

The scope of work identified in **EXHIBIT B**, Section 2.

3. ADDITIONAL SERVICES: RESERVED

4. TERM: EFFECTIVE DATE; DURATION.

This Agreement shall become effective when signed by both Parties and approved by the City’s legal counsel and shall continue for a term of three (3) years beginning on the first day of the month following the first-issued Citation from the last Camera System that is installed or deployed pursuant to the first Notice to Proceed delivered by City to Verra Mobility. This Agreement will automatically extend for consecutive two (2) one (1) year terms. However, City or Verra Mobility may terminate this Agreement at the expiration of any term by providing written notice of its intent not to extend the Agreement one hundred twenty (120) days prior to the expiration of the then-current term. Termination or expiration shall not extinguish or prejudice the City’s right to enforce this Agreement with respect to any default or defect in performance that has not been cured.

5. FEES AND PAYMENT:

- 5.1 City shall pay for all equipment, services and maintenance based on the fee schedule shown in **EXHIBIT A**. The total payment under this Agreement, which includes allowable expenses for reimbursement as per the attached **EXHIBIT H**, **shall not exceed \$2,340,000.00**. The Not to Exceed amount may be exceeded only upon prior written increase in the Scope of Work or extension of the Term, accompanied by written authorization for an increase in fee from the City Manager. If there is no change in Scope of Work, the Contractor shall complete all identified Work Scope within the Not to Exceed amount as indicated above. Any known additional or optional tasks are listed in Exhibit B.
- 5.2 Invoices shall be in standard Verra Mobility format and provided electronically. Verra Mobility shall send City an invoice each month setting forth the fee due for that month and include a detailed summary of the work performed during the pay period.
- 5.3 City shall pay all Fees due to Verra Mobility based upon invoices from the preceding month within thirty (30) days of submission. Late payments may be subject to interest calculated at 1.5% per month on open balances.

6. COMMUNICATION OF INFORMATION:

Verra Mobility will comply with reasonable requests from City for information obtained by Verra Mobility through operation of the Camera Systems or the BOS. Verra Mobility reserves the right to assess a fee for such services if such information is requested by a third-party or if City could retrieve the information from the BOS without the assistance of Verra Mobility. Verra Mobility will not be under any obligation to provide information directly to non-City requesting parties. For any non-City requests for information, Verra Mobility shall work collaboratively with City to provide requested information in a timely manner to City. Nothing in this paragraph shall be construed contrary to the terms and provisions of any public records laws, including the Oregon Public Records Law (ORS 192 *et seq.*), insofar as they may be applicable.

7. CONFIDENTIALITY:

No information given by Verra Mobility to City will be of a confidential nature, unless specifically designated in writing as proprietary or confidential by Verra Mobility ("Verra Mobility Confidential Information"). If Verra Mobility does designate certain information as proprietary or confidential, City shall treat the Verra Mobility Confidential Information with the same degree of care and same restrictions as City treats its own proprietary and confidential information, but in no event with less than reasonable care and reasonable restrictions. City will use Verra Mobility's Confidential Information solely in connection with its rights and obligations under this Agreement and will not use Verra Mobility's Confidential Information for any other purpose, including but not limited to any use to harm or injure Verra Mobility or in any other way detrimental to Verra Mobility.

If City receives a request or becomes legally obligated or compelled (by deposition, interrogatory, request for documents, subpoena, civil investigative demand, other demand or request by a governmental agency, or the application of statutes, rules or regulations, including the Oregon Public Records Law) to disclose any of the Verra Mobility Confidential Information (a "compelled disclosure"), City will promptly provide Verra Mobility with written notice of such request or requirement before making any compelled disclosure, such that Verra Mobility can make reasonable efforts to obtain confidential treatment of the Verra Mobility Confidential Information. In the event of any compelled disclosure, City agrees to furnish only so much of the Verra Mobility

Confidential Information as it is legally required to furnish. Nothing in this paragraph shall be construed contrary to the terms and provisions of any public records laws, including the Oregon Public Records Law, insofar as they may be applicable.

8. PROPRIETARY RIGHTS:

- 8.1 Back Office: Verra Mobility's proprietary BOS is software-as-a-service. Under all circumstances, Verra Mobility shall retain ownership of the BOS, including any modifications, configurations, improvements, enhancements, upgrades, or further developments of the BOS, even if modified, configured, improved, enhanced, upgraded, or further developed at the request, feedback, or recommendation of the City. Under no circumstance will any modifications, configurations, improvements, enhancements, upgrades, or further developments of the BOS be considered "Work for Hire". During the term of this Agreement, Verra Mobility grants City a non-exclusive, non-transferable, revocable license to access and use the BOS for the sole purpose of City performing its obligations under this Agreement.
- 8.2 Systems: Under all circumstances, Verra Mobility shall retain ownership of all Camera Systems. On and as of the date of termination of this Agreement, City shall be deemed to accept and receive full ownership and control of the Photo Enforcement Infrastructure.
- 8.3 Public Safety Campaign and Public Awareness: As between the Parties, Verra Mobility owns and retains all rights, title and interest in and to the Public Safety Campaign Content, if any, created by Verra Mobility and all intellectual property rights therein, excluding all City Content. "Public Safety Campaign Content" means all content, trademarks, service marks, works of authorship, products, software, software code, databases, technology, information, data, specifications, documentation, algorithms, technical and business plans, and other materials of any kind, and all intellectual property rights therein produced by Verra Mobility for a Public Safety Campaign pursuant to **EXHIBIT B**. Verra Mobility grants to City a perpetual, revocable, non-transferable, and non-exclusive license to use, copy, display, and distribute the Public Safety Campaign Content solely to promote City's photo enforcement programs, and to modify the Public Safety Campaign Content as needed for formatting for exercise of the license granted.
- 8.4 In order to produce the Public Safety Campaign Content, City grants Verra Mobility a nonexclusive, fully paid-up, license to use, reproduce, distribute, perform, practice and display, and to create derivatives of all content, trademarks, service marks, works of authorship, products, software, software code, databases, technology, information, data, specifications, documentation, algorithms, technical and business plans, and other materials of any kind, and all intellectual property rights therein provided to Verra Mobility ("City Content") solely for Verra Mobility to (i) create the Public Safety Campaign Content, and (ii) provide services to City. City shall approve use of any City Content in the Public Safety Campaign Content in advance. In order to carry out the purposes of this Agreement, for the term of this Agreement, Verra Mobility grants City a non-exclusive, non-transferable, revocable license to use and display Verra Mobility information provided by Verra Mobility on or in marketing, public awareness or education, or other publications or materials relating to the Program, so long as any and all such publications or materials are approved by Verra Mobility in advance of use.
- 8.5 Data Ownership and Use: All data collected by the Camera Systems, or collected, processed, or used in any way by BOS, is the property of the City. Verra Mobility shall not claim ownership of any data collected during the term of the Agreement. Upon termination of this Agreement, Verra Mobility shall provide all collected data back to the City in a non-proprietary, accessible

format. Verra Mobility must ensure that the data is complete, accurate, and includes all relevant metadata. Verra Mobility has a right to use non-personalized and aggregated data for its internal business purposes, analytics, statistical analysis, and to perform analyses which would further City's photo traffic enforcement program.

- 8.6 Public Disclosure: Verra Mobility Corporation, the ultimate parent company in the corporate family, is a public company registered with the U.S. Securities and Exchange Commission (SEC) with shares of its common stock listed on the NASDAQ. Nothing in this Agreement shall be construed to limit Verra Mobility's or Verra Mobility Corporation's ability to comply with our disclosure obligations as interpreted by our attorneys and accountants under applicable, laws, rules, and regulations of the SEC or the NASDAQ.

9. INDEMNIFICATION AND LIABILITY:

- 9.1 Indemnification by Verra Mobility. Verra Mobility agrees to indemnify City and its managers, officers, directors, employees, agents, representatives and successors (individually, a "City Party" and collectively, the "City Parties") against all liabilities, obligations, losses, damages, penalties and judgments (collectively "Claims" and singularly "Claim"), which may be imposed on or incurred by any City Party arising out of or related to the gross negligence of, willful misconduct of, or material breach of this Agreement by Verra Mobility, which results in death or 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 gross negligence of, willful misconduct of, or material breach of this Agreement by any City Party.
- 9.2 Indemnification by City. Subject to the limits of the Oregon Constitution and the Oregon Tort Claims Act, City hereby agrees to indemnify Verra Mobility and its affiliates, shareholders or other interest holders, managers, officers, directors, employees, agents, representatives and successors, permitted assignees and all Persons acting by, through, under or in concert with them (individually, an "Verra Mobility Party" and collectively, the "Verra Mobility Parties") against any and all Claims which may be imposed on or incurred by any Verra Mobility Party arising out of or related to the gross negligence of, willful misconduct of, or material breach of this Agreement by the City which results in death or 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 gross negligence of, willful misconduct of, or material breach of this Agreement by any Verra Mobility Party. Upon the termination of this Agreement, City agrees to indemnify Verra Mobility Parties against any and all Losses which may be imposed on or incurred by any Verra Mobility Party arising out of or related to any Claim related to the Photo Enforcement Infrastructure.
- 9.3 Indemnification Procedures. In the event of any Claim for which any Party hereto seeks indemnification from the other, the Party seeking indemnification (the "Indemnified Party") shall give the Party from whom indemnification is sought (the "Indemnifying Party") written notice of such Claim promptly after the Indemnified Party first becomes aware thereof; provided, however, that failure to give such notice shall not preclude indemnification with respect to such Claim except to the extent of any additional or increased Losses or other actual prejudice directly caused by such failure. The Indemnifying Party and the Indemnified Party shall cooperate in the defense or settlement of any Claim and no Party shall have the right to enter into any settlement agreement that materially affects the other Party's material rights or material interests without such Party's prior written consent, which consent shall not be unreasonably withheld or delayed.

9.4 Limited Liability. In no event shall Verra Mobility's liability under this Agreement exceed the greater of \$1,000,000 or the average of the prior twelve (12) months of Fees paid by City pursuant to this Agreement. Notwithstanding anything to the contrary in this Agreement, neither Party shall be liable to the other, by reason of any representation or express or implied warranty, condition or other term or any duty at common or civil law, for any indirect, incidental, special, or consequential damages, or lost profits, lost fines, or lost data however caused and on any theory of liability, arising out of or relating to this Agreement.

10. INSURANCE:

See Section 12 of the City of Bend Data Services Addendum, attached hereto as **EXHIBIT G**.

11. LIMITED WARRANTY:

EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, VERRA MOBILITY MAKES NO WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE, WITH RESPECT TO THE CAMERA SYSTEMS, THE BOS, OR ANY RELATED EQUIPMENT OR SOFTWARE, OR WITH RESPECT TO THE RESULTS OF THE PROGRAM. THE CITY ACKNOWLEDGES THAT AT TIMES SUCH SYSTEMS AND RELATED EQUIPMENT AND SOFTWARE MAY MALFUNCTION OR OTHERWISE NOT OPERATE AS ANTICIPATED. VERRA MOBILITY SHALL DILIGENTLY ENDEAVOR TO CORRECT ANY SUCH MALFUNCTION IN A TIMELY MANNER.

12. STATE LAW TO APPLY:

This Agreement shall be construed under and in accordance with the laws of the State of Oregon.

13. DISPUTE RESOLUTION:

13.1 All disputes arising out of or in connection with the Agreement shall be attempted to be settled through good-faith efforts between senior management of both Parties. If negotiation is unsuccessful after thirty (30) days, the Parties shall participate in professionally assisted mediation, with a mediator acceptable to both 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.

