

MASTER SERVICES AGREEMENT
between
BUSPATROL AMERICA, LLC
and
EANES INDEPENDENT SCHOOL DISTRICT
for a
SCHOOL BUS STOP ARM PROGRAM

This Master Services Agreement (the “**Agreement**”), is hereby made and entered into by and between BusPatrol America, LLC (“**BusPatrol**”), with its principal place of business at 8560 Cinder Bed Road, Suite 100, Lorton, VA 22079, and Eanes Independent School District, with a mailing address of 401 Camp Craft Road, Austin, Texas, 78746 (the “**School District**”) (each, a “**Party**,” and collectively, the “**Parties**”), and shall be effective as of the date the last Party signs this Agreement (the “Effective Date”).

RECITALS

WHEREAS, applicable provisions of the Texas Transportation Code, including Section 545.066 and related provisions (collectively, the “Stop Arm Law”), require vehicles approaching a school bus from either direction to stop when the bus is stopped to receive or discharge a student;

WHEREAS, a local governmental authority may authorize enforcement of such violations through a School Bus Stop Arm Program upon enactment of a law authorizing the implementation and operation of the Program in that jurisdiction (“Authorizing Law”);

WHEREAS, the School District desires to engage BusPatrol as its exclusive vendor to install, operate, and maintain video equipment and provide related back-office services to ministerially support a School Bus Stop Arm Program in accordance with the Stop Arm Law and Authorizing Law;

WHEREAS, the School District is comprised of several cities and communities (each referred to as “jurisdiction” throughout this Agreement), and the Parties acknowledge that a School Bus Stop Arm Program may commence in a particular Jurisdiction where an Authorizing Law is in effect in that Jurisdiction;

WHEREAS, the School District includes multiple localities or jurisdictions that may each enact Authorizing Laws at different times, and the Parties intend that the School Bus Stop Arm Program may commence in phases in any locality or jurisdiction where an Authorizing Law is in effect, without requiring an Authorizing Law to be in effect in every jurisdiction within the School District before the Program commences in authorized locations;

WHEREAS, BusPatrol shall implement and operate the Program only in accordance with the applicable Authorizing Law for the jurisdiction(s) in which the Program is operating and neither Party shall be obligated to commence Program activities in a location unless an Authorizing Law is enacted and effective for that location;

WHEREAS, the School District represents that it has authority to enter into this Agreement and to authorize BusPatrol to implement and operate the Program throughout the School District upon enactment of an applicable Authorizing Law;

WHEREAS, School District is a member of TIPS (as defined below), which enables the School District to utilize cooperative purchasing agreements available to member local governments, school districts, and other political subdivisions that offer tangible and competitive time and resource savings for communities;

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein, the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the School District and BusPatrol agree as follows:

The foregoing recitals are true, correct and form an integral part of this Agreement.

AGREEMENT

1.0 DEFINITIONS

In this Agreement, the words and phrases below shall have the following meanings:

“Authorizing Law” means, with respect to any jurisdiction, a duly enacted law, ordinance, code, rule, regulation, or other legally binding order that authorizes the implementation and operation of a School Bus Stop Arm Program in such jurisdiction.

“Beyond Enforcement System” means the cameras and other related equipment, including audio recording equipment, installed by BusPatrol on the school bus, if ordered by the School District, to allow authorized personnel of the School District to monitor student safety.

“Business Rules” means the set of requirements, developed by the Parties at the direction of the Local Authority during the implementation phase of the School Bus Stop Arm Enforcement Program that BusPatrol will use to ministerially prepare the evidence files to be submitted to the Local Authority for its review and exclusive determination as to whether a Stop Arm Violation occurred.

“BusPatrol Equipment” includes any and all cameras, sensors, equipment, components, products, and other tangible property that comprises the BusPatrol System, including but not limited to Enforcement Cameras and the Beyond Enforcement System.

“BusPatrol Software” means all computer software programs installed, operated, and maintained by BusPatrol to operate the School Bus Stop Arm Enforcement Program within the School District, including but not limited to the BusPatrol Operating System, AlertBus application, Console application, as well as software documentation, and firmware embedded on BusPatrol Equipment. BusPatrol Software also includes third-party applications used by BusPatrol to deliver the services, including but not limited to optional third-party software applications ordered by the School District.

“BusPatrol System” means, collectively, all of the BusPatrol Equipment, BusPatrol Software, BusPatrol Intellectual Property and other tangible and intangible property relating thereto owned by BusPatrol that is installed, operated, and maintained by BusPatrol to operate the School Bus Stop Arm Enforcement Program within the School District. The BusPatrol System will include all equipment and services necessary to operate the School Bus Stop Arm Enforcement Program.

“Citation” or “Notice of Violation” means a written notice of a Stop Arm Violation, which is mailed or otherwise delivered by BusPatrol or its designated agent to the owner of a vehicle operated in violation of the Stop Arm Law.

“Enforcement Cameras” means the cameras and other related equipment installed by BusPatrol on a school bus as part of a School Bus Stop Arm Program to identify Stop Arm Violations (as described below) in accordance with the established Business Rules.

“Intellectual Property” means, with respect to any person, any and all now known or hereafter known tangible and intangible (a) rights associated with works of authorship throughout the world including, but not limited to, copyrights, moral rights and mask-works, (b) trademark and trade name rights and similar rights, (c) trade secrets rights, (d) patents, designs, algorithms and other intellectual property rights, (e) all other intellectual and industrial property rights of every kind and nature throughout the universe and however designated, whether arising by operation of law, contract, license, or otherwise, and (f) all registrations, initial applications, renewals, extensions, continuations, divisions or reissues hereof now or hereafter in force (including any rights in any of the foregoing) of such person.

“Local Authority” means the local agenc(ies) or their designee and/or other law enforcement agency authorized to enforce the Stop Arm Law.

“Potential Violation” means all electronic data captured by the BusPatrol System depicting a motor vehicle failing to stop for a school bus in accordance with the Stop Arm Law, to be assessed by a Local Authority for the determination of whether to issue a Citation for a Stop Arm Violation.

“Program Costs” means the amounts payable pursuant to the payment option selected by the School District on Exhibit A of this Agreement.

“School Bus Stop Arm Enforcement Program” means the administration, processes, and procedures by which Stop Arm Violations are recorded, monitored, identified, processed, approved, distributed, enforced, collected, reported, adjudicated, appealed, and otherwise managed by BusPatrol, the School District, and one or more Local Authorities.

“Stop Arm Violation” means a violation of the Stop Arm Law, based on a determination by the Local Authority that a vehicle has been operated in violation of the Stop Arm Law, after reviewing Potential Violation data captured by the BusPatrol System.

“Stop Arm Law” means the applicable provisions of the Texas Transportation Code relating to passing a stopped school bus, including Sections 545.066, 547.701, and 541.201, the Authorizing Law, and any other applicable local law, ordinance, rule, or regulation governing school bus stop-arm enforcement in the jurisdiction.

