

Introduced and Read: 11/3/09  
Adopted: 11/3/09  
Posted: \_\_\_\_\_

**CITY OF MOUNT RAINIER**

**RESOLUTION 15-2009**

Introduced by: Maryn Miles, Councilwoman, Norma Jackson, Thompson & Spellic

**An Resolution Approving a Service Agreement between the City of Mount Rainier and OptoTraffic for Use of a Photo Speed Monitoring System in School Zones.**

**WHEREAS**, Maryland law allows municipalities to use photo speed monitoring systems in school zones and to issue citations or warnings to vehicle owners who speed in excess of 12 miles above the speed limit based on the images recorded by cameras; and

**WHEREAS**, by Ordinance No. 9-2009, effective on October 1, 2009, the Council authorized the use of photo speed monitoring systems within school zones in the City; and

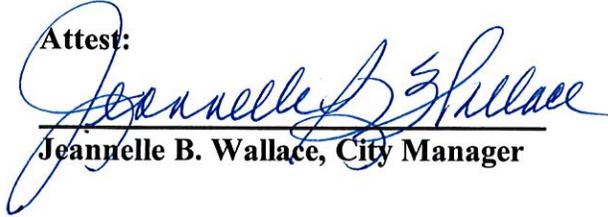
**WHEREAS**, OptoTraffic, a subsidiary of Sigma Space Corporation, is willing and able to provide an automated photo speed monitoring system to detect and record speed violations within a school zone or zones in the City, at service locations designated by the City's Chief of Police or his/her designee; and

**WHEREAS**, the City desires to enter into a Service Agreement with OptoTraffic to provide automated photo speeding violation detection, imaging, and citation services for the City on substantially the terms and conditions set forth in the Service Agreement by and between the City of Mount Rainier, Maryland, and OptoTraffic, a division of Sigma Space Corporation, a copy of which is attached to this Resolution and made a part of it by reference; and

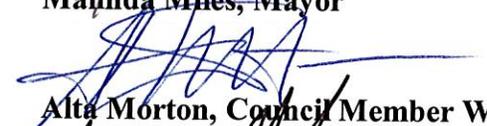
**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MOUNT RAINIER** that the City of Mount Rainier shall enter into a Service Agreement for OptoTraffic, a division of Sigma Space Corporation, to provide and maintain an automated photo speed monitoring system in school zones in the City. The City Manager is authorized to approve the specific terms and conditions of an agreement between the City and OptoTraffic (which terms and conditions shall be substantially as set forth in the Service Agreement attached to this Resolution) and to execute a Service Agreement with OptoTraffic and all other necessary documents and authorizations for the installation and use of an automated school zone photo monitoring system to enforce speeding laws in the City, in compliance with all applicable provisions of the Maryland Vehicle Law.

THIS RESOLUTION IS ADOPTED BY THE COUNCIL OF THE CITY OF  
MOUNT RAINIER THIS 9th DAY OF November, 2009.

Attest:

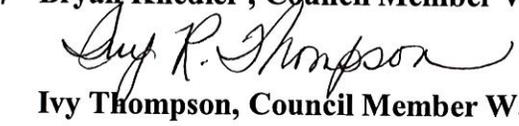
  
Jeannelle B. Wallace, City Manager

  
Malinda Miles, Mayor

  
Alta Morton, Council Member Ward 1

  
Jimmy Tarlau, Council Member Ward 1

  
Bryan Knedler, Council Member Ward 2

  
Ivy Thompson, Council Member Ward 2

**SERVICE AGREEMENT BY AND BETWEEN  
THE CITY OF MOUNT RAINIER, MARYLAND  
AND  
OPTOTRAFFIC, A DIVISION OF SIGMA SPACE CORPORATION**

**This Service Agreement** (the "Agreement") is made and entered into this 17 day of NOV. 2009, (the "Effective Date"), by and between Sigma Space Corporation, a Maryland corporation with offices at 4801 Forbes Boulevard, Lanham, MD 20706, through its Optottraffic division (collectively referred to hereinafter as, "OPTOTRAFFIC") and the City of Mount Rainier, a municipal corporation, with offices at One Municipal Place, Mount Rainier, MD 20712 ("CLIENT").