13.2 If a dispute arising out of or in connection with this Agreement cannot be resolved through negotiation or mediation as provided in Section 13.1, any remaining dispute shall be submitted to binding arbitration in accordance with the Arbitration Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association ("AAA Rules") before a single arbitrator. The place of arbitration will be mutually agreed upon within fourteen (14) days of a decision to seek arbitration. Limited discovery will be permitted in connection with the arbitration upon agreement of the Parties and upon a showing of substantial need by the Party seeking discovery.

13.3 The arbitrator's decision shall follow the plain and natural meaning of the relevant documents and shall be final and binding. The arbitrator will have no power to award:

- a) damages inconsistent with the Agreement; or,
- b) punitive damages or any other damages not measured by the prevailing Party's actual damages, and the Parties expressly waive their right to obtain such damages in arbitration or in any other forum.

13.4 All aspects of the arbitration will be confidential. Neither the Parties nor the arbitrator may disclose the existence, content or results of the arbitration, except as may be necessary to comply with legal or regulatory requirements, including without limitation the Oregon Public Records Law.

13.5 Each Party will promptly pay its share of all arbitration fees and costs, provided that such fees and costs shall be recoverable by the prevailing Party as determined by the arbitrator. If a Party fails to pay such share promptly upon demand, the arbitrator shall, upon written request by the other Party, enter a final and binding decision against the nonpaying Party for the full amount of such share, together with an award of attorneys' fees and costs incurred by the other Party in obtaining such decision, which decision may be entered in any court of competent jurisdiction. Except for the failure of a Party to pay arbitration fees and costs that requires the arbitrator to order such payment, the Parties will bear their own attorneys' fees in any matter or dispute under this Agreement.

14. CHANGE ORDERS:

City may request the addition of any products or services that Verra Mobility provides or other changes to the scope of work to be performed under this Agreement by providing a Change Order Notice to Verra Mobility. Upon Verra Mobility's receipt of the Change Order Notice, Verra Mobility shall deliver to City a Change Order Proposal. Following City's receipt of the Change Order Proposal, the Parties shall negotiate in good faith regarding a plan and schedule for implementation of the proposed changes; the time, manner and amount of payment or price and any other matters relating to the proposed changes. Any Change Order Proposal mutually agreed to by the Parties in writing shall be incorporated as an addendum to this Agreement.

15. TERMINATION:

The Parties may terminate this Agreement as follows:

15.1 This Agreement may be terminated at any time by mutual consent of both Parties.

15.2 City may, at its sole discretion, terminate this Agreement, in whole or in part, upon thirty (30) days' notice, in writing and delivered by certified mail or in person.

15.3 City may terminate this Agreement, effective upon delivery of written notice to Verra Mobility or at a later date established by City, under any of the following conditions:

- a. City funding is not obtained or continued at levels sufficient to pay for Verra Mobility's Work. The Agreement may be modified only upon mutual written agreement of the Parties to accommodate a reduction in funds. In determining the availability of funds, City may use the biennial budget adopted or modified by the City Council.

- b. If federal, state or City regulations or guidelines are modified, changed or interpreted in such a way that the Services are no longer allowable or appropriate for purchase under this Agreement or are no longer eligible for the funding proposed for payments authorized by this Agreement.
 - c. If any license or certificate required by law or regulation to be held by Verra Mobility to provide the Services required by this Agreement is for any reason denied, revoked, or not renewed.
- 15.4 Any termination of this Agreement shall be without prejudice to any obligations or liabilities of either Party already accrued prior to the termination.
- 15.5 The City by written notice of default (including breach of contract) to Verra Mobility may terminate the whole or any part of this Agreement:
 - a. If Verra Mobility fails to provide Services called for by this Agreement within the time specified or any extension of the Agreement, or
 - b. If Verra Mobility fails to perform any of the other provisions of this Agreement, or so fails to pursue the work as to endanger performance of this Agreement in accordance with its terms, and after receipt of written notice from the City, fails to correct the failures within 10 days or such longer period as the City may authorize.
- 15.6 Verra Mobility may terminate this Agreement upon 30 days' written notice to City if City fails to pay Verra Mobility pursuant to the terms of this Agreement and City fails to cure within 30 business days after receipt of Verra Mobility's notice, or such longer period of cure as Verra Mobility may specify in the notice.
- 15.7 In the event the City terminates this Agreement for any reason other than Verra Mobility's default, the City agrees to reimburse Verra Mobility for its actual, reasonable, and documented costs incurred in connection with demobilization and removal of installed Red Light Safety Camera System, Fixed Speed Safety Camera System, Transportable Speed Safety Camera System/In Cabinet Mobile System. Such costs may include direct labor, equipment removal, and associated deinstallation expenses, but shall not include lost profits, overhead, or other consequential damages. The total reimbursement under this Section shall not exceed \$168,000.00 in the aggregate. Verra Mobility shall submit supporting documentation detailing the actual costs incurred, and the City shall pay such costs within sixty (60) days of approval. Notwithstanding the foregoing, in no event shall the City's obligation under this Section exceed the total Program Revenue collected by the City from the Program.
- 15.8 Upon termination of this Agreement, including because it has reached the end of its term, the Parties recognize that City will have to process Events in the "pipeline." Accordingly, upon termination, the Parties shall take the following actions and shall have the following obligations, which survive termination during the wind-down period:
 - (i) City shall cease using the Camera Systems to capture Events.
 - (ii) Unless it is unlawful to do so, Verra Mobility will, for a period of ninety (90) days following termination of this Agreement, continue to process all Events captured before

termination and provide all services associated with processing in accordance with this Agreement and shall be entitled to a monthly Fee per Camera System. After such ninety (90) day period, Verra Mobility will terminate all use of the BOS for City's Program and upon such termination, the BOS, including Verra Mobility provided website accessible by Owners/violators, and related lockbox shall no longer be capable of accepting payments.

(iii) Except as provided for in Section 14.7(iv) related to the Photo Enforcement Infrastructure, City shall return or allow Verra Mobility to recover all provided equipment within a reasonable time not to exceed ninety (90) days.

(iv) Pursuant to Section 7.2, City shall be deemed to accept full ownership and control of the Photo Enforcement Infrastructure. Only upon City's request or if otherwise required by Law, regulation, or administrative agency, and subject to the limitations set forth herein, Verra Mobility shall remove the Photo Enforcement Infrastructure Verra Mobility installed in connection with Verra Mobility's performance of its obligations under this Agreement for the actual cost of the removal (presently estimated at approximately \$5,000 per Approach) plus an additional 20% service fee (the "Removal Fee"). As part of the services performed for the Removal Fee, Verra Mobility shall restore the surface of City's property to substantially the same condition as such property was in immediately prior to this Agreement, except for foundation removal, which shall be left approximately flush with grade with no exposed bolts, or other hazards. Installed underground Photo Enforcement Infrastructure shall not be required to be removed, and City shall accept and observe any and all duties, obligations, or liabilities associated with the remaining foundation, conduit, or other below-grade Photo Enforcement Infrastructure.

15.9 In the event of termination by Verra Mobility for non-payment of Fees by City, Verra Mobility shall cease processing Events as of the date of termination.

16. LIMITED AGENCY:

City hereby grants Verra Mobility the authority to act on its behalf as a limited agent of City, and shall cause the applicable law enforcement agency to grant Verra Mobility the authority to act as a limited agent of the law enforcement agency, for the purposes of (i) facilitating establishment of bank accounts and delivering payment/transfer instructions, if applicable; (ii) access to DMV records; and (iii) generating and administratively processing recorded images of Events as described in this Agreement and the Business Rules. Verra Mobility and its employees, contractors, agents and servants will in no event be considered to be employees, agents (other than in the limited capacity described herein), or servants of City. This Agreement does not and shall not be interpreted as creating a general agency relationship or employment relationship between Verra Mobility and City.

17. USE OF SUBCONTRACTORS:

From time to time, Verra Mobility may subcontract certain services provided under this Agreement without notice to or consent of City.

18. DATA RETENTION:

Subject to litigation holds, court orders, changes in Law, or other legal requirements applicable to Verra Mobility, Verra Mobility shall maintain the categories of data set forth under the heading "Type of Record" for the periods of time set forth under the heading "Minimum Verra Mobility Retention Period" on EXHIBIT E. Within one hundred-twenty (120) days of the later of the termination of this Agreement or the termination of any wind-down period, Verra Mobility shall at its option either (i) place the Violation Images, Non-Violation Images, Individually Identifiable Violation Records, and Individually Identifiable Non-Violation Records (each as described on EXHIBIT E), not previously disposed of in accordance with the data retention schedule at a secured location with SFTP access or (ii) provide Customer with a hard-drive containing the Violation Images, Non-Violation Images, Individually Identifiable Violation Records, and Individually Identifiable Non-Violation Records, where Customer shall have ninety (90) days to retrieve and validate the information. After ninety (90) days, Verra Mobility shall delete all data from the SFTP location (if applicable) and shall have no further data retention obligations to Customer with respect to such data. Customer acknowledges that DMV data source providers may require Customer to enter into licensing agreements with the DMV data source providers in order for Customer to have continued access to certain registered owner information after the termination of this Agreement.

19. ASSIGNMENT:

Neither Party may assign all or any portion of this Agreement without the prior written consent of the other, which consent shall not be unreasonably withheld or delayed. However, for business financing purposes or other corporate reorganizational purposes, Verra Mobility may sell, assign, transfer or convey any interest in this Agreement in whole or in part without the written consent of City, however Verra Mobility must provide advance written notice to City of such an event.

20. FORCE MAJEURE:

Neither Party will be liable to the other or be deemed to be in breach of this Agreement for any failure or delay in rendering performance arising out of causes beyond its reasonable control and without its fault or negligence. Such causes may include but are not limited to, acts of God or the public enemy, terrorism, significant fires, floods, earthquakes, hurricanes, epidemics, pandemics, quarantine restrictions, strikes, freight embargoes, unusually severe weather, supply-chain disruptions or governmental authorities' approval delays which are not caused by any act or omission by the Parties. The Party whose performance is affected agrees to notify the other promptly of the existence and nature of any delay. For the avoidance of doubt, road construction is not an event of Force Majeure on behalf of the City. The term of the Agreement shall be extended by a period equal to that during which either Party's performance is suspended under this section.

21. NOTICES:

Any notices or demand which, under the terms of this Agreement or under any statute, that must or may be given or made by Verra Mobility or City shall be in writing and shall be given or made by personal service, overnight delivery service (e.g. Federal Express), or by certified mail to the Parties at the following addresses:

City of Bend
Attn: Police Chief
710 NW Wall Street
Bend, Oregon 97703
Email: policechief@bendoregon.gov

American Traffic Solutions, Inc.
1150 North Alma School Road
Mesa, Arizona 85201
Attn: Government Solutions Legal Department

With a copy to:
City of Bend
Attn: City Attorney
710 NW Wall Street
Bend, Oregon 97703
Phone: 541-388-5505 Fax: 541-385-6676
Email: legalnotice@bendoregon.gov

22. LEGAL CONSTRUCTION:

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein. This Agreement shall be enforced to the maximum extent possible so as to give effect to the intent of the Parties and shall be reformed without further action by the Parties to the extent necessary to make such provision valid and enforceable herein.

23. AMENDMENTS TO THE AGREEMENT:

Any changes, modifications or amendments to this Agreement shall be in writing and signed by both Parties.