“TIPS” means The Interlocal Purchasing System, a national purchasing cooperative which enables members, including the School District, to utilize competitively procured purchasing contracts, and BusPatrol has been awarded TIPS Contract Number 250101 which is publicly available online at: https://tips-usa.com/assets/Vendorspdf/250101_CONTRACT_Safety_Equip_BusPatrol.pdf

2.0 TERM

- 2.1 This Agreement shall commence on the Effective Date and shall continue for a five (5) year period from the date the first Citation is issued through the BusPatrol System (the “Initial Term”) in those jurisdictions where there is an Authorizing Law. The Parties agree to exercise commercially reasonable diligence to take actions necessary to commence Local Authority review of Potential Violations for issuance of Citations no later than thirty (30) days after the installation of thirty percent (30%) of the School District’s Selected Buses as provided for in Section 3.0. Upon expiration of the Initial Term, this Agreement may be extended for an additional five (5) year term (the “Extended Term”, and, together with the Initial Term, the “Term”) upon mutual written agreement of the Parties.
- 2.2 For any jurisdiction served by the School District in which an Authorizing Law is not currently in effect, the Parties agree that it is their mutual intent for the School Bus Stop Arm Program (“Program”) to be implemented upon the adoption and enactment of an Authorizing Law in that jurisdiction. Implementation of the Program in any additional jurisdiction shall be subject to (a) the enactment and effectiveness of an Authorizing Law applicable to that jurisdiction, and (b) BusPatrol’s agreement to accept that jurisdiction for participation in the Program. A written notice to proceed will be required for each such jurisdiction and, upon execution of such notice, the rights and obligations of the Parties under Section 3 shall become operative with respect to the applicable jurisdiction without the need for a further amendment to this Agreement.
- 2.3 With respect to any jurisdiction in which an applicable Authorizing Law has been enacted and is in effect and for which the Parties have agreed to commence services, the School District shall sign a written Notice to Proceed for such jurisdiction. Following issuance of the applicable Notice to Proceed, the Parties shall take commercially reasonable actions necessary to commence Local Authority review of Potential Violations for issuance of Citations no later than thirty (30) days after the later of (a) the installation of thirty percent (30%) of the School District’s Selected Buses designated for operation in such jurisdiction, as provided in Section 3.0, or (b) the effective date of the applicable Authorizing Law.

3.0 SCOPE OF SERVICES/RESPONSIBILITIES OF THE PARTIES

The School District hereby authorizes BusPatrol to act as the exclusive operator of the School Bus Stop Arm Enforcement Program within the School District, for the purpose of ministerially supporting enforcement of the Stop Arm Law, for the duration of this Agreement and any extension or renewal thereof. In order to carry out the School Bus Stop Arm Enforcement Program, each Party agrees to undertake the following responsibilities:

3.1 **Responsibilities of BusPatrol.** BusPatrol agrees to provide the following services:

- 3.1.1 Install, operate, and maintain the BusPatrol Equipment on any school buses, including up to all school buses, selected by the School District (“**Selected Buses**”) operated by the School District and/or its school bus contractors, as may be changed from time-to-time upon reasonable notice;
- 3.1.2 Exercise commercially reasonable efforts to equip the School District’s Selected Buses with the BusPatrol System, to the extent the School District has fulfilled its obligations under this Agreement and to the extent commercially viable and mutually agreed by BusPatrol and the School District. The number of Selected Buses shall be estimated by asset lists received by BusPatrol from the School District, with a final count certified by both BusPatrol and the School District. The order of such installation of the BusPatrol System, if any, on the Selected Buses will be mutually determined by the Parties, in their reasonable discretion, which determination will be documented in an implementation plan to be developed by BusPatrol;
- 3.1.3 Provide ministerial support services as agreed upon by the Parties during implementation;
- 3.1.4 Provide Potential Violation data to appropriate Local Authority personnel and train them on the proper use of the BusPatrol System;
- 3.1.5 When authorized by the School District and/or Local Authority, prepare and mail Citations when reviewed and approved by a designated Local Authority in accordance with the Stop Arm Law;
- 3.1.6 If permitted by applicable law and authorized by the School District and/or governing body of the Local Authority, collect any civil fines, penalties, costs, or other amounts assessed for Stop Arm Violations, as well as permissible costs, including credit card and electronic processing convenience fees associated with Stop Arm Violation fine and penalty payments. BusPatrol may, if permitted by applicable law, charge a credit card or electronic processing convenience fee to the party making payment upon a Stop Arm Violation, and may use any and all lawful means to collect any Stop Arm Violations that are not paid in a timely manner, including utilizing any and all lawful means to collect unpaid Citations, including, if applicable, utilization of third parties to recoup from delinquent violators, provided that notwithstanding any provision in this Agreement to the contrary, if the School District determines in its discretion that such enforcement by BusPatrol is not legally permitted or is otherwise in conflict with the School District’s educational purpose, BusPatrol shall not commence or shall cease any such enforcement efforts upon receipt of written notice from the School District;
- 3.1.7 Establish a bank account at a Federal Deposit Insurance Corporation member (insured) bank for the processing of payments, which account may be managed

by BusPatrol or a third-party payment processor, as well as a payment processor account and payment gateway;

- 3.1.8 Provide monthly reports to the School District, in a reasonable format determined by BusPatrol, as well as any additional reports agreed to by the Parties or required by the Stop Arm Law;
- 3.1.9 Install Beyond Enforcement Systems at no cost, if ordered by the School District, at the same time that Enforcement Cameras are installed;
- 3.1.10 Provide the School District video footage, recorded images, audio, and other information from interior Beyond Enforcement Systems upon receipt of request with the understanding that all Beyond Enforcement System footage will be stored on a two (2) terabyte drive which will record and overwrite on a rolling, “first-in first-out” basis (“**Data Retention Period**”). BusPatrol shall have no obligation to retain footage after the Data Retention Period; and
- 3.1.11 Remove BusPatrol Equipment from school buses decommissioned or retired from service and re-install such BusPatrol Equipment or new BusPatrol Equipment, in BusPatrol’s sole discretion, on replacement buses. At BusPatrol’s option, , interior wiring harnesses may be abandoned in place. BusPatrol will be responsible for taking reasonable steps to repair any material damage to the school bus caused during the installation or removal of BusPatrol Equipment.

