NOTICE OF AWARD OF CONTRACT

TO:
CALE PARKING SYSTEMS, USA
130 S. CASTLE STREET
Baltimore, MD 21231

DATE ISSUED: MAY 28, 2010
CURRENT REFERENCE NO: 251-10

CONTRACT TITLE: PARKING METERS
PRIOR REFERENCE NO: 362-09

THIS IS A NOTICE OF AWARD OF CONTRACT AND NOT AN ORDER. NO WORK IS AUTHORIZED UNTIL THE VENDOR RECEIVES A VALID COUNTY PURCHASE ORDER ENCUMBERING CONTRACT FUNDS.

Your firm is awarded the above referenced contract. The contract term covered by this Notice of Award is effective JULY 6, 2010 and expires on JULY 5, 2011.

This is the FIFTH year award notice of a possible TEN year contract.

The contract documents consist of the terms and conditions of Agreement No. 137-08, including any exhibits, attached or amendments thereto.

CONTRACT PRICING:

1) REFER TO AGREEMENT NO. 137-08

2) PRICING FIRM FOR CONTRACT TERM

ATTACHMENTS:

AGREEMENT NO. 137-08

EMPLOYEES NOT TO BENEFIT:

NO COUNTY EMPLOYEE SHALL RECEIVE ANY SHARE OR BENEFIT OF THIS CONTRACT NOT AVAILABLE TO THE GENERAL PUBLIC.

VENDOR CONTACT: RYAN BONARDI
VENDOR TEL. NO.: 410-534-2790
VENDOR PAYMENT TERMS: NET 30 DAYS
VENDOR FAX. NO.: 410-534-9110
TAX IDENTIFICATION NUMBER (EIN/SSN): 28-2949040
EMAIL ADDRESS: FBONDARDI@CALEPARKINGUSA.COM

COUNTY CONTACT: SARAH STOTT
COUNTY TEL. NO.: 703-228-0592

VENDOR CONTACT SIGNATURE: [Signature]
DATE: 5/28/10

CONTRACT AUTHORIZATION

DISTRIBUTION

VENDOR: 1
BID FOLDER: 2
THIS AGREEMENT is made, on the date of execution by the County, between Cale Parking Systems, USA, Inc., 130 S. Castle Street, Baltimore, MD 21231 (Contractor) a Maryland corporation authorized to do business in the Commonwealth of Virginia, and the County Board of Arlington County, Virginia (County). The County and the Contractor, for the consideration hereinafter specified, agree as follows:

CONTRACT DOCUMENTS
The Contract Documents consist of this Agreement, Exhibit A (Baltimore City Parking Authority Contract dated July 6, 2006 together with any exhibits and amendments issued or applicable thereto, awarded to Cale Parking Systems, USA, Inc. and extended by the Contractor to Arlington County, Virginia (County) at the same terms and conditions as the award by Baltimore City Parking Authority and substituting the phrase "County Board of Arlington County, Virginia" for the phrase "Baltimore City Parking Authority" wherever that phrase appears in the contract award.), and Exhibit B (Contract Unit Prices).

Where the terms and provisions of this Agreement vary from the terms and provisions of the other Contract Documents, the terms and provisions of this Agreement shall prevail over the other Contract Documents.

The Contract Documents set forth the entire Agreement between the County and the Contractor. The County and the Contractor agree that no representative or agent of either of them has made any representation or promise with respect to this Agreement which is not contained in the Contract Documents, and that all terms and conditions with respect to this Agreement are expressly contained herein. The Contract Documents shall constitute the Contract.

PROJECT OFFICER
The performance of the Contractor required by this Agreement is subject to the review and approval of the County Project Officer, who shall be appointed by the Director of the Arlington County Department of Environmental Services, or designee. However, it shall be the responsibility of the Contractor to manage the details of the execution and performance of its Work under this Agreement.

SCOPE OF WORK
The Contractor shall provide, install and service pay and display parking meters as required in Exhibit A and as directed by the County Project officer.

CONTRACT TERM
This Agreement will be effective from the date of County's execution of this Agreement until July 5, 2011 (Contract Term), subject to any modifications as
provided in the Contract Documents. Upon satisfactory performance of the Contractor and subject to Baltimore City Parking Authority’s extension of the Contract dated July 6, 2006, the County may, through issuance of an amended Notice of Award of Contract, authorize extension of this Agreement for not more than five (5) additional twelve (12) month periods.

**CONTRACT AMOUNT**
The County will pay the Contractor according to the unit prices shown in Exhibit B for the provision, installation and servicing of pay and display parking meters, as required by the County Project Officer, subject to the terms and conditions of the Agreement, unless such amount is modified as provided in this Agreement. The contract unit prices include all of Contractor's costs and fees (profit).

**EMPLOYMENT DISCRIMINATION BY CONTRACTOR PROHIBITED**
During the performance of this Contract, the Contractor agrees as follows:

a. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, age, sexual orientation, or national origin, except where religion, sex, or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

b. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that such Contractor is an Equal Opportunity Employer.

c. Notices, advertisements and solicitations placed in accordance with federal law, rule, or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.

d. The Contractor will comply with the provisions of the Americans with Disabilities Act of 1990 which prohibits discrimination against individuals with disabilities in employment.

e. The Contractor will include the provisions of the foregoing paragraphs in every subcontract or purchase order of over $10,000, so that the provisions will be binding upon each subcontractor or vendor.

**DRUG-FREE WORKPLACE TO BE MAINTAINED BY CONTRACTOR**
During the performance of this contract, the contractor agrees to (i) provide a drug-free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or
purchase order of over $10,000, so that the provisions will be binding upon each subcontractor or vendor.

INDEMNIFICATION
The Contractor covenants to save, defend, hold harmless, and indemnify the County, and all of its elected and appointed officials, officers, employees, agents, departments, agencies, boards, and commissions (collectively the "County") from and against any and all claims, losses, damages, injuries, fines, penalties, costs (including court costs and attorney's fees), charges, liability, or exposure, however caused, resulting from, arising out of, or in any way connected with the Contractor's intentional, negligent, or grossly negligent acts or omissions in performance or nonperformance of its work called for by the Contract Documents. This indemnification shall survive the termination of this Contract.

COUNTY PURCHASE ORDER REQUIREMENT
County purchases are authorized only if a County Purchase Order is issued in advance of the transaction, indicating that the ordering agency has sufficient funds available to pay for the purchase. Contractors providing goods or services without a signed County Purchase Order do so at their own risk. The County will not be liable for payment for any purchases made by its employees without appropriate purchase authorization issued by the County Purchasing Agent.

LIABILITY
The County shall not be held responsible for failure to perform the duties and responsibilities imposed by the Contract if such failure is due to strikes, fires, riots, rebellions, or Force Majeure, beyond the control of the County, that make performance impossible or illegal, unless otherwise specified in the Contract.

APPLICABLE LAW
This Contract and the work performed hereunder shall be governed in all respects by the laws of the Commonwealth of Virginia and the venue for any litigation with respect thereto shall be in the Circuit Court for Arlington County, Virginia. In performing the Work under this Contract, the Contractor shall comply with applicable federal, state, and local laws, ordinances and regulations.

RELATION TO COUNTY
The Contractor will be legally considered as an independent contractor and neither the Contractor nor its employees will, under any circumstances, be considered employees, servants or agents of the County. The County will not be legally responsible for any negligence or other wrongdoing by the Contractor, its employees, servants or agents. The County will not withhold payments to the Contractor for any federal or state unemployment taxes, federal or state income taxes, Social Security tax, or any other amounts for benefits to the Contractor. Further, the County will not provide to the Contractor any insurance coverage or other benefits, including Workers' Compensation, normally provided by the County for its employees.
DELIVERY
Unless otherwise provided for in Exhibit A, all goods are purchased F.O.B. point of delivery in Arlington County. All costs for handling and transportation charges to the designated point of delivery shall be borne by the Contractor. Transportation, handling and all related charges are included in the unit prices or discounts for each item.

ARLINGTON COUNTY PURCHASING RESOLUTION
The Contract is governed by the applicable provisions of the Arlington County Purchasing Resolution. The time limit for final written decision by the County Manager in the event of a contractual dispute, as that term is defined in the Purchasing Resolution, is fifteen (15) days. Procedures for contractual disputes, appeals, and protests are available upon request from the Office of the Purchasing Agent.

ARBITRATION
It is expressly agreed that nothing under the Contract shall be subject to arbitration, and any references to arbitration are expressly deleted from the Contract.

PATENTS AND ROYALTIES
The Contractor covenants to save, defend, hold harmless, and indemnify the County, and all of its officers, officials, departments, agencies, agents, and employees (collectively the "County") from and against any and all claims, losses, damages, injuries, fines, penalties, costs (including court costs and attorney's fees), charges, liability, or exposure, however caused, for or on account of any trademark, copyright, patented or unpatented invention, process, or article manufactured or used in the performance of this Contract, including its use by the County. If the Contractor uses any design, device, or materials covered by letters patent or copyright, it is mutually agreed and understood without exception that the Contract price includes all royalties or costs arising from the use of such design, device, or materials in any way involved with the work.

ARLINGTON COUNTY BUSINESS LICENSES
The Contractor must comply with the provisions of Chapter 11 (Business Licenses) of the Arlington County Code, where applicable.

PAYMENT TERMS
Payment terms will be recorded by the County as Net thirty (30) days. The County will pay the Contractor within thirty (30) days after the date of receipt of a correct (as determined by the Project Officer) invoice approved by the Project Officer describing completed work which is reasonable and allocable to the Contract, or the date of receipt of the entire order, or the date of acceptance of the work which meets the Contract requirements, whichever is later. Payments will be made by the County for goods or services furnished, delivered, inspected, and accepted upon receipt of invoices submitted on the date of shipment or delivery of service, subject to applicable payment terms. The number of the Purchase Order by which authority shipments have been made or services performed shall appear on all invoices. Invoices shall be submitted in duplicate.
REQUIREMENTS CONTRACT (ESTIMATED QUANTITIES)
During the Contract Term, the Contractor will furnish all of the items or services described in the Contract Documents. The Contractor understands and agrees that this is a requirements contract and the County will have no obligation to the Contractor if no items or services are required. Any quantities or dollar amounts which are included in the Contract Documents are the present expectations of those who are planning for the County for the period of the contract. The amount is only an estimate and the Contractor understands and agrees that the County is under no obligation to the Contractor to buy any amount as a result of having provided this estimate or of having had any normal or otherwise measurable requirement in the past. The Contractor further understands that the County may require services in excess of the estimated annual Contract amount and that such excess shall not give rise to any claim for compensation other than at the unit prices in this Contract.

GENERAL INSURANCE REQUIREMENTS:
The Contractor shall provide to the County Purchasing Agent a Certificate of Insurance indicating that the Contractor has in force the coverage below prior to the start of any Work under this Contract and agrees to maintain such insurance until the completion of this Contract. All required insurance coverages must be acquired from insurers authorized to do business in the Commonwealth of Virginia and acceptable to the County. The minimum insurance coverage shall be:

Workers Compensation - Virginia Statutory Workers Compensation (W/C) coverage including Virginia benefits and employers liability with limits of $100,000/100,000/500,000. The County will not accept W/C coverage issued by the Injured Worker’s Insurance Fund, Towson, MD.

Commercial General Liability - $1,000,000 combined single limit coverage with $1,000,000 general aggregate covering all premises and operations and including Personal Injury, Completed Operations, Contractual Liability, Independent Contractors, and Products Liability. The general aggregate limit shall apply to this Contract. Evidence of Contractual Liability coverage shall be typed on the certificate.

Additional Insured - Arlington County, its officers, elected and appointed officials, and employees shall be named as an additional insured in the Contractor’s Commercial General Liability policy; evidence of the Additional Insured endorsement shall be typed on the certificate.

Cancellation - A thirty (30) day notice of cancellation or nonrenewal in writing shall be furnished by the Contractor’s insurance carrier(s) or insurance agent(s) to the County Purchasing Agent.

Contract Identification - The insurance certificate shall state this Contract's number and title.

Business Automobile Liability -- $500,000 Combined Single Limit (Owned, non-owned and hired).
The Contractor assumes all risks for direct and indirect damage or injury to the property or persons used or employed on or in connection with the Work contracted for, and of all damage or injury to any person or property wherever located, resulting from any action, omission, commission or operation under the Contract, or in connection in any way whatsoever with the contracted Work.

No acceptance or approval of any insurance by the County shall be construed as relieving or excusing the Contractor from any liability or obligation imposed upon the Contractor by the provisions of the Contract Documents.

The Contractor shall be responsible for the Work performed under the Contract Documents and every part thereof, and for all materials, tools, equipment, appliances, and property of any description used in connection with the Work.

The Contractor shall be as fully responsible to the County for the acts and omissions of its subcontractors and of persons employed by them as it is for acts and omissions of persons directly employed by it.