24. INTEGRATION:

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

25. SURVIVAL:

The following provisions of the General Terms and Conditions shall survive the termination of this Agreement: Sections 5, 7, 8, 9, 11, 12, 13, 15, 16, 18, 20, 21, 22 and this Section 25.

26. ADDITIONAL SERVICES:

During the term of this Agreement, from time-to-time Verra Mobility may propose certain new technologies for City to consider and, if so desired, City may procure from Verra Mobility the new technologies through an amendment to this Agreement upon terms to be mutually agreed upon by the Parties.

27. EXECUTION:

This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement, and all of which, when taken together, shall be deemed to constitute one and the same Agreement. The exchange of copies of this Agreement and of

signature pages by facsimile or “.pdf” transmission shall constitute effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes. Signatures of the Parties transmitted by facsimile or “.pdf” shall be deemed to be their original signatures for any purpose whatsoever.

Signatures on next page

By signing below, the Parties agree to the terms and conditions of this Agreement. Each individual signing below represents that such individual has the requisite authority to execute this Agreement on behalf of the entity which such individual represents and that all the necessary formalities have been met. This Agreement is effective on the date of execution by the last signatory to this cover page ("Effective Date").

Approved and authorized for signature by City Council acting as the Local Contract Review Board on [Month, Date, Year].

CITY OF BEND, OREGON

Eric King, City Manager

Date

APPROVED AS TO FORM:

City Attorney's Office

Date

AMERICAN TRAFFIC SOLUTIONS INC., DBA VERRA MOBILITY

Jon Baldwin, EVP, Government Solutions

Date

City Contracting & Funding Authorizations:

By: _____
Director
City of Bend, Oregon

Date

By: _____
Mike Krantz, Police Chief
City of Bend, Oregon

Date

By: _____
Tara Lewellen, Project Manager
City of Bend, Oregon

Date

By: _____
Justin Sweet,
Procurement & Public Contracts Manager
City of Bend, Oregon

Date

EXHIBIT A
COMPENSATION

ENFORCEMENT TYPE	FEE STRUCTURE
Red Light and Fixed Speed-Fixed System	\$5,400 per month per system
In Cabinet Mobile System	\$6,500 per month per system

- Verra Mobility (Contractor) shall provide up to ten (10) Camera Systems. The initial quantity, locations, and timing of deployment shall be determined by the City, based on a data analysis and site assessment conducted and provided by the Contractor.
- There are no Upfront Costs for this System: The City incurs no initial expenses for equipment, installation, or system setup.
- Comprehensive Coverage: The proposed fees encompass all elements of the enforcement program, including equipment, installation, operation, and maintenance.
- High-Value Features: Included at no additional cost are critical features such as HD live video streaming, a 30-day warning period, bilingual customer service, public awareness campaigns, and statistical reporting tools. These features enhance program transparency, public engagement, and operational efficiency, delivering a measurable return on investment
- All service fees per Camera System above includes all costs required and associated with a Camera System installation, routine maintenance, use of BOS for back-office operations and reporting, Event processing services, DMV records access, the standard set of notices, lockbox and e-payment processing (excluding user convenience fee, which is paid by payor and excluding any bank account set up or monthly bank account fees), IVR call center support for general Program questions and public awareness Program support. Any required certified mail, or other special mailing, is not included and the fee is extra and will be billed per unit as published by the US Postal Service.

EXHIBIT B
SCOPE OF WORK

For purposes of this Scope of Work, the term “the Contractor” refers to Verra Mobility.

1. VERRA MOBILITY SCOPE OF WORK

1.1 GENERAL – VERRA MOBILITY’S OBLIGATIONS

OVERALL PHOTO ENFORCEMENT SYSTEM REQUIREMENTS

Equipment Construction and Installation for Photo Enforcement Systems

The Contractor will be responsible for planning, permitting, all phases of constructing, installing, and maintaining all necessary equipment for photo enforcement systems at specified intersections and fixed locations and providing all equipment for those Systems. The Contractor will provide and maintain all necessary equipment for Photo Enforcement. Equipment includes, but is not limited to, radar detection equipment, approach cameras, speed cameras, sensors, components, products, software, and other ancillary equipment.

Contractor shall obtain and pay for all needed permits, including but not limited to those from the Oregon Department of Transportation (ODOT), Deschutes County, or the City of Bend, prior to installing the equipment for the Photo Enforcement Systems at all locations including any of those on roadways and intersections owned by ODOT.

Continuous Operation of Photo Enforcement Systems

The Photo Enforcement Systems must be capable of operating 24 hours a day, 7 days a week.

Information to be Collected under the Photo Enforcement Program

The Systems must record all pertinent data for each violation at capture time. Pertinent data includes, but is not limited to, a video of the violation; a photograph that includes the driver, the vehicle, and the front and rear license plate on the violator vehicle; a unique violation identifier; the location of the violation; the date of the violation; the time of the violation; the elapsed time between images; the direction of travel; the traffic signal phase; time into the red phase; the vehicle’s speed; the duration of the prior amber phase; the vehicle lane of travel; the camera ID; and the frame sequence numbers, and other information necessary as required by Oregon Revised Statutes for use of these systems. The Contractor must be able to share all data collected by the systems with the City of Bend for reporting and analysis purposes. All data collected, including but not limited to video footage, images, vehicle identification data, and location data must have the option to be anonymized before being transmitted to the City for reporting and analysis purposes. Anonymization must ensure that individuals and vehicles cannot be directly or indirectly identified from the shared data. The anonymized data must be in SQL format and must include latitude and longitude information for Geographic Information Systems (GIS) programming purposes.

The Contractor shall implement the following anonymization measures:

- Removal of Personal Identifiable Information (PII): All PII, including license plate numbers, driver faces, and any other identifiable information, must be removed or obscured.
- Data Masking: Apply techniques such as blurring, pixelation, or redaction to visual data to prevent identification of individual, vehicles, or other identifiable features.
- Aggregation: Whenever possible, data should be aggregated to provide statistical information, including latitude and longitude, without revealing details of individual events or persons.
- Encryption and Security: Data must be encrypted during transmission and at rest (storage) in datacenters located exclusively in the United States, with access to restricted personnel only.
- Audit Logs: The Contractor must maintain audit logs of data anonymization processes to ensure compliance and provide traceability of anonymization actions.

The Contractor shall provide documentation demonstrating compliance with anonymization protocols, including detailed anonymization procedure documentation, sample data sets for review by the City, and third-party audit verification to validate the anonymization process.

All anonymized data shared with the City must include data integrity reports confirming that all data has been processed through valid and acceptable anonymization protocols and compliance certification confirming that the data has been anonymized in accordance with the City's requirements.

The Contractor shall ensure that all data handling and anonymization processes comply with local, state, and federal privacy laws.

All data collected by the Systems is the property of the City. The Contractor shall not claim ownership of any data collected during the term of the Agreement.

At the end of the Agreement, the Contractor shall provide all collected data back to the City in a non-proprietary, accessible format. The Contractor must ensure that the data is complete, accurate, and includes all relevant metadata.

The City shall have access to all collected data for a period of 90 days after Agreement termination. During this time, the Contractor shall ensure that the City can retrieve data as needed. Upon expiration of the 90-day access period, data must be securely deleted and a certification of data destruction must be submitted to the City.

Use of Artificial Intelligence (AI)

Upon request by the City, Contractor is required to provide a detailed description of any current use of Artificial Intelligence (AI) or machine learning technologies within the System, including but not limited to data processing, decision making, image recognition, or predictive analytics. The Contractor shall provide documentation outlining the AI models used, the purpose of AI with the system, the data inputs to AI models, and the expected outcomes and/or actions taken by the AI algorithms as part of this solicitation.

The Contractor must notify the City in writing of any planned or future integration of AI technologies into the System prior to implementation. This notification must include an impact assessment detailing the effects on data collection, anonymization, and decision-making processes.

Contractor shall facilitate audits of AI use by providing access to relevant AI documentation, training data, and algorithms to verify that AI technologies comply with privacy, ethical, and regulatory standards.

Contractor shall agree that data captured by the Camera Systems will not be used to train models outside of the Camera Systems provided by the Contractor to the City and that all data resulting from AI modeling of the data captured by the Camera Systems provided for use by the City is the property of the City of Bend and should be turned over to the City in a non-proprietary format and deleted from the Contractor's back-office systems at the end of the Agreement.

Operating and Training Manuals

The Contractor must provide the City with all operating and training manuals for the equipment used under this Agreement. The Contractor shall also provide the City with all relevant specifications, manuals, and materials relating to the capabilities and operation of all the equipment, including any rights, licenses, or permits required by the City to make and provide copies of manuals and materials in response to any discovery requests made for a court trial.

Evaluation of Additional Locations

Prior to installing or deploying a Camera System, the Contractor shall conduct a statistical analysis of each location to assist the City in determining the most beneficial location. Considerations may include collision history, community safety, approved traffic safety surveys, and City-provided data. Camera system deployment and installations will be based on mutual agreement by the City and the Contractor. Camera system installations must comply with the location and signage requirements of ORS 810.434-810.438.

Communication Expectations and Timelines

The Contractor must maintain open and constant communication with the City and ensure that relevant departments, including Police, IT, Traffic Engineering, and Public Works, are promptly notified of issues, events, and activities relating to the services performed. When a system failure, malfunction, or problem is identified by the Contractor, the Contractor must notify the City and all relevant departments within two business days as to the nature of the issue and steps being taken to correct it. If the City notifies the Contractor of a discovered system failure, malfunction, or problem, the Contractor must acknowledge receipt of the information within two business days and update the City and all relevant departments as to the steps being taken to correct it. Regardless of how the issue is first discovered, the Contractor must provide, at a minimum, weekly updates as to the status of the problem and steps being taken to correct it until the problem is repaired and the equipment is fully functional. The Contractor must coordinate maintenance and service requests with the appropriate City departments, particularly if Right-of-Way (ROW) permits are needed for repairs or servicing. The Contractor is responsible for securing any necessary permits.

Schedule of Work

The City and Verra Mobility will complete the Project Time Line within sixty (60) days of Agreement execution date, unless mutually agreed to otherwise by the Parties. Verra Mobility agrees to make every effort to adhere to the Project Time Line.

TECHNICAL SPECIFICATIONS FOR THE PHOTO ENFORCEMENT SYSTEMS

The Contractor will use the latest digital technology available for the Photo Enforcement Systems to produce legally sufficient color digital photos and video of violations. All images, videos, and data must be stored and transmitted in standard widely accepted formats, such as JPEG and MP4, to ensure compatibility and accessibility. The Contractor shall not store or transmit pictures, videos, or other data in proprietary formats that require special software or tools to access, unless specifically approved by the City in writing.

The equipment provided for the Photo Enforcement Systems must:

- Be capable of producing both still photos and videos in a non-proprietary format and viewable without specialized software
- Be tamper and vandal proof
- Be FedRAMP or StateRAMP certified OR complete a City of Bend security questionnaire to assess Cyber Security posture.
- Have minimal impact or reliance on existing traffic signal infrastructure
- Not interfere with the City's or other agency's ability to control the traffic signal infrastructure
- Incorporate and implement all technical and equipment upgrades as they become available, at no charge to the City
- It is desirable to have a live video feed accessible by City Police Department personnel when necessary for crime prevention/investigations
- It is desirable to have historical video digital files accessible by City Police Department personnel when necessary for crime prevention/investigation

The Contractor must work with the City to ensure that its database for storing data related to the Photo Enforcement Systems can interface with existing City databases and programs to send data to those databases and programs through automated procedures. The City currently uses Tyler Technologies products for its Municipal Court system and Police Records Management System. The automated process must be thoroughly tested, and it is the Contractor's responsibility to make any necessary adjustments to ensure it is fully operational.

