

**SERVICE AGREEMENT FOR
TRAFFIC-VIOLATION DIVERSION PROGRAM(S)**

THIS MUNICIPALITY SERVICE AGREEMENT FOR TRAFFIC-VIOLATION DIVERSION PROGRAM(S) (“**Agreement**”) is made effective as of the 19th day of March, 2024 (“**Effective Date**”), by and between INTELLISAFE, LLC, a Mississippi Limited Liability Company (“**Provider**”), and THE CITY OF HATTIESBURG, MISSISSIPPI (“**Municipality**”). Provider and Municipality may be referred to individually as “**Party**” or collectively as “**Parties**”.

WITNESSETH:

WHEREAS, Provider is engaged in the business of developing and implementing traffic violation diversion programs and services to assist municipalities (hereinafter, the “**Program**” and the “**Services**”);

WHEREAS, Municipality seeks to enhance traffic safety within its jurisdiction through the implementation of a traffic-violation diversion program;

WHEREAS, Parties desire to establish a collaborative arrangement under which Provider will offer its Program and Services to Municipality;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Parties hereto agree as follows:

1. Definitions.

(a) “**Program Equipment**” refers to the hardware, software, and electronic systems provided by Provider for use in the Program.

(b) “**Services**” means all activities necessary to implement and maintain the Program, including but not limited to installation, maintenance, data processing, citation processing, and customer support.

(c) “**Diversion Fees**” are fees collected from traffic violation citations (“**Citation(s)**”) processed through the diversion program.

2. Scope of Services. Provider shall offer to Municipality a Program and Services, as discussed in **Exhibit A**, attached hereto and incorporated by reference.

3. Term. This Agreement shall commence on the Effective Date and shall renew automatically every twelve (12) months following the date of the first issued Citation under this Agreement unless earlier terminated under the Termination provision of this Agreement.

4. **Fees; Payment Structure.**

(a) Municipality shall receive a portion of the Diversion Fees collected from each Citation processed under this Agreement, as detailed in **Exhibit B**.

(b) Provider shall retain a portion of the Diversion Fees as compensation for the Services provided, as detailed in **Exhibit B**.

(c) Payments to Municipality shall be made once per calendar month, accompanied by a detailed report of Citations processed and fees collected in each calendar month. Payment of Diversion Fees due Municipality shall be made by the 15th day of the following month.

(d) Municipality agrees to pay for certain associated costs as set forth in **Exhibit B**, attached hereto and incorporated by reference.

5. **Municipality Obligations.**

(a) Municipality shall provide necessary support and cooperation to Provider for the implementation and ongoing operation of the Program and Services.

(b) Municipality agrees to designate an official liaison to coordinate with Provider on matters related to the Program and Services.

6. **Confidential Information.** All information given by Provider to Municipality will be considered of a confidential nature, unless specifically designated in writing as non-proprietary and non-confidential by the Provider. Provided however, nothing in this paragraph shall be construed as contrary to the terms and provisions of any "Open Records Act" or similar laws insofar as they may be applicable. Provider shall not use any data acquired during the course of the Program, with respect to any violations or the Municipality's law enforcement activities, for any purpose other than this Program.

7. **Insurance.** Provider agrees to maintain, at its own expense, the following minimum insurance coverages:

(a) **Commercial General Liability Insurance.** Covering bodily injury, property damage, personal and advertising injury, and contractual liability with a minimum limit of \$1,000,000 per occurrence and \$2,000,000 in the aggregate.

(b) **Professional Liability Insurance.** Covering errors and omissions related to the Program and/or Services provided under this Agreement, with a minimum limit of \$1,000,000 per occurrence.

(c) **Cyber Security Insurance.** Covering technology and data related issues to the Program and/or Services provided under this Agreement.

8. Indemnification.

(a) **Provider Indemnification.** Provider agrees to indemnify, defend, and hold harmless Municipality, its officers, agents, and employees (collectively, the “**Municipality Indemnitees**”) from and against any and all claims, damages, liabilities, costs, and expenses (including reasonable attorneys’ fees) arising out of or in any way connected with the Program and/or Services provided under this Agreement, including, but not limited to, any claim related to the Program Equipment, the violation of any applicable law or regulation by Provider, or any act or omission of Provider or its employees, agents, or subcontractors. This indemnification obligation shall not apply to any liability resulting from the negligence or willful misconduct of the Municipality Indemnitees.

