

TAP© MOBILE VALIDATOR LICENSE AGREEMENT

This **TAP MOBILE VALIDATOR LICENSE AGREEMENT** ("Agreement") is entered into as of September 1, 2014 (the "Effective Date"), by and between the Los Angeles County Metropolitan Transportation Authority, a California county transportation authority existing under the authority of §§ 130050.2 *et seq.* of the California Public Utilities Code ("LACMTA"), and the City of Carson ("Licensee"). LACMTA and Licensee are sometimes hereinafter referred to individually as "Party" or collectively as "Parties".

RECITALS

A. The Transit Access Pass ("TAP") program is a regional smart card program developed as a cooperative effort amongst participating public transit operators ("TAP Participants") in Los Angeles County (the "Region") providing for the electronic payment of inter- and intra- fares via the use of TAP devices on such TAP Participants' buses and railcars (the "TAP System");

B. The TAP System was approved by LACMTA Board Action on May 28, 1997 to serve as the Region's universal fare system, enabling TAP Participants to share a common fare media for use amongst public transit patrons riding on TAP Participants' buses and/or rail system;

C. The back-office operations of the TAP System are managed by the Regional TAP Service Center (the "RTSC");

D. LACMTA is (i) the contracting entity responsible for the daily operations of the RTSC; (ii) the owner and distributor of any application that resides on the TAP card; and (iii) the owner of the software and data stored on the TAP cards or devices that are used for all transit fare collection purposes;

E. LACMTA has established a regional third party TAP vendor network for the sale and reloading of TAP fare products to TAP cards;

F. LACMTA and TAP Participants recognize that a one-fare media for transit payment among TAP Participants has a beneficial impact on the customers served, and on the ability of TAP Participants to improve service with enhanced data;

G. As such, TAP Participants (including LACMTA) have created a TAP Operating Group ("TOG"), comprised of one primary representative and one alternate from each TAP Participant, and a TAP Working Group to work towards, among other things, unifying fare media into the TAP program;

H. The rules for participation in the TOG and TAP System are outlined in the Regional TAP Program and Service Center Operating Rules and the TAP Financial Positions/Settlement Agreement (collectively, the "TAP Regional Operating Rules") which, among other things, set

EXHIBIT NO. 2



forth the process for reconciling the revenues and costs of participating in the TAP System, including the monthly clearing and settlement process by which TAP Participants receive fare revenue from the Region or make a payment to the Region for the sale of regional or other TAP Participant fare products (the “**Positions and Settlement Process**”);

I. Amendments to the TAP Regional Operating Rules can only be approved by majority ruling of TAP Participants’ General Managers, with concurrence of the LACMTA CEO;

J. Licensee and LACMTA have entered into that certain Cooperative TAP Participant Agreement dated September 1, 2014 (“**Cooperative TAP Participant Agreement**”) which, among other things, establishes the respective roles and responsibilities of the Parties in connection with Participant’s participation in the TAP System;

K. In order to process TAP card transactions, Licensee will use a TAP Mobile Validator supplied by LACMTA. The “**Mobile Validator**” consists of and is defined hereunder to include all hardware, software, program documentation and any program updates supplied by LACMTA necessary to process TAP card transactions.

L. LACMTA desires to license Mobile Validator(s) to Licensee and Licensee desires to license the Mobile Validator(s) on the terms and conditions contained in this Agreement, which, among other things, establish the respective roles and responsibilities of the Parties in connection with Licensee’s use of the Mobile Validator in connection with its participation in the TAP System;

NOW, THEREFORE, in consideration of the above Recitals, and the agreements, covenants, and conditions contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, LACMTA and Licensee, intending to be legally bound hereby, agree as follows

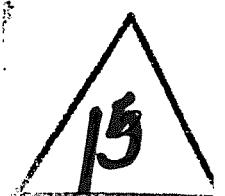
AGREEMENT

1. GRANT OF LICENSE. Subject to the terms and conditions contained herein, LACMTA hereby grants to Licensee and Licensee hereby accepts a non-exclusive, non-transferable, revocable license (“**License**”) to use (14 + 1 spare = 15 quantity) Mobile Validator(s) (collectively, the “**MV**”) supplied by LACMTA for the sole purpose of processing TAP card transactions in accordance with the TAP Regional Operating Rules and this Agreement.