**Background**

**Whereas**, OPTOTRAFFIC is in the business of providing automated red light and speeding violation detection, imaging and citation services to authorized municipalities and government agencies using OPTOTRAFFIC'S proprietary system (as more specifically described herein below, the "Services"); and

**Whereas**, CLIENT is an authorized municipality or government agency with a need for such Services; and

**Whereas**, CLIENT now desires to contract with OPTOTRAFFIC for the provision of such Services;

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, CLIENT and OPTOTRAFFIC agree as follows:

**1. Services.** During the Term of this Agreement, and in consideration of the Fees specified in Section 6, below, OPTOTRAFFIC shall use reasonable commercial efforts to provide the Services to CLIENT in accordance with the terms and conditions of this Agreement. Services shall include the following:

- a) **Detection and Recording of Potential Traffic Violations.** OPTOTRAFFIC will make available to CLIENT a highly automated unmanned red light and/or speed monitoring system ("Monitoring System") to detect and record potential red light and/or speeding violations at the service location(s) selected by CLIENT ("Recorded Events"). CLIENT agrees to operate the Monitoring System in a manner consistent with the terms and conditions of this Agreement.
- b) **Initial Validation of Recorded Events.** OPTOTRAFFIC will perform a preliminary validation of Recorded Events for the sole purpose of attempting to filter Recorded Event data that is of insufficient quality for further use. For example, and without limitation, OPTOTRAFFIC may filter Recorded Events in which no motor vehicle registration plate information or only partial information is reasonably discernible from the Recorded Event. CLIENT will have the sole and exclusive responsibility for the final review of Recorded Events not filtered by OPTOTRAFFIC and the issuance of citations ("Citations") thereafter.
- c) **Motor Vehicle Administration Records.** OPTOTRAFFIC, directly or through OPTOTRAFFIC's third party processor, will promptly retrieve applicable Motor Vehicle Administration ("MVA") records for motor vehicles photographed in Recorded Events using registration plate

information from such motor vehicles, where such information is reasonably discernible from the Recorded Event. The retrieval of MVA records by OPTOTRAFFIC is solely for the purpose of presenting such information to CLIENT and CLIENT shall be responsible for confirming the accuracy of and matching the information to the subject motor vehicle in each instance.

- d) Access to Website. OPTOTRAFFIC will provide CLIENT with access to OPTOTRAFFIC's proprietary **VioView™** software via the Internet to allow for CLIENT's review of Recorded Events and issuance of Citations. Availability of the Website and **VioView™** software will be generally twenty-four (24) hours per day, seven (7) days per week; provided, however, that such availability is subject to change without advance notice as a result of system maintenance, unplanned downtime, and other factors and circumstances beyond OPTOTRAFFIC's control. OPTOTRAFFIC will not be responsible for any such unavailability or downtime. CLIENT'S use of the Website and the **VioView™** software is governed by the terms of this Agreement and the Terms of Service posted on the Website.
- e) Distribution of Issued Citations. OPTOTRAFFIC, directly or through OPTOTRAFFIC's third party processor, will print and mail Citations issued by CLIENT or CLIENT'S Approving Authorities, as defined in Section 2(f), below. Printed Citations will be in a fixed, standardized format pre-approved by CLIENT. CLIENT will be responsible for ensuring that the format and content of Citations comply with all applicable laws, rules and regulations. Citations will be mailed to the individual and address specified on the issued Citation.
- f) Payments by Mail & Online. OPTOTRAFFIC, directly and or through OPTOTRAFFIC's third party processor, will process payments made by mail and, at no additional cost to CLIENT, provide the capability for individuals receiving Citations to view and pay Citations online by credit card, as further described in Section 3, below. All Citations and Notices will expressly state that all payments of fines are to be made payable to CLIENT. All payments of Citations will be deposited into the Lockbox Account described in Section 6, below. Payments of Citations will be tracked using the **FastTrack™** system described in Section 3, below.
- g) Notice of Violation and Delinquent Notice. OPTOTRAFFIC, directly or through OPTOTRAFFIC's third party processor, at no additional cost to CLIENT, will print and mail a notice of violation and a delinquent notice for outstanding Citations (collectively, "Notices") issued to motor vehicles bearing State of Maryland plates and out-of-state plates. Such Notices will be in a fixed, standardized format pre-approved by CLIENT. CLIENT will be responsible for ensuring that the format and content of Notices comply with all applicable laws, rules and regulations. Notices will be mailed to the individual and address specified on the issued Citation or any updated address that is provided to OPTOTRAFFIC.
- h) Annual Calibration. OPTOTRAFFIC, upon CLIENT's request, will provide CLIENT a signed certificate of calibration pertaining to the Monitoring System used in the detection and recording of Detected Events hereunder. Such certificate will be issued by an independent laboratory after the annual Monitoring System's calibration check.
- i) Appeals. OPTOTRAFFIC will make available a qualified representative to attend and provide expert testimony at administrative and judicial hearings for appealed Citations, provided that OPTOTRAFFIC receives at least ten (10) days prior written notice of each such hearing. OPTOTRAFFIC is not responsible for the outcome of any such hearing. If CLIENT requests that a representative of OPTOTRAFFIC attend any such hearing, the CLIENT will compensate OPTOTRAFFIC for its time at OPTOTRAFFIC's then-current hourly rate or as otherwise