3.2 **Responsibilities of the School District.** The School District agrees to:

- 3.2.1 Provide BusPatrol with access to school buses, along with other reasonable coordination assistance necessary for BusPatrol to install, operate and maintain the BusPatrol System. In the event the School District does not own school buses, the School District shall reasonably endeavor to secure the right for BusPatrol to install, operate and maintain the BusPatrol System on such third-party school buses, at no cost to BusPatrol;
- 3.2.2 Provide BusPatrol with electronic copies of school bus asset lists with Vehicle Identification Numbers, and agrees to provide an updated list upon any changes or additions to the fleet;
- 3.2.3 Notify BusPatrol if any BusPatrol System is not operational and/or on the assigned Selected Buses within five (5) business days of becoming aware;
- 3.2.4 Notify BusPatrol within three (3) business days of any damage to the BusPatrol System, regardless of whether or not said damage is caused by the School District;
- 3.2.5 Allow installed BusPatrol Equipment to be used pursuant to and in conformity with the Stop Arm Law, this Agreement, and any agreements with a Local Authority or governing body of a Local Authority that are consistent with the terms of this Agreement;

- 3.2.6 Ensure school buses are properly stored, secured, maintained, and repaired when not in use to reasonably safeguard the BusPatrol System;
- 3.2.7 Within 30 days of the Effective Date, designate in writing School District Program Manager. The School District Program Manager shall also be responsible for the review of any and all BusPatrol deliverables, including reports. BusPatrol may rely upon the authority of the School District Program Manager to the extent said authority has been delegated in writing. The School District shall also provide, within thirty (30) days of the Effective Date, a Court Point of Contact, a School District Finance Point of Contact; a technology representative to assist BusPatrol with resolving technical issues, including providing access to the BusPatrol System if blocked by firewall, or other School District security protocols, and a Law Enforcement Point of Contact;
- 3.2.8 Provide BusPatrol seven (7) days' written notice of an installation appointment (including third-party services) or cancellation;
- 3.2.9 Review and approve BusPatrol monthly reports to authorize payment of funds in accordance with Section 4.0 and Exhibit A;
- 3.2.10 To the extent the School District's police department is involved in the enforcement of Potential Violations, ensure that qualified law enforcement personnel from such School District police department are assigned to review Potential Violations provided by BusPatrol, and either approve the issuance of a Citation or disapprove by indicating the appropriate rejection code in the BusPatrol System. ALL DECISIONS TO ISSUE A CITATION MUST BE MADE BY AUTHORIZED PERSONNEL FROM A DESIGNATED LOCAL AUTHORITY. School District is not responsible for enforcement efforts by any other police jurisdiction.;
- 3.2.11 Coordinate in concert with Bus Patrol with other governmental entities as needed to carry out this Agreement, including the execution of all necessary Intergovernmental Agreements;
- 3.2.12 Exercise professional judgement in the pursuing Citations captured by the BusPatrol System and the related enforcement and prosecution of same;
- 3.2.13 Subject to Section 3.1.6, authorize BusPatrol to pursue and collect delinquent Citations, including through the use of third parties, to the extent permitted by law, and provide reasonable assistance if necessary; and
- 3.2.14 Use commercially reasonable efforts to carry out the obligations under this Agreement, and work in good faith to resolve any compliance matters related to the School Bus Stop Arm Enforcement Program within the School District.

4.0 PAYMENT

The School District shall pay BusPatrol all amounts set forth on Exhibit A pursuant to this Agreement and Exhibit A, including the payment option selected on Exhibit A.

4.1 **Reporting and Payment.**

4.1.1 **Monthly Report, Payment Authorization.**

- 4.1.1.1 The School District authorizes BusPatrol to disburse funds from the bank account established under Section 3.1.7 in accordance with this Section and Exhibit A. In consideration of this authorization, Bus Patrol and any third party involved in the maintenance and/or disbursement of such funds shall owe the School District a fiduciary duty with respect to such activities, and Bus Patrol shall ensure that any agreement with such third party is fully consistent with this and any other relevant requirements contained herein.
- 4.1.1.2 Within fifteen (15) days following the end of each month, BusPatrol shall submit a report (the “**Report**”) to the School District for review. Upon approval, BusPatrol shall disburse funds from the bank account established under Section 3.1.7.
- 4.1.1.3 The School District agrees to review Reports in a timely fashion and report any discrepancies to BusPatrol within ten (10) business days of receipt. The Parties agree to work in good faith to reconcile any discrepancies in the amounts payable to any Party that are identified in the monthly Report.

4.1.2 **Payment, Service Fees.**

- 4.1.2.1 All Program Costs shall be paid from the fines and penalties collected from Citations. Therefore, so long as the School District is not in breach of any material obligations under the Agreement that otherwise require the School District to make payments to BusPatrol, the School District shall have no obligation to compensate BusPatrol for Program Costs if gross revenues from Citations over the entire Term are insufficient to cover such Program Costs.
 - 4.1.2.2 Subject to the terms of this Agreement, BusPatrol is authorized to charge, collect, and retain a service/convenience fee of up to the greater of five dollars (\$5.00) or five percent (5%) of the total payment, for each payment processed through the internet, call center, IVR, or other electronic means. Such fee is collected from the payer and retained by BusPatrol. The School District is under no obligation to pay any such service/convenience fees.
- 4.1.2 **Additional Payment Obligations.** Additional payments, with the amount of such payments to be mutually agreed upon, shall be payable to BusPatrol in the event that: (i) BusPatrol Equipment is lost or damaged as a result of vandalism/theft from the School District's failure to properly safeguard its buses; (ii) BusPatrol Equipment requires excessive maintenance (i.e. beyond normal wear and tear) as

a result of the School District's failure to properly safeguard or maintain its buses;
(iii) the School District's failure to provide proper notice before cancellation of an installation appointment as provided for in Section 3.2.8, for which BusPatrol has incurred nonrefundable costs; or

(iv) the School District incurs charges or fees for services performed by a third-party services provider which are then billed back to BusPatrol.

4.2 **Unpaid Citations.** The Parties agree to utilize any and all lawful means to collect unpaid Citations, including, if applicable, utilization of third parties to recoup unpaid penalties.

4.2.1 As applicable and to the extent permitted by law and the School District's right to exercise professional judgment, the Parties shall exercise any and all legal remedies to pursue unpaid Citation, including but not limited to entering into an agreement with a debt collection agency or engaging a subcontractor to assist with recouping and recovering any delinquent unpaid Citation fines and penalties.

4.2.2 The Parties shall mutually agree upon debt collection agency terms and conditions, if any, before commencing collections in this manner. The debt collection agency shall comply with all local and state laws related to the School Bus Stop Arm Enforcement Program and shall comply with all federal, state, and local laws and regulations related to the School Bus Stop Arm Enforcement Program.

4.3 **Consumer Price Index Adjustments.** If the Agreement is renewed beyond the Initial Term, the Extended Term is subject to a pricing increase adjustment for the fees set forth in Section 4.0 and Exhibit A. This adjustment will be determined by using the Consumer Price Index - All Urban Consumers (CPI-U from December to December) as reported annually by the Bureau of Labor Statistics. The current rates will be increased by the same percentage of the aggregate CPI-U for the Initial Term with the increase not to exceed ten percent (10%). This adjustment must be mutually agreed upon by the Parties prior to the commencement of the new term.

