

**AGREEMENT
FOR PROFESSIONAL SERVICES
SMARTCARD MAINTENANCE AND OPERATIONS**

This Agreement is made and entered into this 1st day of July, 2013, by and between the Ventura County Transportation Commission (hereinafter referred to as VCTC), and Cubic Transportation Systems, Inc. (hereinafter referred to as "Consultant"), to perform workshop maintenance and maintenance support of the Automatic Fare Collection System for the Ventura County Transportation Commission (hereinafter referred to as "VCTC"). This Agreement shall begin on the date of execution listed above and shall expire one year after the date of execution.

VCTC and Consultant agree as follows:

1. STATEMENT OF AGREEMENT

VCTC hereby engages Consultant, and Consultant hereby accepts such engagement, to perform the services on the terms and conditions herein described, and as set forth in Attachment A (Scope of Work) to this agreement. Consultant hereby warrants that it has the qualifications, experience and facilities to properly perform said services and hereby agrees to undertake and complete the performance thereof as an independent Consultant. The Contract Manager for VCTC shall be Gloria Sotelo, Go Ventura Smartcard Manager.

2. DESCRIPTION OF SERVICES

The services to be performed by Consultant are those set forth in the Scope of Work in Attachment A, of this Agreement, and the specifications attached thereto. All work by the Consultant shall be performed in a good and workmanlike manner.

3. CHANGES IN THE WORK

The VCTC may, at any time, by written order to Consultant make changes within the general Scope of Work, including but not limited to revising or adding to the work or deleting portions thereof. Upon agreement of the parties and receipt of notice of change to the Scope of Work, Consultant shall immediately take all necessary steps to comply therewith.

4. COMPENSATION

4.1 – As payments for Consultants full and complete performance of its obligations under this Agreement for design services, VCTC shall pay Consultant a fixed monthly fee of \$ 10,883.85 per month, as described in Attachment A, Section 5.3 of this document, of said sum to include Consultant's total direct costs, indirect costs and profit

for the performance of said work. Pricing for work outside of this agreement will be in accordance with Attachment A Section 5.3.

4.2 - Invoices may be submitted by Consultant not more frequently than once a month and shall be submitted to VCTC's Project Manager for review and approval. Each invoice shall cite the dated Agreement; specify the work category for which payment is being requested, the time period covered by the invoice, and the total amount of payment requested and be accompanied by a status report. VCTC shall remit payment within thirty (30) days of receipt of each invoice.

4.3 - The Consultant's accounting systems shall conform to generally accepted accounting principles (GAAP), enable the determination of costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices. All accounting records and other supporting papers of Consultant connected with performance under this Agreement shall be maintained for a minimum of three years from the date of final payment to Consultant and shall be held open to inspection and audit by representatives of the State Auditor, the Federal Highway Administration, or any duly authorized representative of the Federal Government.

5. ASSIGNMENT AND SUBCONTRACTING

5.1 - This Agreement is for professional services and Consultant may not assign its rights under this Agreement nor delegate the performance of its duties without the VCTC's prior written consent.

5.2 - Consultant shall complete all work under this Agreement and as set forth in Attachment A. Consultant may assign duties to another subcontractor upon prior written consent of the VCTC. Any assignment or delegation without VCTC's prior written consent shall be void.

5.3 - Nothing contained in this Agreement or otherwise, shall create any contractual relationship between VCTC and any subcontractors, and no subcontract shall relieve the Consultant of its responsibilities and obligations hereunder. The Consultant agrees to be as fully responsible to VCTC for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Consultant. The Consultant's obligation to pay its subcontractors is an independent obligation from VCTC's obligation to make payments to the Consultant.

5.4 - Any subcontract in excess of \$25,000, entered into as a result of this Agreement, shall contain all the provisions stipulated in this Agreement to be applicable to subcontractors.

5.5 - Any substitution of subcontractors must be approved in writing by VCTC in advance of assigning work to a substitute subcontractor.