agreed by the parties.

- j) MVA Flags. OPTOTRAFFIC, directly or through OPTOTRAFFIC's third party processor, will notify the Maryland MVA if the owner of the motor vehicle associated with an issued Citation fails to timely respond to a delinquent notice.

**2. Client's Responsibilities.** CLIENT acknowledges that certain aspects of the Services require the participation and cooperation of CLIENT, without which OPTOTRAFFIC'S performance of the Services may be significantly impaired or delayed. CLIENT is responsible for the following:

- a) Service Location. CLIENT will select the location(s) at which the Monitoring System will automatically detect and record potential red light and/or speeding violations ("Service Location(s)"). The initial service location is specified on Schedule A, which is attached hereto and incorporated herein as part of this Agreement. After the commencement of service at a Service Location, CLIENT may elect to change the Service Location by notifying OPTOTRAFFIC in writing of such election; provided, however, that CLIENT may not change a Service Location more than one (1) time in a 15-day period. OPTOTRAFFIC reserves the right to decline a request to change a Service Location which in OPTOTRAFFIC's opinion is technically infeasible. CLIENT may not use the Services for any purpose not allowed by law.
- b) Preserve the Monitoring System. CLIENT acknowledges that the Monitoring System used to detect and record Recorded Events consists of valuable personal and intellectual property of OPTOTRAFFIC. CLIENT agrees to use its best efforts to safely operate, protect and preserve the Monitoring System during the term of this Agreement, including, but not limited to, restricting movement of and access to the Monitoring System by anyone other than CLIENT and OPTOTRAFFIC personnel.
- c) Operate the Speed Monitoring System. Client has the sole responsibility to operate the speed monitoring system.
- d) Complete Operator Training. CLIENT will complete training by OPTOTRAFFIC in the procedures for setting up and operating the Monitoring System. OPTOTRAFFIC will issue a signed certificate to CLIENT on completion of training.
- e) Maintain Daily Set-up Log. CLIENT will fill out, sign and maintain a daily set-up log to record the Monitoring System's successful self-test performed prior to producing Recorded Events.
- f) Designate Citation Approving Authorities. CLIENT shall select and designate certain sworn police officers or other duly authorized approving authorities ("Approving Authorities") who shall review Recorded Events, identify traffic violations, and lawfully authorize and issue Citations for such identified violations using the **VioView™** software and Website. CLIENT has sole responsibility for ensuring that the designated approving authorities are duly and lawfully authorized to receive and view MVA records and issue Citations for the pertinent traffic violations. OPTOTRAFFIC will assign those authorities a login-ID for accessing **VioView™** software and Website.
- g) Comply with Statutory Timeframes. CLIENT acknowledges that, by law, Citations resulting from Recorded Events must be mailed within prescribed time frames. To ensure compliance with such requirements, CLIENT is solely responsible for ensuring that all Recorded Events are reviewed and approved or rejected within four (4) working days after receipt from OPTOTRAFFIC. Recorded Events which are not approved or rejected within four (4) working days after receipt from OPTOTRAFFIC and thereby become ineligible for further processing

will automatically result in a fee due to OPTOTRAFFIC equivalent to thirty-nine percent (39%) of the expected citation amount; such fee will be included in the reconciliation process described in Section 6, below.

