

AGREEMENT

BY AND BETWEEN

THE CITY OF OAKLAND CALIFORNIA

AND

IPT LLC

FOR SELF-RELEASE SMARTBOOT

VEHICLE IMMOBILIZATION SERVICES AND

ASSOCIATED PARKING TICKET COLLECTIONS

Table of Contents

2.	INCORPORATION OF RECITALS.....	4
3.	DEFINITIONS.....	4
4.	THE PAYLOCK SYSTEM.....	5
4.1	Summary of Services.....	5
4.2	The PayLock SmartBoot.....	5
4.3	The PayLock Help-Center.....	6
5.	BOOTVIEW SOFTWARE.....	6
5.1	Grant of Software License.....	6
5.2	Conditions to Use of Software.....	6
5.3	Termination of License.....	7
6.	TITLE TO SMARTBOOTS AND OTHER EQUIPMENT.....	7
7.	KEY CONTROL.....	7
8.	REMITTANCE OF FEES AND FINES.....	7
9.	CITY OF OAKLAND'S OBLIGATIONS.....	7
9.1	Summary of Services.....	7
9.2	Responsibility for SmartBoots.....	8
9.3	Stolen or Vandalized Smart Boots.....	8
9.4	Operation of SmartBoot Return Facility.....	9
9.5	Towing.....	9
9.6	Integration of Systems.....	9
9.7	Assisted Releases.....	9
9.8	Confirmation of Immobilization Eligible Vehicle Status.....	9
10.	COMPLIANCE WITH APPLICABLE LAWS.....	10
11.	INDEMNIFICATION.....	10
12.	PAYLOCK PROVIDED VEHICLES.....	10
13.	WARRANTIES; WARRANTY LIMITATIONS AND REMEDY LIMITATIONS.....	11
13.1	Express Warranty.....	11
13.2	Remedy Limitation.....	11
13.3	Relation to Indemnity.....	12
14.	MUTUAL COOPERATION.....	12
15.	TERM, COMPENSATION, REMITTANCE, DEFAULT AND TERMINATION.....	12
15.1	Term.....	12
15.2	Compensation and Invoicing.....	12

15.3	Transfer of Funds	13
15.4	Termination	13
16.	ASSIGNMENT	13
17.	GOVERNING LAW	13
18.	SEVERABILITY	13
19.	BINDING ARBITRATION	14
20.	MISCELLANEOUS	14
21.	NOTICES	14
22.	COUNTERPARTS	15
23.	INSURANCE	16

This Agreement By and Between the City of Oakland and PayLock Inc. for Self-Release SmartBoot Vehicle Immobilization Services and Associated Parking Ticket Collections ("Agreement") is made and entered into this _____ day of September, 2009 by and between the City of Oakland, a California municipal corporation, ("CITY OF OAKLAND") and IPT LLC ("PayLock"), a Delaware corporation As used herein, PayLock and CITY OF OAKLAND shall be referred to, individually, as a "Party" and collectively as the "Parties."

WHEREAS, PayLock is in the business of providing parking enforcement services; and

WHEREAS, CITY OF OAKLAND desires that PayLock provide the services described in this Agreement; and

NOW THEREFORE, the Parties agree as follows:

1. INCORPORATION OF RECITALS

The foregoing Recitals are hereby incorporated into and made part of this Agreement.

2. DEFINITIONS

- A. "BootView Software" and "Software" are PayLock's web-based collection management application.
- B. "SmartBoot" is PayLock's self-release vehicle immobilization device.
- C. "Runaway" is any vehicle which has been successfully immobilized and where the immobilization device has been unlawfully removed, destroyed, or otherwise vandalized and the motorist has illegally retaken possession of the vehicle without paying the required fees, fines and penalties.
- D. "Assisted Releases" is the removal of an immobilization device from a motor vehicle by a CITY OF OAKLAND parking enforcement officer, or other CITY OF OAKLAND employee or agent.
- E. "PayLock System" is the hardware, software, services, and implemented processes supplied by PayLock to CITY OF OAKLAND intended to facilitate CITY OF OAKLAND's enforcement Municipal Code Title 10 ("Vehicles and Traffic") and CITY OF OAKLAND's ability to collect unpaid or otherwise delinquent traffic, parking, and/or red-light violation fees, fines and penalties.
- F. "SOP" is the Standard Operations Procedure document collaboratively crafted by PayLock and CITY OF OAKLAND, defining policies, procedures, roles and responsibilities of all parties involved in the day to day operation of the PayLock scofflaw enforcement system.
- G. "Gross Amount" is the total amount of immobilization fees, parking fines and penalties, processing fees, and/or stolen, damaged, and late boot fees paid to PayLock by vehicle owners before PayLock deducts its fees (described in Section 14.2) as provided in Section 14.3.
- H. "Net Revenue" is the Gross Amount minus PayLock's fees as described in Section 14.2.
- I. "MLPR" is Mobile License Plate Recognition and the components thereof.