5.0 LICENSE AND RESERVATION OF RIGHTS

5.1 **License Grant.** BusPatrol grants to the School District a limited, non-exclusive, non-transferable, revocable license to use the BusPatrol System, including BusPatrol Equipment, BusPatrol Software and BusPatrol Intellectual Property, solely for purposes of carrying out this Agreement and further warrants to the School District that BusPatrol has valid ownership and/or licenses necessary to provide such license for the term of this Agreement, which warranty is a material term to this Agreement. This license shall continue for the duration of this Agreement and shall expire immediately upon termination or expiration of this Agreement. Upon termination or expiration, BusPatrol may, at its option, restrict, limit, or disable the School District's access to BusPatrol Intellectual Property, the BusPatrol System, BusPatrol Software, and BusPatrol Equipment and remove any and all BusPatrol Equipment installed in connection with BusPatrol's performance of this Agreement.

5.2 **Reservation of Rights.** The School District and BusPatrol hereby acknowledge and agree to the following:

- 5.2.1 BusPatrol is the sole and exclusive owner of the BusPatrol System, BusPatrol Equipment, BusPatrol Software, BusPatrol Intellectual Property, including any documentation, updates, modifications, upgrades or enhancements thereto including made at the request or recommendation of the School District, arising from or relating to the BusPatrol System, and any and all related BusPatrol Equipment;
- 5.2.2 The School District neither has nor makes any claim to any right, title, or interest in any of the foregoing, except as specifically granted or authorized under this Agreement, and under no circumstance will any updates, modifications, upgrades, enhancements, or further developments of the BusPatrol System be considered “Work for Hire” for the School District;
- 5.2.3 By reason of the exercise of any such rights or interests of the School District pursuant to this Agreement, the School District shall not gain any additional right, title, or interest therein.

5.3 **Restricted Use.** The School District hereby covenants and agrees that it shall not:

- 5.3.1 Use the BusPatrol System, BusPatrol Equipment, BusPatrol Software or BusPatrol Intellectual Property for any purpose other than BusPatrol’s operation of the School Bus Stop Arm Enforcement Program;
- 5.3.2 Disclose or provide the BusPatrol System, BusPatrol Equipment, BusPatrol Software or BusPatrol Intellectual Property to any third parties without the prior express written permission of BusPatrol;
- 5.3.3 Make any modifications to the BusPatrol System including, but not limited to, any BusPatrol Equipment or BusPatrol Software;
- 5.3.4 Alter, remove or tamper with any BusPatrol marks;
- 5.3.5 Use any of the BusPatrol trademarks or other marks in any way which might prejudice their distinctiveness, validity, or the goodwill of BusPatrol therein;
- 5.3.6 Use any trademarks or other marks other than those BusPatrol marks approved by BusPatrol in connection with the School District’s use of the BusPatrol System pursuant to the terms of this Agreement without first obtaining the prior consent of BusPatrol; or
- 5.3.7 Disassemble, de-compile or otherwise perform any type of reverse engineering to the BusPatrol System including, but not limited to, any BusPatrol Equipment, BusPatrol Software or BusPatrol Intellectual Property, or cause or permit any other person to do any of the foregoing.

- 5.4 **Protection of Rights.** BusPatrol shall have the right to take whatever action it deems necessary or desirable to protect its intellectual property rights, remedy or prevent the infringement of any Intellectual Property of BusPatrol including, without limitation, the filing of applications to register as trademarks in any jurisdiction any of the BusPatrol marks, the filing of patent applications for any of the Intellectual Property of BusPatrol, and making any other applications or filings with appropriate governmental authorities. The School District shall not take any action to remedy or prevent such infringing activities and shall not in its own name make any registrations or filings with respect to any BusPatrol Intellectual Property without the prior written consent of BusPatrol.
- 5.5 **Infringement.** The School District shall use commercially reasonable efforts to give BusPatrol prompt notice of any activities or threatened activities of any person of which it becomes aware that infringes or violates or may infringe or violate BusPatrol Intellectual Property or that constitute a misappropriation of trade secrets or acts of unfair competition that might dilute, damage, or destroy any BusPatrol Intellectual Property. BusPatrol shall have the exclusive right, but not the obligation, to act to enforce such rights and to make settlements with respect thereto. In the event that BusPatrol commences any enforcement action under this Section 5.5, then the School District shall render to BusPatrol such reasonable cooperation and assistance as is reasonably requested by BusPatrol from time to time, provided that BusPatrol shall reimburse the School District for any reasonable costs incurred or paid to third parties.
- 5.6 **Infringing Use.** The School District shall give BusPatrol prompt written notice of any action or claim, whether threatened or pending, against the School District alleging that the BusPatrol Intellectual Property infringes or violates any patent, trademark, copyright, trade secret or other Intellectual Property of any other person, and the School District shall render to BusPatrol such reasonable cooperation and assistance as is reasonably requested by BusPatrol in the defense thereof, provided that BusPatrol shall reimburse the School District for any reasonable costs incurred in providing such cooperation and assistance incurred or paid to third parties. If such a claim is made and BusPatrol determines, in the exercise of its sole discretion, that an infringement may exist, BusPatrol shall have the right, but not the obligation, to procure for the School District the right to keep using the allegedly infringing items, modify them to avoid the alleged infringement, or replace them with non-infringing items.

6.0 TERMINATION, EXPIRATION

- 6.1 **Termination by Mutual Agreement.** This Agreement may be terminated at any time by mutual written agreement of the Parties.
- 6.2 **Additional Termination and Suspension Provisions.**
- 6.2.1 Either the School District or BusPatrol shall have the right to terminate this Agreement for cause by written notice to the other if:
- 6.2.1.1 The Stop Arm Law or other applicable state or local statutes or regulations are materially amended as to prohibit or negatively affect

the operation of the School Bus Stop Arm Enforcement Program, including but not limited to any change in any laws that would substantially reduce or eliminate Citation fines or Citation payment obligations, or that would otherwise eliminate the source of funding for the School Bus Stop Arm Enforcement Program. Prior to any termination, the Parties shall work in good faith to determine an alternate payment calculation structure that preserves fundamental financial and pricing elements of this Agreement;