- h) Update Computer Records. CLIENT acknowledges that the accuracy of the calculation of the fees due to OPTOTRAFFIC depends on the accuracy of relevant information contained within **FastTrack™** and that updating the status of appealed Citations and the status of Citations for which CLIENT collects payment is the CLIENT's responsibility. CLIENT shall make best efforts to update the status of Citations in **FastTrack™** on a daily basis.
- i) Safeguard Login Information. CLIENT will receive one (1) login-ID to **VioView™** per Approving Authority. CLIENT acknowledges that **VioView™** login-IDs allow full access to Recorded Event data, including but not limited to, information derived from MVA records, and allows the ability to authorize and issue Citations. CLIENT shall be solely and exclusively responsible for safeguarding **VioView™** and **FastTrack™** login-IDs and ensuring that unauthorized individuals do not gain access to **VioView™** or **FastTrack™**. CLIENT will immediately notify OPTOTRAFFIC of any compromise or suspected compromise of any login-ID.
- j) Forward Citation Payments. In the event that CLIENT collects payments for Citations, CLIENT will update computer records to reflect the amounts received and the status of Citations as described in Section 2(h), above. Unless agreed otherwise, CLIENT will promptly forward all such payments to the Lockbox Account described in Section 6.

### 3. Credit Card Payment Processing

- a) OPTOTRAFFIC may use a third party payment processor. Currently, Complus Data Innovations, Inc. ("Complus") processes payments of Citations for OPTOTRAFFIC. Complus provides the capability for individuals receiving Citations to pay their Citations by credit card online or by using an IVR system. Complus provides such individuals access to its **FastTrack™** system via the internet to view and pay Citations online.
- b) CLIENT will have the responsibilities set forth below.
  - i.) CLIENT will establish a merchant relationship and account directly with Complus ("CLIENT Account") to allow Complus to deposit Citation payments directly into the CLIENT Account.
  - ii.) CLIENT agrees to allow chargebacks to be withdrawn from the CLIENT Account in the event a cardholder requests to have a transaction reversed according to credit card rules, regulations and timetables, and to allow for the chargeback fee to also be withdrawn from the CLIENT Account under the same rules, regulations and timetables. Citations previously paid but subsequently charged back will be reinstated in **FastTrack™** and become subject to further collection efforts. OPTOTRAFFIC will not be responsible for chargebacks or chargeback fees.
- c) Complus developed and programmed **FastTrack™** and is solely responsible for its functionality, security and maintenance, and to make any and all necessary changes to ensure it conforms to all federal, local and state laws, rules and regulations, as well as any and all banking rules and regulations that pertain to all forms of credit card payment. In the event that Complus is required to make a material change to **FastTrack™** and increases the cost to OPTOTRAFFIC, OPTOTRAFFIC may change the fee schedule under this Agreement

proportionately upon no less than thirty (30) days written notice to CLIENT. Upon receipt of such notice, CLIENT may terminate the credit card payment provisions of this Agreement if CLIENT notifies OPTOTRAFFIC of its election in writing prior to the effective date of such fee schedule change. CLIENT'S termination of the credit card processing services will be effective as of the date of the proposed fee change, thereby avoiding any increased fees.

- d) OPTOTRAFFIC will provide CLIENT one (1) **FastTrack™** logon-ID for the exclusive use by individuals authorized by CLIENT. As specified in Section 2(d), above, it shall be the CLIENT's responsibility to safeguard the **FastTrack™** login-ID. Use of **FastTrack™** is governed by the terms of service posted on the **FastTrack™** website.
- e) OPTOTRAFFIC and CLIENT will have access to **FastTrack™** reports detailing the payments of Citations made through **FastTrack™** and payments of Citations collected by other means. OPTOTRAFFIC will use these reports to calculate fees payable to OPTOTRAFFIC, as further detailed in Section 6, below.
- f) Notwithstanding the above, OPTOTRAFFIC may replace Complus and/or **FastTrack™** with an alternative payment processing services provider and/or system. CLIENT agrees to work with OPTOTRAFFIC and its replacement payment services provider as necessary to establish and perform CLIENT's obligations as they relate to this Agreement; OPTOTRAFFIC will give CLIENT reasonable notice of such change.