5.6 - No retainage will be held by VCTC from progress payments due the Consultant. Any retainage held by the Consultant or subcontractors from progress payments due to subcontractors shall be promptly paid in full to subcontractors within 30

days after the subcontractor's work is satisfactorily completed. Federal law (49CFR26.29) requires that any delay or postponement of payment over the 30 days may take place only for good cause and with VCTC's prior written approval. Any violation of this provision shall subject the violating Consultant or subcontractor to the penalties, sanctions and other remedies specified in Section 7108.5 of the Business and Professions Code. These requirements shall not be construed to limit or impair any contractual, administrative, or judicial remedies otherwise, available to the Consultant or subcontractor in the event of a dispute involving late payment or nonpayment by the Consultant, deficient subcontract performance, or noncompliance by a subcontractor. This provision applies to both DBE and non-DBE prime contractors and subcontractors. Any subcontract entered into as a result of this Agreement shall contain this provision.

6. COVENANT AGAINST CONTINGENT FEES

Consultant warrants that it has not employed or retained any company or person, other than a bona fide employee working for the Consultant, to solicit or secure this Agreement, and that it has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or formation of this Agreement. For breach or violation of this warranty, VCTC shall have the right to annul this Agreement without liability, or at its discretion to deduct from the Agreement price or consideration, or otherwise recover the full amount of such fee, commission, percentage, brokerage fee, gift, or contingency fee.

7. RELATIONSHIP OF THE PARTIES

Both parties to this Agreement agree that the relationship of the parties shall be that Consultant is an independent contractor and shall represent the will of VCTC only as to the results of the subject matter of this Agreement, and not as to the manner in which the services herein are performed, except as provided in Attachment A. Consultant shall have complete control and responsibility over the details and performance of the services herein required to complete the Agreement, and in no event shall Consultant be considered an officer, agent, servant or employee of VCTC.

8. INSURANCE

8.1 - Insurance Required. With respect to performance of work under the project Agreement, Consultant shall maintain insurance as described below:

8.2 - Worker's Compensation Insurance. Consultant shall maintain, during the life of this Agreement, Workers Compensation Insurance for a Consultant employees employed at the site of improvement, and in case any work is sublet, Consultant shall require any, Sub-consultant and subcontractors similarly to provide Workers Compensation Insurance for all Consultant or subcontractor's employees, unless such employees are covered by the protection afforded by Consultant. In case any class of employees engaged in work under this Agreement at the site of the project is not protected under any Workers Compensation law, Consultant shall provide or shall cause

each Consultant and subcontractors to provide, adequate insurance for the protection of employees not otherwise protected. Consultant hereby agrees to indemnify VCTC for any damage resulting to it from failure of either Consultant or any Consultant or subcontractors to take out or maintain such insurance.

8.3 - Public Liability and Property Damage Insurance. Consultant shall take out and maintain during the life of this Agreement such public liability and property damage insurance as indicated below and shall name VCTC, their elective and appointive boards, commissions, officers, agents, and employees, as an additional insured on the insurance covering Consultant from claims for damages for personal injury, including death, as well as from claims for property damage which may arise from Consultant's operations hereunder, whether such operations be by Consultant or by anyone directly or indirectly employed by Consultant and the amounts of such insurance, on an occurrence basis, shall be as follows:

(1) **Public Liability Insurance.**

In an amount not less than \$2,000,000 for injuries, including, but not limited to death, to any one person and, subject to the same limit for each person, in an amount not less than \$2,000,000 on account of any one occurrence:

(2) **Property Damage Insurance.**

In an amount of not less than \$1,000,000 for damage to the property of each person on account of any one occurrence.

8.4 - Evidence of Insurance. Consultant shall furnish VCTC with the execution hereof, with satisfactory evidence of the insurance required under this Agreement, and evidence that each carrier is required to give VCTC at least thirty (30) days prior notice of cancellation or reduction in coverage of any policy during the effective period of this Agreement.

8.5 Consultant shall require any sub consultant or subcontractor performing any portion of the scope of work required herein to meet the same insurance requirements as Consultant as stated above.