- 6.2.1.2 A final decision (subsequent to any appeals that may be filed) by a court of competent jurisdiction declares that the results from the BusPatrol System are inadmissible in evidence;
 - 6.2.1.3 The other Party commits any material breach of any of the provisions of this Agreement, which breach is not cured within a reasonable time following written notice of the alleged material breach.
- 6.2.2 BusPatrol shall have the right to terminate or suspend this Agreement, in whole or in part, by written notice to the School District, or in good faith request reconsideration of financial terms in a manner that preserves fundamental School Bus Stop Arm Enforcement Program finances and pricing, in the event of any of the following:
- 6.2.2.1 A judicial or quasi-judicial entity takes action or fails to take any action that negatively and materially impacts the operation, funding, or revenue sources that are necessary to operate the School Bus Stop Arm Enforcement Program, including, but not limited to the issuance of the following:
 - 6.2.2.1.1 A binding opinion that the evidence produced by the BusPatrol system is inadmissible / insufficient to establish liability on an owner for violation of the Stop Arm Law;
 - 6.2.2.1.2 A court order that prevents continuation of the School Bus Stop Arm Enforcement Program for any amount of time;
 - 6.2.2.1.3 A court order that materially and adversely changes the Business Rules; and
 - 6.2.2.1.4 A court order or decision that any section of this Agreement is inconsistent with the Stop Arm Law.
 - 6.2.2.2 The School District, school bus owners, operators and/or other third parties take any action or fail to take action that negatively impacts the operation, funding, or revenue sources necessary to operate the School Bus Stop Arm Enforcement Program;

- 6.2.2.3 The School District or any other government entity (including, but not limited to, the Local Authority) takes any action or fails to take any action that negatively and materially impacts the operation, funding, or revenue sources that are necessary to operate the School Bus Stop Arm Enforcement Program, including without limitation, failing to enter into an Intergovernmental Agreement within one (1) year of the Effective Date of this Agreement. Such action includes, but are not limited to, the introduction of Business Rules that significantly deviate from the requirements of the Stop Arm Law.
- 6.2.2.4 The Local Authority elects not to enforce in good faith all legally enforceable Citations; the School District or other entities party to an Intergovernmental Agreement elect not to pursue collections on unpaid Citations; or the School District does not provide BusPatrol with access to an accurate accounting of all payments received other than payments received through BusPatrol enabled payment channels.
- 6.2.3 In the event the School Bus Stop Arm Enforcement Program is suspended for one of the reasons provided for above, BusPatrol shall have no obligation to maintain the BusPatrol Equipment or provide services contemplated in this Agreement to the School District during the suspension period. In the event the School Bus Stop Arm Enforcement Program is suspended for any reason and then resumed, the total amount of time of the suspension period shall be added to the end of the Term, to the extent permitted by law.
- 6.2.4 The Parties shall work in good faith to address and rectify any of the above-referenced conditions prior to modifying, suspending, or otherwise seeking to modify any terms of this Agreement.
- 6.2.5 Unless the School District and BusPatrol have agreed to enter into a new agreement relating to the BusPatrol System or have agreed to extend the Term, the School District shall immediately cease using the BusPatrol System upon termination or expiration of this Agreement and shall allow BusPatrol to remove any and all BusPatrol Equipment installed in connection with BusPatrol's performance of this Agreement.
- 6.2.6 Notwithstanding any other provision herein to the contrary, the School District may terminate this Agreement without cause upon ninety (90) days written notice upon a determination by the School District's Board of Trustees, at its discretion, that this Agreement is no longer consistent with the School District's educational mission, and upon such termination, Bus Patrol shall remove all of its equipment from School District's buses and repair any damage caused by the equipment, or its installation and/or removal. The School District further may direct BusPatrol and any jurisdiction to discontinue enforcement at any time upon written notice after the foregoing determination has been made by the School District's Board of Trustees.

- 6.2.7 In the event the Parties are unable to reach a mutual agreement regarding modifying the terms of this Agreement pursuant to Paragraph 6.4, either Party shall be permitted to terminate this Agreement upon ninety (90) days written notice.

6.3 Business Rules

- 6.2.2 During implementation of the School Bus Stop Arm Enforcement Program, the Parties, at the direction of a Local Authority, will agree on Business Rules that BusPatrol will use to ministerially create evidence files to be submitted to the Local Authority for its review to exclusively determine if a Stop Arm Violation occurred. The Business Rules shall be consistent with the requirements of the Stop Arm Law and other applicable law.
- 6.2.3 During the Term, the Business Rules can be reviewed and modified in writing at the direction of the Local Authority. Such modifications to the Business Rules shall not require an amendment to this Agreement. If a modification materially impacts BusPatrol's costs to operate the School Bus Stop Arm Enforcement Program, or is otherwise inconsistent with the Stop Arm Law, the Parties agree to work together in good faith and within a reasonable amount of time to determine a resolution, including consideration of a modified compensation structure paid to BusPatrol.

6.3 Wind-Down Provisions. The Parties agree to work together in good faith to effect an orderly wind down of the School Bus Stop Arm Enforcement Program in the event of termination or expiration, which at a minimum shall be carried out in accordance with the following guidelines:

- 6.3.1 In the event of termination or expiration of this Agreement, BusPatrol shall be relieved of any further obligations related to the installation, operation, and maintenance of the BusPatrol System within the School District.
- 6.3.2 The School District and BusPatrol shall agree upon a methodical and efficient schedule for BusPatrol to remove all BusPatrol Equipment, if any, from the Selected Buses, at no cost to the School District. Unless agreed-upon otherwise, BusPatrol shall have a minimum of one hundred and eighty (180) calendar days following the date of termination or expiration to complete the removal of all BusPatrol Equipment.
- 6.3.3 Notwithstanding any other provision of this Agreement to the contrary, the School District and BusPatrol agree that any Citation issued prior to the effective date of termination or expiration shall continue to be processed and administered by BusPatrol according to the provisions of this Agreement, including the payment provisions in Section 4.0 and Exhibit A.

- 6.3.4 BusPatrol shall, within a reasonable amount of time, deliver to the School District a final report regarding the issuance of Citation and collection of fines under this Agreement.
 - 6.3.5 Upon termination or expiration, BusPatrol may, at its option, restrict, limit, or disable the School District's access to the BusPatrol System and BusPatrol Equipment and remove any and all BusPatrol Equipment installed in connection with BusPatrol's performance of this Agreement.
 - 6.3.6 BusPatrol shall plug any holes left by removed BusPatrol Equipment using commercially acceptable best practices and repair all excessive damage to the School District's buses caused when BusPatrol removes BusPatrol Equipment.
- 6.4 **Program Changes Required by State Law.** The School District agrees to work in good faith with BusPatrol to amend this Agreement as reasonably necessary to comply with any state law enacted during the Term that affects Program operations, including, but not limited to, applicable fine amounts, evidentiary requirements, court processes, and other operational elements.

To the extent that State Law does not impact the Program, the School District agrees to continue performing under this Agreement to the fullest extent practicable, consistent with this Agreement and applicable law.

7.0 DISCLAIMER OF WARRANTIES

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THE BUSPATROL SYSTEM AND SERVICES ARE PROVIDED "AS IS" AND "AS AVAILABLE", WITH ALL FAULTS AND WITHOUT WARRANTY OF ANY KIND, AND BUSPATROL AND ITS LICENSORS (COLLECTIVELY REFERRED TO AS "BUSPATROL") HEREBY DISCLAIM ALL WARRANTIES AND CONDITIONS WITH RESPECT TO THE SCHOOL BUS STOP ARM ENFORCEMENT PROGRAM, THE BUSPATROL SYSTEM AND SERVICES, EITHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES AND/OR CONDITIONS OF MERCHANTABILITY, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, QUIET ENJOYMENT, AND NON-INFRINGEMENT OF THIRD-PARTY RIGHTS.