SERVICES RELATED TO PROCESSING VIOLATIONS

Retrieval and Review of Images

The Contractor must retrieve evidence of violations on its storage devices and develop and convert all images into a digital format, determine and enter license plate information, review the image of the driver of the motor vehicle to ensure that the driver can be identified and that the driver in the image matches the gender of the registered owner (if the registered owner is an individual), and then place all information collected into a secure database.

Secure Database Access

The Contractor must provide the City with a secure database and provide access to allow City police department employees to review alleged violations so that the City Police Department employees may decide whether to issue a citation.

Transmission and Packet Creation

If a Bend Police Department employee determines that a citation is warranted, then the Contractor must transmit the citation to the City for signature. The City will then return the citation to the Contractor, and the Contractor must then mail the signed citation to the registered owner of the vehicle as required by Oregon law, together with an approved cover letter, alleged violation photograph, and an Affidavit of Non-Liability and Certificate of Innocence forms ("Packet").

The Contractor must agree to an initial grace period of warnings being issued anywhere from 30 to 90 days upon the City's approval before the full citation process is initiated for each photo enforcement system implemented.

Requirements for Packet

The Packet must meet the requirements of Oregon Revised Statutes (ORS 153.770 and ORS 810.436) regarding citation mailing, including timing of mailing, and comply with Oregon's chain of custody standards to facilitate prosecution of violations. To ensure full compliance with Oregon law, the Contractor should refer to these statutes and any relevant administrative rules or guidelines provided by Oregon law enforcement agencies.

Certification Process and Authority to Reject Citations

The Contractor will provide a method for the City to certify that all citations noted are in accordance with Oregon law. The Contractor must provide secure access to a database containing electronic files, including digital images of the alleged violations. These files must be accessible online for review by designated City Police Department staff. All data must be encrypted to ensure the confidentiality and security of the information. This access will enable the City to authorize the Contractor to print or reject the citation based on the review.

Access to DMV Records

The Contractor will provide a method for accessing the Department of Motor Vehicles for all states, which complies with Oregon law and the regulations, policies, and procedures of the Oregon Department of Motor Vehicles ("DMV"). The City understands there may be a 10-business-day mail requirement to access another state's DMV information.

Paper and Electronic Copies of Citations; Contents of Electronic Copies

The Contractor must provide an appropriate electronic copy of each issued citation to the Bend Municipal Court ("Court") together with an electronic file that contains all requirements of ORS 153.051 as follows:

- The name of the court;
- The name of the person cited;
- The date on which the citation was issued;
- The name of the enforcement officer issuing the citation and the officer's DPSST number;
- The time and place at which the person cited is to appear in court;
- A statement or designation of the violation that can be readily understood by a person making a reasonable effort to do so and the date, time, and place at which the violation is alleged to have been committed;
- A notice to the person cited that a complaint will be filed with the court based on the violation;
- The amount of the presumptive fine, if any, fixed for the violation;
- A statement notifying the person that a monetary judgment may be entered against the person for up to the maximum amount of fines, restitution, and other costs allowed by law for the violation if the person fails to make all required appearances at the proceedings;
- A statement notifying the person that if the person pleads no contest and delivers to the court the amount of the presumptive fine indicated on the citation, and the court accepts the plea, the amount of the fine imposed against the defendant may not exceed the amount of the presumptive fine indicated on the citation;
- A statement notifying the person that, if the person pleads no contest and delivers to the court the amount of the presumptive fine indicated on the citation:
- The person may submit an explanation of the circumstances of the violation and
- The court may consider the explanation in establishing the amount of the fine, but in no event can the court impose a fine that is less than the minimum fine established under ORS 153.021;
- A statement notifying the person that, if the person pleads not guilty and requests a trial, the court cannot impose a fine that is less than the minimum fine established under ORS 153.021 unless the person is found not guilty, in which case no fine will be imposed.

Required Documentation for Officer

The Contractor must prepare and provide documentation to the officer who will testify about the alleged violation. The documentation must include:

- information about the operation of the camera;
- a checklist regarding camera operation and repair;
- at least two photographs of the violation, including the vehicle and license plate;
- maintenance logs (if necessary);
- mailing records and logs;
- a contact log showing any contacts with the alleged violator; and
- any other information that may be required.

The Contractor must provide required evidence packages for every hearing within five calendar days of notification from the City through its Bend Police Department. The required evidence package must include, but is not limited to, the following:

- the date, time, and location of the alleged violation;

- the digital image of the license plate;
- the video clip of the violation;
- mailing records and logs; and
- the inspection and maintenance reports that indicate the equipment was functioning properly at the date and time of the alleged violation.

Updates regarding Status of Citations; Recordkeeping

The Contractor must keep updated records and update the status of any citations that have been issued. The Contractor must update its database weekly to include information regarding the Certificate of Innocence and Certificate of Non-Liability Forms received from the Court.

Storing Information Regarding Nonresponsive Registered Owners

The Contractor must store all information about registered vehicle owners who do not respond to the original summons. To fulfill this requirement, Contractor must have a processing system or database that is capable of maintaining the initial violation data and all relevant camera information in addition to subsequent transactional data regarding the violation, including collection activity, payments, adjudications, correspondence and address changes.

Storing Photographs and Images of Alleged Violations

The Contractor must keep all photographs and images for which citations are issued for three years from the date of the citation or 30 days after the disposition of the case, whichever is later. The Contractor must keep all photographs and images of violations for which citations were not issued for a minimum of 30 days. The Contractor must maintain a list of all photographs and images that are destroyed.

Employee as Expert Witness

The Contractor must provide an employee who is qualified as an expert witness under court requirements to testify about the Systems and the information collected regarding the violation, which may include the accuracy, calibration, maintenance, repair documentation, technical operation, and equipment effectiveness of the systems' technology. The Contractor's expert witness shall wear court-appropriate attire, appear in person if required by the court, and the cost of providing this expert witness is the responsibility of the Contractor.

Batch Data Transmission and Verification

The Contractor is responsible for ensuring all citation batches are transmitted to the Bend Municipal Court within the timelines established by Oregon Revised Statute and Municipal Court Procedures. The Contractor must have a system, either automated or manual, to check for missing batch data and resend missing batch data to the court.

ASSISTANCE IN DISSEMINATING PUBLIC INFORMATION

The Contractor must assist the City in providing public information about its Systems, including the following:

- Providing public education about the program delivered through a combination of in-person or virtual workshops to improve traffic safety on City streets and to advise motorists about the potential consequences of traffic violations within the City. This education will be provided initially during the program rollout and periodically as needed to reinforce key messages and updates.
- Creating a link to the Contractor's website that can be placed on the City's existing web page containing information about its traffic photo enforcement program.
- May participate with the City in ongoing or future media campaigns on traffic safety, as needed.
- Attending up to two public meetings, either in person or virtually, to demonstrate its Systems and the City's Traffic Photo Enforcement Program, if necessary.

REQUIRED REPORTS; REQUIREMENTS FOR RECORDKEEPING AND DOCUMENT RETENTION

Required Legislative Report

The Contractor must provide the City with a template for the legislative report, designed in accordance with state law requirements. This report, which will be sent to ODOT every bi-annual legislative session, must include an overview of the photo enforcement program. The Contractor's responsibilities include supplying the necessary data and analysis for the report, which should cover the program's impact on driving behavior and offer recommendations for future improvements. The City will use this template and the provided data to prepare and submit the final legislative report.

Required Database Function for Statistical Information

In addition to the bi-annual report, the Contractor must have a database that allows for the aggregation of statistical information on alleged violations and related data throughout the Agreement. The database must generate a report from the aggregation of statistical information. The City will use the information generated to evaluate the overall photo enforcement program's performance and determine future modifications or changes to the program.

Content of Statistical Report

The statistical information to be collected includes but is not limited to, the number of photos, the number of identifiable photos, the number of alleged violations sorted by location and residence of the vehicle's registered owner, the number of citations, the number of filed affidavits, the fine payment, the collection rate, the disposition of the alleged violations, and any other pertinent or related information required to properly and accurately measure program performance.

Information Reports

The Contractor's database must be capable of producing program-monitoring information reports. The report shall include such information as is mutually agreed upon by the Contractor and the City, including but not limited to:

- The number of alleged violations recorded;

- The number of non-issued alleged violations with clearly identifiable cause and origin (Contractor or City);
- The reason for each non-issuance of a citation for alleged violations;
- The number of citations issued;
- The equipment hours of service and any hours lost;
- The location and description of camera malfunction, if any;
- The average number of days to repair and the days lost to malfunction and downtime, if any.

The number of violations by location, with rejected and verified violations reported separately. Reports must reflect the most recent systems data, be accurate, timely, and delivered electronically in a standardized format as agreed upon with the City, such as PDF, Excel, or other widely accepted formats. Reports must be delivered on a regular basis, as determined by the City, such as monthly or quarterly, or upon request.

Other Related Reports

The Contractor must provide additional reports about its Photo Enforcement Systems upon request from the City. The City must agree to any additional costs for these additional reports in writing before the Contractor is required to provide them.

Data as Public Records; Required Retention Schedules

Data generated by the Systems will belong to the City and be considered public records. The Contractor must create a written method for identifying the relevant retention periods under Oregon law for each category of the records generated by the Systems under this Section. The Contractor must ensure that the data stored on its database is secure and backed up to prevent loss or damage. The Contractor must work with the Bend Police Department and other City departments to provide a mechanism and procedure for storing the data generated by the Systems. The Contractor recognizes that all data captured as part of this system is owned by the City and shall not be used for any purpose not specifically authorized by the Agreement or written consent from the City.

Maintenance Logs

The Contractor must maintain and, when requested, provide detailed maintenance logs to the City and the Court that support the issuance of citations. The logs will be recorded, archived daily, and made available to the City and for use in Court. All digital files must be backed up daily to prevent loss or damage.

EQUIPMENT MAINTENANCE

Maintenance Requirement; Timeframe to Correct Malfunction

The Contractor must maintain all installed equipment under the Agreement in a continuously operating condition. Any malfunctioning camera or related equipment must be returned to good working order within 48 hours of notification that the equipment is not in good working order, excluding weekends and City holidays. Any outage beyond 48 hours may reduce the fees, if applicable, paid to the vendor on a calculated daily basis.

Field Service Technician Requirement

The Contractor must provide at least one local Field Service Technician ("Technician") located within a 180 mile radius of Bend, responsible for all maintenance and emergency repair of the Systems and document all repair activity in an electronic maintenance log.

Preventative Maintenance Program

The Contractor shall provide a preventative maintenance program to achieve reasonable reliability and availability of the equipment provided, as further described. Maintenance must include running diagnostics to ensure the early identification of any component failure.

Timing of Preventative Maintenance

The Contractor must perform preventative maintenance during the time allotted for image retrieval to ensure maximum system operation time. In addition, the Contractor must ensure proper calibration of the portable red light camera within its fixed installation site as a normal component of its servicing routine.

The Contractor will complete any required calibration on site. If bench maintenance calibration is necessary at the Contractor's Regional Maintenance and Operations facility, the Technician must replace any faulty component in the Systems within 48 hours, excluding weekends and holidays, of notification and determination of the problem. Any outage beyond 48 hours may result in reduced fees, if applicable, paid to the vendor on a calculated daily basis.