9. INDEMNIFICATION

Notwithstanding the existence of insurance coverage required of Consultant pursuant to this contact, Consultant shall save, keep, indemnify, hold harmless and defend VCTC and its appointed and elected officials, officers, employees and agents, from every claim or demand made and every liability, loss damage or expense of any nature whatsoever and all costs or expenses incurred in connection therewith, which arise at any time, by reason of damage to the property of, or personal injury to, any person, occurring or arising out of the performance and to the extent caused by Consultant, its officers, agents or employees, including but not limited to, its subcontractors, of the work required pursuant to this Agreement, occasioned by any negligent or wrongful act or omission by Consultant including any such liability imposed by reason of any infringement of rights or any person or persons, firm or corporation, in

consequence of the use in the performance of Consultant of the work hereunder of any article or material supplied or installed pursuant to this Agreement. Consultant shall have no obligation under this Section 9, Indemnification, to the extent such claim, demand, liability, loss, damage or expense arises as a result of VCTC's negligence or willful misconduct.

9.1 – Except as otherwise stated herein, Consultant will, at the election of, and using counsel approved by, VCTC, defend any action or actions filed in connection with any of said claims, damages, penalties, obligations or liabilities and will pay all costs and expenses, including attorney's fees incurred in connection herewith;

9.2 – Except as otherwise stated herein, Consultant agrees to pay VCTC, its officers, agents and employees, as the case requires, all damages and other expenses incurred by them or any of them, without limitation, including reasonable attorney's fees, arising out of or in connection with the sole negligence or wrongful acts of Consultant.

10. PREVAILING WAGES

All laborers employed or working upon the site of the work will be paid not less than the generally prevailing wage for that class of worker in Ventura County, in accordance with the California Labor Code, Section 1775.

11. DISPUTES

This Agreement shall be construed and all disputes hereunder shall be settled in accordance with the laws of the State of California. The parties may mutually agree to engage in mediation and binding or nonbinding arbitration in an effort to resolve any dispute. Pending final resolution of a dispute hereunder, Consultant shall proceed diligently with the performance of this Agreement and in accordance with VCTC's instructions.

12. ATTORNEY'S FEES

In the event an action, including a request for mediation and arbitration, is filed by either party to enforce rights under this Agreement, the prevailing party shall be entitled to recover a reasonable attorney's fee and costs in addition to any other relief granted by the court.

13. TERMINATION BY VCTC

This Agreement may be terminated by the VCTC at any time upon sixty (60) days written notice to Consultant. In full discharge of any obligation to Consultant in respect of this Agreement and such termination, the VCTC shall pay for the costs and non-cancelable commitments incurred prior to the date of termination and fair closeout costs and a reasonable profit on work performed up to the date of termination in accordance with Article 4. Consultant shall take all reasonable steps to minimize

termination costs. In no event, however, shall the VCTC be obligated to pay Consultant any amount in excess of the total funds committed by the VCTC up to the time of termination to support the work.

14. NOTICES

Unless noticed otherwise in the manner set forth below:

14.1 - All notices to the VCTC under this Agreement shall be in writing and sent to:

Gloria Sotelo, Smartcard Manager
Ventura County Transportation Commission
950 County Square Drive, Suite 207
Ventura, CA 93003

14.2 - All notices to Consultant under this Agreement shall be in writing and sent to:

Sterrett Brandt, Senior Contracts Manager
Cubic Transportation Systems, Inc.
1800 Sutter Street, #900
Concord, CA 94520

Notices shall be deemed to be effective upon receipt by the party to whom the notice was sent.

15. ENTIRE AGREEMENT, MODIFICATION, AND EFFECTIVE DATE

15.1 - This Agreement constitutes the entire Agreement between the parties and supersedes all previous agreements and understandings related to this work. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by a party, or anyone acting on behalf of any party, which are not embodied herein, and that any other agreement, statement or promise not contained in the Agreement shall not be valid or binding.