Notwithstanding any of the above, the Contractor may satisfy its obligations under this section by means of self insurance for all or any part of the insurance required, provided that the alternative coverages are acceptable to the County.

AMENDMENTS
This Contract shall not be amended except by written amendment executed by persons duly authorized to bind the Contractor and the County.

SEVERABILITY
The sections, paragraphs, sentences, clauses and phrases of this Contract are severable, and if any phrase, clause, sentence, paragraph or section of this Contract shall be declared invalid by the valid judgment or decree of a court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Contract.

WITNESS these signatures:

THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA

AUTHORIZED SIGNATURE:

NAME AND TITLE: RICHARD D. WARREN, JR.

DATE: 4-12-08

CALE PARKING SYSTEMS, USA, INC.

TAXPAYER ID (SSN/EIN): 2-829440045

AUTHORIZED SIGNATURE:

NAME AND TITLE: Russell Ryan, Dir. of Sales/10

DATE: 4-2-08

137-08
EXHIBIT B

CONTRACT UNIT PRICES

The Contractor shall provide, install and service the pay and display parking meters at the following unit prices:

Provide and service CALE MP104 Compact Pay Station: $7,150 each

Installation of MP104 Compact Pay Station in prepared ground: $300 each
TO: HONORABLE PRESIDENT AND MEMBERS OF THE BOARD OF ESTIMATES

FROM: Pete Little, Executive Director
Baltimore City Parking Authority, Inc.

DATE: July 5, 2006

SUBJECT: Multi-space Parking Meter Program

ACTION REQUESTED OF THE BOARD OF ESTIMATES:

The Baltimore City Parking Authority ("PABC") requests approval from The Board of Estimates to enter into an Agreement for Pay-and-Display Parking Stations with Cale Parking Systems USA, Inc. for the purchase, installation, servicing and maintenance of pay and display parking meters.

AMOUNT OF MONEY AND SOURCE OF FUNDS:

<table>
<thead>
<tr>
<th>Number of Meters</th>
<th>Contract Amount</th>
<th>Account Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>375</td>
<td>$2,906,250.00</td>
<td>9965-580-566</td>
</tr>
</tbody>
</table>

Public Relations Amount Account Number

$100,000.00 9965-580-566

Total: $3,006,250.00

REQUIREMENT:

(1) To allow for the purchase and installation of multi-space parking meters;
(2) To support the meters through wireless communication and software;
(3) To fund the public relations campaign that will accompany meter installation.

BACKGROUND/EXPLANATION:

In May 2004, the Parking Authority of Baltimore City ("PABC") implemented a pilot program whereby it removed 308 single space parking meters and added 70 multi-space, pay-and-display parking meters (MS Meters). At the same time, the Parking Authority undertook a minor public
relations campaign to familiarize the affected areas of the City with the new technology. The new meters have developed a level of acceptance that has grown into appreciation, and the technology has proven to be worthy of expansion.

In order to properly analyze the financial benefit of the MS Meters to the City, the PABC in conjunction with the Bureau of Treasury Management commissioned Public Financial Management (PFM) in February of 2005 to do an independent financial analysis of the Pilot Program and to project the potential benefits if the MS Meters were to expand City-wide. PFM’s analysis demonstrated a substantial increase in revenue with MS meters in the Pilot Program areas and projected, conservatively, an additional $1.1M per year increase in net revenue if the City were to expand use of MS Meters to areas that would utilize them most heavily.

Increased revenues can be attributable to several factors including: a) increased compliance, b) over allotment of time, c) meter maintenance up-time, d) space compression, and e) elimination of piggy-backing.

Coupled with this, the meters enhance collection and maintenance efficiency by communicating to the central meter office the volume and dollar amount of coinage contained in its vault and indicates when collection is necessary. When motorists pay by credit card the payment is deposited immediately with the City and the meters maintain auditable revenue collections for enhanced security (i.e. the MS Meters report the exact amount of coinage contained in each vault). Additionally, the MS Meters notify central headquarters when there are maintenance issues. This significantly reduces meter down time.

Due to the success of the Pilot Program, and in anticipation of expansion of pay-and-display parking meters City-wide, the Parking Authority issued a request for proposals (RFP) in January of 2005. A total of 6 responses were received and were given to an independent panel of review for evaluation. This panel was comprised of representatives from several City agencies and included: Megan Stearman, Business and Economic Development Manager, Downtown Partnership; Joyce Camphor, Parking Fine Supervisor, Department of Finance, Bureau of Treasury Management; Sergeant Yolanda Cason, Acting Chief of Parking Enforcement; Frank Culotta, Public Works Inspector III (Streetscapes), Department of Transportation; and Frank Remesch, General Manager, First Mariner Arena.

The Panel met many times over several months during its initial evaluation of the proposals and rated the prospective meters according to a set of selection criteria. Once the initial scoring was completed, the Panel short-listed the proposals and the three top scoring vendors were called in for interviews and demonstrations of their meters. Once the interviews and demonstrations were completed, the Panel reevaluated their rankings and concluded that CALE Parking USA’s MP 104 meter provided the best value to the City (this was the meter utilized for the Pilot Program).

Several Panel members attended the next scheduled meeting of the Parking Authority’s Board of Directors (PABC Board) and presented their decision and recommendation to the PABC Board. The PABC Board unanimously approved negotiation of the Agreement with CALE Parking USA that is presently recommended to this Honorable Board for approval.

Thus, the PABC requests approval from The Board of Estimates to enter into an Agreement for Pay-and-Display Parking Stations with Cale Systems Parking USA, Inc.
MBE/WBE PARTICIPATION:

As a sole source purchase agreement, Cale Parking Systems has not committed to comply with the terms and conditions of the Minority and Women’s Business Program. However, Cale Parking Systems will be utilizing an MBE firm to perform installation of the meter bases and a WBE firm will be providing the public relations services. Credit Card processing (not a part of the Agreement but associated therewith) will be provided by an MBE firm.

Respectfully submitted,

Pete Little, Executive Director
Baltimore City Parking Authority, Inc.

APPROVED BY BOARD OF ESTIMATES
JUL 19 2006
Benjie D. Taylor
DATE CLERK

APPROVED FOR FUNDS
DEPARTMENT OF FINANCE

BUDGET & MGMT. RESEARCH

Cc: Mr. Clarence Bishop
Mr. David Wallace
Mr. Ed Gallagher
Mr. Pete Little
AGREEMENT FOR PAY-AND-DISPLAY PARKING STATIONS

THIS AGREEMENT (the "Agreement") is made and entered into this ___ day of __________, 2006, between

the

BALTIMORE CITY PARKING AUTHORITY, INC.
Address: Parking Authority of Baltimore City
200 W. Lombard Street, Suite B
Baltimore, Maryland 21201
Phone: 443-573-2800
Fax: 410-685-1557

and

CALE PARKING SYSTEMS, USA, INC.
Address: Cale Parking Systems USA, Inc.
3500 Boston Street
Baltimore, MD 21224
Phone: 410-534-2790
Fax: 410-534-9110

and for the benefit of:

THE MAYOR AND CITY COUNCIL OF BALTIMORE

for the supply of:

PAY AND DISPLAY PARKING STATIONS AND ASSOCIATED MATERIALS

for the term of:

Term: 5 Years

Commencement Date:

Expiration Date:

in accord with the terms and conditions of this Agreement and the attached Exhibits.

Contract Number: ____________________________

Acknowledged: _____________________________ PABC Representative initials
_________________________ CALE Representative initials
AGREEMENT FOR PAY-AND-DISPLAY PARKING STATIONS

THIS AGREEMENT (the “Agreement”) is made and entered into this __ day of __________, 2006, between

the

Baltimore City Parking Authority, Inc.
Address: Parking Authority of Baltimore City
200 W. Lombard Street, Suite B
Baltimore, Maryland 21201
Phone: 443-573-2800
Fax: 410-685-1557

and

Cale Parking Systems, USA, Inc.
Address: Cale Parking Systems USA, Inc.
3500 Boston Street
Baltimore, MD 21224
Phone: 410-534-2790
Fax: 410-534-9110

and for the benefit of:

The Mayor and City Council of Baltimore

for the supply of:

Pay and Display Parking Stations and Associated Materials

for the term of:

Term: 5 Years
Commencement Date:
Expiration Date:

in accord with the terms and conditions of this Agreement and the attached Exhibits.

Contract Number:

Acknowledged: PABC Representative initials
CALE Representative initials
AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into this day of __________, 2006 (the "Effective Date") by and between CALE PARKING SYSTEMS USA, INC. (hereinafter, "Cale") and the BALTIMORE CITY PARKING AUTHORITY (hereinafter, "PABC") for the benefit of The Mayor & City Council of Baltimore (hereinafter, the "City").

WHEREAS, The PABC, on behalf of the City, desires to purchase and operate Pay and Display parking stations throughout the City of Baltimore; and

WHEREAS, Cale desires to supply, install, support and maintain such Pay and Display parking stations for the City of Baltimore;

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties hereto agree as follows:

1. SCOPE OF WORK. Cale shall deliver and install parking pay station equipment and products and provide services to the City of Baltimore in accordance with the terms of this Agreement and in the quantities as directed, from time to time, by the PABC.

1.1 Equipment. During the Term of this Agreement, the PABC shall be able to purchase up to three hundred seventy five (375) Cale MP104 Compact pay station (the "PAD Station") units at a price of Seven Thousand One Hundred Fifty Dollars ($7,150.00) each (the "Purchase Price"). During the term of this Agreement, at the sole option of the PABC and only with the approval of the Baltimore City Board of Estimates, this Agreement may be modified to increase the number of PAD Stations that the PABC may purchase at the Purchase Price.

(a) Each PAD Station shall include the following features configured in a manner as agreed between the parties:

- Credit, Smart and ATM or Debit Card Reader;
- Thermal printer;
- Color: Black and Silver;
- Integrated solar power panel;
- Lithium batteries for memory support in case of solar panel failure; and
- Internal modem for wireless communication capability

(b) At the option of the PABC, Cale shall install purchased PAD Stations on a schedule mutually agreed by the parties and at an additional cost of Six Hundred Dollars ($600.00) per PAD Station. Cale shall be sufficiently equipped to install at least fifty (50) meters per month. In the event the PABC decides, in its discretion, to install PAD Stations itself, or through other means, then Cale, at no additional cost, shall deliver the PAD Station, fully operational and configured, to the site of installation, and in accord with the schedule for installation established by the PABC. Cale shall employ a full-time, on-site project manager to assist with PAD Station and supporting software set-up and installation (regardless of whether the PAD Station is installed by Cale or not).

(c) Should Cale upgrade or otherwise modify its standard MP104 product, then Cale shall offer the upgraded standard model to the PABC, for future purchases pursuant to this
Agreement, without any increase in the per station price herein specified. If, however, the upgraded feature(s)-is/are optional upgrades to the standard MP104 model, then PABC shall have the opportunity to include the optional upgrade(s) in its future purchases pursuant to this Agreement, but at an agreed increased purchase price commensurate with the increased cost to Cale of the upgrade(s). PABC shall not be required to accept any upgraded model and, as directed by the PABC, Cale shall continue to provide the PAD Station configured in the manner directed by the PABC consistent with the terms of this Agreement.

(d) The Purchase Price includes a PAD Station that is fully operational upon the completion of installation and includes the installation base and all associated hardware (including all anchors, bolts, plates, etc.,) necessary for installation of the PAD Station in locations specified by the PABC. Cale shall also affix to the PAD Station all graphics and signage supplied by the PABC. The Purchase Price also includes one roll of receipt ticket paper (4,500 tickets per roll) per PAD Station, installed.

(e) **ADA Compliance.** As of the signing of this contract and until written notice, which will be given at least 90 days in advance, the PABC requests that all MP104 meters be installed at the current height as the original 70 pilot meters. If the PABC requires the meters already installed to be converted to ADA-compliant pedestals, after the fact, PABC acknowledges that there will be a cost, to be agreed, for the pedestal replacement. If the PABC decides in the future to change the requirements for purposes of the ADA, all coin and card aperture locations shall be no more than forty-eight (48) inches above the pedestrian access route. Controls and operating mechanisms shall be operable from the pedestrian access route with one hand and shall not require tight grasping, pinching, or twisting of the wrist. The force required to activate controls shall be no greater than five (5) pounds.

(e) **Spare Parts & Consumables.** During the Term of this Agreement, Cale shall supply all spare parts and consumables (such as paper rolls and batteries) requested by the PABC at the price set forth in the attached Exhibit I. PABC may return to Cale any spent lithium batteries from the PAD Stations; Cale shall dispose of any returned batteries at no additional cost to the PABC. All replacement components shall be readily available from a local distributor. In the event that the local distributor is temporarily out of any component, those components shall be made available within twenty-four (24) hours of request. The PABC shall be entitled to recoup the residual value of any modular components returned to Cale for repair or remanufacture.