3. THE PAYLOCK SYSTEM

3.1 Summary of Services

During the term of this Agreement, PayLock shall provide to CITY OF OAKLAND the following services:

- A. PayLock will provide self-release SmartBoots to be used by CITY OF OAKLAND to immobilize vehicles identified in CITY OF OAKLAND's enforcement policy.
- B. PayLock's help-center ("Help-Center") will be available 24 hours/day and 365 days/year to answer questions from immobilized motorists, and process electronic payments for immobilization fees and parking fines and/or penalties owed.
- C. Web-based BootView Software; PayLock will provide user access to PayLock's BootView Software system for tracking all CITY OF OAKLAND boot-related transactions.
- D. PayLock will integrate its BootView Software system with CITY OF OAKLAND'S ticket processing system to communicate data to receive lists of vehicles eligible for immobilization daily and update payment data.
- E. PayLock will repair and replace all PayLock SmartBoots as needed.
- F. PayLock will provide installation and training for all hardware and software used by CITY OF OAKLAND for the PayLock system, and will train the officers removing the boots.
- G. PayLock will design and supply vehicle seizure notices that will be affixed by CITY OF OAKLAND to booted vehicles at the time of immobilization.
- H. PayLock will facilitate and create an SOP in relation to the project and services to be delivered contemplated by this Agreement, including the procedural responsibilities of the Parties, which the Parties shall adhere to, and which shall be collaboratively crafted by the Parties before the initiation of service.
- I. PayLock will provide five (5) Mobile License Plate Recognition Systems ("MLPR Systems") to facilitate efficient identification of scofflaw vehicles. Supporting services include installation, maintenance, support, and customer troubleshooting training.
- J. PayLock shall provide three (3) new automobiles, sports utility vehicle or van, to be used to patrol for scofflaw vehicles.
- K. PayLock will deposit all fines and fees collected on behalf of CITY OF OAKLAND in an account designated by CITY OF OAKLAND as provided in Section 14.3 herein.

3.2 The PayLock SmartBoot

During the term of this Agreement, CITY OF OAKLAND shall utilize SmartBoots, PayLock's tire-lock equipped with hardware that allows the unit to unlock by either entering a code into a keypad or using a key. PayLock will provide an initial supply of 90 SmartBoots, and will increase or decrease that amount to maintain a sufficient number of SmartBoots to ensure continuous and maximum potential productivity as may be required by CITY OF OAKLAND staff. PayLock will repair and/or

replace broken or missing SmartBoots to ensure continuous operation by CITY OF OAKLAND staff, and shall maintain ownership of all SmartBoots throughout the term of this Agreement despite CITY OF OAKLAND's possession of the same.

During the term of this Agreement, PayLock will repair or replace stolen or vandalized SmartBoots at no cost to CITY OF OAKLAND, except in cases where a lost or damaged fee is recovered by CITY OF OAKLAND from the offending motorist either before or after the device is replaced by PayLock, then in those cases, PayLock will invoice CITY OF OAKLAND the same amount collected to recover the cost of the repair or replacement.

3.3 The PayLock Help-Center

Throughout the term of this Agreement, PayLock shall operate a 24-hour toll-free Help-Center for purposes of providing information to motorists with respect to the removal and return of SmartBoots, and for processing payments by motorists whose vehicles have been booted. The Help-Center shall maintain data with respect to the processing of payments and the disposition of SmartBoots on a real-time basis through PayLock's BootView Software, which information shall be accessible to CITY OF OAKLAND remotely through the Internet.