#### **4. System Ownership, Operation, Maintenance and Modifications**

- a) OPTOTRAFFIC does not convey any equipment or system to CLIENT. Equipment or system or any part of the equipment or system provided or used by OPTOTRAFFIC in connection with the provision of Services under this Agreement is and shall remain the exclusive property of OPTOTRAFFIC or OPTOTRAFFIC's third party payment processor as appropriate.
- b) System or equipment replacement, repairs, upgrades or modifications which, in the reasonable opinion of OPTOTRAFFIC, are required as a result of neglect or misuse by CLIENT, including without limitation a repair arising from or in connection with the use of software other than software provided by OPTOTRAFFIC, shall be made at the sole expense of CLIENT, including but not limited to, the actual cost of the repair or replacement of said system, along with labor (at OPTOTRAFFIC'S then-current hourly rate), shipping, and travel expenses, as applicable.
- c) Upgrades to OPTOTRAFFIC'S systems and/or reinstallations and/or modifications of hardware or software which are requested by CLIENT but not deemed necessary or required for proper system operation by OPTOTRAFFIC, shall be made at the sole expense of CLIENT. This includes, but is not limited to, the actual cost of the upgrades, modification, repairs or replacements of said system, hardware or software, along with shipping expenses, travel expenses if required, and labor costs at OPTOTRAFFIC'S then-current hourly rate. These costs and expenses must be pre-approved by CLIENT and conform to CLIENT'S billing practices.

**5. Software Training & Support.** Throughout the Term of this Agreement, OPTOTRAFFIC agrees to provide training for OPTOTRAFFIC'S **VioView™** software and Website at CLIENT'S site. OPTOTRAFFIC will provide a reasonable number of reference manuals describing the features and operations for **VioView™**. OPTOTRAFFIC will provide CLIENT with updates to **VioView™** software within a reasonable time after they become generally available. Throughout the Term of this Agreement, reasonable technical assistance will be available by telephone at no charge to CLIENT during the hours of 8:30 AM (ET) to 5:00

PM (ET), Monday through Friday (with the exception of all state and nationally recognized holidays).

**6. Fees.** In exchange for the Services described in this Agreement, CLIENT agrees to pay OPTOTRAFFIC the fees set forth in the fee schedule listed on Schedule A. Fees will be calculated based on documentation provided by Complus as described in Section 3(e), above. CLIENT agrees that such documentation from Complus is a fair and accurate basis for the calculation of the fees due under this Agreement and such documentation shall be relevant and dispositive in any dispute between the parties with respect to fees due hereunder. OPTOTRAFFIC will establish a lockbox account for the benefit of CLIENT ("Lockbox Account") for the purpose of accepting deposits of Citation payments. On a weekly basis, on Thursday, or the following business day in the event that Thursday falls on a bank holiday, sixty one percent (61%) of the funds deposited during the prior week will be distributed to CLIENT, as directed by CLIENT, and the remainder of the funds will be distributed to OPTOTRAFFIC for services provided. Bank charges associated with the Lockbox Account will be paid by OPTOTRAFFIC with the exception of returned check fees, such fees will be the responsibility of CLIENT. On a quarterly basis, OPTOTRAFFIC and CLIENT will reconcile payments to OPTOTRAFFIC to account for, but not limited to, fees associated with untimely review of Recorded Events, Section 2(g), above, bank fees for returned checks and fees associated with processing cash citation payments. Adjustments resulting from the quarterly reconciliation will be included in the following weekly distribution. CLIENT and OPTOTRAFFIC will jointly retain the services of a third party auditor to perform an annual audit of collections and distributions of funds pertinent to citation payments described in this Services Agreement. CLIENT and OPTOTRAFFIC will jointly determine the final auditor's scope of work in accordance with the provisions of this paragraph and agree to share a not-to-exceed audit cost equally.

## **7. Confidentiality**

- a) **Obligation.** CLIENT, on behalf of itself, its employees, agents and contractors, acknowledges that the software, documentation, training materials and other information related to the Services, as well as OPTOTRAFFIC's system, consist of the confidential and proprietary information and trade secrets of OPTOTRAFFIC (collectively, the "Confidential Information"), the disclosure or use of which to or by third parties would be damaging to OPTOTRAFFIC. Therefore, CLIENT, on behalf of itself, its employees, agents and contractors, agrees, to the fullest extent allowable by law: (a) to hold Confidential Information in strictest confidence and not to release such information to any party other than an employee or authorized agent or contractor of CLIENT with a need for such knowledge to utilize the Services as contemplated by this Agreement; (b) not to make use of Confidential Information for its own benefit or for the benefit of any third parties, other than as contemplated by this Agreement; and (c) not to release or disclose Confidential Information to any other party either during the Term of this Agreement or after the termination of this Agreement.
- b) **Exclusions.** The above limits on disclosure do not include information which: (a) is or becomes known publicly through no fault of CLIENT; or (b) is learned by CLIENT from a third party entitled to disclose it; or (c) is already known to CLIENT before receipt from the OPTOTRAFFIC, as shown by CLIENT's written records; or (d) is independently developed by CLIENT, as shown by CLIENT's written records; or (e) must be disclosed by operation of law. In such event, CLIENT shall promptly notify OPTOTRAFFIC of any such request for disclosure in order to allow the OPTOTRAFFIC full opportunity to seek the appropriate protective orders.
- c) **Remedy.** In the event of any breach of the confidentiality obligations expressed in this Confidentiality Section, CLIENT acknowledges that OPTOTRAFFIC would be irreparably

injured by such a breach and that OPTOTRAFFIC shall be entitled to equitable relief, including injunctive relief and specific performance, in the event of any breach of this Section. Such remedies shall not be deemed to be the exclusive remedies for a breach of this Agreement, but shall be in addition to all other remedies available at law or in equity.