1.2 **Software, Support and Communications.**

(a) The Purchase Price also includes all hardware and software required for PABC to communicate with, program and monitor all of the supplied PAD Stations. Installation of a PAD Station shall not be considered complete until Cale has established wireless two-way communication between the PAD Station and the communications center. Two-way communication is to be provided by Cingular wireless GPRS network. The PABC reserves the right to approve or disapprove any change in wireless service provider, but approval shall not be unreasonably denied. Alarm, statistical and financial transaction data will be available to the PABC on the Cale website within sixty (60) seconds of their occurrence.
(b) All desktop software shall be Windows XP compatible and able to be upgraded. All databases shall be year 2000 and ODBC compliant. Data must be able to be imported to PABC windows-based software for internal reporting/analysis.

(c) In exchange for payment of the Subscription Fee (as defined below), Cale shall provide the PABC full access to the C-Argus program and shall provide full support for all aspects of the C-Argus system. This "support" shall include:

1. application use support, such as troubleshooting and problem correction, within twenty-four (24) hours of notification by the City;

2. results of any research required by disputed transactions;

3. passwords and system security as requested by the PABC;

4. maintenance of a toll free support number and web-site for troubleshooting both software and hardware problems;

5. monitoring of the C-Argus and PABC files and monthly reporting of error trends, such as, machine communication failures; and

6. maintenance and regular updating of the C-Argus system software and hardware as required to ensure effective and secure PABC operations. During the Term of this Agreement, Cale shall provide to PABC, without further compensation, any new software releases and/or upgrades (including parking management and printer software).

(d) **Subscription Fee.** During the Term of this Agreement, plus any extensions thereto (as provided in subparagraph 2.3 below) and for an additional period of five (5) years thereafter, the monthly Subscription Fee shall be Twenty-Two Dollars ($22.00) per installed PAD Station.

(e) All electronic (non-cash) revenues will be transmitted in batch mode nightly from each individual PAD Station to the centralized Cale back-office server. Cale's back office software (C-Argus) will then convert the files and data into a format compatible with the banking software of the clearinghouse specified by the PABC. The credit card information will then be sent in batch mode via the clearinghouse supplied software to the clearinghouse so that the information can be authorized and then deposited into the City's Parking Revenue account, as directed by the PABC. Cale will make its best effort to have less than five hundred twenty-five (525) minutes (0.1%) of "off-line" time per year with the wireless communications system. All transaction information will be saved in the clearinghouse's software and duplicate data will also remain in C-Argus files. Cale shall customize its software and hardware systems to interface with the City's preferred clearinghouse. Any transactions that are declined will be routed to a black list, and the black list will then be downloaded into the PAD Station during the next communication cycle so that those cards will no longer be accepted for payment.

(f) **Transaction Performance and Security Standards.** Cale's MP104 Compact pay-and-display unit will complete a credit card authorization transaction in less than eighteen (18) seconds from receipt print request; Cash transactions will be completed within ten (10) seconds of a receipt print request. Results will be based on a statistical average of 100 transactions. Cale and each of
its subcontractors will exercise an appropriate standard of due care for the management and processing of all data and the related information systems involved, as defined by the applicable Visa CISP specifications. Cale and each of its subcontractors will complete an annual system security audit. The security audit results will be subject to approval by the City. Cale will notify the PABC within one (1) business day of any system security breach involving Cale or its subcontractor systems. Cale and its subcontractors will provide their best efforts to format credit card data to minimize financial institution processing costs.

(g) Access to PABC/City data shall be secured, at a minimum, by password protection, and shall include multilevel access control. The C-Argus software shall maintain all data in a secure manner such that PABC employees, CALE employees and others will not have access to sensitive credit card information.

(h) Any request of the PABC to change rates, rate structures, receipt information, displayed text, payment acceptance, etc., will be processed by Cale within twenty-four (24) hours of final submittal of all required data.

1.3 Training. Cale shall provide, at no additional cost, a minimum of eighty (80) hours of training at a designated PABC facility for each designated PABC/City employee to develop expertise in the maintenance and repair of the PAD Station and use of the supporting, back-office software, including, but not limited to:

- Parts Installation
- Maintenance
- Troubleshooting repairs
- Operations – programming, inventory
- Collections
- Enforcement

Cale shall provide a thorough outline of the training content and provide a training schedule for both software and hardware. The schedule shall include periodic refresher training (continuing education), including, but not limited to, emphasis on particular areas of the PABC’s choice and upgrades of software and/or hardware at no cost to the PABC or to the City. City reserves the right to approve the training course content.

1.4 Manuals. Cale shall provide to the PABC a minimum of ten (10) copies of all operating manuals complete with wiring diagrams and specifications, for installation, maintenance and use of the PAD Stations and any user manuals associated with the software and back-office systems purchased pursuant to this Agreement. Manuals will be in English and provided during the training period.

2. TERM, PRICE GUARANTEE & RENEWAL OPTION.

2.1 Term. The term of this agreement is five (5) years from the Effective Date, with the PABC having, in its sole discretion, the option of renewing and extending this Agreement for up to five (5) successive extended terms of one-year each as further set forth in subparagraph 2.3 below. For purposes of this Agreement, the “Effective Date” shall be the date of approval and execution of this Agreement by the Baltimore City Board of Estimates.
2.2 Price Guarantee. The Purchase Price of the PAD Station and the prices listed for spare parts and consumables on Exhibit 1 shall remain valid for the full term of this Agreement. Cale warrants that the Purchase Price and Exhibit 1 prices are not more than those prices currently extended to any other Cale customers, for the same or similar items in similar quantities. Cale shall voluntarily disclose to the City any prices for similar items in similar quantities that are more favorable than under this Agreement, including those that arise from violations or alleged violations within the United States of antitrust or other trade laws or regulations by Cale or any third party. The PABC will receive price discounts for all parts purchased through Cale, including all future upgrades of modular components and repair materials, parts supplies and new features purchased within the terms of this agreement. Cale warrants that prices shown on this Agreement are complete, and that no additional charge of any type shall be added without the City’s express written consent. Any reduction in the manufacturer’s cost to Cale of the PAD Stations shall be passed onto and made the benefit of the PABC. Cale shall notify the PABC within fifteen (15) days of any reduction in the manufacturer’s cost to Cale of the PAD Stations.

2.3 Renewal and Extension of the Term of the Agreement. At the expiration of the initial Term of this Agreement, the PABC shall have, in its sole discretion, the option of renewing and extending this Agreement for up to five (5) successive extended terms of one-year each. Notice of PABC’s intent to exercise the option for any extended term shall be made, in writing, no later than thirty (30) days prior to the expiration of the initial or the then present extended term. All provisions of this Agreement shall apply to extended term except as provided in this paragraph. After the initial Term of this Agreement, the Purchase Price of the PAD Station may be adjusted in accordance with Cale’s direct cost increase or decrease of the PAD Station. In the event Cale desires a price increase at the beginning of any extended term, Cale must submit with their request proper and complete documentation showing said increase within thirty (30) days of the beginning of the extended term. No price increases shall exceed 5% of the Purchase Price of the preceding initial or extended term. Cale must provide the PABC any price decrease from the PAD Station manufacturer and Cale shall inform the PABC of any price decrease within fifteen (15) calendar days of the date Cale learns of the price decrease. There is no limit on price decreases during the contract term or extended terms.

3. Warranty.

3.1 General Warranty. Cale guarantees and warrants, for a period of five (5) years from the date of installation, to repair and/or replace, at no additional cost to the PABC or the City, any part or modular component determined to be defective in material or workmanship under normal use and service (the “General Warranty”). PABC shall cooperate with Cale in any effort to pursue a claim with the manufacturer of the defective part. The General Warranty period for each installed PAD meter shall begin on the date of that meter’s installation.

3.2 Additional First Year Warranty. In addition to the warranty provided in subparagraph 3.1, Cale further guarantees and warrants, for period of one (1) year from the date of installation, to repair and/or replace, at no additional cost to the PABC or the City, any part or modular component, software or hardware, necessary to keep the PAD operational and in good repair regardless of the reason for failure of the PAD station except Acts of God and vandalism (the “Additional Warranty” or “First Year Warranty”). This Additional Warranty period for each
installed PAD meter shall begin on the date of that meter's installation. This Additional Warranty includes, but is not limited to, the labor costs associated with replacing consumable components like receipt paper, ink and batteries, but shall not include the material cost of the consumable component which shall be billed to PABC separately. During the term of this additional first year warranty, Cale shall perform preventative maintenance on each installed PAD meter in intervals not exceeding six (6) months.

3.3 Optional Extended Warranty.

a. At the conclusion of the Additional First Year Warranty, provided in subparagraph 3.2 above, the PABC shall have the option, in its sole discretion, of extending this Additional Warranty at monthly charge per PAD Station/per month (the “Extended Warranty”). The monthly/per PAD station cost of this Extended Warranty shall depend on the number of PAD stations installed in the City of Baltimore: 70-200 meters = $35 per/PAD per/month; 201-500 meters = $30 per/PAD per/month and; 500+ meters = $25 per/PAD per/month.

b. PABC’s shall exercise this option only in writing, and in the absence of such written direction, Cale shall not be entitled to compensation for continuing maintenance efforts. However, should PABC issue one written direction that all PAD stations shall continued to be covered by the Extended Warranty (at the expiration of its respective Additional Warranty), then there shall be no requirement for individual written notices for each individual PAD meter.

c. PABC may terminate, at any time and for any reason, the Extended Warranty for any or all PAD station(s); this termination shall be in writing and shall provide at least thirty (30) days notice of the intent to discontinue the Extended Warranty.

3.4 After the Warranty Period. Whether by expiration of the Additional Warranty, or by expiration or termination of the Extended Warranty Period, after the Additional and/or Extended Warranty terminates, Cale shall continue to provide to PABC the following for as long as any Cale PAD stations are installed in the City of Baltimore:

a. technical field support at an hourly rate of Forty Dollars ($40.00) per hour;

b. replacements parts shall be provided at a discount of twenty percent (20%) off of list price; and

c. all software upgrades at list price.

3.5 Cale, at its sole cost and expense, shall employ a full-time, local representative to provide on-going technical support for the duration of the General, Additional and Extended Warranty periods. This local representative shall respond to PABC notification within four (4) hours if the need arises. “Local” is defined as close enough to Baltimore to provide four (4) hour responses to requests for warranty and technical assistance. Cale, at its sole cost and expense, shall maintain an adequate supply of replacement components (e.g. cutters, card readers, etc) at a warehouse situate in Baltimore City (hereinafter, the “Distribution Center”) as more fully provided in subparagraph 15.1 to this Agreement.

3.6 Payment and warranty provisions for replacement components shall apply from the date of
installation of the component if relevant warranties for the particular meter are expired; otherwise, the replaced part will assume the remaining warranty life of the part replaced. If any replacement part/module is purchased by the PABC, the warranty for that particular part shall begin on the date of installation. Cale agrees to replace in its entirety, at its cost (including installation costs) any PAD Station within twenty-four (24) hours in the event that the unit experiences either a system failure that cannot be corrected in the field or is determined to have a pattern of chronic equipment failures. In the event that a design flaw is identified during the warranty period, any required hardware or software replacements or labor costs will be at Cale's expense. Within thirty (30) days of identification of a design flaw, Cale shall communicate in writing its' plan and schedule to correct the flaw.

4. **PURCHASE ORDERS.** Purchases under this Agreement shall be made by way of Purchase Orders issued by the PABC, from time to time during the term of this Agreement. The form of the Purchase Order shall be as reflected in Exhibit 2 to this Agreement. The Purchase Order shall indicate the number of PAD Stations to be delivered and installed and a schedule for the installations. Should Cale be unable to meet the schedule for delivery and installation, it shall so notify the PABC within three (3) business days of its receipt of the Purchase Order, and in such event, that Purchase Order shall be deemed withdrawn until the parties can agree upon an acceptable schedule. Neither party shall unreasonably withhold approval of a proposed schedule. Should Cale fail to timely deliver or perform any Purchase Order, upon PABC request, Cale shall expedite shipping and installation at Cale's expense. In the alternative, and in the PABC's sole discretion, Cale's failure to timely deliver or perform any Purchase Order may be cause for termination of this Agreement and the return of all or part of the equipment at Cale's expense.

5. **PAYMENT.** Cale shall invoice all monies due pursuant to this Agreement. Cale shall not invoice for the Purchase Price or Subscription Fee for any particular PAD Station until that station is installed, fully operational and accepted by the PABC as specified in this Agreement. Invoices will be paid within forty-five (45) days of invoice.

6. **FREIGHT.** Prices include freight prepaid and allowed. Cale assumes the risk of every increase, and receives the benefit of every decrease, in delivery rates and charges.

7. **TITLE.** Title, ownership and risk of loss for each PAD Station shall pass to City on the date each such PAD Station is installed, fully operational and accepted by the PABC; risk of loss remains with Cale until such date.