4. BOOTVIEW SOFTWARE

4.1 Grant of Software License

PayLock grants to CITY OF OAKLAND one non-exclusive and non-transferable license to use the BootView Software. The Software and any authorized copies that CITY OF OAKLAND makes, are the property of PayLock and its licensors. CITY OF OAKLAND acquires only the right to use the Software, and does not acquire any rights of ownership, express or implied, in the Software. This Agreement does not grant CITY OF OAKLAND any intellectual property rights in the Software and all rights not expressly granted herein are reserved by PayLock and its licensors.

4.2 Conditions to Use of Software

Except as expressly provided for in this Agreement:

- A. CITY OF OAKLAND shall not copy the Software. Any permitted copy CITY OF OAKLAND may make of the Software must retain all copyright and information notices as appeared on the original.
- B. CITY OF OAKLAND shall not modify, adapt or translate the Software. CITY OF OAKLAND shall not reverse engineer, decompile, translate, disassemble, or attempt to discover any of the Software object code or source code, except to the extent CITY OF OAKLAND may be expressly permitted to decompile under applicable law. Subject to PayLock's written permission, any information supplied by PayLock relating to the Software and any information obtained by CITY OF OAKLAND by way of decompilation may only be used by CITY OF OAKLAND for the purpose described herein and may not be disclosed to any third party or used to create any software which is substantially similar to the expression of the Software.

- C. CITY OF OAKLAND shall not sell, distribute, disclose, market, rent, or lease the Software. CITY OF OAKLAND shall use the Software only for the express purposes contemplated by this Agreement. CITY OF OAKLAND shall not transfer the Software or documentation to any third party.
- D. The Software may include various applications, utilities and components, may support multiple platforms and languages and may be provided to CITY OF OAKLAND on multiple media or in multiple copies. Nonetheless, CITY OF OAKLAND may only use those portions of the Software for which CITY OF OAKLAND has a license as permitted and contemplated by this Agreement. CITY OF OAKLAND shall not unbundle or repackage the Software for distribution or resale.
- E. CITY OF OAKLAND shall not use the Software to develop, enhance, modify, market or demonstrate products that are competitive with the Software or other PayLock products.
- F. CITY OF OAKLAND shall not sell, license, sublicense, publish, display, distribute, or otherwise transfer to a third party the Software, any copy thereof, in whole or in part, without PayLock's prior written consent.

4.3 Termination of License

Upon termination of this Agreement, CITY OF OAKLAND's rights with respect to the Software hereunder shall terminate and CITY OF OAKLAND must cease any and all use of the Software and return any and all copies of the Software to PayLock, and PayLock will provide CITY OF OAKLAND any data CITY OF OAKLAND does not otherwise have access to and that CITY OF OAKLAND may require after its termination of use of the PayLock Software system.

5. TITLE TO SMARTBOOTS AND OTHER EQUIPMENT

Any goods or products supplied by PayLock to CITY OF OAKLAND shall remain the property of PayLock while in possession of CITY OF OAKLAND including, but not limited to: SmartBoots, BootView Software, computer hardware, and mobile license plate recognition systems.

6. KEY CONTROL

PayLock will provide six (6) sets of keys that can be used by CITY OF OAKLAND employees to unlock all SmartBoots when necessary. CITY OF OAKLAND shall secure all keys when not in use. If a key is lost, it will require a lock replacement on all SmartBoots provided. CITY OF OAKLAND will reimburse PayLock for replacing each lock at \$150 per lock converted, plus any travel expenses incurred by PayLock within the Bay Area to facilitate the lock conversion.

7. REMITTANCE OF FEES AND FINES

Funds will be remitted to CITY OF OAKLAND as provided in Section 14.3 herein.

8. CITY OF OAKLAND's OBLIGATIONS

8.1 Summary of Services

During the term of this Agreement, CITY OF OAKLAND will:

- A. Use PayLock service components to regularly patrol public parking streets and facilities to identify and immobilize scofflaw vehicles.
- B. Process walk-in, in-person payments at CITY OF OAKLAND facilities, for booted motorists unwilling or unable to pay PayLock by phone.
- C. Provide assistance to vehicle owners in releasing SmartBoots during business hours excluding holidays, work furlough days and weekends.
- D. Arrange for towing actions according to SOP guidelines.
- E. Cooperate with PayLock's efforts to recover stolen SmartBoots in accordance with local laws.
- F. Facilitate the integration of the PayLock and BootView Software with CITY OF OAKLAND computer and accounting systems as necessary.
- G. Take reasonable care of vehicles and mobile license plate recognition systems provided by PayLock pursuant to this Agreement.