15.2 - This Agreement may not be altered, amended, or modified except by a written instrument signed by the duly authorized representative of both parties.

15.3 - This Agreement shall be effective as of the issuance of a Notice to Proceed from the VCTC to Consultant.

16. FEDERAL, STATE AND LOCAL LAWS

Consultant warrants that in the performance of this Agreement, it shall comply with all applicable federal, state and local laws, statutes and ordinances and all lawful orders, rules and regulations promulgated thereunder, including the Uniform Administrative Requirements, Code of Federal Regulations, Title 49, Part 18.

17. EQUAL EMPLOYMENT OPPORTUNITY

In connection with its performance under this Agreement, Consultant shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, age or national origin. Consultant shall take action to ensure that applicants are employed, and that employees are treated during their employment, without regard to their race, religion, color, sex or national origin. Such actions shall include, but not limited to, the following: employment, upgrading, demotion or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

18. PROHIBITED INTERESTS

Consultant covenants that, for the term of this Agreement, no director, member, officer or employee of VCTC during his/her tenure in office or for one (1) year thereafter shall have any interest, direct or indirect, in this Agreement or the proceeds thereof.

19. PATENT AND COPYRIGHT INFRINGEMENT

19.1 - In lieu of any other warranty by VCTC or Consultant against patent or copyright infringement, statutory or otherwise, it is agreed that Consultant shall defend at its expense any claim or suit against VCTC on account of any finding that any item furnished under this Agreement or the normal use or sale thereof arising out of the performance of this Agreement, infringes upon any presently existing U.S. letters patent or copyright and Consultant shall pay all costs and damages finally awarded in any such suit or claim, provided that Consultant is promptly notified in writing of the suit or claim and given authority, information and assistance at Consultant's expense for the defense of same. However, Consultant will not indemnify VCTC if the suit or claim results from: (1) VCTC's alteration of a deliverable, such that said deliverable in its altered form infringes upon any presently existing U.S. letters patent or copyright; (2) the use of a deliverable in combination with other material not provided by Consultant when such use in combination infringes upon an existing U.S. letters patent or copyright; or (3) VCTC's use of a deliverable in a manner contrary to Consultant's direction.

19.2 – Consultant shall have sole control of the defense of any such claim or suit and all negotiations for settlement thereof. Consultant shall not be obligated to indemnify VCTC under any settlement made without Consultant's consent or in the event VCTC fails to cooperate fully in the defense of any suit or claim, provided, however, that said defense shall be at Consultant's expense. If the use or sale of said item is enjoined as a result of such suit or claim, Consultant, at no expense to VCTC, shall obtain for VCTC the right to use and sell said item, or shall substitute an equivalent item acceptable to VCTC and extend this patent and copyright indemnity thereto.

20. FTA REQUIREMENTS

Federal Transit Administration (FTA) requirements attached hereto are incorporated herein by this reference and are an enforceable part of this Agreement. References therein to Consultant in those requirements include any assignee.

FEDERAL TRANSIT ADMINISTRATION (FTA) REQUIREMENTS

FTA 1. FEDERAL CHANGES

Consultant shall at all times comply with all applicable Federal Transit Administration (FTA) regulations, policies, procedures and directives, including without limitation those listed directly or by reference in the grant agreements between the VCTC and FTA, as they may be amended or promulgated from time to time during the term of this Agreement. Failure by Consultant to so comply shall constitute a material breach of this contract. In the event any such changes significantly affect the cost or the schedule to perform the work, Consultant shall be entitled to submit a claim for an equitable adjustment under the applicable provisions of this Agreement.

FTA 2. NO GOVERNMENT OBLIGATIONS TO THIRD PARTIES

The VCTC and Consultant acknowledge and agree that, notwithstanding any occurrence by the Federal Government in or approval of this solicitation or award of this Agreement, absent the express written consent by the Federal Government, the Federal Government is not a party to this Agreement and shall not be subject to any obligations or liabilities to VCTC, Consultant or any other party (whether or not a party to this Contract) pertaining to any matter resulting from this Agreement.