9. **Force Majeure.** Neither Party shall be liable for any failure to perform its obligations hereunder where such failure results from any cause beyond the Party's reasonable control, including, without limitation, mechanical, electronic or communications failure or degradation (including “line-noise” interference). These causes shall include, but not be limited to, acts of God, natural disasters, terrorism, war, civil disturbance, action by governmental entity, strike, and non-performance by a third party. In the event of such force majeure, the affected Party shall notify the other Party within a reasonable timeframe. The performance of this Agreement shall then be suspended for as long as the force majeure event continues, and any timeframes or deadlines shall be extended accordingly. If the force majeure event persists for a period exceeding sixty (60) days, either Party may terminate the Agreement upon written notice to the other Party, without any liability.

10. Term/Termination.

(a) **Term.** This Agreement shall be effective as of the Effective Date, the date first above written, and shall remain in full force and effect and automatically renew every twelve (12) months, unless earlier terminated as provided in this Section.

(b) **Mutual Consent.** This Agreement may be terminated at any time by mutual consent of the Parties.

(c) **Without Cause.** Either Party may terminate this Agreement without cause upon providing one hundred twenty (120) days' written notice to the other Party.

(d) **For Material Breach.** Either Party may terminate this Agreement if the other Party commits a material breach of any term of this Agreement and fails to remedy such breach within sixty (60) days after receiving written notice from the non-breaching Party. The notice must describe the alleged breach in reasonable detail.

(e) **Upon Termination.** Upon termination of this Agreement for any reason, the Provider shall be paid for the services rendered up to the date of termination, in accordance with the terms of the Wind-Down Services and Wind-Down Period provisions and as specified in Section 12. Within seven (7) days of termination of this Agreement, Municipality shall return to Provider any and all Program Equipment.

11. **Wind-Down Services Upon Termination.**

(a) **Wind-Down Services.** In the event of termination of this Agreement for any reason, Provider agrees to continue to provide support for all Services related to applicable data received through the Program up until the termination date (“**Wind-Down Services**”). The Wind-Down Services shall continue until the final Citation processed relating to data received up until the termination date is fully resolved and completed to the reasonable satisfaction of Municipality.

(b) **Wind-Down Period.** The Wind-Down Services described shall be provided for a period not to exceed six (6) months from the date of termination (“**Wind-Down Period**”). During the Wind-Down Period, all terms and conditions of this Agreement shall remain in effect with respect to the Wind-Down Services, and Provider shall be entitled to the Revenue Share as defined in this Agreement for any Diversion Fees collected during this period.

(c) **Coordination and Reporting.** During the Wind-Down Period, Provider shall coordinate closely with Municipality and provide regular updates, at least monthly, regarding the progress of the Wind-Down Services.

(d) **Final Reconciliation.** Upon completion of the Wind-Down Period, Provider shall provide a final reconciliation report to Municipality, detailing Diversion Fees collected, and any other relevant information pertaining to the Wind-Down Services.

12. **Compliance with Laws.** The Parties will comply with all federal, state, and local laws, ordinances, regulations and orders (collectively, “**Laws**”), including without limitation Criminal Justice Information Services (CJIS) requirements, Mississippi Department of Law Enforcement requirements, and any Laws relating to data privacy or the use of Program Equipment with respect to its access to and use of the Program, and data captured and produced by the Program.

13. **Miscellaneous.**

(a) **Relationship of the Parties.** Each of the Parties shall act solely as independent contractors, and nothing herein shall be so construed as to create the relationship of employer and employee, partners, principal and agent, or co-venturers as between the parties.

(b) **Assignment.** This Agreement will be binding upon and inure to the benefit of the Parties and their respective parents, subsidiaries, affiliates, successors and assigns. This Agreement may not be assigned by Provider without the expressed written permission of Provider.