8.2 Responsibility for SmartBoots

CITY OF OAKLAND is responsible for exercising reasonable care in the handling and storage of SmartBoots returned by the public or Assisted Release staff. CITY OF OAKLAND is not responsible for the loss of SmartBoots that are removed from vehicles without CITY OF OAKLAND's authorization or SmartBoots that motorists fail to return after being self-released. Twice weekly, CITY OF OAKLAND shall provide an accounting of the SmartBoots in its possession and relevant data pertaining to SmartBoots lost in service. With the exception of SmartBoots lost or damaged in service, CITY OF OAKLAND shall be responsible for reimbursing PayLock for its cost to replace each SmartBoot that: (1) CITY OF OAKLAND cannot account for after the SmartBoot was returned to CITY OF OAKLAND by a customer; (2) CITY OF OAKLAND cannot account for after a CITY OF OAKLAND officer removed the SmartBoot from a vehicle; or (3) was damaged while CITY OF OAKLAND was in direct possession of them. The SmartBoot replacement cost is \$500.00 per unit plus \$44.00 shipping and handling.

8.3 Stolen or Vandalized Smart Boots

CITY OF OAKLAND will charge motorists, and make good faith efforts to recover, a \$500.00 stolen boot fee, or a \$250 damaged boot fee from motorists who steal or vandalize PayLock boots respectively. PayLock will NOT charge motorists such fees until after the City Council of CITY OF OAKLAND has approved an ordinance granting its staff the proper legal authority to do so.

As per Section 8.2 of this Agreement, PayLock will replace lost, damaged or stolen SmartBoot devices that are lost, damaged or stolen while in service, at no cost to CITY OF OAKLAND, and for which no fees can be recovered from the offending motorist by CITY OF OAKLAND or PayLock; However, once a month, PayLock will invoice CITY OF OAKLAND an amount equal to the sum of these fees that are actually collected by CITY OF OAKLAND in the prior month.

8.4 Operation of SmartBoot Return Facility

The parties will mutually agree upon a SmartBoot return facility(s). At a minimum, such facility(s) shall operate during regular business days and business hours of CITY OF OAKLAND and where motorists may return SmartBoots to a person with access to PayLock's BootView software application. Upon the return of a SmartBoot, the facility(s) operator shall provide a receipt to the motorist generated by PayLock's BootView Software. In support of the operation of such facility(s) PayLock may provide, at no cost to CITY OF OAKLAND, hardware and accessories to make the return location operational if they are required and if the facility operator cannot reasonably obtain required hardware and accessories on its own. Hardware and accessories PayLock may provide is limited to 2 laptop computers, 2 printers, 2 EVDO wireless internet access cards (or equivalent). PayLock provided hardware and accessories, if provided, will become the responsibility of the facility operator, and this responsibility shall include support and maintenance. As soon as possible following the return of a SmartBoot to the return facility by a motorist, the facility operator shall provide confirmation of the return to PayLock through the BootView Software. In the event that such confirmation cannot be facilitated through the BootView Software, then confirmation may be transmitted orally over the telephone.

8.5 Towing

Pursuant to CITY OF OAKLAND's requirements, CITY OF OAKLAND may make arrangements to tow any vehicle eligible for immobilization that has been booted and otherwise meets CITY OF OAKLAND's designated specifications pursuant to policy. CITY OF OAKLAND may engage the assistance of PayLock with respect to such towed vehicles.

8.6 Integration of Systems

CITY OF OAKLAND will ensure the cooperation of INGLEWOOD/DUNCAN SOLUTIONS in working with PayLock to integrate software and hardware. PayLock shall work with CITY OF OAKLAND and its Information Technology Department to facilitate the integration of the PayLock and BootView Software with CITY OF OAKLAND computer systems, ticket processing system, Police Department PIPS MLPR Systems, and accounting systems as necessary to the operation of the PayLock service under this Agreement.

8.7 Assisted Releases

CITY OF OAKLAND shall have persons available during normal CITY OF OAKLAND business hours or as the Parties may agree to assist vehicle owners who are unwilling or unable to unlock the SmartBoots for any reason.