#### **8. Term, Commencement of Service, and Termination.**

- a) Term. This Agreement shall start on the Effective Date and remain in effect for a period of one (1) year. On the first anniversary of the Effective Date, and on each anniversary date thereafter, this Agreement will automatically renew for a one-year period upon the same terms and conditions. If either CLIENT or OPTOTRAFFIC elects not to renew, it must notify the other party in writing of its intention not to renew this Agreement at least sixty (60) days prior to any such anniversary date, in which case this Agreement shall terminate on such anniversary date.
- b) Commencement of Service. OPTOTRAFFIC and CLIENT shall make reasonable efforts to enable commencement of service as soon as practicable upon the Effective Date of this Agreement. OPTOTRAFFIC and CLIENT anticipate commencement of service on or about the date stated on Schedule A under Commencement of Service Date. Subsequent to the execution of this Agreement, in the event that either OPTOTRAFFIC or CLIENT becomes aware that service cannot reasonably start on or about the date stated on Schedule A, the party who first becomes aware of a change in schedule will promptly notify the other party the revised Commencement of Service Date.
- c) Termination for Default. Either party shall be entitled to terminate this Agreement in the event of a failure by the other party to perform any of its material obligations under this Agreement if such breach is not cured within thirty (30) days after receipt of notice thereof from the non-defaulting party or within ten (10) days after receipt of such notice in the event of a breach by CLIENT which materially compromises the security of the Services or Confidential Information.
- d) Other Termination. In addition to the foregoing, either party shall have the right to terminate this Agreement for any reason or no reason upon sixty (60) days prior written notice to the other party of the party's election to terminate and the effective date of such termination.
- e) Winding Down. Upon termination of this Agreement, either for default or other termination, the parties recognize that CLIENT will have to process traffic law violations in the "pipeline," and that OPTOTRAFFIC accordingly must assist the CLIENT in this regard. Accordingly, the parties shall take the following actions, and shall have the following obligations, which survive termination during the wind-down period: The CLIENT shall cease using the OPTOTRAFFIC Monitoring System, shall return all equipment to OPTOTRAFFIC within five (5) days of the termination date, and shall not generate further images to be processed. Unless directed by CLIENT not to do so, OPTOTRAFFIC shall continue to process Recorded Events taken by the CLIENT before termination and provide all services associated with processing in accordance with this Agreement, and shall be entitled to all Fees specified in the Agreement as if the Agreement were still in effect. At termination, OPTOTRAFFIC shall forward to the CLIENT all violation images, and shall continue to do so during the wind-down period.
- f) Effect of Termination. In the event of any termination of this Agreement, CLIENT will return to OPTOTRAFFIC within five (5) days of the termination date all Confidential Information, manuals, documentation and all other property and materials of OPTOTRAFFIC provided to CLIENT hereunder. Upon the return of all such property and materials to OPTOTRAFFIC, and

providing that there are no outstanding invoices, OPTOTRAFFIC will provide CLIENT with all of the stored valid citation data pertaining to CLIENT in OPTOTRAFFIC'S possession, such data to be provided to CLIENT in Portable Document Format, at no cost to CLIENT.

- g) Survival of Certain Terms. The provisions of Sections 3, 6, 7, 8, 9, 10, 11, 15, 17 and 18 shall survive any termination of this Agreement. No termination of this Agreement by either party for any reason shall serve to cancel, waive or otherwise affect any fees due to OPTOTRAFFIC hereunder having accrued on or before the effective date of any such termination.