(c) **Notice.** In the event any notice is given under or required by this Agreement, it will be in writing and (i) delivered by a commercially recognized overnight messenger service or (ii) delivered by electronic mail or (iii) delivered by certified mail, postage prepaid and return receipt requested, to the following addresses:

INTELLISAFE, LLC, a Mississippi Limited Liability Company

Attn: _____

Email: _____

Address: _____

Phone: _____

THE CITY OF HATTIESBURG, MISSISSIPPI

Attn: _____

Email: _____

Address: _____

Phone: _____

(d) **Waiver.** The failure of any Party to enforce any provision of the Agreement will not be construed to be a waiver of such provision or of its right after that to enforce same and no waiver of any breach will be construed as an agreement to waive any subsequent breach of the same or other provisions.

(e) **Governing Law and Venue.** The construction, interpretation, validity, and performance of this Agreement will be governed by the laws of the State of Mississippi, without regard to conflict of laws principles. Any legal suit, action, or proceeding arising out of, or related to, this Agreement or the transactions contemplated hereby shall be instituted exclusively in a court of competent jurisdiction in the court that the Municipality is located.

(f) **Entire Agreement.** This Agreement contains the entire agreement among the parties with respect to the subject matter hereof, and no prior or collateral representations, promises or conditions, oral or written, relating to the subject matter hereof will be binding upon the parties. This Agreement supersedes and replaces any prior agreement between the parties relating to the subject matter hereof.

(g) **Amendment.** No modification, extension, renewal, rescission, termination or waiver of any of the provisions contained herein, or any future representation, promise or condition concerning the subject matter hereof, will be binding upon a party, unless made in writing and signed on its behalf by one of its duly authorized officers.

(h) **Approval by Municipal Authority.** This Agreement is subject to the approval of the appropriate governing body of the Municipality. This Agreement shall not be binding or effective until approved by the governing body in accordance with applicable laws and regulations of the State of Mississippi. The Municipality represents and warrants that it has taken all necessary actions, and obtained all necessary approvals, for it to legally enter into and perform its obligations under this Agreement.

[Signatures on following page.]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date first above written.

PROVIDER:

INTELLISAFE, LLC, a Mississippi Limited Liability Company

By: Mark Dunston

Name: Mark Dunston

Title: Partner

MUNICIPALITY:

Hattiesburg, Mississippi

By: Toby Barker

Name: Toby Barker

Title: Mayor



EXHIBIT A

SCOPE OF SERVICES

- **Installation and Technical Support:** Assist with installation of Program Equipment at locations determined by the Municipality and ensure communications hardware and services are sufficient.
- **Training and Support:** Provide necessary training for Municipality-designated individuals and offer post-installation support.
- **Maintenance and Updates:** Conduct routine maintenance and timely repairs or replacements of Program Equipment, including necessary software and firmware updates.
- **Data Processing:** Upload data collected by law enforcement officers, program data for license plate recognition, and submit processed information to law enforcement officers for execution of Citations.
- **Citations and Customer Service:** Ensure timely processing of data and mailing of Citations, provide customer service for payment processing, and court-related services.
- **Reporting and Accounting:** Compile and deliver monthly reports within fifteen days at the end of each calendar month detailing Citations. Collect all payments due to the Municipality, ensuring proper payment by the 15th day of the following month, and process any direct payments from violators received by the Municipality. Reporting should include:
 - Total number of violation events.
 - Total number of Citations issued.
 - Total number of Citations paid.
 - Such other information mutual agreed upon by the Parties.
- **Expert Witness Provision:** Provide an expert witness as necessary to affirm the accuracy and operational integrity of the Program Equipment, through sworn statement or certification as permitted by law.

EXHIBIT B

FEES; PAYMENT STRUCTURE

Diversion Fee Distribution: Pursuant to the terms outlined in the Agreement, the total Diversion Fee collected from each Citation processed under the Agreement shall be:

\$230 Total Diversion Fee

The distribution of the Diversion Fee shall be as follows:

\$130 Provider (IntelliSafe, LLC)
\$25 Department of Public Safety
\$75 Municipality (The City of Hattiesburg, Mississippi)

Additional Costs/Expenses of Municipality: The Municipality shall be responsible for covering certain associated costs related to the implementation and operation of the Program. These costs include, but are not limited to:

- **Officer Overtime:** The Municipality agrees to cover the costs associated with paying officers' overtime for activities directly related to the Program.
- **Program Equipment:** The Municipality shall bear the costs related to the purchase, installation, and maintenance of any Program Equipment necessary for the operation of the Program. Specific needs and associated costs for Program Equipment will be assessed and agreed upon by the Parties as required.