8. **TERMINATION.**

8.1. **Termination for Default.** Either party may terminate this Agreement for default upon five (5) days' written notice to the other if the other party has substantially failed to fulfill any of its obligations under this Agreement in a timely manner.

8.2. **Termination for Convenience.** The PABC may terminate this Agreement at its convenience and without cause upon thirty (30) days' written notice to Cale. Except as provided in this Agreement, in no event shall City be liable for costs incurred by or on behalf of Cale after the effective date of a notice of termination. Should the PABC terminate this Agreement for convenience, Cale shall then be entitled to recover only the costs it has expended up to the date of termination, but it shall not be entitled to any profit or overhead on the unearned portion of the Agreement neither shall any other loss, cost, damage, expense or liability be claimed, requested or recovered.
9. **NOTICE.** A written notice is deemed served when a party sends the notice in an envelope addressed to the other party to this Agreement and deposits it with the U.S. Postal Service, first class mail, postage prepaid. For purposes of this Agreement, all notices to the PABC and/or City shall be addressed as follows:

   Executive Director
   Baltimore City Parking Authority
   200 W. Lombard Street
   Baltimore, MD 21201

   All notices to Cale shall be addressed as follows:

   Cale Parking Systems USA, Inc.
   George Levey, President
   21925 US Highway 19 North
   Clearwater, FL, 33765

   and

   Cale Parking Systems USA, Inc.
   3500 Boston Street
   Baltimore, MD 21224

10. **SUBCONTRACTORS.** The City reserves the right to approve any changes to any of Cale’s subcontractors, including but not limited to its local partner (Scheidt and Bachmann), wireless supplier (Cingular). Approval will not be unreasonably withheld.

11. **PUBLIC EDUCATION** Cale shall retain the services of a public relations/advertising firm to assist in developing and implementing the campaign necessary to educate the public about the PAD meters, their use, benefits and enforcement. Cale shall manage this consulting subcontract, but PABC shall have the right to approve the consultant to be used and shall have the right to demand the removal of any consultant at any time and for any reason whatsoever. PABC shall have final authority, in its discretion, to approve or reject any part of or the entirety of any public relations campaign developed. All costs of this consultant, including professional fees, expenses, printing costs, labor, etc shall be “passed through” to the PABC and paid to Cale without additional markup.

12. **LIMITATION ON LIABILITY.** Cale’s aggregate liability for any and all claims, losses or expenses arising out of this, or out of any goods or services furnished under this Vendor Agreement, whether based in contract, negligence, strict liability, agency, warranty, trespass, indemnity or any other theory of liability, shall be limited to Five Million Dollars ($5,000,000). The warranties specified in this Agreement are exclusive and are in lieu of all other warranties, expressed or implied. In no event shall City or PABC be liable for consequential, incidental or special damages, including without limitation any delay damages, lost opportunity damages or lost profits, incurred by Cale and/or its affiliates, subcontractors, parents or employees in connection with this Agreement.

13. **INDEMNIFICATION.** Cale shall indemnify, defend, and hold harmless the PABC and the City, and their respective elected/appointed officials, employees, agents, and volunteers from any and all claims, demands, suits, and actions, including attorney’s fees and court costs, connected therewith, brought against the PABC and/or the City, and/or their respective elected/appointed officials, employees,
agents, and volunteers, arising as a result of any direct or indirect, willful, or negligent act or omission of the Cale, its employees, agents, or volunteers, and/or in any way related to the equipment and software purchased pursuant to this Agreement, EXCEPT for activities caused by the sole negligent act or omission of the PABC, City, or their respective elected/appointed officials, employees, agents, and volunteers. The aforesaid obligation of indemnity shall be construed so as to extend to all legal, defense and investigation costs, as well as all other reasonable costs, expenses and liabilities incurred by the party indemnified, from and after the time at which the party indemnified receives notification (whether verbal or written) that a claim or demand is to be made or may be made. Except as may be otherwise provided by applicable law or any governmental authority, PABC's or City's right to indemnification under this section shall not be impaired or diminished by any act, omission, conduct, misconduct, negligence or default (other than gross negligence or willful misconduct) of the PABC or City or any employee of Agent or City who contributed or may be alleged to have contributed thereto.

14. INSURANCE.

14.1 At all times during the performance of this Agreement, Cale shall maintain: (1) a commercial general liability insurance policy with a minimum per/occurrence coverage in the amount of One Million Dollars ($1,000,000.00) and annual aggregate coverage of Three Million Dollars ($3,000,000.00); (2) an automobile liability insurance policy in the minimum amount of One Million Dollars ($1,000,000.00); (3) workers' compensation and employer's liability insurance; and, (4) if any licensed professional performs services under this Agreement, a professional liability insurance policy in the minimum amount of One Million Dollars ($1,000,000.00) to cover any claims arising out of Cale's performance of services under this Agreement. The general liability and automobile insurance must name The Mayor and City Council of Baltimore and the Baltimore City Parking Authority, and their respective elected/appointed officials, employees, and agents shall be covered, by endorsement, as "additional insureds."

14.2 Insurance required by this Agreement shall apply separately to each insured against whom claim is made and/or lawsuit is brought, except with respect to the limits of the insurer's liability. In the event of Cale's claimed negligence, insurance coverage shall be primary insurance as respects the City and the PABC, and their respective elected/appointed officials, employees, and agents. Any insurance and/or self-insurance maintained by the City or the PABC's, their respective elected/appointed officials, employees, or agents shall not contribute with the Cale's insurance or benefit Cale in any way. If the commercial general liability insurance referred to above is written on a Claims Made Form then, following termination of this Agreement, coverage shall survive for a period of not less than five years. Coverage shall also provide for a retroactive date of placement coinciding with the effective date of this Agreement.

14.3 Coverage shall not be suspended, voided, canceled, reduced in coverage or in limits, except by the reduction of the applicable aggregate limit by claims paid, until after forty-five (45) days prior written notice has been given to the PABC. There will be an exception for non-payment of premium, which is ten (10) days notice of cancellation.

14.4 Insurance is to be placed with insurers with a Best's rating of no less than A:VII, or, if not rated with Best's with minimum surpluses the equivalent of Bests' surplus size VII and must be licensed/approved to do business in the State of Maryland.

14.5 Cale shall furnish the PABC with a Certificate of Insurance" with a copy of the additional insureds endorsement as verification that coverage is in force at least (10) days prior to the submission of the purchase order/contract to the Baltimore City Board of Estimates for approval. The City and the PABC reserve the right to require complete copies of insurance policies at any time.
14.6 Failure to obtain insurance coverage as required or failure to furnish Certificate(s) of Insurance as required may render the prospective Agreement null and void; provided, however, that no act or omission of the City or PABC shall in any way limit, modify or affect the obligations of Vendor under any provision of the prospective Agreement.

14.7 Waiver of Subrogation. None of Cale, City, or PABC shall be liable to any other for having caused or contributed to any occurrence which gives rise to a casualty or claim required to be insured under the prospective Agreement. All policies of insurance to be maintained by Cale shall provide that any loss shall be payable notwithstanding any act or omission of the City, PABC or Cale that might otherwise result in a forfeiture or disclaimer of such insurance by the carrier. The insurance carried by Cale shall provide for (i.e., consent to) the waiver of subrogation against the City and PABC.

15. SECURITY AND BONDS.

15.1 Security. During the full term of this Agreement, and any extensions thereto, Cale agrees to locate within the City of Baltimore, Maryland, a warehouse and distribution center (hereinafter, the “Distribution Center”). This Distribution Center shall be the main location for equipment, parts and materials stored and to be distributed to all Cale's clients in at least the eastern-half of the United States. At any particular time, the Distribution Center shall maintain sufficient equipment, parts and materials to satisfy this Agreement, for the balance of its full contract term, including the General, Additional and Extended Warranty periods. PABC shall have the right to inspect the Distribution Center, upon 24 hours notice, at its discretion, to ensure that Cale is in compliance with this Agreement including, without limitation, this subparagraph. As security for this Cale's performance under this Agreement, Cale shall execute and deliver to PABC all documents necessary to grant to the City and PABC a full security interest in all of the equipment, parts and materials maintained in the Distribution Center and to the software necessary to operate the PAD Stations, including without limitation, the Security Agreement attached hereto as Exhibit 3, the Software Escrow Agreement attached hereto as Exhibit 4 and any UCC filings necessary to record the security interest.

15.2 Performance Bond And Labor & Material Payment Bond.

(a). Within twenty (20) days after the Effective Date of this Agreement, Cale shall furnish a performance bond and labor and material payment bond (hereinafter, with the fidelity bond referenced in subparagraph 15.3, the “Bonds”), each equal to the full amount of the cost and value of the installation subcontracting work contemplated in paragraph 1.1(b) above, to guarantee the faithful performance of all terms, covenants and conditions of the same. The Bonds are to be issued by an acceptable bonding company licensed to do business in the State of Maryland, listed on the current roster or acceptable sureties published by the Federal Treasury Department, and shall be issued in triplicate. The Mayor and City Council of Baltimore and the Baltimore City Parking Authority, and their respective elected/appointed officials, employees, and agents shall be shown on the Bonds as the “Obligees.”

(b). The Bonds shall be conditioned upon the faithful compliance and performance by Cale and its subcontractors of each and every term and condition of the contract related to installation of the PAD stations, including the payment in full, to every person furnishing material or performing labor in the performance of the contract, of all sums of money due
for such labor or material. The Bonds shall also contain Cale's guarantee to indemnify and
save harmless the City and PABC from all costs, damages and expenses growing out of or
by reason of Cale's failure to comply and perform the work and complete the installation in
accordance with the Agreement.

(c). The performance bond shall guarantee to make good any faults or defects in its
work which may develop during the period of said guarantee as a result of improper or
defective workmanship, material or apparatus, whether furnished by Cale or its
Subcontractors. The payment bond shall guarantee that Cale shall pay in full all persons,
firms or corporations who furnish labor, material or both labor and materials for, or on
account of, the work included herein. The Bonds shall be paid for by Cale. The PABC
shall have the right to demand proof that the parties signing the Bonds are duly authorized
to do so and meet the qualifications of this Agreement.

(d). No person or surety, in any action brought under this section, or on the Bonds
required by this section, shall assert as a defense to such action the claim that the bond
given pursuant to this section contained a limitation or restriction not provided for by this
section.

15.3 Fidelity Bond. Cale shall maintain throughout the term of this Agreement, at no expense
to the PABC, a Blanket fidelity Bond or a Blanket Crime Policy (Employee Dishonesty Coverage)
covering all officers, employees and subcontractors, in an amount not less than Fifty Thousand
Dollars ($50,000.00) per occurrence, with any deductible not to exceed Five Thousand Dollars
($5,000.00) and including City and the PABC as "additional obligees" or "loss payees" as their
interest may appear.

16. INDEPENDENT CONTRACTOR / NO AGENCY. Cale shall be deemed at all times to be an
independent Contractor and shall be wholly responsible for the manner in which Cale performs the
services required of it by the terms of this Agreement. Cale shall be liable for its acts and omissions, and
those of its employees and its agents. Nothing contained in this Agreement shall be construed to
constitute or create any employment, agency or partnership relationship with the PABC and/or City and
Cale. Nothing contained in the RFP or in this Agreement shall be construed to constitute or create any
employment or agency with the City or PABC. Cale is not, and shall not be, an agent or employee of the
City or PABC. Direction from the PABC regarding any subject of this Agreement shall be construed as
providing direction as to policy and the result of Cale's Work only and not as to the means or methods by
which such a result is obtained.

17. CONFLICT OF INTEREST PROHIBITED. No employee, officer, director, partner or member
of Cale, or immediate family member of any of the preceding, shall have served or will serve as an elected
officer, an employee, or a City board, committee or commission member, who has directly or indirectly
influence in the making and/or maintenance of this Agreement.

18. BUSINESS LICENSE. Prior to the execution of Agreement and at Cale's sole cost and expense,
Cale shall apply for and obtain any business license required to comply with the applicable law as related
to this Agreement.

19. PROPERTY OF THE CITY. All of the data prepared, assembled, generated or maintained by
Cale under this Agreement remains the exclusive property of the PABC and the PABC retains all rights.
The software and back-office support mechanisms supplied pursuant to this Agreement shall remain the
property of the PABC after the termination or expiration of this Agreement. Cale further agrees to make
available upon demand, all documentation pertinent to the use of the data such as descriptions of data structures, rules of referential of the software provided by Cale.

20. **SETOFF AGAINST DEBTS.** Cale agrees that City may deduct from any payments due to Cale under this Agreement any monies that Cale owes City under any ordinance, Agreement or resolution for any unpaid taxes, fees, licenses, unpaid checks or other amounts.

21. **CONFIDENTIALITY OF INFORMATION.** Cale understands and agrees that, in the performance of the services under this Agreement or in the contemplation thereof, Cale may have access to private or confidential information which may be owned or controlled by PABC and/or City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging. Cale agrees that all information disclosed by the PABC or the City to Cale shall be held in confidence and used only in performance of the Agreement. Cale shall exercise the same standard of care to protect such information as a reasonably prudent consultant would use to protect its own proprietary data.