Electronic Log of Repair Activity

The Contractor must maintain an electronic log of all problems reported for camera components and all repair activity for those camera components for each incident reported.

Requirements of Electronic Maintenance Log

The electronic maintenance log must be attached to each camera to track the status of each camera requiring service or repair. The log shall provide a complete record of all maintenance activity and document the equipment's calibration, repair, and routine maintenance to ensure at all times that the evidence is properly documented. All such records must be available to the City upon demand so that the City may resolve evidentiary and administrative procedures.

Timeframe to Respond to City's Request for Records of Maintenance and Repair

The Contractor must make all records of maintenance and repair of all equipment provided under the resulting Agreement available to the City for inspection within five business days of the City's request.

TRAINING REQUIREMENTS

Training Services

The Contractor must provide training services as necessary to ensure that City staff properly operates the equipment and performs the functions for which they will be responsible. Training services must include both initial and ongoing training and appropriate levels of “hands-on” training, including instruction guides, tutorial materials, application reference guides, and problem-solving material.

Training to be conducted in city-provided Facilities

The Contractor will provide the training either virtually or at City facilities.

License for Training Materials; Quantity of Training Materials

The Contractor must provide the City with the license to duplicate all training materials as needed, ensuring they are supplied in sufficient quantity for both initial training and subsequent updates.

OPTIONAL UPGRADES OR ENHANCEMENTS TO THE SYSTEM

The City reserves the right to request and negotiate the inclusion of optional add-ons or enhancements to the Automated Traffic Enforcement System during the term of this agreement.

These may include, but are not limited to:

- Live viewing or real-time monitoring capabilities;
- License plate recognition capabilities;
- Additional reporting or analytics features;
- Expanded sensor or camera functionality;
- System performance upgrades;
- Mobile or remote access capabilities.

The Contractor agrees to engage in good faith negotiations for such enhancements, and shall provide a schedule of available optional features, including technical specifications and pricing, as they become available. Any additions shall be documented through a written amendment or task order mutually agreed upon by both Parties.

1.2 VERRA MOBILITY IMPLEMENTATION

- 1.2.1 Verra Mobility agrees to provide Camera System(s), use of the BOS and related services to City as outlined in this Agreement, excluding those items identified in Section 2 titled "City Scope of Work." Verra Mobility and City understand and agree that new or previously unforeseen requirements may, from time to time, be identified and that the Parties shall negotiate in good faith to assign the proper Party the responsibility and cost for such items. In general, if work is to be performed by City, unless otherwise specified, City shall not charge Verra Mobility for the cost.
- 1.2.2 Verra Mobility will install or deploy Camera System(s) at a number of Designated Safety Zones to be mutually agreed upon between Verra Mobility and City as reflected in a written Notice to Proceed. In addition to any initial Designated Safety Zones the Parties may mutually agree to add additional Camera System(s) or Approaches, which shall also be reflected in a written Notice to Proceed as set forth in **EXHIBIT C**.
- 1.2.3 Site installation plans for fixed-site installations shall be prepared under the supervision of, approved and sealed by a licensed professional engineer licensed to perform engineering services in Oregon.
- 1.2.4 Verra Mobility shall not be responsible for, nor shall it perform, any engineering or traffic safety studies as may be desired by City or required by laws applicable to City.
- 1.2.5 Verra Mobility's Marketing Department will assist City with public information content and outreach campaign strategies ("**Public Safety Campaign**").
- 1.2.6 Verra Mobility agrees to provide a secure website accessible to Owners/violators who have received notices of violation by means of a Notice # and PIN, which will allow Violation image and video viewing. Verra Mobility shall include a link to the payment website(s) and may offer the opportunity to download an affidavit of non-liability online. Verra Mobility will operate this secure website on a 24-hour basis, barring downtime for maintenance, normal servicing activities, or other unforeseen instances.
- 1.2.7 If City is using Verra Mobility enabled lockbox or e-payment services, City shall provide Verra Mobility and the applicable payment processor with the items set forth in Section 2.1.1 below.
- 1.2.8 Verra Mobility is authorized to charge, collect and retain a service/convenience fee of up to the greater of \$5.00 or to 5% of the total payment, for each payment processed through the web, call center, IVR, or other electronic means. Such fee is paid by the payor and retained by Verra Mobility.

1.3 VERRA MOBILITY OPERATIONS

- 1.3.1 Verra Mobility shall provide Customer with access to the BOS, including image processing, and printing and mailing of letters/notices in support of Citation

issuance and escalation. In the case of a transfer of liability by the Owner, the BOS shall be setup to mail a Citation to the driver identified in the affidavit of non-liability or identified by a rental car company. Costs of certified mailings are priced separately and paid by Customer to Verra Mobility as indicated in **EXHIBIT A**.

- 1.3.2 Verra Mobility may make non-substantive formatting or incidental changes to the Citation form without approval by Customer.
- 1.3.3 Verra Mobility shall seek records from vehicle registration databases reasonably accessible to Verra Mobility through its limited agent relationship with Customer and use such records to assist Customer in processing Citations. In accordance with Verra Mobility's Packet obligations, Verra Mobility may mail Citations to the address of the Owner obtained through the DMV, obtained through the National Change of Address (NCOA) database provided by the United States Postal Service, or obtained through other means including but not limited to skip tracing. Verra Mobility reserves the right to pass-through to Customer any cost increases imposed on Verra Mobility by DMV data sources.
- 1.3.4 The BOS shall provide City with the ability to run and print standard system reports. Verra Mobility provides a suite of standard program reporting at no charge to clients with active Programs. Upon notice to City, Verra Mobility reserves the right to modify the suite of standard program reporting available to City, so long as such change applies generally to City's with similar programs. Customized reporting services are available upon written request. The fee for such services shall be mutually agreed upon.
- 1.3.5 In those instances where damage to a System (or sensors where applicable) is caused by (i) negligence on the part of Verra Mobility or its authorized agent(s), Verra Mobility shall bear the cost of repair or (ii) negligence or recklessness on the part of a driver or severe weather or other Force Majeure events, Verra Mobility and City shall bear the cost of repair equally with City reimbursing Verra Mobility for its portion of the cost of repair. For all other causes of damage, including road construction, City negligence, etc. City shall reimburse Verra Mobility for the cost of repair.
- 1.3.6 Verra Mobility shall provide a help-line to assist Customer with resolving any problems encountered regarding its Camera System and/or the BOS. The help-line shall function during Business Hours.

2. CITY SCOPE OF WORK

2.1 GENERAL IMPLEMENTATION REQUIREMENTS

- 2.1.1 City intends to utilize Verra Mobility enabled payment processing channels. City shall designate a City account for deposit / settlement of funds paid by payors. Within seven (7) business days of receipt by City, City shall provide Verra Mobility completed banking forms and payment processing agreements, which may include among others a Participant Agreement and Submerchant Agreement with the payment processor as well as a bank verification letter prepared by the City's settlement account's bank, and a Form W-9, Request for Taxpayer Identification

Number and Certification. Verra will provide City the required banking forms and payment processing agreements, all of which shall be subject to review and approval by the City.

- 2.1.2 City shall execute the Verra Mobility DMV Services Subscriber Authorization (substantially in the form attached as **EXHIBIT D**) to provide verification to the National Law Enforcement Telecommunications System (NLETS) indicating that Verra Mobility is acting on behalf of the City for the purposes of accessing vehicle ownership data pursuant to the list of permissible uses delineated in the Drivers Privacy Protection Act 18 U.S.C. 2721, Section (b)(1). Access to registered owner information through National Law Enforcement Telecommunications System (NLETS) requires City to provide Verra Mobility with a unique City ORI. In order to access certain state departments of motor vehicles records directly (not through NLETS), agreements or applications directly between City and the state DMV may be required by City, including agreements requiring City to comply with certain permissible use, privacy, and security requirements of the applicable state department of motor vehicle. If required, City shall execute such agreements or applications with, participate in audits by, or provide certifications to state department of motor vehicles. If City requires Verra Mobility to access registered owner information from sources other than NLETS or direct through a state DMV, accessible to Verra Mobility at no cost, additional fees will apply.
- 2.1.3 City is responsible for notifying Verra Mobility of any local legislative and/or ordinance changes in writing within forty-eight (48) hours of the first read of the proposed legislation. Verra Mobility will not be responsible for complying with any change in applicable local law, until such time as Verra Mobility has been notified by City in writing of the change in Law and, if applicable, City's Business Rules have been updated by City. In the event of a change in Law, excluding a change in City's local law, which would increase the cost of Verra Mobility's provision of the Services, Verra Mobility may propose a Fee increase to City. If the Parties cannot mutually agree on the Fee change, Verra Mobility may terminate this Agreement. In the event of a change in or adoption of a local law of City, which would increase the cost of Verra Mobility's provision of the Services, Verra Mobility shall provide City with a Fee increase consistent with Verra Mobility's increased operating cost, and City shall be obligated to pay such increased Fees.
- 2.1.4 City is responsible for all final jurisdictional issues, including but not limited to as they pertain to issuance of Citations, adjudication of Violations, and intergovernmental authorities.
- 2.1.5 Once a Notice to Proceed is granted to Verra Mobility in writing, City shall not issue a stop work order to suspend activity on the implementation process, unless City reimburses Verra Mobility for costs incurred up to the date the stop work order is issued.
- 2.1.6 City will comply with all applicable Laws relating to its conduct with respect to the Program. City shall not use the Camera Systems, the BOS, or the data captured by the Camera Systems or provided by NLETS or DMV data source providers for any purpose not permitted by Law.

- 2.1.7 Once a Camera System is installed and certified by Verra Mobility as operational, it shall be immediately put into service at the next available enforcement period or as otherwise mutually agreed to by the Parties.
- 2.1.8 In the event that remote access to the BOS is blocked by City network security infrastructure, City's Department of Information Technology shall coordinate with Verra Mobility to facilitate appropriate communications while maintaining required security measures.

2.2 STREETS AND TRAFFIC DEPARTMENT OPERATIONS

- 2.2.1 All Fixed Camera Systems are intended to remain installed for the duration of the Agreement. If City requests that Verra Mobility move a Fixed Camera System after initial installation, City shall pay for the total cost to relocate the System.
- 2.2.2 If a construction or improvement project requires an installed Camera System to be deactivated or requires a Camera System, including imbedded sensors, to be moved or removed, City shall pay a reduced monthly fee of \$2,500 per month for the deactivated Camera System during the time the Camera System is deactivated and pay any costs incurred by Verra Mobility for removing, and if applicable reinstalling, the System. If the System shall be reinstalled after project is completed, in lieu of paying the reduced monthly Fee while Camera System is deactivated City may instead elect through a Change Order, or other written modification to the Agreement, to extend the current term of the Agreement for the time period the Camera System was deactivated.
- 2.2.3 Prior to the installation of any System, City shall provide Verra Mobility information regarding any and all road construction or improvement projects scheduled during the term of this Agreement for any Approach designated for System installation. In addition, within thirty (30) days of becoming aware of anticipated construction that may result in the deactivation or removal of a System or otherwise impact an Approach during the term of this Agreement, City shall notify Verra Mobility of any such construction.
- 2.2.4 City will design, fabricate, install and maintain camera warning signs required by Law for purposes of operating the Program. If City cannot provide such signage, Verra Mobility will do so, and City shall reimburse Verra Mobility for such costs. Even if Verra Mobility provides such signage, City shall remain responsible for maintaining such signage in compliance with applicable Laws. City is responsible for determining the placement/location of signs in compliance with applicable Laws.
- 2.2.5 City understands that proper operation of the Red-Light Camera Systems requires access to traffic signal phase connections. City, therefore, shall provide access to traffic signal phase connections according to approved design. When traffic signal phase connections are not under the jurisdiction of City, it shall be City's responsibility to negotiate agreements with the owner or maintaining agency of the traffic signal controller and infrastructure in order to provide the required access to said phase connections and infrastructure and any costs associated with needed agreements shall be funded by City.