8.8 Confirmation of Immobilization Eligible Vehicle Status

CITY OF OAKLAND shall be precluded from applying a SmartBoot to any vehicle, unless it has obtained updated and verified immobilization-eligible vehicle status pertaining to the vehicle. CITY OF OAKLAND must provide reasonable means whereby PayLock personnel have immediate access to updated vehicle status, either by telephone or electronically through applicable systems. CITY OF OAKLAND shall earnestly endeavor to ensure that procedures are implemented whereby immobilization-eligible vehicle data is updated as frequently as possible and that such data is immediately available to all authorized users of BootView software.

9. COMPLIANCE WITH APPLICABLE LAWS

The Parties shall abide by all applicable federal, state and local laws, ordinances and regulations.

10. INDEMNIFICATION

CITY OF OAKLAND will indemnify and hold harmless PayLock from any and all liability, damages, losses, claims or actions arising out of the performance or nonperformance by CITY OF OAKLAND and its employees, representatives, agents, contractors and/or subcontractors, of any provision of this Agreement.

PayLock will indemnify and hold harmless CITY OF OAKLAND from any and all liability, damages, losses, claims or actions arising out of the performance or nonperformance by PayLock, its employees, representatives, agents, contractors and/or subcontractors, of any provision of this Agreement.

11. PAYLOCK PROVIDED VEHICLES

PayLock shall maintain ownership of vehicles provided to CITY OF OAKLAND throughout the term of this Agreement despite CITY OF OAKLAND's possession of the same, and PayLock shall have a security interest under the Uniform Commercial Code in such vehicles. CITY OF OAKLAND shall execute, and PayLock is hereby authorized as attorney-in-fact to execute and deliver on behalf of CITY OF OAKLAND, and file any and all financing statements and other instruments which PayLock may deem necessary and desirable to perfect and protect such security interest. CITY OF OAKLAND hereby agrees to the following:

- A. CITY OF OAKLAND's insurance shall be considered PayLock's primary/non-contributory liability coverage for those vehicles provided by PayLock to CITY OF OAKLAND. For all insurance obtained by CITY OF OAKLAND hereunder, CITY OF OAKLAND shall provide PayLock with a Certificate of Insurance that includes:
 - i. Waiver of subrogation naming PayLock as an additional insured
 - ii. A requirement that the issuer notify PayLock in writing at least 30 days prior to any cancellation or modification of the policy
 - iii. Combined limit of liability for a minimum of: \$5,000,000

Five (5) business days prior to transferring possession of a vehicle to CITY OF OAKLAND, PayLock will provide its Vehicle Identification Number, Make, Model, Year, and replacement value to CITY OF OAKLAND's Risk Management Office.

CITY OF OAKLAND agrees that PayLock shall not be liable for any injuries sustained by CITY OF OAKLAND employees or their contractors arising from or related to their use of those vehicles provided to CITY OF OAKLAND by PayLock. CITY OF OAKLAND will obtain Commercial General Liability, workers compensation, and other related coverage for its employees. PayLock will not be liable for, and will not be required to provide any personal injury, property protection or other insurance coverage for, any claims, liabilities or damages arising from or related to those vehicles provided to CITY OF OAKLAND by PayLock. CITY OF OAKLAND shall be responsible for all vehicle operating costs including but not limited to gas, fluids, maintenance, operators insurance, installing required communication devices, any official city markings on the outside of the vehicles, registration or inspection fees, and repairs. Such vehicles shall only be used by CITY OF OAKLAND for booting patrol and associated immobilization process functions under this Agreement and not other CITY OF OAKLAND business or personal use. Any damage to PayLock vehicles incurred during use by CITY OF OAKLAND employees or contractors for booting patrol and associated immobilization process functions, and any repairs required to correct such damage, is the full responsibility of CITY OF OAKLAND. CITY OF OAKLAND shall also provide PayLock, in advance of the vehicle's delivery to CITY OF OAKLAND, the legal names of each individual driver. If the California Department of Motor Vehicles notifies CITY OF OAKLAND that the license of any driver of a PayLock vehicle is suspended, CITY OF OAKLAND will notify PayLock within three (3) business days of receipt of such notice.