22. **THIRD-PARTY BENEFICIARIES.** The City is an express third-party beneficiary of this Agreement. Except the City, and as otherwise expressly provided in this Agreement, nothing in this Agreement shall operate to confer rights or benefits on persons or entities not party to this Agreement.

23. **TAXES.** Payment of any taxes, including Maryland Sales and use Taxes, due as a result of this Agreement and/or the purchases contemplated by this Agreement shall be the obligation of the PABC, if applicable.

24. **SUNSET PROVISION.** By the terms of the enabling Ordinance (00-71), the authority and existence of the PABC is due to expire on June 30, 2006. If the Ordinance and the existence of the PABC are not renewed and extended by the Mayor and City Council, then upon the expiration of the PABC, all rights of the PABC pursuant to this Agreement shall automatically inure and be deemed assigned to the benefit of the City.

25. **MBE/WBE PARTICIPATION.** Unless otherwise waived or modified by the City, Cale shall comply with the current goals of the Minority and Women's Business Enterprises (“M/WBE”) Ordinance as established by the City’s Office of Minority and Women’s Business Opportunity (M/WBO) and presently 17.0%-MBE and 9.0%-WBE of the total contract amount. Cale agrees to report the M/WBE participation annually or as requested by the PABC.

26. **BOARD OF ESTIMATES APPROVAL - CONDITION PRECEDENT.** This Agreement must be submitted to the Baltimore City Board of Estimates for approval. Unless and until approval by the Board of Estimates, the Agreement contemplated herein shall be null and void and of no legal effect.

27. **MISCELLANEOUS PROVISIONS.**

27.1 **Governing Law.** This Agreement shall be deemed to have been executed in Maryland. The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of Maryland. Any court action related to the formation, interpretation and performance of this Agreement shall be in brought and maintained only in the Court of the City of Baltimore, Maryland.

27.2 **Amendments.** The terms and conditions of this Agreement shall not be altered or otherwise modified except by a written amendment to this Agreement executed by the PABC and Cale and approved by the Board of Estimates of Baltimore City.
27.3 **Severability.** If any part of this Agreement or the application thereof is declared invalid for any reason, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision or application, and to this end the provisions of this Agreement are declared to be severable.

27.4 **Waiver.** Failure of the PABC and/or City to insist on strict performance of this Agreement and/or any obligation hereof shall not constitute a waiver of any of the provisions of this Agreement or a waiver of any other default by Cale.

27.5 **Assignment.** Cale may not assign this Agreement without the prior written consent of the City, except that Cale may assign its right to any money due or to become due hereunder.

27.6 **Effect On Successors And Assigns.** This Agreement shall be binding on and inure to the benefit of the heirs, executors, administrators, successors, and assigns of the parties hereto.

27.7 **Section Headings.** The sections and other headings of this Agreement are for convenience of reference only and shall be disregarded in the interpretation of this Agreement.

27.8 **Entire Agreement.** This Agreement, including all attachments and exhibits referenced herein, constitutes the entire agreement between the PABC and Cale. The Request for Proposal (including all addenda to the RFP) and Cale’s response to the RFP (its’ proposal) are explicitly subsumed by this Agreement.

27.9 **Compliance with the Law.** Cale shall comply with all Federal, State, and City laws, rules, regulations, and ordinances applicable to its activities and obligations under this Agreement.

27.10 **Time of the Essence.** Cale acknowledges that time is of the essence in regard to its performance under this Agreement.

27.11 **Survival.** The provisions of this Agreement shall survive the expiration or early termination of this Agreement.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written, the corporate parties by their officers duly authorized.

**ATTEST/WITNESS:**

By: [Signature]

**Baltimore City Parking Authority, Inc.:**

By: [Signature] (Seal)

Peter Little, Executive Director
Baltimore City Parking Authority, Inc.

**ATTEST/WITNESS:**

By: [Signature]

**Cale Parking Systems, USA, Inc.:**

By: [Signature] (Seal)

Mr. George Levey, President
## EXHIBIT 1

### PARTS LIST AND PRICING

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### CPU BOARD

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### DISPLAY

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**COIN**

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<td>Coin selector880,102/104,CA+US</td>
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<td>Coin selector 880, 102/104, DK</td>
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<td>Coin selector 880, 102/104, GB</td>
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**ESCROW**

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<td>0401-C0370</td>
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<td>0401-E0160</td>
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Baltimore City Parking Authority, Inc.
Address: Parking Authority of Baltimore City
200 W. Lombard Street, Suite B
Baltimore, Maryland 21201
Phone: 443-573-2800
Fax: 410-685-1557

THE FOLLOWING NUMBER MUST APPEAR ON ALL RELATED CORRESPONDENCE, SHIPPING PAPERS, AND INVOICES:

P.O. NUMBER: __________________

CALE Parking Systems, USA, Inc.
21925 US Highway 19 North
Clearwater, FL, 33765
PHONE: (727)724-1800
FAX: (727)724-1828

TERMS: The terms of this Purchase Order are those set forth in the Agreement for Pay-And-Display Parking Stations executed by the parties and dated ____________________.

<table>
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<td>Installation of MP104 Compact Pay Station</td>
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<td>Parts:</td>
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SPECIAL INSTRUCTIONS:

LOCATION AND SCHEDULE OF PAY STATION INSTALLATIONS:
(Continue On Separate Page If Necessary)

BY:
Baltimore City Parking Authority, Inc.
EXHIBIT 3

SECURITY AGREEMENT

It is hereby agreed as of the ___ day of ________, 2006, by and between CALE SYSTEMS PARKING USA, INC., a Florida company (hereinafter, "Cale"), its successors and assigns and THE BALTIMORE CITY PARKING AUTHORITY, d/b/a the Parking Authority of Baltimore City, for the benefit of the Mayor and City Council of Baltimore, a municipal corporation of the State of Maryland, and a body politic, (hereinafter, together, the "City"), with respect to the obligations of Cale to the City as follows:

I. DEFINITIONS. The following terms have the following definitions (each definition is equally applicable to the singular and plural forms of the terms used, as the context requires):

A. Account Debtor. The term "Account Debtor" means any person or entity who is or who may become obligated to make payments to Cale, including, but not limited to, payments owed to Cale under, with respect to, or on account of Receivables (hereinafter defined).

B. Collateral. The term "Collateral" means all of the now owned and hereafter acquired assets, properties and property rights of Cale with respect to which Cale has at any time granted a security interest or lien to City or has at any time otherwise assigned or pledged to City, including, without limitation, such assets, properties and property rights of Cale in which Cale is granting a security interest in pursuant to the terms of this Agreement.

C. Equipment. "Equipment" means all of Cale's now owned and hereafter acquired machinery, equipment (as such term is defined in the UCC), furniture, fixtures (whether or not attached to real property), vehicles, supplies and other personal property of Cale other than inventory, including any leasehold interests therein and all substitutions, replacement parts and annexations thereto, and including all improvements and accessions thereto and all spare parts, tools, accessories and attachments now owned or hereafter acquired in connection therewith, and any maintenance agreements applicable thereto, and all proceeds and products thereof, including sales proceeds, and all rights thereto.

D. G.A.A.P. The term "G.A.A.P." means, with respect to any date of determination, generally accepted accounting principles as used by the Financial Accounting Standards Board and/or the American Institute of Certified Public Accountants consistently applied and maintained throughout the periods indicated.

E. Inventory. The term "Inventory" means all of Cale's now owned and hereafter acquired inventory, wherever located, including, but not limited to, inventory (as such term is defined in the UCC), wares, merchandise, materials, raw materials, parts, containers, goods in process, finished goods, work in progress, bindings or component materials, packaging and shipping materials and other tangible or intangible personal property held for sale or lease or furnished or to be furnished
under contracts of service or which contribute to the finished products or the sale, promotion, storage and shipment thereof, all goods returned for credit, repossessed, reclaimed or otherwise reacquired by Cale, whether located at facilities owned or leased by Cale, in the course of transport to or from Account Debtors, placed on consignment, or held at storage locations, and all proceeds and products thereof and all rights thereto, including, but not limited to all sales proceeds, all chattel paper (as such term is defined in the UCC) related to any of the foregoing and each document (as such term is defined in the UCC), including, but not limited to, each document of title, bill of lading and warehouse receipt related to any of the foregoing.

F. **Obligations.** The term "Obligations" means collectively the obligations of Cale to the City, now existing or hereafter arising, including but not limited to, (i) any and all obligations of Cale arising from the Agreement for Pay-And-Display Parking Stations dated ___________; (ii) any and all sums due to City under or pursuant to this Agreement or any accompanying documents; (iii) any and all sums advanced by City to preserve or protect the Collateral or to preserve, protect, or perfect City's security interests and liens in the Collateral; (iv) the expenses of retaking, holding, preparing for sale, selling or otherwise disposing of or realizing on the Collateral, or of any exercise by City of City's rights in the event of a default by Cale, together with City's attorneys' fees, expenses of collection, and court costs.

G. **Other Obligor.** The term "Other Obligor" means any person or entity other than Cale that is now or hereafter liable, directly, contingently or otherwise, upon or in connection with any of the Obligations or that has granted any lien or security interest to or for the benefit of City to secure any of the Obligations, including, but not limited to, any guarantor, surety, endorser, or co-maker of any of the Obligations.

H. **UCC.** The term "UCC" means the Maryland Uniform Commercial Code - Secured Transactions, as amended.

II. GRANT OF SECURITY INTEREST

A. **Collateral.** (1) As security for all Obligations of Cale to City, and in consideration of advances and payments from City to Cale, Cale hereby grants and pledges to City a continuing security interest in:

(i) All of Cale's Equipment; and

(ii) All of Cale's Inventory;
(2) Cale also hereby grants and pledges to City a continuing security interest in: i) all proceeds (including insurance proceeds) and products of the above-described Collateral; (ii) any of Cale's assets in which City has been or is hereafter granted a security interest under any other security agreements, notes or other obligations or liabilities between Cale and City; (iii) any accounts, property, securities or monies of Cale which may at any time be maintained at, assigned to, delivered to, or come into possession of, City, as well as all proceeds and products thereof; and (iv) all of the books and records pertaining to any of the above-described items of Collateral. To the extent the security interest herein granted is perfected by City's control, City is permitted to retain control until all of the Obligations are indefeasibly paid in full, and all commitments of City (if any) have been extinguished in accordance with their terms. To the extent the security interest herein granted is perfected by the filing of a financing statement, City will have no obligation to terminate such financing statement, and may continue the same, until all of the Obligations are indefeasibly paid in full, all commitments of City (if any) have been extinguished in accordance with their terms, and Cale has requested in writing that City terminate such financing statement.

B. **Cale's Obligations.** Cale's Obligations under this Agreement are irrevocable, absolute and unconditional, and direct, immediate and primary.

C. **Adequate Protection.** The ratio of the amount of the Obligations of Cale to the value of all Collateral, guaranties and other security held by City ("Security Value"), and realizable through commercially reasonable disposition of the property by City, has been an essential part of the bargain between Cale and City. That ratio of Obligations to Security Value shall not be increased without the consent of City. If the actual ratio exceeds the agreed ratio, then a default under this Agreement has occurred.

**REPRESENTATIONS AND WARRANTIES.** Cale represents and warrants that:

A. **Accuracy.** All information, financial statements and data submitted to City by Cale or any Other Obligor are true, accurate and complete in all material respects.

B. **Authority.** If Cale is a registered organization (as such term is used in the UCC), it is duly organized and existing in good standing in the state of its organization, is qualified to do business and in good standing in all jurisdictions where it conducts its business or its Receivables are located, and has all requisite power and authority to own its property and carry on its business, and Cale shall deliver to City a written opinion of counsel to such effect if requested by City. Cale has all licenses and permits to own its property and carry on its business, and Cale shall deliver to City a written opinion of counsel to such effect if requested by City. None of the terms and conditions herein, or of any other agreement executed by Cale, are in violation of the charter or by-laws (if it is a registered organization, as
such term is used in the UCC), or other organizational documents (if it is a registered organization, as such term is used in the UCC) of Cale, any contractual obligation Cale may have with any third party, or any order or decree by which Cale is bound. If Cale is a corporation, limited liability company or partnership, the execution and delivery of this Agreement have been duly authorized by appropriate corporate, limited liability company or partnership action, and Cale shall deliver to City a written opinion of counsel to such effect if requested by City.

C. **Litigation.** No litigation or other proceeding before any court or administrative agency is pending, or to the knowledge of Cale, is threatened against Cale, the outcome of which could materially impair Cale's financial condition or its ability to carry on its business. Cale is not the subject of any pending bankruptcy proceeding nor subject to the continuing jurisdiction of a bankruptcy court as the result of an approved plan of reorganization.