2. TERM. The term (“**Term**”) of this Agreement shall commence on the Effective Date and shall terminate on the date on which this Agreement is terminated pursuant to Section 13 of this Agreement.

3. USE. Licensee agrees that the MV will not be subjected to unnecessarily rough usage, that it will be used in accordance with its design, and that its use will conform with the TAP Regional Operating Rules and the terms of this Agreement.

4. PROHIBITED ACTIVITIES. Licensee shall not:



- a. Copy, reproduce, tamper with, remove, alter, or otherwise modify the MV (in whole or in part) or any associated software provided to Licensee or loaded in the MV;
- b. Sell, license, sublicense, disclose, distribute or otherwise transfer the MV, in whole or in part, or any associated MV software to any third party;
- c. Remove or modify any program markings or any notice of LACMTA's proprietary rights;
- d. Alter, modify, or change the MV hardware;
- e. Decode, reverse engineer or disassemble the MV and associated software; or
- f. Disclose performance results of MV to public entities without the consent of the LACMTA. This does not include Agency Data collected by the MV, only information related to the MV itself.
- g. Use or permit the use of the MV for illegal purposes.

5. LICENSEE RESPONSIBILITIES. Licensee agrees to the following in its use of the MV:

- a. Licensee shall pay the data fees assessed for each MV licensed for Licensee's use, on a monthly basis, consistent with the Positions and Settlement Process set forth in the TAP Regional Operating Rules;
- b. Licensee shall set up each MV to accept TAP stored value, EZ transit pass (per the rules of the EZ transit pass program), and inter-agency transfers that are valid for travel on the Licensee's services. The stored value ride price is a unique price per Licensee's own fare rules, and set via the fare table configuration, as may be modified from time to time;
- c. Licensee shall use the MV in the manner for which it was intended and keep the MV in good repair and operating condition, consistent with the terms of this Agreement.

6. LACMTA RESPONSIBILITIES.

- a. LACMTA shall license the MV to Licensee, and will provide the basic initial equipment installation service at no cost to Licensee, provided that any additional cost of installation unique to Licensee's buses or other vehicles providing Licensee's services (as determined in LACMTA's sole discretion) shall be borne solely by Licensee.
- b. LACMTA will have spare replacement Mobile Validator(s) available to Licensee to replace a malfunctioning device within forty eight (48) hours of notification by Licensee of a faulty device, subject to supply and availability, as determined by LACMTA.



c. LACMTA agrees to provide fare table support (i.e., changing TAP fares) for Licensee-specific fare products, upon forty-five (45) days' notice given by Licensee.

d. LACMTA will provide MV software updates to Licensee throughout the Term, at LACMTA's sole discretion.

7. LOSS/DAMAGE/REPLACEMENT. If the MV is lost, damaged, or stolen, Licensee shall pay a minimum replacement fee of Three Thousand Dollars (\$3,000), or more, as determined by LACMTA (based on the then current market replacement cost for MV and other administrative costs not to exceed 10% of the replacement cost).

8. NO IMPLIED WARRANTY. LACMTA makes no representations or warranties that the MV will perform as indicated or that the MV will be suitable for the purposes for which it (they) is (are) permitted to be used under this Agreement. LACMTA does not guarantee that the MV will perform error-free or uninterrupted or that LACMTA will correct all program errors. The implied warranties of merchantability and of fitness for a particular purpose are expressly waived.

9. TITLE/NO ENCUMBRANCE. LACMTA shall, at all times, retain title, ownership and intellectual property rights to the MV. No title to the MV is transferred hereunder to Licensee. Licensee shall not permit any claim, levy, lien or legal process to be issued against the MV.

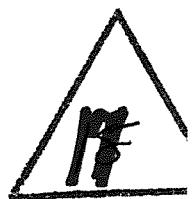
10. INSPECTION/AUDIT BY LACMTA. LACMTA, or its agent, shall have the right at any time to inspect or perform audits of the MV to ensure that Licensee's, and/or its agent's, use thereof complies with the terms of this Agreement. Such inspections or audits shall be conducted during normal business hours. Licensee and its agents shall cooperate with LACMTA in any inspection or audit, and shall provide LACMTA with all records reasonably related to Licensee's and its agents' use of the MV.