8.0 LIMITATION OF LIABILITY

TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW, IN NO EVENT SHALL BUSPATROL, ITS AFFILIATES, OFFICERS, DIRECTORS, SHAREHOLDERS, REPRESENTATIVES, EMPLOYEES, AGENTS OR PRINCIPALS BE LIABLE FOR PERSONAL INJURY, OR ANY INCIDENTAL, SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES WHATSOEVER, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF PROFITS, CORRUPTION OR LOSS OF DATA, FAILURE TO TRANSMIT OR RECEIVE ANY DATA, BUSINESS INTERRUPTION OR ANY OTHER COMMERCIAL DAMAGES OR LOSSES, ARISING OUT OF OR RELATED TO THE SCHOOL DISTRICT'S USE OR INABILITY TO USE THE BUSPATROL SYSTEM OR

SERVICES OR ANY THIRD-PARTY SOFTWARE, APPLICATIONS OR SERVICES IN CONJUNCTION WITH THE BUSPATROL SYSTEM OR SERVICES, HOWEVER CAUSED, REGARDLESS OF THE THEORY OF LIABILITY (CONTRACT, TORT OR OTHERWISE) AND EVEN IF BUSPATROL HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL BUSPATROL'S TOTAL LIABILITY UNDER THIS AGREEMENT (OTHER THAN AS MAY BE REQUIRED BY APPLICABLE LAW IN CASES INVOLVING PERSONAL INJURY) EXCEED THE LESSER OF (A) AMOUNT PAID TO BUSPATROL FOR THE SERVICES UNDER THIS AGREEMENT IN THE TWELVE (12) MONTHS PRIOR TO THE EVENT THAT GAVE RISE TO THE LIABILITY, OR (B) ONE MILLION U.S. DOLLARS (\$1,000,000). THE FOREGOING LIMITATIONS WILL APPLY EVEN IF THE ABOVE STATED REMEDY FAILS OF ITS ESSENTIAL PURPOSE.

9.0 INDEMNIFICATION

BusPatrol (the "Indemnifying Party") shall indemnify, defend, and hold harmless the School District and its respective officers, directors, employees, agents, representatives, affiliates, successors, and permitted assigns (collectively, the "Indemnified Party") from and against any and all claims, demands, causes of action, liabilities, damages, losses, judgments, fines, penalties, costs, and expenses (including reasonable attorneys' fees and costs) arising out of or relating to any third party claim to the extent resulting from the Indemnifying Party's negligence, breach of this Agreement or any of its warranties or wrongful conduct in connection with this Agreement. Indemnification is contingent upon: (i) the Indemnified Party promptly notifying the Indemnifying Party in writing of any claim which may give rise to a claim for indemnification hereunder; (ii) BusPatrol being allowed to control the defense and settlement of any such claim where BusPatrol is a named Defendant, provided that any settlement agreement to which the School District is a party shall require the prior written consent of the School District, which consent shall not be unreasonably withheld, conditioned, or delayed; and (iii) the School District cooperating with all reasonable requests of BusPatrol in defending or settling a claim. Notwithstanding any other provision of this Agreement, in order to retain indemnification rights, the School District shall not settle any claim for which they are entitled to indemnification hereunder without the prior written consent of BusPatrol, which consent shall not be unreasonably withheld, conditioned, or delayed.

10.0 FORCE MAJEURE

10.1 Neither BusPatrol nor the School District shall 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 is not limited to, acts of God, nature or the public enemy, terrorism, invasion, insurrection, order of court, judge, or civil authority, strike, stoppage or shortage of labor including by any third-party owner or operator of school buses contracted with the School District, riot, and unusually severe weather, significant fires, floods, earthquakes, hurricanes, tornados, storms, epidemics, pandemics, quarantine restrictions, strikes, freight embargos, supply chain disruptions, government regulation, or governmental authorities, and delays which are not caused by any act or omission by

BusPatrol. The Party whose performance is affected agrees to notify the other promptly of the existence and nature of any delay.

- 10.2 Neither BusPatrol nor the School District shall be deemed to be in violation of this Agreement if either Party is prevented from performing any of its obligations hereunder by any of the aforementioned causes or any other cause reasonably beyond the nonperforming Party's control and that is not attributable to such nonperforming Party's dereliction of duty or negligence hereunder.
- 10.3 In the event of any such occurrence, (a) the time for performance of the nonperforming Party's obligations or duties shall be suspended until such time as the nonperforming Party's inability to perform, provided that the nonperforming Party is not responsible for such inability to perform, is removed; and (b) the period of performance of this Agreement shall be extended for an additional period of time equal to the period of suspension of performance. The Party claiming the suspension of performance shall give notice of such impediment or delay in performance to the other Party within a reasonable time of its knowledge of the occurrence of the event or events causing such nonperformance. The nonperforming Party shall make all reasonable efforts to mitigate the effects of any suspension of its performance.

11.0 GOVERNING LAW

- 11.1 This Agreement and all matters arising out of or related to this Agreement shall be governed by and construed in accordance with the laws of the State of Texas without giving effect to any choice or conflict of law provision.
- 11.2 Any dispute arising out of this Agreement shall be subject to jurisdiction in a court of competent jurisdiction in Travis County, Texas.
- 11.3 In any dispute regarding this Agreement, the prevailing party shall be entitled to reasonable and necessary attorneys' fees incurred.

12.0 ASSIGNMENT/SUBCONTRACTING

- 12.1 BusPatrol may not sell, assign, transfer or convey any interest in this Agreement in whole or in part without the prior notice or consent of the School District, provided however that BusPatrol may assign this Agreement to a successor in connection with a merger, acquisition, corporate reorganization, or sale of all or substantially all of BusPatrol's assets without prior written notice or consent. Any assignment in violation of this section shall be null and void.
- 12.2 The Parties agree that BusPatrol may delegate the performance of its duties hereunder (including but not limited to installation and maintenance services, violation processing and mailing, or properly storing, securing, maintaining, and repairing the school buses) by contracting with third-party entities in accordance with applicable procurement and other laws, without notice or consent of the School District, provided that BusPatrol shall remain responsible for the performance of this Agreement and for managing any such third-party entities that it engages to perform any of the duties in this Agreement.