- 2.2.6 City understands that proper operation of the Red-Light Camera System sometimes requires attachment of certain items of detection equipment to existing signal masts, mast arms and/or other street furniture. City, therefore, shall provide access to Verra Mobility to attach certain items of detection equipment to existing signal masts, mast arms and / or other street furniture if required for the proper operation of the System.
- 2.2.7 City shall allow Verra Mobility to access power from existing power sources at no cost and, if applicable, shall allow or facilitate access to traffic signal phase connections to a pull box, pole base, or controller cabinet nearest to each System within City's jurisdiction. If these items are not made available, the costs of any additional conduit or power infrastructure needed to support installation of the Camera System shall be funded by City. Verra Mobility may agree to cover these upfront costs and separately bill City through the monthly invoice over a period not to exceed one year. If existing power sources are not immediately available, City will allow Verra Mobility to use temporary power until the existing power is established. In situations where it is not possible to obtain electrical power from a pre-existing source, City shall bear the costs (or reimburse Verra Mobility) for obtaining/routing power. When access to power facilities is not under the jurisdiction of City, it shall be City's responsibility to negotiate any necessary agreements with the owner or maintaining agency of the power facility and infrastructure in order to provide required access to said power facilities and infrastructure. Any costs associated with the needed agreements shall be funded by City.
- 2.2.8 City, or any department of City, shall not charge Verra Mobility or its subcontractor(s) for building, construction, electrical, street use and/or pole attachment permits, including any fee for traffic control services and permits during installation or maintenance of a System. City shall also apply for, when in City's name, or coordinate the application for, when in the name of a City agency, school, or school district, and fund any and all needed state, local, and/or county permits, including any traffic control permits.
- 2.2.9 If required by the submitted design plan for proper operation, City shall allow Verra Mobility to install vehicle detection sensors in the pavement of roadways within City's jurisdiction. City shall provide its best efforts to aid in acquiring any and all required permission and permits when the roadway is under the jurisdiction of the state or county.
- 2.2.10 If use of private property right-of-way is needed, City shall assist Verra Mobility in acquiring permission to build in existing utility easements as necessary. Any costs for private property right-of-way lease/rental costs shall be borne by City as it is expressly excluded from the base fee structure identified in the fee schedule.
- 2.2.11 City shall be responsible for the performance of any engineering or traffic safety studies as may be desired by City or required by laws applicable to City.

2.3 COURTS OPERATIONS

- 2.3.1 Verra Mobility shall provide City with access to its online BOS adjudication processing module which will enable the adjudication function to review cases, related images, and other related information required to adjudicate disputed Citations. If instead of using the online adjudication processing module in the BOS, City desires to integrate Verra Mobility data into its adjudication system, subject to feasibility, Verra Mobility shall provide a court interface. Verra Mobility shall provide a price proposal to City for the development of any such court interface.
- 2.3.2 City is responsible for entering all final dispositions of Citations including all payments of Citations into the BOS as appropriate and/or necessary, either directly through the online adjudication processing module or through the court interface.

EXHIBIT C
FORM OF NOTICE TO PROCEED

Reference is made to the Photo Enforcement System Services Agreement by and between American Traffic Solutions, Inc., doing business as Verra Mobility (“Verra Mobility”) and _____ (“City”), dated as of _____ (the “Agreement”). Capitalized terms used in this Notice to Proceed shall have the meaning given to such term in the Agreement.

Customer hereby designates this implementation of Systems at the Approaches listed below. Verra Mobility shall make its best efforts to install a System within sixty (60) days of permits being granted and power delivered for each agreed-upon Approach, providing that Customer has received permission for all implementations in writing from any third-party sources.

Below is a list of Approaches provided by Customer, which have been analyzed based on traffic volumes, road geometry, and existing infrastructure and are believed to be locations at which a System would increase public safety.

Execution of this Notice to Proceed by Customer shall serve as authorization for the installation of Systems for all Approaches designated as follows:

Approach (Direction and Roadway)	Type of Enforcement	Camera System Solution (# of Cameras per Approach)

Customer understands that implementation and installation of any Approach is subject to Site Selection Analysis and engineering results.

Customer recognizes the substantial upfront costs Verra Mobility will incur to construct and install the Systems for the above listed Approaches. Customer agrees that the Systems authorized by this Notice to Proceed for the above-listed Approaches shall remain installed and operational for the duration of the current term of the Agreement. Verra Mobility reserves the right to bill Customer

for any upfront costs associated with the Approaches listed above in the event Customer elects to cancel or suspend the installation.

IN WITNESS WHEREOF, City has executed this Notice to Proceed as of the date written below.

CITY OF BEND

By: _____
Name: _____ Date _____
Title: _____

ACKNOWLEDGED AND AGREED TO BY:

AMERICAN TRAFFIC SOLUTIONS, INC.

By: _____
Name: _____ Date _____
Title: _____

EXHIBIT D
DMV SERVICES SUBSCRIBER AUTHORIZATION

Month/Day/Year

Frank L. Minice, Executive Director/CEO
National Law Enforcement Telecommunications System, Inc. (NLETS)
1918 W. Whispering Wind Drive
Phoenix, AZ 85085

Dear Mr. Minice:

Re: Authorization for ORI Code: _____

The CITY authorizes American Traffic Solutions, Inc. dba. Verra Mobility to use the CITY ORI
----- for the limited purpose of obtaining vehicle registration information through NLETS.

This letter acknowledges that a contract to perform automated enforcement between the CITY and American Traffic Solutions, Inc., doing business as Verra Mobility ("Verra Mobility") is in force. As a requirement of and in performance of that contract between the CITY and Verra Mobility, it will be necessary for Verra Mobility to access Nlets for motor vehicle data on our agency's behalf.

This program will operate within the Axis environment under partner ORI AZNlets97.

Please accept this letter as authorization from the CITY for Verra Mobility to run motor vehicle inquiries for this purpose. This authorization will automatically expire upon the termination of the contract between CITY and Verra Mobility; and, such authorization is limited to violations detected by the automated enforcement camera systems.

By completing the information below and signing this letter, I am stating that I am a member of and have the authority to extend this authorization on behalf of the CITY.

SUBSCRIBER INFORMATION

Subscriber Agency/Name

Nlets Agency ORI

**Name/Title of Authorized
Representative**

Mailing Address

Telephone

Email

**Signature of Authorized
Representative**

Date Signed

Fax

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EXHIBIT E
RETENTION SCHEDULE***

[This schedule to be completed by Customer in conformity with their applicable state and local law prior to execution of the Agreement.]

Type of Record	Minimum Verra Mobility Retention Period
Violation Images* (including video clips and related metadata)	__ months from payment or final adjudication
Non-Violation Images (including video clips and related metadata)**	__ days from Event capture date
Warning Notice Images (including video clips and related metadata)	__ from issuance date
Individually Identifiable Violation Records*	__ months from payment or final adjudication
Individually Identifiable Non-Violation Records**	__ days from Event capture date
Audio recording from contact center	90 days from call
Written correspondence with citizens regarding Violations	1 year from date of correspondence
Camera System Calibration/Certification Records	__ months from payment or final adjudication of an applicable Violation
Maintenance Records	__ months from payment or final adjudication of an applicable Violation
Other Program Records	__ years from termination of the Agreement

* Violation Image: an image of a Violation issued as a Citation.
Individually Identifiable Violation Records: a record containing individually identifiable information pertaining to a Violation issued as a Citation.

** Non-Violation Image: an image of an Event not issued as a Citation.
Individually Identifiable Non-Violation Records: a record containing individually identifiable information pertaining to an Event not issued as a Citation.

*** Retention period is not applicable upon termination of the Agreement and the data is provided to Customer pursuant to Section 15 of the Agreement.

This records retention schedule does not apply to any Event data captured by the Camera System, but not uploaded into BOS.

EXHIBIT F
CITY OF BEND DATA SERVICES ADDENDUM

This Data Services Addendum ("Addendum") is entered into between American Traffic Solutions, Inc., doing business as Verra Mobility, ("Verra Mobility" or "Company"), with its principal place of business located at 1150 North Alma School Road, Mesa, Arizona 85201 ("Company"), and the City of Bend, with its principal place of business located at 710 NW Wall Street, Bend, Oregon 97703 ("City"), together the "Parties" individually, a "Party."

This Addendum is attached to, and incorporated into, the Photo Enforcement System Services Agreement (the "Services Agreement") dated effective _____. As used below, the "Agreement" means this Addendum and the Services Agreement. Unless otherwise expressly stated herein, to the extent there is any conflict between the Addendum and the Services Agreement, the terms of this Addendum shall control.

In consideration of the mutual covenants and obligations contained herein, Company and City agree as follows:

1. Effective Date; Term; Renewal. This Agreement shall become effective when signed by both Parties and approved by City's legal counsel. The term of this Agreement and any renewals shall be as set forth in the *1 Services Agreement, and any applicable order form(s) incorporated therein. Termination or expiration shall not extinguish or prejudice the City's right to enforce this Agreement with respect to any default or defect in performance that has not been cured.

2. Invoices and Payments. Company shall direct invoices to the City of Bend, Attn: Accounts Payable, P.O. Box 1458, Bend, Oregon 97709. Invoices shall be emailed to: ap@bendoregon.gov. City shall review all submitted invoices promptly and shall pay all undisputed amounts within 30 days of receipt of the invoice.

If an invoice is delivered on a non-business day, the invoice shall be considered received on the next day the City's Finance Department is open for business. Payment and late fees shall only be in accordance with ORS 293.462. If Company fails to present invoices in proper form within sixty (60) days after the of the period in which the services were rendered, Company waives any rights to present such invoice thereafter and to receive payment therefor.

3. Standard of Care. Company will provide its Services with the degree of skill and diligence normally employed by professionals performing the same or similar services at the time the Services are performed. Company shall, at all times during the term of this Agreement, be duly licensed to provide the Services, and if there is no licensing requirement for the profession or Services, be duly qualified and competent.

4. Termination. Intentionally Omitted (See Section 15 of the Services Agreement).

5. Coordination with Other Contractors and City. Company shall fully cooperate with other contractors and City employees providing support to the City during installation, operation, or maintenance of the Services. Company shall make every reasonable effort to cooperate with City to minimize and/or prevent any degradation of City's other computer, software, and telecommunications systems by the installation, operation, or maintenance of the Services.