11. SURRENDER OF MV. Licensee agrees that on termination of this Agreement or at the request of LACMTA for surrender of the MV, Licensee shall have no rights to use the MV, and at such time, (a) Lessor may disable the MV to prevent Licensee from continued use of the MV and (b) Licensee shall, at Licensee's expense, remove the MV from its bus or railcar and deliver the MV in good condition (reasonable wear and tear excepted) to Cubic Transportation Systems at 14100 Shoemaker Avenue, Norwalk, CA 90650, or to such other location as LACMTA may designate.

12. NO ASSIGNMENT. Licensee or its agent may not assign this Agreement or give or transfer the MV, in whole or in part, nor any of the rights, interests or obligations hereunder to another party.

13. TERMINATION. This Agreement shall terminate as between the Parties upon the occurrence of any of the following:

a. Thirty (30) days after written notice from a Party that such Party intends to terminate this Agreement, without cause;



b. Thirty (30) days after written notice from a Party that such Party intends to terminate this Agreement because of a breach of the Agreement by the Party receiving the notice if such breach is not cured within said thirty (30) day period; provided, however, that, in the event that the breach is of a nature which cannot reasonably be cured within thirty (30) days, the Agreement shall not terminate so long as the breaching Party has commenced to cure the breach within the thirty (30) day period and diligently prosecutes the completion of the cure to conclusion thereafter; or

c. The bankruptcy or insolvency of a Party or the commencement of proceedings of any kind by or against a Party under the Federal Bankruptcy Act or under any other insolvency, bankruptcy or reorganization act.

d. Upon termination of the Cooperative TAP Participant Agreement, this Agreement will terminate concurrently.

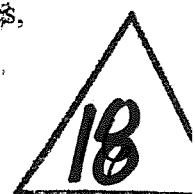
14. **INSURANCE.** Licensee shall, at Licensee's own expense, maintain liability and fire insurance and such other insurance as necessary for Licensee's protection of the MV. Failure to carry such insurance shall not relieve Licensee of liability as provided in this Agreement.

15. **INDEMNIFICATION.** Participant shall indemnify, defend (with counsel acceptable to LACMTA) and hold harmless LACMTA and its subsidiaries and their respective officers, agents, employees, and directors (collectively, "**LACMTA Parties**") harmless from and against any liability and expenses, including without limitation, defense costs, any costs or liability on account of bodily injury, death or personal injury of any person or for damage to or loss of risk of property, any environmental obligation, any legal fees and any claims for damages of any nature whatsoever (collectively, "**Claims**") arising out of Participant's actions pursuant to this Agreement and/or Participant's participation in the TAP System, except as caused by LACTMA's gross negligence. LACMTA shall, under no circumstance, be liable for special, incidental, exemplary or consequential damages suffered by Participant in connection with Participant's actions pursuant to this Agreement and/or Participant's participation in the TAP System, including, but not limited to loss of projects, anticipated revenue, interest, loss of use or other such claims arising from any causes whatsoever, whether or not such loss or damage is based on contract, warranty, tort (including negligence), indemnity or otherwise.

16. **MISCELLANEOUS.**

a. **Governing Law.** This Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of California applicable to agreements made and to be performed wholly within the State of California.

b. **Attorney's Fees.** Should any Party institute any action or proceeding to enforce or interpret this Agreement or any provision hereof, for damages by reason of any alleged breach of this Agreement, or for a declaration of rights hereunder, the prevailing Party in any such action or proceeding shall be entitled to receive from the other Party all costs and expenses, including reasonable attorneys' and other fees, incurred by the prevailing Party in connection with such action or proceeding. The term "attorneys' and other fees" means and includes attorneys' fees,



accountants' fees, and any and all other similar fees incurred in connection with the action or proceeding and preparations therefore. The term "action or proceeding" means and includes actions, proceedings, suits, arbitrations, appeals and other similar proceedings.

c. Notice. Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been delivered, if hand delivered or deposited with a reputable overnight courier (such as Federal Express, UPS, DHL, or similar courier), postage prepaid, return receipt required, or three business days after deposit into U. S. Mail, certified or registered, postage prepaid and return receipt requested, and shall be addressed as follows, unless otherwise notified in writing of change of address:

If to Licensee:

City of Carson
701 East Carson Street
Carson, CA 90745
Rickey C. Lovely
310.952.1779
rlovely@carson.ca.us

If to LACMTA:

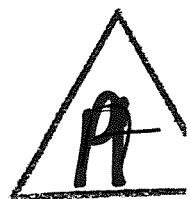
Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza, Mail Stop 99/04/03
Los Angeles, CA 90012
ATTN: David Sutton, Deputy Executive Officer, TAP
Telephone: (213) 922-5633
Email: SuttonD@metro.net
Fascimile: (213) 922-4036

d. Time of Essence. Time is of the essence of this Agreement and each and every term and provision hereof.

e. No Assignment. Licensee shall not assign this Agreement, or any part thereof, without prior approval of the LACMTA Chief Executive Officer or his/her designee, and any assignment without said consent shall be void and unenforceable.

f. Successors and Assigns. This Agreement shall inure solely to the benefit of, and be binding upon, the Parties hereto and their respective successors and assigns (Licensee's assigns, as approved by pursuant to Subsection 16e of this Agreement).

g. Entire Agreement. This Agreement supersedes all prior agreements between the Parties with respect to its subject matter and constitutes (along with the Cooperative TAP Participant Agreement) a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter. Any oral representations or modifications concerning this Agreement shall be of no force or effect.



h. Modification. The Agreement shall not be amended, except in writing signed by the Parties who agreed to the original Agreement or the same level of authority.

i. Further Assurances. Subject to agreement by the Parties of the terms thereof, the Parties each agrees to execute any and all other documents and to take any further actions reasonably necessary to consummate the transactions reasonably contemplated hereby.

j. Remedies. The obligations and duties of the Parties hereunder, including their representations, warranties, covenants and agreements, may be enforced by any and all available remedies, including without limitation, specific performance, injunction, damages and declaratory relief.

k. Nonwaiver of Rights. No failure or delay of a Party in the exercise of any right given to such Party hereunder shall constitute a waiver thereof unless the time specified herein for exercise of such right has expired, nor shall any single or partial exercise of any right preclude other or further exercise thereof or of any other right.

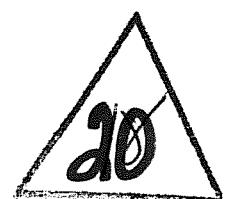
l. Construction. Headings at the beginning of each paragraph or subparagraph are solely for the convenience of the Parties and not a part of this Agreement. Except as otherwise provided in this Agreement, all exhibits referred to herein are attached hereto and are incorporated herein by this reference. Any reference to a Section herein includes all subsections thereof. This Agreement shall not be construed as if it had been prepared by only one Party, but rather as if all Parties had prepared the same.

m. Severability. If any provision of this Agreement shall be declared by any court of competent jurisdiction to be invalid, illegal or unenforceable, such provision shall be deemed severed from this Agreement, and the remaining parts hereof shall remain in full force and effect, as fully as though such invalid, illegal or unenforceable provision had never been part of this Agreement.

n. Duplicate Originals; Counterparts. This Agreement may be executed in any number of duplicate originals, all of which shall be of equal legal force and effect. Additionally, this Agreement may be executed in counterparts which, when taken together, shall form the entire Agreement of the Parties.

o. Relationship. Licensee, in the performance of the work described in this Agreement, is not a contractor nor an agent, partner or employee of LACMTA. Licensee attests to no organizational or personal conflicts of interest and agrees to notify LACMTA immediately in the event that a conflict, or the appearance thereof, arises. Licensee shall not represent itself as an agent, partner, employee of LACMTA and shall have no powers to bind LACMTA in contract or otherwise.

[Signatures on Next Page]



IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the dates indicated below:

LACMTA:

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY, a California county transportation authority existing under the authority of §§ 130050.2 *et seq.* of the California Public Utilities Code

By: _____ Date: _____

PHILLIP A. WASHINGTON
Chief Executive Officer

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By: _____ Date: _____
Deputy

LICENSEE:

CITY OF CARSON

By: _____ Date: _____
KENNETH C. FARISING
CITY MANAGER

APPROVED AS TO FORM:

By: _____ Date: _____
SUNNY SOLTANI
CITY ATTORNEY