D. **Financing Statements.** No financing statement, other than any filed in favor of City, relating to any of the Collateral is on file in any place, except as expressly disclosed to City in writing by Cale.

E. **Assurance of Title.** Cale has rights in or the power to transfer the Collateral and its title to the Collateral is free of all adverse claims, liens, security interest and restrictions on transfer or pledge except as created herein.

F. **Addresses, Jurisdiction of Registration.** The principal place of business of Cale, the books and records relating to Cale's business and the Collateral, and the Collateral are located at the addresses set forth in this Agreement. If Cale is a registered organization (as such term is used in the UCC) its state of organization is identified below Cale's signature hereon. If Cale is an individual, Cale's principal residence is located at the address identified below Cale's signature hereon. If Cale is an organization other than a registered organization (as such term is used in the UCC) that has only one place of business, that place of business is located at the address identified below Cale's signature hereon. If Cale is an organization other than a registered organization (as such term is used in the UCC) that has more than one place of business, the chief executive office of Cale is located at the address identified below Cale's signature hereon. If Cale is a registered organization (as such term is used in the UCC) its state of organization is identified below Cale's signature hereon.

G. **Hazardous Substances.** Cale has never received any notification, citation, complaint or notice of investigation relating to the making, storing, handling, generating or transporting of any materials or substances which, under applicable laws, require special handling in collection, storage, treatment or disposal ("Hazardous Substances"), and Cale does not own, make, store, handle, dispose of or transport any Hazardous Substances in violation of any applicable laws.
H. **ERISA.** Cale and each of its affiliates and subsidiaries ("ERISA Affiliates") which are under common control, or are part of a controlled group, within the meaning of the Employee Retirement Income Security Act of 1974, as amended ("ERISA:"), are in compliance with all applicable provisions of ERISA with regard to each of its employee benefit plans (as defined in ERISA) ("Employee Benefit Plans"). Neither a reportable event (as defined in ERISA) nor a prohibited transaction (as defined in ERISA) has occurred with respect to any Employee Benefit Plan of Cale or any ERISA Affiliate. Immediately upon the occurrence of any such reportable event, Cale shall promptly furnish to City notice thereof, as filed with the Pension Benefit Guaranty Corporation ("PBGC"). Neither Cale nor any ERISA Affiliate has completely or partially withdrawn from any multi-employer plan and no such multi-employer plan is in reorganization, all as provided by ERISA. Cale and each ERISA Affiliate has met its minimum funding requirements and has no unfulfilled obligations under ERISA to contribute to any Employee Benefit Plan. Cale shall promptly notify City of any assertion by PBGC of liability of Cale or any ERISA Affiliate under Title IV of ERISA. The failure of Cale to pay within 30 days the amount of any liability under Title IV of ERISA demanded by PBGC shall constitute a default hereunder.

I. **Taxes.** There are no unpaid federal, state, city, county, or other taxes owed by Cale, there are no federal, state, city, county or other tax liens presently filed against Cale, and there are no outstanding personal property taxes of any kind.

IV. **COVENANTS.** Cale covenants that:

A. **Recording and Legal Costs.** Cale shall pay all costs and expenses incident to the making of the loan(s) secured hereby and perfection of City's security interests hereunder, including, but not limited to, all attorneys' fees (to the extent not prohibited by law) and all recording costs and taxes incident to filing of financing statements and continuation statements in respect thereof.

B. **Further Documents.** Cale shall execute and deliver to City from time to time any instruments or documents, including, but not limited to, financing statements, amendments, continuation statements, mortgages, control agreements, stock powers, loss payable endorsements for insurance policies, and assignments of insurance policies and proceeds, and shall do all things necessary or convenient to carry into effect the provisions of this Agreement. Cale designates City or any of its officers as attorney-in-fact to sign Cale's name on any such instruments or documents, and to file the same as may be appropriate. Without limiting the general nature of the foregoing, Cale authorizes City to file financing statements describing the Collateral, together with any and all amendments or continuations thereof as City deems necessary to perfect
its interest in the Collateral. Cale agrees that filed photocopies of financing statements and continuation statements shall be sufficient to perfect City's security interest hereunder.

C. **Taxes.** Cale shall pay and discharge, when due, all taxes, levies, liens, and other charges on all of its assets, including, but not limited to, Inventory, Equipment and Other Property and shall pay promptly, when due, all other taxes, including withholding taxes.

D. **Laws.** Cale shall comply at all times with all laws, ordinances, rules and regulations of any federal, state, municipal or other public authorities having jurisdiction over Cale, the Collateral or any of Cale's other assets, including, but not limited to, ERISA and all laws relating to Hazardous Substances.

E. **Name, Etc.** Cale shall not, without thirty (30) days' prior written notice, (i) change its name; (ii) change its location (within the meaning of the "debtor's location" under the UCC); (iii) if it is a registered organization (as such term is used in the UCC) change the state of its formation, incorporation or organization, as the case may be; (iv) change the state where any Collateral consisting of goods is maintained; and (v) open any new place of business or close of any of its existing places of business.

F. **Books and Records.** Cale shall maintain such records with respect to the Collateral and the condition (financial and otherwise) and operation of Cale's business as City may request from time to time, and shall furnish City such information with respect to the Collateral, Account Debtors, and the condition (financial and otherwise) and operation of Cale's business, including, but not limited to, balance sheets, operating statements, and other financial information, as City may request from time to time. City may at any time and without prior notice to Cale and without the consent of Cale directly contact Account Debtors and verify or confirm the status of the Receivables. Cale shall furnish City or cause to be furnished to City such financial information with respect to any Other Obligor, including, but not limited to, balance sheets, operating statements, personal financial statements and other financial information, as City may request from time to time.

G. **Inspection.** City or any of its representatives may from time to time inspect, check, make copies of or extracts from the books, records and files of Cale, and inspect any of the Collateral wherever located. Cale shall make same available at any time for such purposes.

H. **Reporting Requirements.** In addition to such other information (financial and otherwise) as City may require from time to time, Cale shall submit to
City as soon as available copies of the federal, state and local tax returns of Cale and shall also submit the following to City:

Annual Financial Statements. As soon as available and in any event within ninety (90) calendar days after the end of each fiscal year of Cale, compiled financial statements of Cale for the immediately preceding fiscal year, in form and detail satisfactory to City, prepared in accordance with G.A.A.P., by independent certified public accountants satisfactory to City. Furthermore, Cale is subject to a minimum Total Net Worth covenant of Four Hundred Fifty Thousand Dollars ($450,000), measured annually at fiscal year end.

I. Misrepresentations. Cale shall not make or furnish City any representation, warranty, or certificate in connection with or pursuant to this Agreement which is materially false.

J. Insurance. Cale has and shall maintain insurance on all of its assets and properties, including, but not limited to, the Collateral, at all times and against hazards, with companies, in amounts and in form acceptable to City. Cale shall submit to City original insurance policies and receipts evidencing payment of the premiums due on same. The policies shall name City as sole loss payee and additional insured with respect to the Collateral, and shall be endorsed so as to make them noncancellable unless thirty (30) days prior notice of cancellation is provided to City. All policies of insurance required pursuant to this Paragraph shall also contain an endorsement or agreement by the insurer that any loss shall be payable in accordance with the terms of such policy notwithstanding any act or negligence of Cale which might otherwise result in forfeiture of such insurance and the further agreement of the insurer waiving all rights of setoff, counterclaim or deductions against Cale. In event of any loss thereunder, the carriers named therein are hereby directed to make such payment for loss solely to City, and not to Cale and City jointly or to any other person. If any insurance losses are paid by check, draft or other instruments payable to Cale or to City and City jointly, City may indorse the name of Cale thereon and do such other things as City may deem advisable in order to reduce the same to cash. In addition, Cale shall maintain at all times, public liability insurance and all other coverages required by City, naming City as additional insured, with companies, in amounts and in form acceptable to City. All loss recoveries received by City upon any insurance may be applied and credited by City at its discretion to the Obligations. Cale has the risk of loss of the Collateral.

K. Disposition of Collateral, Etc. Except as otherwise set forth herein, Cale shall not, directly or indirectly sell, lease, license or otherwise dispose of,
in one transaction or a series of transactions, all or any substantial part of the Collateral, except Inventory. Cale shall not, directly or indirectly sell, lease, license or otherwise dispose of, in one transaction or a series of transactions, all or any substantial part of Cales Inventory, outside of the ordinary course of business. Except as otherwise set forth herein, City does not authorize Cale to sell, lease, license or otherwise dispose of the Collateral.

L. **City's Duty of Care.** To the extent City has or acquires possession of the Collateral under the terms of this Agreement, Cale hereby releases City from any claim or liability Cale may have or bring, becoming due, arising under, out of, as a result of, in connection with, or related to, City's possession and/or control of the Collateral, provided such claim or liability has not directly resulted from City's gross negligence or willful misconduct. Cale shall reimburse City for all costs and expenses, including insurance costs, taxes and other charges, incurred in connection with the custody, use, operation, care or preservation of the Collateral, such reimbursement to be secured as provided above in Paragraph II. In the event that City takes possession of the Collateral by foreclosure as provided in Paragraph VLC herein or otherwise, City may, but shall be under no obligation to, take such actions as it may deem appropriate to protect the Collateral by insurance or otherwise, and any expense so incurred shall likewise be reimbursed and secured as provided above in Paragraph II. City shall incur no liability to Cale for any failure to provide adequate protection or insurance for the Collateral acquired by City. City shall not be obligated to take any steps necessary to preserve any rights in any of the Collateral against prior parties, and Cale hereby agrees to take such steps. Cale hereby waives the defense of unjustifiable impairment of collateral with respect to the Collateral and any other collateral for any of the Obligations.

M. **Equipment.** The covenants in this Paragraph IV.M shall apply:

1. **Repair.** Cale shall keep and maintain the Equipment in good order and repair and in working condition.

2. **Personalty.** The Equipment shall be and shall remain personal property and nothing shall affect the character of the same or cause the same to become realty without the written consent of City, or prevent City in its option from removing same from premises on which they may become attached, in event of default hereunder. Without the prior written consent of City, Cale shall not affix any of the Collateral to any real property in any manner which would change its nature from that of personal property.
3. **No Sale of Equipment.** Without the prior written consent of City, Cale shall not sell or otherwise dispose of any of the Equipment, except that items of Equipment may be sold or exchanged if such Equipment is replaced in the ordinary course of Cale's business to the satisfaction of City by Equipment of a similar value and which is subject to the first lien security interest of City.

4. **Vehicles.** If the Collateral includes a motor vehicle for which a certificate of title is issuable, Cale shall deliver to City the certificate of title issued with respect to such vehicle and shall cause a statement of City's security interest to be noted as a lien on such certificate of title.

**N. Inventory.** The covenants in this Paragraph IV.N shall apply:

1. **Signatures.** City or its representative may indorse or sign the name of Cale on remittances in respect to Inventory, assignments, invoices, financing statements, notices to debtors, bills of lading, notices to suppliers, storage or other instruments or documents in respect to Inventory or the property covered thereby.

2. **Audit.** City or its representative may from time to time verify Inventory, through actual count or otherwise, and Cale shall make same available at any time for such purpose.

3. **Sales.** So long as neither Cale nor any Other Obligor is in default of any of the Obligations, Inventory subject to City's continuing security interests may be sold by Cale in the ordinary course of business, but shall not otherwise be taken or removed from Cale's premises.