13.0 CONFIDENTIALITY

- 13.1 For purposes of this provision, “**Confidential Information**” means any information disclosed pursuant to this Agreement, whether in written, oral or visual form, which is confidential, proprietary or a trade secret of the Party disclosing it or on whose behalf it is disclosed (such Party, the “**Disclosing Party**”) or for which the Disclosing Party is bound by a confidentiality obligation, and which the Disclosing Party desires to protect from unrestricted disclosure by the Party receiving it (such receiving Party, the “**Receiving Party**”). Confidential Information shall include, but is not limited to, information about business activities and operations; pricing, sales or marketing of products or services; research and development; contractual arrangements, financial statements, and financial data; Program Costs; BusPatrol services and pricing proposals; invoices; receipts; payment strategies; fees and billing structures; computer software specifications, system diagrams, concept drafts and other technical data or information; and lists of customers, employees, vendors, and other agents.
- 13.2 Confidential Information shall include any information developed, generated or in any other way derived by the Receiving Party using any of the Confidential Information of the Disclosing Party.
- 13.3 Confidential Information will not include information that (a) was generally available to the public or otherwise part of the public domain at the time of its disclosure, (b) became generally available to the public or otherwise part of the public domain after its disclosure and other than through any act or omission by any Party hereto in breach of this Agreement, (c) was subsequently lawfully disclosed to the Disclosing Party by a person other than a Party hereto, (d) is required by a court of competent jurisdiction to be disclosed, provided that the Disclosing Party is provided with prior written notice and an opportunity to seek a protective order or otherwise object to the disclosure, or (e) is required by the Texas Public Information Act or other applicable state law to be disclosed, provided that BusPatrol shall be provided with prior written notice and an opportunity to object in the event that any potential disclosure involves any of BusPatrol’s Confidential Information.
- 13.4 The Parties agree that Confidential Information exchanged in connection with the performance of this Agreement shall be used solely for the performance of this Agreement. Each Party shall take reasonable steps to safeguard Confidential Information received from the other Party, and shall not disclose any Confidential Information received from the other Party without the Disclosing Party’s prior written consent, except (a) to its employees who are reasonably required to have the Confidential Information for purposes of performing this Agreement, (b) to its agents, representatives, attorneys and other professional advisors that have a need to know such Confidential Information for purposes of performing this Agreement, provided that such parties undertake in writing (or are otherwise bound by rules of professional conduct) to keep such information strictly confidential, and (c) pursuant to, and to the extent of, a request or order by any governmental authority, including laws relating to public records, provided that BusPatrol is provided with prior notice and an opportunity to object to any disclosure in accordance with applicable law.

- 13.5 Upon termination of this Agreement, each Party shall return to the other all tangible Confidential Information of such Party.

14.0 SECURITY

- 14.1 Each Party shall adhere to all applicable federal, state, and local laws, rules, and regulations regarding the privacy and security of all information generated or gathered in connection with the performance of this Agreement, including but not limited to the Family Educational Rights and Privacy Act, as applicable.
- 14.2 Video, images, and other data generated by the Enforcement Cameras will be provided only to the Local Authority responsible for reviewing evidence of Potential Violations and other personnel who are specifically authorized to review such evidence for purposes of enforcing the Stop Arm Law. The School District shall not access any video, images, or other data generated by the Enforcement Cameras.
- 14.3 Video, images, audio, and other data generated by the Beyond Enforcement System will be provided only to authorized personnel within the School District and shall not be made available to any third-party except as explicitly authorized by the School District. The School District shall ensure that any video, images, audio, or other data provided to the School District from the Beyond Enforcement System are properly safeguarded and protected against unauthorized or unlawful use or disclosure.
- 14.4 To the extent permitted by law, BusPatrol may utilize captured videos, imaging and other data for educational and marketing purposes provided that the identity of the School District is not revealed and the identities of the School District's school children are protected as required by law.

15.0 MISCELLANEOUS

- 15.1 **Entire Agreement.** This Agreement and the Exhibits attached hereto represent the entire agreement between BusPatrol and the School District with respect to the subject matter hereof, and supersede any prior or contemporaneous agreements, whether written or oral, with respect to such subject matter.
- 15.2 **Binding Effect.** This Agreement and the respective rights and obligations of the Parties hereto shall inure to the benefit of, and be binding upon, the Parties hereto and their respective successors and permitted assigns.
- 15.3 **Amendments.** This Agreement may not be amended, modified, or supplemented unless such amendment, supplement, or modification is agreed to in writing and signed by each of BusPatrol and the School District.
- 15.4 **Severability.** In the event that any part of this Agreement is held by a court of competent jurisdiction to be illegal or unenforceable, the illegal or unenforceable portion shall be deemed modified to the extent necessary to make it enforceable under applicable law, and the remainder of the provisions in the Agreement shall remain in full force and effect in accordance with their respective terms.

- 15.5 **Default/Cumulative Rights/Mitigation.** It shall not be deemed a waiver or default under this Agreement if the non-defaulting Party fails to immediately declare a default, or either Party delays in asserting any right hereunder. The rights and remedies provided under this Agreement are cumulative and in addition to the rights and remedies either Party may have pursuant to law, statute, law, or otherwise, and either Party's use of any right or remedy provided for hereunder will not preclude or be deemed to waive such Party's right to use any other remedy, whether hereunder or at law or equity. Both Parties hereto have a duty to mitigate damages incurred pursuant to this Agreement and performance hereunder.
- 15.6 **Survival.** Each of the following Sections shall survive the termination of this Agreement:
- Section 1.0, Definitions;
 - Section 5.2, Reservation of Rights;
 - Section 5.3, Restricted Use; Section 5.4, Protection of Rights;
 - Section 6.4, Wind-Down Provisions; Section 8.0, Disclaimer of Warranties; Section 9, Limitation of Liability;
 - Section 12, Governing Law and Arbitration;
 - Section 13, Assignment/Subcontracting Section 14, Confidentiality; and
 - Section 16.1, Entire Agreement, through Section 16.9, Signatory Authority.
- Any other provision, and the rights and obligations therein, set forth in this Agreement which either by their terms state or evidence the intent of the Parties that the provisions survive the expiration or termination of the Agreement, or must survive to give effect to the provisions of this Agreement.
- 15.7 **Counterparts, Number, Gender, and Headings.** This Agreement may be executed in multiple counterparts, including without limitation facsimile and e-mail counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Words of any gender used in this Agreement shall be held and construed to include any other gender, and any words in the singular shall include the plural and vice versa, unless the context clearly requires otherwise. Headings used herein are for convenience of reference only and shall not be considered in any interpretation of this Agreement.
- 15.8 **Notice.** Any notice, demand or request required or permitted to be given under this Agreement shall be deemed given if reduced to writing and delivered in person, shipped by electronic mail, overnight delivery by a recognized carrier such as UPS or FedEx, or deposited with the United States Post Office in the form of certified mail, postage pre-paid return receipt requested, to the Party who is to receive any such notice, demand or

request, at the respective address set forth below. Such notice, demand, or request shall be deemed to have been given upon actual receipt.