6. Ownership of Work Product. Except as otherwise stated and in accordance with

Section 8 Proprietary Rights of the Services Agreement, all work product defined herein as “City Data Derived Works” created by Company under this Agreement shall be the exclusive property of the City. City Data Derived Works include, without limitation, reports, violation images, citation notices, and surveys. Company waives and releases all rights relating to the use of the work under this Agreement, including any rights arising under 17 U.S.C. § 106A. Reuse of work product by City or others for purposes outside the Scope of Work shall be without liability to Company. Company acknowledges and agrees that all Intellectual Property rights and other proprietary rights in any work resulting from the use of City data in performance of services under this Services Agreement shall vest and be held in the name of the City. The City acknowledges and agrees that the Company retains sole ownership, title, and Intellectual Property rights in all Pre-Existing Intellectual Property of the Company. The City further acknowledges and agrees that the Company retains sole ownership of the Intellectual Property rights in and to the components of the Project, including all hardware, software, design, and documentation associated with the Services Agreement including previously existing Intellectual Property rights or rights to Intellectual Property developed by Company, alone or in collaboration with the City or a third-party, during the term of the Services Agreement whether specifically to satisfy the terms of this Services Agreement or not. The City further acknowledges and agrees that the City 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 Services Agreement.

“Intellectual Property” means all patentable and unpatentable inventions, algorithms, application programming interfaces (APIs), concepts, data, databases and data collections, designs, diagrams, documentation, drawings, flow charts, formulae, ideas, knowhow, materials, marketing and development plans, trademarks and service marks (including brand names, product names, logos, and slogans), methods, models, procedures, processes, protocols, software code (in any form including source code and executable or object code), specifications, uniform resource identifiers including uniform resource locators (URLs), user interfaces, web sites, works of authorship or expression, and other forms of technology.

“Pre-Existing Intellectual Property” means all Intellectual Property developed prior to or outside the scope of this Services Agreement, and any derivatives of that Intellectual Property whether developed prior to or during the Term of this Services Agreement or within or outside the scope of this Services Agreement.

7. Access to Records – Files; Confidential Information; Retention. Company shall maintain and retain all books, documents, papers, data, and records relating to this Agreement for at least seven years following completion of the Services. Company shall maintain any other records pertinent to this Agreement in such a manner as to clearly document Company’s performance. City, state and federal government, and their duly authorized representatives shall have access to the books, documents, papers and records of the Company which are directly pertinent to the specific Agreement for the purpose of making audit, examination, excerpts and transcript. Company agrees that all files or other documents generated or in the possession of Company related to Company’s delivery of service are the property of the City and shall be available to the City upon request. Company understands the nature of project/projects means that Company may be privy to information that is confidential, proprietary or sensitive in nature, which information shall not be disclosed to any third person or entity without the consent of the City or at the City’s direction, either during the term of this Agreement or after its termination. Likewise, any analysis or commentary provided by Company of a confidential or sensitive nature shall not be released or disclosed to any person without the consent or direction of the City.

8. Independent Contractor; Responsibility for Taxes & Withholding.

8.1 The Services to be rendered by Company under this Agreement are that of an independent contractor. For the avoidance of doubt, nothing in this Addendum shall be construed to modify or override Section 16 (Limited Agency) of the Services Agreement. Company is not an officer, employee, or agent of the State or Department as those terms are used in ORS 30.265 of the Oregon Tort Claims Act, and Company is not to be considered an officer, employee or agent of the City for any purpose. Company shall be solely and entirely responsible for its acts and for the acts of its agents or employees during the performance of this Agreement. Company is an independent contractor for purposes of the Oregon Workers' Compensation Law (ORS Chapter 656) and is solely liable for workers' compensation coverage under this Agreement. City does not have the right of direction or control of the manner in which Company delivers the Work under this Agreement or exercise any control over the activities of the Company.

8.2 No Agency, Partnership or Joint Venture/Independent Contractor - Neither the City or Company, by virtue of this Agreement, is a partner or joint venture with the other party in connection with the activities carried out under this Agreement.

8.3 This Agreement is not intended to entitle the Company nor any of its agents to any benefits generally granted to City employees. Without limitation, but by way of illustration, the benefits which are not intended to be extended by this Agreement are vacation, holiday and sick leave, other leaves with pay, tenure, medical and dental coverage, life and disability insurance, overtime, Social Security, Workers' Compensation, unemployment compensation, or retirement. Company shall be responsible for all federal or state taxes applicable to compensation or payment paid to Company under this Agreement.

9. Oregon Public Records Law Disclosure. Company expressly agrees and understands that City's obligations under this Agreement are subject to, and only enforceable to the extent permitted by, the Oregon Public Records Law, Oregon Revised Statutes (ORS) 192 *et seq.*, and any other applicable state or federal law. Nothing in this Agreement prohibits the City from making disclosures, including of Confidential Information, if required by law (including the Oregon Public Records Law, Oregon Revised Statutes (ORS) 192 *et seq.*), subpoena, or court order

10. Data. In addition to Company's obligations under Addendum Section 7 regarding Access to Records – Files; Confidential Information:

10.1 Data Ownership. For the avoidance of doubt, nothing in this Addendum shall be construed to modify or override Section 8.5 Data Ownership and Use of the Services Agreement. City shall own all right, title, and interest in and to the City Data, as well as any data that is based on or derived from the City Data. Company will not sell, license, assign, or otherwise transfer City Data to any third-party without the prior express written consent of the City, and will not use City Data except to provide services under the Agreement to the City. "City Data" means and includes all data provided by City or City's end users to Company to enable the provision of the services, as well as all work product described in Section 6, above.

10.2 Privacy and Security; Training. Company will implement and maintain industry-standard technical and organizational security measures designed to preserve the security, confidentiality, and integrity of City Data. Company shall ensure its employees, agents, and contractors receive periodic training on privacy and security obligations relating to this Agreement.

10.3 Background Checks. Company has completed a criminal background check on its employees, agents, and contractors providing services related to this Agreement. Upon reasonable written request of the City, Company shall certify in writing that such background checks have been completed, and the checks revealed no negative findings pertaining to dishonesty, fraud, or theft on employees, agents, or contractors providing services related to this Agreement.

10.4 Limited Purposes. Company shall limit the use or disclosure of City's Data to

persons directly connected with the administration of this Agreement.

10.5 No Overseas Access, Storage, or Transmission. City's Data will not be accessed from, transmitted, or stored outside of the United States or its territories, by Company, including for any maintenance, support, disaster recovery, or data backup.

10.6 Prohibition on Data Mining. Except as otherwise stated in Section 8.5 of the Services Agreement, Company shall not capture, maintain, scan, index, share or use City's Data, or otherwise use any data-mining technology, for any non-authorized activity, and shall not permit its agents or subcontractors to do so. For purposes of this requirement, "non-authorized activity" means data mining or processing of data, stored, or transmitted by the service, for unrelated commercial purposes, advertising, or advertising-related purposes, or for any other purpose other than security analysis that is not explicitly authorized in this Agreement.

10.7 Privacy Protections. Company shall maintain protections required by law or this Agreement for any retained City Data for so long as Company (including through any third party) retains City Data.

10.8 Access. Company shall not suspend City's access to City Data at any time during the term of this Agreement or the post-termination access period.

10.9 Backup and Recovery of City Data. Subject to litigation holds, court orders, changes in law, or other legal requirements applicable to Company, Company will maintain a complete backup of all City Data, and for an orderly and timely recovery of such data in the event that the Services may be interrupted. Company shall maintain a contemporaneous backup of City's data that can be recovered within eight (8) hours at any point in time. Company shall maintain the categories of data set forth under the heading "Type of Record" for the period of time set forth under the heading "minimum Verra Mobility Retention Period" on EXHIBIT E during the term of the Services Agreement. Customer represents and warrants to Company that the data retention schedule provided by Customer complies with the laws applicable to City.

10.10 Post-Termination Access. Company shall, at the City's discretion, either return all City Data to City (or delegate) upon Agreement expiration or termination in an agreed-upon format (as described below), and otherwise ensure City has access and the ability to retrieve City Data for at least ninety (90) calendar days following expiration or termination. This a ninety (90) day period will be at no additional charge to City. Company shall not retain any copies of City Data following City's written verification that City no longer requires post-termination access, except as necessary to meet its obligations under Section 6, Access to Records – Files; Confidential Information. Within one hundred twenty (120) days of the later of the termination of the Services Agreement or the termination of any wind-down period, Company shall at it either (i) place the Violation Images, Non-Violation images, Individually Identifiable Violation Records, and Individually Identifiable Non-Violation Records (each as described on EXHIBIT E), not previously disposed of in accordance with the data retention schedule at a secured location with SFTP access or (ii) provide City with a hard drive containing the Violation images, Non-Violation Images, Individually Identifiable Violation Records, where City shall have ninety (90) days to retrieve and validate the information. After ninety (90) days, Company shall delete all data from the SFTP location (if applicable and in accordance with Section 10.11 of this Addendum) and shall have no further data retention obligations to City with respect to such data. City acknowledges that DMV data source providers may require City to enter into licensing agreements with the DMV data source providers in order for City to have continued access to certain registered owner information after the termination of the Services Agreement.

10.11 Sanitization. Subject to Section 7, Access to Records – Files; Confidential Information, Company shall not retain any copies of City Data following the post-termination access period referenced in Section 10.10 of this Addendum. Company shall not destroy City

Data without the City's express written authorization. Company shall notify the City of any conditions that make returning all City Data not feasible. Upon the City's written acknowledgement that returning all City Data is not feasible and consent, Company shall purge or destroy retained City Data in all its forms (including copies of returned data) in accordance with the most current version of NIST SP 800-88 and provide the City with written certification of sanitization.

10.12 Incidents and Breaches. In the event Company or its subcontractor or agents discover or are notified of a suspected or confirmed security incident, or a suspected or confirmed breach of security or privacy, Company shall notify City's point of contact (or delegate) immediately, and in no event more than 24 hours following discovery or notification. Such notification shall include, at a minimum, a description of the nature of the security incident, the type of City Data or other data affected, the reasonably likely consequences of the incident, and the measures taken or proposed to be taken to address the incident and mitigate its effects. An "incident" means an observable, measurable occurrence that is a deviation from expected operations or activities. Breaches include a failure to comply with Company's confidentiality obligations. If City determines that a breach requires notification of its clients, or other notification required by law, City will have sole control over the notification content, timing, and method, subject to Company's obligations under applicable law. In accordance to Section 9.4 of the Services Agreement, Company will reimburse City for the reasonable costs incurred by City in responding to, and mitigating damages caused by, any confirmed or suspected security incident involving the unauthorized disclosure or theft of City Data, including all costs of notice or remediation.

10.13 Use of Subcontractors. To the extent any of Company's subcontractors process, possess, maintain, or otherwise view City Data, Company will enter into an agreement with each subcontractor that obligates the subcontractor to protect the City Data in a manner substantially similar to the standards set forth in this Section 10 of this Addendum. Company will be liable and shall indemnify, defend, and hold City harmless in accordance to Section 9 of the Services Agreement.

11. Indemnification. Intentionally Omitted (See Section 9 of the Services Agreement).

12. Insurance. Company shall purchase and maintain at its own expense the insurance noted below subject to review and acceptance by the City. All insurance shall apply on a primary, non-contributory basis and remain in effect for the duration of the Agreement. Any policy written on a 'claims made' basis may only be done so with the written approval and authorization of the City and coverage written in this manner shall extend for two years past completion and acceptance of Company's Services. Insurance certificates and insurance questions shall be emailed to the City's insurance email at: insurance@bendoregon.gov.

12.1 Commercial General Liability Insurance with minimum coverage in effect of \$2,000,000 per incident, claim or occurrence and \$2,000,000 in aggregate. The policy shall include coverage for personal injury, bodily injury, advertising injury, property damage, premises, operations, products completed operations, employer's practices liability and contractual damages. Company shall remain fully responsible and liable for any claims resulting from the negligence or intentional misconduct of contractor, its subcontractors, and their officials, agents and employees in performance of this Agreement, even if not covered by, or in excess of insurance limits.