12. WARRANTIES; WARRANTY LIMITATIONS AND REMEDY LIMITATIONS

12.1 Express Warranty

PayLock warrants its legal right to the PayLock System and all associated Software and hardware provided to CITY OF OAKLAND by PayLock, including BootView, SmartBoots and further warrants that the PayLock System, the Software, and all associated hardware including BootView and SmartBoots are operational as intended under this Agreement and will be free from all operational and material defects. CITY OF OAKLAND's sole remedy with respect to any defective product provided to it by PayLock shall be the repair or replacement of any defective product. In the event that any component of the PayLock System malfunctions due to any defect or damage caused by normal wear and tear, PayLock shall, at its sole cost, repair or replace the defective or damaged components.

12.2 Remedy Limitation

Except as expressly provided in this Agreement, PayLock and CITY OF OAKLAND agree and acknowledge that the Parties shall not be liable for indirect, special, incidental or consequential damages.

12.3 Relation to Indemnity

Notwithstanding anything contained in this Section 12 to the contrary, the indemnity provisions set forth in Section 10 of this Agreement shall supersede this Section 12.

13. MUTUAL COOPERATION

CITY OF OAKLAND and PayLock each agree to provide any reasonable assistance to the other as may be necessary to affect the purpose of this Agreement. The Parties further agree to cooperate in establishing and modifying, as reasonably necessary, the practices, protocols and procedures utilized in connection with the implementation of the PayLock System.

14. TERM, COMPENSATION, REMITTANCE, DEFAULT AND TERMINATION.

14.1 Term

The initial term of this Agreement shall be thirty-six (36) months from the date of this Agreement stated on the first page hereof. This Agreement may be renewed for two (2) additional twelve-month terms. The renewal term shall be deemed automatically exercised unless either Party provides written notice to the other Party that it does not intend to exercise the renewal term, at least thirty (90) days prior to the expiration date of the original term or renewal term of this Agreement.

14.2 Compensation and Invoicing

PayLock and CITY OF OAKLAND agree to the following fee structure:

Transaction Pricing – PayLock will charge the motorist a fixed fee of \$140.00 (“Transaction Fee”) for every vehicle that has been immobilized and pays outstanding fines and/or fees before or after the vehicle has been towed. This amount will be deducted from the Gross Amount collected by PayLock in City’s behalf of the City before funds are transferred to CITY OF OAKLAND as provided in Section 14.3 herein. CITY OF OAKLAND will pay the Transaction Fee to PayLock for every vehicle released from a SmartBoot after the motorist pays CITY OF OAKLAND directly all of the outstanding fees and fines.

Processing Fee – The motorist will pay to PayLock, and CITY OF OAKLAND authorizes PayLock to charge booted motorists, an additional “Processing Fee” based on the total amount due as a result of the vehicle immobilization only when the payment is processed by PayLock using the BootView software system as per the following table:

Amount Paid (range)		PayLock Processing Fee
Low	High	
\$0.01	\$250.00	\$7.00
\$250.01	.\$500.00	\$13.00
\$500.01	\$750.00	\$19.00

\$750.01	\$1,000.00	\$25.00
\$1,000.01	\$1,500.00	\$36.00
\$1,500.01	\$2,000.00	\$46.00
\$2,000.01	\$2,500.00	\$60.00
\$2,500.01	\$3,000.00	\$70.00
\$3,000.01	\$5,000.00	\$116.00
\$5,000.01	\$7,500.00	\$175.00

PayLock will NOT charge motorists the Processing Fee until after the City Council of CITY OF OAKLAND has approved an ordinance granting PayLock the proper legal authority to do so.

Stolen, Damaged, and Late Boot Fees – PayLock may charge the motorist a \$25 per day “Late Boot Return Fee” if the motorist fails to return a boot that the motorist removed himself or herself after paying the fines and fees owed, and only after the motorist agreed to such late fee when he or she agreed to remove the boot himself or herself.

14.3 Transfer of Funds

Every Monday, PayLock will transfer all funds that PayLock has collected the previous seven (7) days, minus City-approved PayLock fees, into an account designated by CITY OF OAKLAND. BootView Software will provide CITY OF OAKLAND with real time data relating to the payment of parking fines to CITY OF OAKLAND for the purpose of management, accounting, and auditing of funds transfers. CITY OF OAKLAND may conduct occasional audits of the amounts collected and transferred under the PayLock System. PayLock will respond promptly to any and all requests for documentation in connection with such audits.