Consultant agrees to include the above clause in each subcontract financed in whole or part with Federal assistance provided by FTA. It is further agreed that the clause shall not be modified, except to identify the subcontractor who will be subject to its provisions.

FTA 3. INTEREST OF EMPLOYEES

No member officer or employee of VCTC, during his/her tenure or for one (1) year thereafter, shall have any interest, direct or indirect, in this Agreement or the proceeds thereof.

To each party's knowledge, no VCTC member, officer or employee of VCTC has any interest, whether contractual, non-contractual, financial or otherwise, in this transaction, or in the business of the contracting party other than VCTC, and if any such interest comes to the knowledge of either party at any time, a full and complete disclosure of all such information will be made in writing to the other party or parties, even if such interest would not be considered a conflict of interest under Article 4 (commencing with Section 1090) or Article 4.6 (commencing with Section 1120) of Division 4 of Title 1 of the Government Code of the State of California.

FTA 4. INTEREST OF MEMBERS OF CONGRESS

No member of or delegate of the Congress of the United States shall be admitted to any share or part of this Agreement or to any benefit arising there from.

FTA 5. DISADVANTAGED BUSINESS PARTICIPATION

The VCTC has established a DBE Program pursuant to 49 C.F.R. Part 26, which does not apply to this Agreement. The requirements and procedures of VCTC's DBE Program are hereby incorporated by reference into this Agreement. Failure by any party

to this Agreement to carry out VCTC's DBE Program procedures and requirements or applicable requirements of 49 C.F.R. Part 26 shall be considered a material breach of this Agreement, and may be grounds for termination of this Agreement, or such other appropriate administrative remedy. Each party to this Agreement shall ensure that compliance with VCTC's DBE Program shall be included in any and all sub-agreements entered into which arise out of or are related to this Agreement.

Consultant's failure to make good faith efforts to comply with VCTC's DBE Program shall be considered a material breach of this Agreement and may give rise to certain administrative penalties and proceedings, including, but not limited to, those set forth in 49 C.F.R. Part 26.107.

No later than Thirty (30) working days after receiving payment from VCTC for work satisfactorily performed by any of its subcontractors for services rendered arising out of or related to this Agreement, Consultant shall make full payment to its subcontractors of all compensation due and owing under the relevant subcontract agreement, unless excused by VCTC for good cause pursuant to provisions of Section 5.1 below.

5.1 GOOD CAUSE

Consultant may only delay or postpone any payment obligation (or retention) to any of its subcontractors for services rendered arising out of or related to this Agreement where, in VCTC's sole estimation, good cause exists for such a delay or postponement. All such determinations on VCTC's part that good cause exists for the delay or postponement of Consultant's payment obligation to its subcontractor must be made prior to the time when payment to the subcontractor would have been otherwise due by Consultant.

FTA 6. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964

During the performance of this Contract, Consultant, for itself, its assignees and successors in interest, and subcontractors agree as follows:

COMPLIANCE WITH REGULATIONS:

Consultant shall comply with the Regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereinafter "DOT) Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time, (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this Agreement.

NONDISCRIMINATION

In accordance with Title VI of the Civil Rights act, as amended, 42 U.S.C. 200d section 3 03 of the Age Discrimination Act of 1975, as amended, 42 U.S.C. 6102, section 202 of the Americans with Disabilities Act of 1990, 42 U.S.C. 12132, and Federal Transit laws at 49 U.S.C. 5332, Consultant agrees that it will not discriminate against any employee or applicant for employment because of race, color, creed, national origin, sex, age, or disability. In addition, Consultant agrees to comply with applicable Federal implementing regulations and other implementing requirements FTA may issue.