## 9. Representations & Warranties

- a) CLIENT represents and warrants that:
- i.) CLIENT is a tax exempt entity under the rules of the Internal Revenue Service and will provide OPTOTRAFFIC with a copy of its tax exempt status upon request;
  - ii.) CLIENT will comply will all applicable laws, rules and regulations in the use of the Services and in the performance of its obligations under and in connection with this Agreement, including, but not limited to, the receipt and use of MVA information and the authorization and issuance of Citations.
- b) OPTOTRAFFIC represents and warrants that it will perform the Services with care, skill, and diligence, in a professional manner in accordance with industry standards, and shall be responsible for the professional quality and technical accuracy of the Services furnished under this Agreement. OPTOTRAFFIC will comply with all applicable laws, rules and regulations in performing the Services under this Agreement. In the event that CLIENT notifies OPTOTRAFFIC of a breach of the foregoing performance warranty within ninety (90) days from the date of performance of the alleged deficient Services or any part thereof, OPTOTRAFFIC will either redo any deficient Services or refund the portion of the fees received by OPTOTRAFFIC for such deficient Services, in OPTOTRAFFIC'S sole discretion. The foregoing shall be CLIENT'S sole and exclusive remedy for a breach of warranty by OPTOTRAFFIC.
- c) **No other Warranties. EXCEPT AS EXPRESSLY PROVIDED ABOVE, OPTOTRAFFIC MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTY CONCERNING MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR ANY WARRANTY REGARDING THE PRODUCTIVITY OF THE SYSTEM OF OPTOTRAFFIC OR THE AVAILABILITY OR NON-INFRINGEMENT OF THE WEBSITE, VIOVIEW™ SOFTWARE OR SERVICES.**

## 10. Limitation of Liability

**OPTOTRAFFIC'S MAXIMUM CUMULATIVE LIABILITY ARISING FROM OR IN CONNECTION WITH THIS AGREEMENT WILL NOT EXCEED THE AMOUNT OF THE TOTAL FEES PAID TO OPTOTRAFFIC BY CLIENT HEREUNDER AND IN NO EVENT WILL OPTOTRAFFIC BE LIABLE TO THE OTHER PARTY FOR ANY PUNITIVE, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES OF ANY KIND IN CONNECTION WITH THIS AGREEMENT, EVEN IF THE OPTOTRAFFIC HAS BEEN INFORMED IN ADVANCE OF THE POSSIBILITY OF SUCH DAMAGES.**

**11. Indemnification by CLIENT.** CLIENT agrees to indemnify, defend and hold harmless OPTOTRAFFIC, its officers, assigns, agents and employees, against and from any claims, controversies or lawsuits brought

or threatened against OPTOTRAFFIC and/ or CLIENT, or their officers, assigns, agents, officials or employees, by any third party in any way arising from, in connection with, or otherwise related to CLIENT'S use of the Services, the System of OPTOTRAFFIC, the Confidential Information, or the safeguarding of the **VioView™** software or Website; except to the extent that said claims, controversies or lawsuits are the result of the gross negligence or willful misconduct on the part of OPTOTRAFFIC. OPTOTRAFFIC will promptly notify CLIENT in writing of the claim; allow CLIENT to control the defense; and reasonably cooperate with CLIENT in the defense and any related settlement negotiations. In addition to any defense provided by CLIENT, OPTOTRAFFIC may, at its expense, retain its own counsel

**12. Indemnification by OPTOTRAFFIC.** OPTOTRAFFIC agrees to indemnify, defend and hold harmless CLIENT, its officers, assigns, agents, employees and officials, against and from any claims, controversies or lawsuits brought or threatened against CLIENT and/ or OPTOTRAFFIC, or their officers, assigns, agents, officials or employees, by any third party in any way arising from, in connection with, or otherwise related to OPTOTRAFFIC'S performance of the Services, except to the extent that said claims, controversies or lawsuits are the result of the gross negligence or willful misconduct on the part of CLIENT. CLIENT will promptly notify OPTOTRAFFIC in writing of the claim; allow OPTOTRAFFIC to control the defense; and reasonably cooperate with OPTOTRAFFIC in the defense and any related settlement negotiations. In addition to any defense provided by OPTOTRAFFIC, CLIENT may, at its expense, retain its own counsel.

**13. Compliance with Laws.** OPTOTRAFFIC and CLIENT each agree to comply with all applicable federal and state regulations regarding the confidentiality of information. OPTOTRAFFIC and CLIENT further agree that the information provided by CLIENT and/or the MVA, including the names and addresses and associated information of persons and entities that have received Citations, shall remain confidential and shall not be sold or shared with any other non-party, company or entity for any purpose, including but not limited to marketing, sales, solicitations, collection agencies and/or credit bureaus.