**V. EVENTS OF DEFAULT.** The following shall constitute a default hereunder:

A. **Nonperformance.** Default by Cale under, or breach of any provision or warranty of, this Agreement, The Agreement for Pay-And-Display Parking Stations dated ______________, 200__, any other instrument, agreement or document in connection with any of the Obligations, or any other instrument, agreement or document of Cale with City, whether such instrument, agreement or document presently exists or is hereafter executed; or default by any Other Obligor under, or breach of any provision or warranty of, this Agreement, any other instrument, agreement or document in connection with any of the Obligations, or any other instrument, agreement or document of any Other Obligor with City, whether such instrument, agreement or document presently exists or is
hereafter executed;

B. **Representations and warranties.** Any warranty, representation, or statement to City by or on behalf of Cale or any Other Obligor proving to have been incorrect in any material respect when made or furnished;

C. **Financial Condition.** A determination by City in good faith, but in its sole discretion, that the financial condition of Cale or any Other Obligor is unsatisfactory; insolvency of Cale or any Other Obligor; suspension of business, or commission of an act amounting to business failure by Cale or any Other Obligor or a determination by City in good faith, but in its sole discretion, that the ability of Cale or any Other Obligor to pay any of the Obligations is impaired for any reason;

D. **Assignments.** Any assignment made by Cale or any Other Obligor for the benefit of creditors;

E. **Judgments.** The entry of any final judgment against Cale or any Other Obligor for the payment of money in excess of $5,000.00;

F. **Bankruptcy.** Institution of bankruptcy, insolvency, reorganization or receivership proceedings by or against Cale or any Other Obligor in any state or federal court or the appointment of a receiver, assignee, custodian, trustee or similar official under any federal or state insolvency or creditors' rights law for any property of Cale or any Other Obligor;

G. **Extraordinary Acts.** A change of ownership or the sale, dissolution, merger, consolidation, liquidation or reorganization of Cale or any Other Obligor which is a corporation, partnership or other legal entity;

H. **Attachments.** The levy upon or attachment of any property of Cale or any Other Obligor, or the recordation of any federal, state or local tax lien against Cale or any Other Obligor;

I. **Death.** Death of Cale or any Other Obligor who is a natural person;

J. **Additional Collateral.** Failure of Cale or any Other Obligor to furnish such additional collateral as City may in good faith request;

K. **Termination of Interest.** Lapse or termination of the interest of Cale or any Other Obligor in any of the Collateral other than through sales of Inventory or other use of Collateral in the ordinary course of business;

L. **Cross-Default.** The occurrence of any event which is, or would be with the passage of time or the giving of notice or both, a default under any
indebtedness of Cale or any Other Obligor to any person other than City;

M. **Loss or Damage; Transfer of Encumbrance.** Any material loss, theft or substantial damage, not fully insured for the benefit of City, to any of the assets of Cale or any Other Obligor, or the transfer or encumbrance of any material part of the assets of Cale or any Other Obligor other than in the ordinary course of business of Cale or such Other Obligor;

N. **Financial Information.** The failure of Cale or any Other Obligor to furnish City such financial information as City may require from time to time; or

O. **Insecurity.** If City in good faith deems itself insecure, or if City determines that it does not have the lien position City believed it had as of the date hereof.

VI. **REMEDIES**

A. **Specific Rights and Remedies.** In addition to all other rights and remedies provided by law and the loan documents, City, on the occurrence of any default, may: (i) accelerate and call due the unpaid principal balance of any promissory note evidencing any of the Obligations, and all accrued interest and other sums due as of the date of default; (ii) impose the default rate of interest provided in any promissory note evidencing any of the Obligations, with or without acceleration; (iii) file suit against Cale or against any Other Obligor; (iv) seek specific performance or injunctive relief to enforce performance of the Obligations, whether or not a remedy at law exists or is adequate; and (v) exercise any rights of a secured creditor under the UCC, including the right to take possession of the Collateral without the use of judicial process or hearing of any kind and the right to require Cale to assemble the Collateral at such place as City may specify.

B. **Costs of Enforcement.** Upon the occurrence of any default, City shall be entitled to recover from Cale attorneys' fees and expenses equal to the greater of actual attorneys' fees and expenses or fifteen percent (15%) of the unpaid balance of the Obligations at the time of default (to the extent not prohibited by law), plus court costs and other expenses which may be incurred by City in the enforcement or attempted enforcement of its rights hereunder, whether against any third party, Cale, or any Other Obligor. Expenses recoverable from Cale shall (to the extent not prohibited by law) include costs of collection and disposition including salaries, out-of-pocket travel, living expenses and the hiring of agents, consultants, accountants, or otherwise. All sums of money thus expended, and all other monies expended by City to protect its interest in the Collateral (including insurance, taxes or repairs) shall be repayable by Cale to City.
on demand, such repayment to be secured as provided in Paragraph 11 hereof.

C. Foreclosure. Upon the occurrence of any default, in addition to other remedies provided under the UCC, City at any time then or thereafter, in its discretion, may lawfully enter any of Cale's premises or the premises where the Collateral is located, and with or without judicial process, lawfully remove, under the UCC or other applicable law, the Collateral or records thereof to such place as City may deem advisable, or require Cale to assemble and make any or all such Collateral available at such reasonable place as City may direct. City may realize upon (by sale, lease, license or in any other manner) all or any part of the Collateral at public disposition or private disposition, in one or more dispositions, at such price or prices, and upon such terms either for cash or credit or future delivery as City may elect. City may bid for and become the purchaser of any or all of such Collateral to the extent permitted by the UCC or other applicable law. City may foreclose its security interest in the Collateral in any way permitted by law. City may conduct such dispositions without advertisement or notice to Cale or other parties otherwise entitled to receive notice if the Collateral is perishable or threatens to decline speedily in value, or is of a type customarily sold on a recognized market. To the extent City is require by the UCC to give notice, City shall give Cale, and other parties entitled to notice, reasonable authenticated notification before the disposition of the Collateral or any part thereof. In connection with any notices to be given pursuant to this Paragraph V.I.C, it is agreed in all instances that five (5) business days notice constitutes reasonable notice. Any such notice shall be deemed given when delivered or deposited in the U.S. mail with first class postage. Cale agrees that City may foreclose on and sell the Collateral pursuant to Title 14 of the Maryland Rules of Procedure, as amended, and assents to the passing of a decree for the sale of the Collateral upon default. In connection with any disposition of the Collateral, City may specifically disclaim warranties of title and the like. The net proceeds of any disposition or dispositions of the Collateral and any amounts received in liquidation of the Collateral, less all costs and expenses incurred in connection therewith, including attorneys' fees and expenses as provided herein and, at the option of City, less any prior lien claims, shall be applied against the Obligations in the order that City in its sole discretion shall decide, and Cale or other party entitled thereto shall be entitled to any surplus resulting therefrom. No action taken by City pursuant hereto shall affect Cale's continuing liability to City for any deficiency remaining after any disposition. City has no obligation to clean-up or otherwise prepare Collateral. If City disposes of any of the Collateral upon credit, Cale will be credited only with payments actually made by the transferee, received by City and applied to the Obligations. In the event the transferee fails to pay for the Collateral, City
may reDispose the Collateral and Cale shall be credited with the proceeds of the disposition. Upon the occurrence of any default, City at any time then or thereafter, may apply all or any portion of the balance of any and all Deposit Accounts to the Obligations.

D. Redemption. The transferee at any such disposition shall thereafter hold the Collateral absolutely free from any claim or right of whatsoever kind including any equity of redemption of Cale, and such demand, notice or right in equity are hereby expressly waived and released by Cale.

E. Replevin. Upon the occurrence of any default, Cale hereby authorizes and empowers any attorney or clerk of any court to appear for and confess judgment against Cale (as of any term of court) without prior notice to Cale or prior opportunity to be heard in an action for replevin instituted by City to obtain possession of any of the Collateral. If a copy of this Agreement, verified by affidavit of City or sworn on behalf of City, is filed in such action, it shall not be necessary to file the original Agreement as a warrant to the attorney or clerk. The authority and power to appear for and enter judgment against Cale shall not be exhausted by one or more exercises thereof or by any imperfect exercises thereof, and shall not be extinguished by any judgment entered pursuant thereto; this authority and power may be exercised on one or more occasions, from time to time, in the same or different jurisdictions as often as City shall deem necessary or desirable, for all of which this Agreement shall be sufficient authority.

F. Offset. Upon the occurrence of any default, City is authorized to charge the sum then due to City against any and all monies held by or on deposit with City on account of Cale or its affiliates, and to offset any amounts against any demand or depository accounts which Cale, or its affiliates, may have with City and to enforce such other remedies as may be available at law or in equity, without necessity of election.

G. Alternative Remedies. City may exercise its rights and remedies hereunder either alternatively or concurrently with its rights under any and all other agreements between City and Cale and shall have the full right to realize upon all available Collateral, collecting on the same or instituting proceedings in connection therewith, until City receives payment in full of all amounts owing to City under any of its agreements with Cale, including principal, interest, costs and expenses, and costs of enforcement or attempted enforcement of this or any other agreement among or between City and Cale or any Other Obligors. City shall be under no obligation to pursue City's rights against any Other Obligor or any of the collateral of any Other Obligor securing any of the Obligations before pursuing City's rights against Cale, or the Collateral. Cale waives any right or claim to cause a marshalling of the asset of Cale or any Other
obligor. City may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral and compliance will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral.

VII. GENERAL PROVISIONS

A. Continuity and Termination. This Agreement shall become effective immediately, and shall remain in full force and effect until all the Obligations are indefeasibly paid in full and all commitments of City (if any) have been extinguished in accordance with their terms. The security interests hereunder shall continue in full force and effect and are noncancellable by Cale prior to the termination of this Agreement. This Agreement may be terminated by Cale upon actual delivery of written notice to City of such intention, and payment in full of all then existing Obligations; provided, however, that such notice and payment shall in no way affect, and this Agreement shall remain fully operative with respect to, any Obligations, or commitments which may become Obligations, entered into between Cale and City prior to receipt of such notice or payment, whichever is later.

B. Right of City to Act with Respect to Other Obligors and Collateral. Cale hereby assents to any and all terms and agreements between City and any Other Obligor, and all amendments and modifications thereof, whether presently existing or hereafter made and whether oral or in writing, including, without limitation, any agreement made by and between City and such Other Obligor. City may, without compromising, impairing, diminishing, or in any way releasing Cale from the Obligations and without notifying or obtaining the prior approval of Cale, at any time or from time to time: (i) waive or excuse any default by any Other Obligor, or delay in the exercise by City of any or all of City's rights or remedies with respect to such default; (ii) grant extensions of time for payment or performance by any Other Obligor; (iii) release, substitute, exchange, surrender, or add collateral of any Other Obligor, or waive, release, or subordinate, in whole or in part, any lien or security interest held by City on any real or personal property securing payment or performance, in whole or in part, of the obligations of any Other Obligor; (iv) release any Other Obligor; (v) apply payments made by any Other Obligor to any sums owed by any Other Obligor to City, in any order or manner, or to any specific account or accounts, as City may elect; and (vi) modify, change, renew, extend, or amend, in any respect City's agreement with any Other Obligor or any document, instrument, or writing, embodying or reflecting the same.

C. Waivers by Cale. Cale waives: (i) any and all notices whatsoever with
respect to this Agreement or with respect to any of the obligations of any Other Obligor to City, including, but not limited to, notice of: (a) City's acceptance hereof or City's intention to act, or City's action, in reliance hereon; (b) the present existence or future incurring of any of the obligations of any Other Obligor to City or any terms or amounts thereof or any change therein; (c) any default by any Other Obligor; and (d) the obtaining or release of any guaranty or surety agreement, pledge, assignment, or other security for any of the obligations of any Other Obligor to City; (ii) presentment and demand for payment of any sum due from any Other Obligor and protest of nonpayment; (iii) demand for performance by any Other Obligor; and (iv) all defenses and discharges based on suretyship.

D. Information Concerning Collateral or Other Obligors. City shall have no present or future duty or obligation to discover or to disclose to Cale any information, financial or otherwise, concerning any Other Obligor or any collateral securing the Obligations. Cale waives any right to claim or assert any such duty or obligation on the part of City. Cale agrees to obtain all information which Cale considers appropriate or relevant to this Agreement from sources other than City and to become and remain at all times current and continuously apprised of all information concerning Other Obligors and any Collateral which is material and relevant to the Obligations of Cale under this Agreement.

E. Other Documents. The Obligations secured by this Agreement are or shall be evidenced by notes, guaranties, addenda or other documents which are separate agreements and may be negotiated by City without releasing Cale, Collateral or any Other Obligor. Without limitation of the foregoing, Cale may have executed and delivered to City a Financial Covenants Addendum which modifies and supplements this Agreement and Cale's obligations hereunder. Cale consents to any extension of time of payment of any Obligations. If there is more than one Cale or Other Obligor, the obligation of each of them shall be primary, joint and several.

F. Remedies Cumulative. All rights, remedies and powers of City hereunder are irrevocable and cumulative, and not alternative or exclusive, and shall be in addition to all other rights, remedies and powers of City whether in or by any other instruments, agreements or any laws, including, but not limited to, the UCC, now existing or hereafter enacted.

G. Loans and Advances. Nothing contained herein shall be construed as obligating City to make any particular loan or advance to Cale, and Cale is not relying upon City to make or continue to make advances for any purpose whatsoever. All such loans or advances remain within the discretion of City.
H. **Non-Waiver.** No indulgence or delay on the part of City in exercising any power, privilege or right hereunder or under any other agreement executed by Cale to City in connection herewith shall operate as a waiver thereof. No single or partial exercise of any power, privilege or right shall preclude other or further exercise thereof, or the exercise of any other power, privilege or right.

I. **Governing Law; Severability.** This Agreement shall be construed and governed by the laws of the State of Maryland. If any part of this Agreement shall be adjudged invalid or unenforceable as of any term of court, then such partial invalidity or unenforceability shall not cause the remainder of this Agreement to be or become invalid or held invalid or unenforceable in one or more of its applications, that or enforceable applications that are severable from the invalid or unenforceable application or applications.