14.4 Termination

Either Party may terminate this Agreement for cause upon giving (30) calendar days’ written notice to the other. “Cause” shall be defined as the failure of either Party to adequately perform any of the duties or obligations, express or implied, or fulfill any of the promises under this Agreement or if either Party violates any laws or ordinances while this Agreement is in effect.

15. ASSIGNMENT

Neither Party shall be permitted to assign its rights or obligations under this Agreement without the prior written consent of the other Party.

16. GOVERNING LAW

The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of California.

17. SEVERABILITY

If any provision of this Agreement shall be held by an arbitrator or court of competent jurisdiction to be illegal, invalid or unenforceable, the remaining provisions shall remain in full force and effect.

18. BINDING ARBITRATION

All claims, disputes and other matters in question between the Parties to this Agreement arising out of or relating to this Agreement or the breach thereof may be decided by arbitration in accordance with the rules of the American Arbitration Association. Such arbitration shall be venued in the state of California. Any award made by the arbitrator(s) shall be final, and judgment may be entered upon it in accordance with applicable law.

19. MISCELLANEOUS

This Agreement contains the entire understanding and agreement between the Parties respecting the subject matter hereof. This Agreement may not be supplemented, modified, amended, released or discharged except by an instrument in writing signed by each Party's duly authorized representative. All captions and headings in this Agreement are for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions. Any waiver by either Party of any default or breach hereunder shall not constitute a waiver of any provision of this Agreement or of any subsequent default or breach of the same or a different kind.

20. NOTICES

If either party shall desire or be required to give notice to the other, such notice shall be given in writing, via facsimile and concurrently by prepaid U.S. certified or registered postage, addressed to recipient as follows:

CITY OF OAKLAND:

Parking Administration
250 Frank H. Ogawa Plaza, 6th Floor
Oakland, CA 94612
ATTN: Noel Pinto, Parking Director
FAX: 510-238-2347

WITH A COPY TO:

Office of the City Attorney
1 Frank H. Ogawa Plaza, 6th Floor
Oakland, CA 94612
ATTN: Alix Rosenthal
FAX: 510-238-6500

PAYLOCK:

IPT LLC
26 West High Street

Somerville, New Jersey 08876
ATTN: Josiah Johnson
FAX: 908-575-8811

21. COUNTERPARTS

More than one counterpart of this Agreement may be executed by the Parties, each of which shall be deemed an original, but all of which shall constitute one and the same document.

22. INSURANCE

During the term of this Agreement; PayLock shall maintain the following types of insurance with limits not less than those set forth below, shall name CITY OF OAKLAND as additional insured's on all such policies and shall provide CITY OF OAKLAND with a certificate of insurance prior to the commencement date of this Agreement and annually upon request by CITY OF OAKLAND:

Commercial General Liability: \$1,000,000 per occurrence and \$2,000,000 general aggregate for bodily injury and property damage

Umbrella Excess: \$3,000,000 Coverage

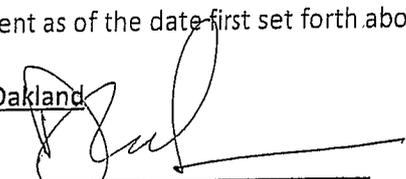
Crime: \$250,000 commercial blanket bond

Worker's Compensation:
Coverage A - Statutory
Coverage B - \$1,000,000

Errors and Omissions: \$1,000,000 combined single Limit each occurrence

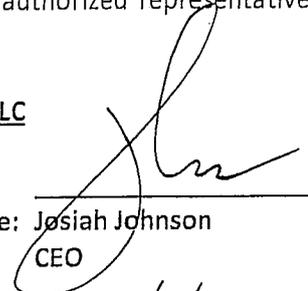
IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Agreement as of the date first set forth above.

City of Oakland

By: 
Name: Dan Lindheim
Title: City Administrator

Dated: 8/15/09

IPT LLC

By: 
Name: Josiah Johnson
Title: CEO

Dated: 8/8/2009

APPROVED AS TO FORM AND LEGALITY:


ALIX A ROSENTHAL
DEPUTY CITY ATTORNEY