If to BusPatrol, to:

Karoon Monfared, CEO
8560 Cinder Bed Road, Suite 100
Lorton, Virginia 22079
karoon@buspatrol.com

AND

Michael Molina, General Counsel
8560 Cinder Bed Road, Suite 100
Lorton, Virginia 22079
michael.molina@buspatrol.com

If to the School District, to:

Eanes Independent School District
Attn: Kirk Koennecke, Superintendent
401 Camp Craft Road,
Austin, Texas 78746
kkoennecke@eanesisd.net

AND

Eanes Independent School District
Attn: Audrey Hipp, General Counsel
401 Camp Craft Road,
Austin, Texas 78746
legal@eanesisd.net

- 15.9 **Signatory Authority.** The persons signing and executing this Agreement on behalf of BusPatrol and the School District have been duly authorized to execute this Agreement on behalf of BusPatrol or the School District, as the case may be, and to validly and legally bind BusPatrol and the School District to all terms, conditions, performances, and provisions set forth herein.
- 15.10 **Data Processing Addendum.** This Agreement is subject to the terms and conditions of the BusPatrol Data Processing Addendum available at: <https://buspatrol.com/dpa/>, which may be updated from time to time and is hereby incorporated into and forms an integral part of this Agreement. The Parties agree that the BusPatrol Data Processing Addendum may be updated and is not subject to the requirements of Section 15.3.
- 15.11 **Relationship of the Parties.** Nothing in this Agreement shall create, or be deemed to create, a partnership, joint venture or the relationship of principal and agent or employer

and employee between the Parties. The relationship between the Parties shall be that of independent contractors, and nothing contained in this Agreement shall create the relationship of principal and agent or otherwise permit either Party to incur any debts or liabilities or obligations on behalf of the other Party (except as specifically provided herein). Each Party is acting independently of the other, and neither is an agent, servant, employee, or joint venture partner of the other. The Parties represent and warrant that they have, or will secure at their own expense, all personnel and consultants required to provide the services under this Agreement and have contracted, or will contract, with any necessary third-party vendors to provide the services in accordance with this Agreement. No officer or member of the governing body of the School District or BusPatrol shall participate in any decision relating to this Agreement that affects his or her personal interest, nor shall any such officer or member of the School District or BusPatrol have any pecuniary interest in this Agreement or any part thereof.

16.0 Israel/Terrorist Organization/Anti-Boycott

- 16.1 Pursuant to Texas Government Code, Chapter 2271, as amended, if BusPatrol is a for-profit organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations (specifically excluding sole proprietorships) that exists to make a profit which has ten (10) or more full-time employees and the value of the contract with School District is \$100,000 or more, BusPatrol represents and warrants to the School District that the BusPatrol does not boycott Israel and will not boycott Israel during the term of this Agreement.
- 16.2 BusPatrol certifies that it is not a company identified by the Texas Comptroller as a company known to have contracts with or provide supplies or services to a foreign terrorist organization.
- 16.3 BusPatrol represents and warrants to the School District that the BusPatrol does not boycott energy companies as contemplated by Chapter 809 of the Government Code and will not boycott energy companies during the term of this Agreement.
- 16.4 BusPatrol represents and warrants to the School District that the BusPatrol does not discriminate against firearm and ammunition companies and trade associations as contemplated by Chapter 2274 of the Government Code and will not so discriminate during the term of this Agreement.

[Signature page follows]



IN WITNESS WHEREOF, the Parties hereto have executed this Agreement effective as of the Effective Date.

BUSPATROL:
BusPatrol America, LLC

By: _____

Name: _____

Title: _____

Date: _____

ANES INDEPENDENT SCHOOL DISTRICT:

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A – PRICING

The School District has hereby negotiated more favorable pricing from baseline TIPS-USA pricing, and therefore shall pay the following to BusPatrol, commensurate with its services provided to the School District, during the Term of this Agreement, unless further modified pursuant to this Agreement:

Traditional Revenue Share

Stemming exclusively from collected Stop Arm Violation proceeds, the School District shall pay to BusPatrol a fixed amount of fifty percent (50%) of the aggregate amount of such proceeds.

Payment Distribution

BusPatrol will be paid from monies collected as a result of Citations, excluding credit card processing fees as set forth in Section 4.1 of the Agreement, which processing fees are to be paid directly to BusPatrol by the party making payment upon a Citation. Said monies collected as a result of Citations will be deposited into the BusPatrol account established pursuant to Section 3.0. At the end of each month, payments to the Parties will be made in accordance with the payment option selected by the School District in this Exhibit A.

Payment Schedule

The School District will pay BusPatrol the Program Costs on a monthly basis, commencing on the date that is thirty (30) days after the first Citation is issued and continuing for the Term.

Flexible Payment Plan

The Program Costs, at the School District's option, through utilization of the Flexible Payment Plan, can be made without exceeding the monthly funds collected from the School Bus Stop Arm Enforcement Program during the Term.

If during any month the full amount of the monthly invoice for BusPatrol's Program Costs exceeds the funds collected, the School District may, in its sole discretion, make a partial payment equal to the collected funds, and the remaining balance may be deferred and carried forward to future invoices until the deficit is paid in full.

If any unpaid deferred balance remains at the end of the Term and the School District is not in material breach of this Agreement, BusPatrol will forgive the remaining balance.

The School District understands the Flexible Payment Plan shall be applied in aggregate across all school buses installed with the BusPatrol System and will not be applied on a per system basis or on a per monthly basis.

Capital Expense Recoupment

In the event that this Agreement is terminated by the District as provided for in Section 6.2.6, the School District shall pay the amounts set forth below, which shall in no way limit BusPatrol's ability to recover from the School District funds otherwise due and owing under this Agreement:

1. If the termination date is within the first year of the Initial Term, the School District shall pay BusPatrol a one-time fee of the actual amount of unrecovered investment in BusPatrol Equipment for an amount not to exceed two thousand five hundred dollars (\$2,500) per school bus equipped with the BusPatrol System as of the date of termination;
2. If the termination date is within the second year of the Initial Term, the School District shall pay BusPatrol a one-time fee of the actual amount of unrecovered investment in BusPatrol Equipment for an amount not to exceed one thousand seven hundred and fifty dollars (\$1,750) per school bus equipped with the BusPatrol System as of the date of termination;
3. If the termination date is within the third or later years of the Initial Term, the School District shall pay BusPatrol a one-time fee of the actual amount of unrecovered investment in BusPatrol Equipment for an amount not to exceed one thousand dollars (\$1,000) per school bus equipped with the BusPatrol system as of the date of termination.

For purposes of the foregoing, the amount of unrecovered investment in BusPatrol Equipment shall be calculated by determining the amount of expenditure on the purchase of BusPatrol Equipment in addition to the actual costs of installation and removal of same, offset by fair market value depreciation of the BusPatrol Equipment as of the effective date of termination combined with all profits realized by BusPatrol under this Agreement. The School District shall be entitled to audit those BusPatrol records reasonably necessary to demonstrate the foregoing calculation.