J. **Litigation.** In the event of any litigation with respect to this Agreement, the promissory note(s) or other agreements evidencing and securing the Obligations, the Collateral, or any other document or agreement applicable thereto, Cale waives all defenses (including the defense of statute of limitations). Cale agrees: (i) that any proceeding to enforce or construe this Agreement may be brought in any state or federal court in Maryland; (ii) that Cale is subject to service of process under Section 6-301 of the Courts and Judicial Proceedings Article of the Annotated Code of Maryland; and (iii) to accept such service as authorized by such statute and prescribed in the Maryland Rules of Procedure.

K. **Construction.** All accounting terms not otherwise defined in this Agreement shall be interpreted in accordance with G.A.A.P. The captions are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Agreement nor the intent of any provision thereof. If this Agreement is signed by two or more parties as Cales, the term “Cale” shall mean each and every party signing this Agreement as a Cale. The use of singular herein may also refer to the plural, and vice versa, and the use of the neuter or any gender shall be applicable to any other gender or the neuter.

L. **Assignment.** None of the parties shall be bound by any assignment not expressed in writing. This Agreement shall be binding upon and inure to the benefit of Cale and City and their respective successors and assigns, except that Cale shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of City.

M. **Demand.** If any of the Obligations are payable on demand, demand
therefor may be made at any time, without notice, and without regard to whether a default has occurred.

N. **Time.** Time is of the essence of all Obligations.

O. **Other Waivers.** In the event City has been party other than Cale ("Other Collateral"), Cale acknowledges and agrees that the documents evidencing such lien or security interest may modify existing law and modify, waive or explain the rights and duties of the parties thereto. To the extent Cale qualifies as an "obligor" within the meaning of the UCC or any similar law of any other state or territory with respect to the Other Collateral and, as a result thereof, the UCC or similar law confers any rights on Cale or imposes any duties on City with respect to Cale, Cale agrees that such rights and duties have been modified, waived or explained to the same extent, and in the same manner, that the party providing the Other Collateral has agreed to modify, waive, or explain its corresponding rights and/or any corresponding duties owed to it by City.

P. **Integration, Etc.** This Agreement constitutes the complete and exclusive expression of the terms of the agreement between the parties with respect to the subject matter set forth herein, and supersedes all prior or contemporaneous communications between the parties relating to the subject matter of this Agreement. No course of dealing between City and Cale shall be effective to amend, modify or change any provision of this Agreement. City shall have the right at all times to enforce the provisions of this Agreement in strict accordance with the provisions hereof and thereof, notwithstanding any conduct or custom on the part of City in refraining from so doing at any time or times. The failure of City at any time or times to enforce its rights under such provisions, strictly in accordance with the same, shall not be construed as having created a custom in any way or manner contrary to specific provisions of this Agreement or as having in any way or manner modified or waived the same. No amendment to this Agreement shall be effective unless it is in writing and signed by duly authorized representatives of both parties.

**VIII. ADDRESSES**

For purposes of this Agreement, all notices to the PABC and/or City shall be addressed as follows:
Executive Director
Baltimore City Parking Authority
200 W. Lombard Street
Baltimore, MD 21201

All notices to Cale shall be addressed as follows:

Cale Parking Systems USA, Inc.
George Levey, President
21925 US Highway 19 North
Clearwater, FL., 33765

and

Cale Parking Systems USA, Inc.
3500 Boston Street
Baltimore, MD 21224

IX. WAIVER OF TRIAL BY JURY. Cale and City agree that any suit, action, or proceeding, whether claim or counterclaim, brought or instituted by or against either party hereto or any successor or assign of either party any other loan document or which in any relates, directly or indirectly, action or the dealings of the parties with respect thereto, shall be tried only by a judge and not by a jury. CALE AND CITY HEREBY EXPRESSLY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION, OR PROCEEDING. Cale and City acknowledge and agree that this provision is a specific and material aspect of this Agreement between the parties and that City would not extend credit to Cale if this waiver of jury trial provision were not a part of this Agreement.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year first above written, the corporate parties by their officers duly authorized.

ATTEST/WITNESS:  
INC.:  

By:  

Baltimore City Parking Authority,  

By:  
Pete Little, Executive Director  
Baltimore City Parking Authority, Inc.

ATTEST/WITNESS:  

By:  

Cale Parking Systems, USA, Inc.:  

By:  
Mr. George Levey, President
(SEAL)
Approved as to form and legal sufficiency this 16 day of July, 2006.

City Solicitor

APPROVED BY THE BOARD OF ESTIMATES

By: ____________ (Seal)

Date: ____________, 2006

END OF DOCUMENT - 19 Pages
EXHIBIT 4

SOFTWARE ESCROW AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into this day of
2006 (the "Effective Date") by and between CALE PARKING SYSTEMS
USA, INC., (hereinafter, "CALE USA"), CALE ACCESS AB (hereinafter, "CALE
ACCESS") and CALE SYSTEMS (at time hereinafter, all together, "CALE") and the
BALTIMORE CITY PARKING AUTHORITY, for the benefit of The Mayor & City
Council of Baltimore (hereinafter, together, in the singular, the "City").

WHEREAS, The City, desires to purchase and operate Pay and Display parking
stations ("PAD Stations") throughout the City of Baltimore; and

WHEREAS, CALE USA, a subsidiary of CALE ACCESS, desires to supply, install,
support and maintain such PAD Stations for the City of Baltimore;

WHEREAS, contemporaneously herewith, CALE USA and the Baltimore City
Parking Authority, Inc. have executed an Agreement for Pay-And-Display Parking Stations
(the "Agreement");

WHEREAS, both CALE USA and CALE ACCESS will benefit from the
Agreement;

WHEREAS, in order for the PAD Stations to function pursuant to the terms and
conditions of the Agreement, the PAD Stations must be administered and controlled by
certain software (known presently as "C-Argus") developed by CALE ACCESS;

WHEREAS, the C-Argus software is proprietary to CALE USA and CALE
ACCESS;

WHEREAS, the parties agree that uninterrupted availability of the C-Argus software
(and its progeny) is critical to the City in the conduct of its business; and

WHEREAS, the parties agree to enter into this Escrow Agreement to provide for the
availability of the source code, as well as any corrections, changes, modifications, and
enhancements to such source code, in accord with the terms and conditions hereinafter set
forth.

NOW, THEREFORE, in consideration of the mutual promises contained herein, and
for good and adequate consideration, receipt of which the parties hereby acknowledge, the
parties hereto agree as follows:

1. The Escrow. Within 60 days of the final execution of the Agreement, CALE shall
deposit with an escrow agent (the "Escrow Agent") all software used, in any way, in the
administration and/or control of the PAD Stations purchased by the City including, without
limitation, copies of all C-Argus software, including all updates to the software, under the control of CALE (jointly and severally) and all related documentation, provided thereunder in source language form ("Source Code"). The Escrow Agent shall be selected by the City in its sole discretion and may be changed, from time to time, as the sole discretion of the City. The cost of the Escrow Agent and the escrow account shall be borne by the City.

2. **Release of the Escrow.** The escrow shall be released to the City under the Release Conditions. "Release Conditions" shall mean the existence of any one or more of the following circumstances, uncorrected for more than thirty (30) days:

   a. If CALE USA and CALE ACCESS and CALE SYSTEMS have availed themselves of, or been subjected to by any third-party, proceedings in bankruptcy (or international equivalent) in which each is the named debtor; an assignment or assignments by each of them for the benefit of their creditors; the appointment of a receiver for each of them; or any other proceeding involving insolvency or the protection of or from creditors, unless the same has been discharged or terminated without any prejudice to the City’s rights or interest under the Agreement within thirty (30) days; or

   b. If CALE USA and CALE ACCESS and CALE SYSTEMS have ceased its on-going business operations, or the sale, licensing, maintenance or other support of the Software; or

   c. If any one of CALE USA and CALE ACCESS and CALE SYSTEMS have ceased its on-going business operations, or the sale, licensing, maintenance or other support of the Software and the other related CALE entities are unable or refuse to provide software support to the City; or

   d. If any other event or circumstance occurs that demonstrates with reasonable certainty the inability or unwillingness of CALE USA, CALE ACCESS and CALE Systems to fulfill its obligations to the City under the Agreement including, without limitation, the correction of defects in the Software.

3. **Protection of Trade Secrets.**

   3.1 The City acknowledges that the Source Code which may be delivered under this Escrow Agreement constitutes a trade secret of CALE. The C-Argus software has been developed by CALE at great expense an effort. This software contains trade secrets including, but not limited to, technical information, design concepts, processes, procedures, formulae, and algorithms which are not protected under copyright laws. These trade secrets would be very valuable to any one trying to develop competing programs and databases and would save competitors substantial investments of time and money.

   3.2 The City agrees to only use these Source Codes if the Source Codes are released under the conditions stated in this Agreement and for the purposes set forth in the following paragraph 4. The City agrees not to allow any one to have access to the Source
Code who does not have need to use it for one of the two legitimate uses allowed under paragraph 4 below.

3.3 In addition, the City agrees to require each person having access to the Source Code to sign a confidential non-disclosure agreement, and City agrees to inform all such persons that CALE's Source Code materials are confidential trade secrets.

3.4 Neither the City nor its employees, contractors or agents shall, under any circumstances, copy, duplicate or otherwise reproduce the Source Code in any manner other than to read the machine-readable Source Code into computer memory for the purposes of testing or supporting the C-Argus software except that City shall have the right to make one archival or backup copy of the machine-readable Source Code, which shall be marked as an "archival copy" and kept under lock and key and never permitted out of the City's actual possession. The City may not use or copy either the printed listing or the machine readable Source Code for any purpose other than those expressly described in this Agreement.

3.5 The City shall not distribute, disseminate, or use for its own purpose any information contained in or disclosed by the Source Code, including, but not limited to, any technical information, design concepts, processes, procedures, formulae, or algorithms contrary to the expresses provisions of the Agreement without express written permission of CALE. The City understands that the release of the Source Code and other escrowed information does not give the City the right to make copies of the Source Code except as expressly provided herein, or to sell, lease, rent, sublicense, distribute, or in any other manner make the Source Code available to any third-parties.

3.6 For a period of twenty (20) years from the date of release of the escrow, the termination or expiration of this Escrow Agreement and/or the Agreement notwithstanding, and except as otherwise required by law, the City shall retain in strict confidence any and all proprietary information received in confidence from CALE, including, but not limited to, all Source Code, all ideas disclosed by the Source Code, all Source Code listing information related to the C-Argus software and any Source Code documentation.

3.7 "Proprietary information" as that phrase is used throughout this Agreement does not mean to include information which is publicly known through no fault of City's employees, agents, representatives or contractors, nor does it mean to include information which is lawfully received by the City from a third-party not bound in a confidential relationship with CALE, nor information disclosed by CALE to a third-party without obligation of confidentiality.

3.8 The City's obligations under this Agreement, to retain CALE's proprietary information in confidence shall be satisfied if the City protects the information using reasonable care.

4. Permitted Uses of Released Escrow Information/Source Code. Once in receipt of the released escrow information, the City may use and possess the escrowed information, including the Source Code, for the following purposes only: (1) to understand the operation
of the C-Argus software; and (2) to support the C-Argus software. The City agrees to use the escrowed information and Source Code only under carefully controlled conditions, only for the above purposes and generally, only to facilitate continued operation of the PAD Stations.

5. **Dispute Resolution.** In the event the City determines that pursuant to the terms of this Agreement, the escrowed information should be released to the City, but CALE disagrees, then the escrowed information shall be immediately released to the City and within thirty (30) days of the release, CALE may petition the City Solicitor of the City of Baltimore for a determination whether release of the escrowed information was justified. If the City Solicitor determines that release of the escrowed information was not justified, then the escrowed information shall be returned to the Escrow Agent immediately and this Escrow Agreement shall continue in full force and effect as if the release of escrowed information had never occurred. In this circumstance, CALE shall have no redress or claim for damages except for return of the escrowed information to the Escrow Agent. If the City Solicitor determines that release of the escrowed information was justified, then the escrowed information shall remain in the possession of the City and CALE shall have the right to pursue whatever remedies are available to it at law or equity.

6. **Limitation of Liability.** In no event shall the City (or the Baltimore City Parking Authority, Inc.) be liable for consequential, incidental or special damages, including without limitation any lost opportunity damages or lost profits, incurred by CALE and/or its affiliates, subcontractors, parents or employees in connection with this Escrow Agreement or the release of the escrowed information.

7. **Controlling Contract Terms.** Unless expressly contradicted by the terms of this Escrow Agreement, the terms and conditions of the Agreement for Pay-And-Display Parking Stations shall govern the relationship of the parties, including without limitation, the provisions found at paragraphs 16 through 27 of the Agreement.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year first above written, the corporate parties by their officers duly authorized.

**ATTEST/WITNESS:**

By: [Signature]

**Baltimore City Parking Authority, Inc.:**

By: [Signature] (SEAL)

Peter Little, Executive Director
Baltimore City Parking Authority, Inc.

**ATTEST/WITNESS:**

By: [Signature]

**CALE Parking Systems, USA, Inc.:**

By: [Signature] (SEAL)

Mr. George Levy, President