12.2 Workers' Compensation Insurance as required by ORS chapter 656 and meeting the minimum requirements therein. Company shall ensure that each subcontractor obtains and maintains workers' compensation insurance and that the carrier notifies the state of Oregon or files a guaranty contract with the state of Oregon Workers' Compensation Division before performing work.

12.3 Commercial General Liability coverage shall name, by certificate and endorsement the City, its officers, agents, employees and volunteers as additional insureds with respect to Company's Services provided under this Agreement.

12.4 Company shall provide proof of coverage required by acceptable Certificate of Insurance and signed Endorsement from the carrier(s). The Certificate and Endorsement shall provide that there will be no cancellation, termination, material change or reduction in limits of the insurance coverage without a minimum 30-day written notice to the City. The Certificate and Endorsement shall also state the deductible or self-insured retention level.

13. Subrogation. Company grants Waiver of Subrogation to the City, its officers, agents, employees and volunteers for any claims arising out of Company's work or service. Further, Company agrees that in the event of loss due to any of the risks for which it has agreed to provide insurance, recovery by the Company shall be solely with their insurance carrier. Company also grants to City on behalf of any insurer providing coverage to either Company or City with respect to the work or services of Company a waiver of any right to subrogation which any insurer or Company may acquire against City by virtue of the payment of any loss under such insurance coverage.

14. Nondiscrimination - ADA Compliance. Company agrees to comply with Title VI of the Civil Rights Act of 1964, with Section V of the Rehabilitation Act of 1973, and with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations. Company also shall comply with the Americans with Disabilities Act (ADA) of 1990, as amended by the ADA Amendments Act (ADAAA) of 2008 and any subsequent amendments (42 U.S.C. § 12101, et seq.) (Pub No. 101-336), ORS 659A, and all regulations and administrative rules established pursuant to those laws. Company agrees to comply with ADA in its employment and nondiscrimination practices, and that it shall perform its contractual obligations consistent with ADA federal requirements and regulations, state disability and accessibility law and requirements, and applicable regulations and administrative rules established pursuant to those laws.

15. Successors and Assigns. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the Parties, and their respective successors and approved assigns. Company shall not assign or transfer its interests in this Agreement without written consent of City, which consent may be withheld in the City's sole, subjective discretion. The rights under this Agreement may not be transferred or assigned by operation of law, change of control or merger, or without the prior written consent of the City. The City may rescind this Agreement if transferred or assigned by operation of law, change of control or merger, or without the prior written consent of the City.

16. Subcontractors. Company shall ensure that its subcontractors, if any, comply with the requirements of this Agreement.

17. Force Majeure. Intentionally Omitted (See Section 20 of the Services Agreement).

18. No Third-Party Beneficiaries. City and Company are the only Parties to this Agreement and are the only Parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide any benefit or right, whether directly, indirectly or otherwise, to third persons unless such third persons are identified by name herein and expressly described as intended beneficiaries of the terms of this Agreement.

19. No Waiver. The failure of City to enforce any provision of this Agreement shall not constitute a waiver by City of that or any other provision.

20. Limitation on Authority. City retains its authority to execute all applications, agreements and other documents relating to the Project. Company has no right or authority, express or

implied, to commit or otherwise obligate City or any of its partners, except as permitted by the express terms of this Agreement, or as authorized in writing.

21. Attorney Fees; Governing Law; Venue; Jurisdiction. In the event an action, suit or proceeding, including appeals, is brought for failure to observe any of the terms of this Agreement, each Party shall be responsible for that Party's own attorney fees, expenses, costs and disbursements for the action, suit, proceeding or appeal. The provisions of this Agreement shall be construed in accordance with the provisions of the laws of the State of Oregon without reference to its conflict of laws provisions. Any claim, action, suit, or proceeding between City and Company arising from or relating to this Agreement shall be brought and conducted solely and exclusively within the Circuit Court of Deschutes County, Oregon, or, if the claim must be brought in a federal forum, the United States District Court for the District of Oregon. Company hereby consents to personal jurisdiction of said courts. For the avoidance of doubt, Section 9.3 Indemnification Procedures of the Services Agreement shall apply.

22. ORS 279A.125 Preference for Recycled Materials. Company will use where applicable, recycled materials if (a) The recycled product is available; (b) The recycled product meets applicable standards; (c) The recycled product can be substituted for a comparable non-recycled product; and (d) The recycled product's costs do not exceed the costs of non-recycled products by more than five percent (5%).

23. Compliance with Law. Company shall comply with applicable federal, state, and local laws and ordinances applicable to the work under this Agreement. This Agreement incorporates the provisions required to be in an agreement of this type by ORS 279B.200 through 279B.235 (see **Exhibit A**).

24. Severability. If any provision of this Agreement is held illegal or unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions will not be impaired unless the illegal or unenforceable provision affects a significant right or responsibility, in which case the adversely affected party may request renegotiation of the agreement, and if negotiations fail, may terminate the agreement.

25. Counterparts. This Agreement may be executed in several counterparts, all of which when taken together shall constitute one agreement binding on all Parties, notwithstanding that all Parties are not signatories to the same counterpart. Each copy of the Agreement so executed shall constitute an original.

26. Amendments. The Parties may amend this agreement only by a written amendment properly executed by both Parties.

27. Pay Equity. As required by ORS 279B.235, Company shall comply with ORS 652.220 and shall not discriminate against any of Company's employees in the payment of wages or other compensation for work of comparable character, the performance of which requires comparable skills, or pay any employee at a rate less than another for comparable work, based on an employee's membership in a protected class.

Company must comply with ORS 652.220 as amended and shall not unlawfully discriminate against any of Company's employees in the payment of wages or other compensation for work of comparable character on the basis of an employee's membership in a protected class. "Protected class" means a group of persons distinguished by race, color, religion, sex, sexual orientation, national origin, marital status, veteran status, disability or age. Company's compliance with this section constitutes a material element of this Agreement and a failure to comply constitutes a breach that entitles Agency to terminate this Agreement for cause.

Company may not prohibit any of Company's employees from discussing the employee's rate of

wage, salary, benefits, or other compensation with another employee or another person. Company may not retaliate against an employee who discusses the employee's rate of wage, salary, benefits, or other compensation with another employee or another person.

28. Compliance with Tax Laws. Company represents and warrants that Company has complied with the tax laws of this state and political subdivisions of this state including but not limited to ORS 305.620 and ORS chapters 316, 317, and 318.

Company agrees to continue to comply with the tax laws of this state and political subdivisions of this state during the term of this Agreement. Failure of Company to comply with the tax laws of this state or a political subdivision of this state before Company executes Agreement or during the term of the Agreement, shall be considered a default for which the City may terminate the Agreement and seek damages and other relief available under this Agreement or under applicable law.

29. Notices. Except as set out in this Agreement, any notice under this Agreement must be in writing and sent to the following street and e-mail addresses:

To City: City of Bend
Attn: _____
710 NW Wall Street
Bend, Oregon 97703
Email: _____

With a copy to:
City of Bend
Attn: City Attorney
710 NW Wall Street
Bend, Oregon 97703
Phone: 541-388-5505 Fax: 541-385-6676
Email: legalnotice@bendoregon.gov

To Company: American Traffic Solutions, Inc.
Attn: Government Solutions Legal Department
1150 North Alma School Road
Mesa, Arizona 85201
Email: gscontracts@verramobility.com

Notices sent via mail shall be deemed complete on the date of actual delivery or three business days after being sent via certified mail. Notices sent via e-mail shall be deemed complete upon receipt of the e-mail, followed by mail delivery.

30. Entire Agreement. The Agreement and attached exhibits, including this Addendum, constitute the entire Agreement between the Parties. No waiver, consent, modification or change of terms of this Agreement shall bind either Party unless in writing and signed by both Parties. The waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. Company by signature of its authorized representative hereby acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and conditions.

IN WITNESS WHEREOF, City and Company have executed this Agreement the day and year

first referenced above.

CITY

City of Bend

Eric King, City Manager

Date

APPROVED AS TO FORM:

City Attorney's Office

Date

COMPANY

AMERICAN TRAFFIC SOLUTIONS INC., DBA VERRA MOBILITY

Date

Name

Title

EXHIBIT A

Relevant Provisions of ORS Chapter 279B

279B.220 Conditions concerning payment, contributions, liens, withholding. Every public contract shall contain a condition that the contractor shall:

(1) Make payment promptly, as due, to all persons supplying to the contractor labor or material for the performance of the work provided for in the contract.

(2) Pay all contributions or amounts due the Industrial Accident Fund from the contractor or subcontractor incurred in the performance of the contract.

(3) Not permit any lien or claim to be filed or prosecuted against the state or a county, school district, municipality, municipal corporation or subdivision thereof, on account of any labor or material furnished.

(4) Pay to the Department of Revenue all sums withheld from employees under ORS 316.167.

279B.230 Condition concerning payment for medical care and providing workers' compensation.

(1) Every public contract shall contain a condition that the contractor shall promptly, as due, make payment to any person, copartnership, association or corporation furnishing medical, surgical and hospital care services or other needed care and attention, incident to sickness or injury, to the employees of the contractor, of all sums that the contractor agrees to pay for the services and all moneys and sums that the contractor collected or deducted from the wages of employees under any law, contract or agreement for the purpose of providing or paying for the services.

(2) Every public contract shall contain a clause or condition that all subject employers working under the contract are either employers that will comply with ORS 656.017 or employers that are exempt under ORS 656.126. [2003 c.794 §76c]

279B.235 Condition concerning hours of labor.

* * * * *

(2) An employer must give notice in writing to employees who work on a public contract, either at the time of hire or before commencement of work on the contract, or by posting a notice in a location frequented by employees, of the number of hours per day and days per week that the employees may be required to work.

(3) In the case of contracts for personal services as described in ORS 279A.055, the contract shall contain a provision that the employee shall be paid at least time and a half for all overtime worked in excess of 40 hours in any one week, except for individuals under personal services contracts who are excluded under ORS 653.010 to 653.261 or under 29 U.S.C. 201 to 209 from receiving overtime.

* * * * *

(5) (a) Except as provided in subsection (4) of this section, contracts for services must contain a provision that requires that persons employed under the contracts shall receive at least time and a half pay for work performed on the legal holidays specified in a collective bargaining agreement or in ORS 279B.020 (1)(b)(B) to (G) and for all time worked in excess of 10 hours in any one day or in excess of 40 hours in any one week, whichever is greater.

(b) An employer shall give notice in writing to employees who work on a contract for services, either at the time of hire or before commencement of work on the contract, or by posting a notice in a location frequented by employees, of the number of hours per day and days per week that the employees may be required to work.

EXHIBIT H

ALLOWABLE EXPENSES

The City will reimburse reasonable expenses incurred in the performance of the services under this Agreement. The City reserves the right to reject any invoice for costs which, in the City's sole judgment, are determined to be unreasonable.

Contractor shall submit documentation for travel expenses that is satisfactory to the City. In the case of lodging and meal expense, a detailed statement of charges must be submitted with the request for reimbursement. Reimbursement of common carrier transportation expenses are limited to the cost of less than premium (first) class accommodations. Use of personal or company vehicle will be reimbursed at the IRS standard rate for business in effect at the time.

Following are examples of expenses that shall not be paid for by the City:

- liquor (including beer or wine)
- meals or lodging accommodations for family
- trip or rental car insurance
- any other personal expenditures, including those for entertainment
- traffic citations or parking tickets