



INTERNATIONAL ROAD DYNAMICS CORP.
INTELLIGENT TRANSPORTATION SYSTEMS



IRD Transponder Bypass Program Service Agreement

This Sales and Service Agreement (AGREEMENT) is made by and between International Road Dynamics Inc. (IRD), as Transponder Administrators (TA) for the North Carolina Department of Transportation (NCDOT)'s NCPass Transponder Bypass Program (TBP), and

Business As _____ (OWNER) Leased to or Legally Doing _____ (DBA). USDOT# _____.

Terms and Conditions:

1. IRD agrees to provide transponders and enrollment in the TBP to the OWNER consistent with IRD's agreement with the NCDOT.
2. IRD's agreement with the NCDOT is designed to allow interoperability of our TBP with other state or provincially operated TBPs; as such, we will provide relevant enrollment information to such TBPs if requested by the OWNER.
3. Additional Terms and Conditions continued on page 2.

For the following section, please check and initial each section as appropriate:

OWNER renting transponders agrees to the following: _____ (Initial)

1. OWNER agrees to pay IRD an annual rental fee of \$70.00 / transponder plus applicable taxes, this fee includes the provision of a transponder and TBP enrollment for a year. This fee may be reduced for multiyear contracts paid in advance.
2. Rented transponders must be returned to IRD within fifteen days of termination of TBP services. For all transponders not returned to IRD within fifteen days, IRD will charge OWNER \$40.00 per transponder, plus applicable taxes, for the replacement of the unit.
3. IRD reserves the right to charge OWNER a \$40.00 replacement fee, plus applicable taxes, for each lost or damaged transponder.
4. OWNER agrees to return the transponders to IRD in the same condition as received, less normal wear.
5. IRD will replace any defective transponder that fails due to battery life, materials, or workmanship and will be responsible for the successful operation of the transponders. OWNER will be responsible for the costs of shipping defective transponders to IRD.

OWNER purchasing transponders agrees to the following: _____ (Initial)

1. OWNER agrees to pay IRD \$40.00, plus applicable taxes, per purchased transponder plus an annual system access fee of \$56.00 per transponder plus applicable taxes. The system access fee may be reduced on multiyear contracts.
2. IRD will replace any defective transponder based on manufacturer's warranty of three years for parts and six years for the battery. OWNER will be responsible for the costs of shipping defective transponders to IRD.

OWNER using a transponder from another TBP agrees to the following: _____ (Initial)

1. OWNER has confirmed with its current TBP that it has the rights to use the transponder in this TBP.
2. OWNER has confirmed that transponders OWNER intends on using in this TBP are not owned, controlled, or assigned to another OWNER.
3. OWNER agrees to pay IRD the annual System Access fee of \$56.00 per transponder plus applicable taxes. The system access fee may be reduced for multiyear contracts.
4. OWNER agrees to indemnify and hold harmless IRD against all loss, damage, claims and expenses for any actions brought against IRD for OWNER's use of an unauthorized transponder in this TBP.

Terms and Conditions Accepted By:

DBA/LESSOR assumes no financial responsibility or liability in OWNER's use of transponders.

OWNER

DBA/LESSOR

Name (Printed): _____

Title: _____

Authorized Signature: _____

Date: _____



Sales: T - (336) 261-5764 C - (336) 214-2076

Enrollment: Toll-Free: 1-866-903-0333 Telephone: (306) 653-6600

CORPORATE OFFICE: 2402 Spring Ridge Drive, Suite E, Spring Grove, Illinois USA 60081 Telephone: (815) 675-1430 Fax: (815) 675-1530

transponder.admin@irdinc.com

www.irdinc.com

Payment of Fees:

1. Rental or system access fees are payable to IRD on a predetermined basis and in advance of any services being provided through the TBP. These fees constitute the enrollment fees into the NC TBP program and are subject to renewal.
2. OWNER acknowledges that the fees payable under this agreement are based on the allocation of risk set out in this agreement, including the assumption of risk by the OWNER.
3. IRD will notify OWNER of upcoming service payments no later than sixty days prior to the date payment is due.
4. OWNERS wishing to continue in the TBP must have paid annual renewal fees to IRD on or before the renewal date to avoid discontinuation of services. Discontinued accounts will receive no warranties or services until due payments are made.
5. OWNER agrees to pay IRD a \$20.00 per transponder reconnection fee for discontinued accounts before services will be restored.
6. Adding transponders to an existing account will be charged on a pro-rata basis to match the annual billing date of the initial AGREEMENT.

Termination of Services:

1. OWNER may at any time choose to withdraw from the TBP by informing IRD of their desire to exit the program.
2. IRD will terminate the TBP services of any OWNER whose account has remained in delinquency for a period of fifteen days or longer unless OWNER and IRD have reached an agreement on payment.
3. OWNER must return to IRD any rented property relating to the TBP within fifteen days of termination of services.
4. Any OWNER that chooses to withdraw from or no longer qualifies for the TBP during the course of the annual billing cycle will not be credited or refunded any portion of rental or system access fees.
5. OWNER agrees that IRD has the right to terminate this agreement at any time upon providing ninety days written notice to the OWNER or immediately upon termination or non-renewal of IRD's contract as TA for the NC TBP as per IRD's agreement with the NCDOT.

Indemnification:

1. IRD shall not be liable for any injury, loss, claim, or damage arising from the use or transportation of the transponders by the OWNER, and the OWNER shall indemnify and hold harmless IRD against all loss, damages, claims, and expenses which may arise out of any action for damages to property or persons pursuant to the use, operation, handling, or transportation of the transponders.
2. Both IRD and the OWNER will hold each other harmless of any action or suit brought against either party by an outside party for the duration of this agreement.

Proper Use:

1. Transponders will be installed in assigned vehicles within the OWNER's fleet only. Transponders shall not be transferred from vehicle to vehicle until the change request has been approved by the transponder administrator.
2. If you are leasing any of your vehicles as full service leases you must obtain permission from the leaser to electronically screen the vehicle credentials.
3. OWNER agrees not to use the transponders at any time in violation of any law, by-law, zoning restriction, ordinance, regulation, or for any use for which it is not reasonably intended.
4. OWNER agrees not to transfer or assign the rights and obligations, which would not be reasonably upheld, under this agreement or to transfer or lend the transponders to another party without the prior written consent of IRD.

Other:

1. As this AGREEMENT is between IRD and the OWNER, it is the responsibility of the OWNER to ensure that any employee or contractor of the OWNER abides by the terms of this AGREEMENT. Breaches of this AGREEMENT by employees or contractors of the OWNER will carry the same consequences as breaches of the OWNER.
2. This AGREEMENT and its performance shall be governed by the laws of the State of Michigan and the federal laws of the United States of America applicable therein, including dispute resolution, jurisdiction, and venue.
3. IRD makes no representations or guarantees regarding OWNER's ability to bypass TBP sites based on criteria established by the NCDOT or the North Carolina State Highway Patrol.
4. IRD will respond to any performance related issue raised by OWNER within one working day of notification of the issue. Notification will consist of a phone call to the IRD call center, by email, or by fax.

These terms and conditions contain the entire AGREEMENT between IRD and the OWNER relating to the rental, purchase, and use of the transponders and supersede any prior understandings or agreements, whether oral or written, regarding this matter.