**14. Force Majeure.** OPTOTRAFFIC shall not be liable for any delays or failures in the system of OPTOTRAFFIC or otherwise in the performance of the Services, which delays or failures are directly or indirectly by flood, storm, lightning, earthquake, tornado, other Acts of God, or war, riot, sabotage, vandalism, strike, utility outage or other factors or circumstances beyond OPTOTRAFFIC'S reasonable control.

**15. Independent Contractors.** With respect to each other, OPTOTRAFFIC and CLIENT are independent contractors, and neither party, nor their respective officers, agents, employees, shall be deemed to be employed by the other party for any purpose. Further, OPTOTRAFFIC and CLIENT shall not be deemed to be partners, joint ventures, or anything other than independent contractors.

**16. Governing Law.** This Agreement and the rights and obligations of the parties and their successors and assigns hereunder shall be interpreted, construed, and enforced in accordance with the laws of the State of Maryland without regard to its choice and/or conflict of laws provisions. Any legal action resulting from, arising under, out of or in connection with, directly or indirectly, this Agreement shall be commenced exclusively in the state or federal courts in the State of Maryland. All parties to this Agreement hereby submit themselves to the jurisdiction of any such court, and agree that service of process on them in any such action, suit or proceeding may be affected by the means by which notices are to be given under this Agreement.

**17. Notices.** All notices, requests, demands and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand or mailed, express, certified or registered mail, return receipt requested, with postage prepaid, or sent priority next day delivery

by a nationally recognized overnight courier service that regularly maintains records of items picked up and delivered to the parties at the addresses first set forth above or to such other person or address as a party shall notify the other in writing. Notices delivered personally shall be deemed communicated as of the date of actual receipt, mailed notices shall be deemed communicated as of the date three (3) business days after mailing, and notices sent by courier shall be deemed communicated as of the date two (2) business days after pick-up.

**18. Limitations.** Any claim that can be brought by either party under or relating to this Agreement must be brought within one year of the action or omission underlying such claim.

**19. Entire Agreement.** This instrument contains the entire agreement between the parties as to the subject matter herein and supersedes and replaces all prior and contemporaneous agreements, oral and written, between the parties hereto. This Agreement may be modified only by a written instrument signed by both parties.

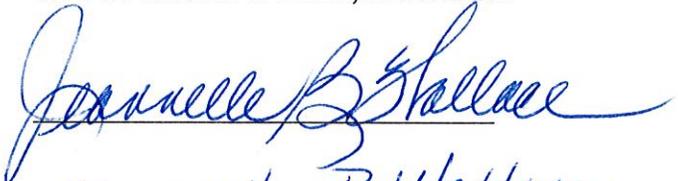
**20. Counterparts.** This Agreement may be executed in counterparts each of which shall be deemed an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement by facsimile shall be equally as effective as delivery of a manually executed counterpart of this Agreement.

**IN WITNESS WHEREOF**, the duly authorized representatives of the parties hereto have affixed their signatures below:

**SIGMA SPACE CORPORATION**

**CITY OF MOUNT RAINIER, MARYLAND**

By: 

By: 

Name: JOE MARZOUK

Name: JEANNELLE B. WALLACE

Title: Vice President

Title: CITY MANAGER

Date: 11-17-09

Date: November 3, 2009

**SCHEDULE A**  
**TO THE SERVICE AGREEMENT BY AND BETWEEN**  
**THE CITY OF MOUNT RAINIER, MARYLAND**  
**AND**  
**OPTOTRAFFIC, A DIVISION OF SIGMA SPACE CORPORATION**

**1. Initial Service Location:** A school zone or zones within the City of Mount Rainier, as directed by the City's Chief of Police

**2. Commencement of Service Date:** December 2, 2009

**3. Fee Schedule**

CLIENT shall pay OPTOTRAFFIC the following fees:

Type of Violation	Fee due to OPTOTRAFFIC
Red Light	n/a
Speeding	39 % of revenue resulting from payments of Citations to CLIENT

The parties agree that, except as provided in Section 2(g) of this Agreement, the Fee will be payable only upon CLIENT's actual receipt of payment of the fine by the violator. The Fee will not be due from the CLIENT to OPTOTRAFFIC if, for any reason, the fine is not paid, or the citation is dismissed (including but not limited to a dismissal which results from a lack of evidence, or as a result of traffic school completion) or if the CLIENT does not receive any funds because the citation was handled in court.