EQUAL EMPLOYMENT OPPORTUNITY

The following equal employment opportunity requirements apply to this Agreement:

Race, Color, Creed, National Origin, Sex – In accordance with title VII of the Civil Rights Act, as amended, 42 U.S.C. 5332, Consultant agrees to comply with all applicable equal employment opportunity requirements of the U.S. Department of Labor (USDOL) regulations, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 41 CFR Parts 60 et seq., (which implement Executive Order No. 11246 Relating to Equal Employment Opportunity," as amended by Executive Order No. 11375, "Amending Executive Order No. 11246 Relating to Equal Employment Opportunity," 42 U.S.C. 2000e note), and with any applicable Federal statutes, executive orders, regulations, and Federal policies that may in the future affect construction activities undertaken the course of the project for which this Contract work is being performed. Consultant agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, national origin, sex, or age. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment of recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. In addition, Consultant agrees to comply with any implementing requirements FTA may issue.

Age – In accordance with section 4 of the Age discrimination in Employment Act of 1967, as amended, 29 U.S.C. 623 and Federal Transit laws at 49 U.S.C. 5332, Consultant agrees to refrain from discrimination against present and prospective employees for reasons of age. In addition, Consultant agrees to comply with any implementing requirements FTA may issue.

Disabilities – In accordance with Section 102 of the Americans with Disabilities Act of 1990, as amended, 42 U.S.C. 12112, Consultant agrees that it will comply with the requirements of U.S. Equal Employment Opportunity Commission, "Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act," 29 CFR Part 1630, pertaining to employment of persons with disabilities. In addition, Consultant agrees to comply with any implementing requirements FTA may issue.

Immigration and Naturalization Act of 1986 – In connection with the execution of this Contract, Consultant must comply with all aspects of the federal Immigration and Naturalization Act of 1986.

SOLICITATIONS FOR SUBCONTRACTORS, INCLUDING PROCUREMENT OF MATERIALS AND EQUIPMENT:

In all solicitations either by competitive bidding or negotiation made by Consultant for work to be performed under a subcontract, including procurement of materials or leases of equipment, each potential subcontractor or supplier shall be notified by Consultant of Consultant's obligations under this contract and the Regulations relative to non-discrimination on the grounds of race, color, or national origin.

INFORMATION AND REPORTS:

Consultant shall provide all information and reports required by the Regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by VCTC or the Federal Transit Administration to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of a Contractor is in the exclusive possession of another who fails or refuses to furnish this information, Consultant shall so certify to VCTC or the Federal Transit Administration as appropriate, and shall set forth what efforts it has made to obtain the information.

SANCTIONS FOR NONCOMPLIANCE:

In the event of Consultant's noncompliance with nondiscrimination provisions of this contract, VCTC shall impose contract sanctions as it or the Federal Transit Administration may determine to be appropriate, including, but not limited to:

- withholding of payments to Consultant under the Agreement until Consultant complies; and/or
- cancellation, termination, or suspension of the Agreement, in whole or in part.

INCORPORATION OF PROVISIONS:

Consultant shall take such action with respect to any subcontract or procurement as VCTC or the Federal Transit Administration may direct as a means of enforcing such provisions including sanctions for noncompliance: provided, however, that, in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, Consultant may request VCTC, and in addition, Consultant may request the United States to enter into such litigation to protect the interests of the United States.

SUBCONTRACTS

Consultant also agrees to include these requirements in each subcontract financed in whole or in part with Federal assistance provided by FTA, modified only if necessary to identify the affected parties.

FTA 7. ACCESS TO RECORDS AND REPORTS

Consultant agrees to provide VCTC, the FTA Administrator, the Comptroller General of the United States or of any of their authorized representatives access to any books, documents, papers and records of Consultant which are directly pertinent to this Agreement for the purposes of making and conducting audits, inspections, examinations, excerpts, and transcriptions. Consultant also agrees, pursuant to 49 CFR 633.1.7, to provide the FTA Administrator or his or her authorized representatives, including any Project Management Oversight (PMO) contractor, access to Consultant's records and construction sites pertaining to a major capital project, defined at 49 U.S.C. 5302(a)1, which is receiving federal financial assistance through the programs described in 49 U.S.C. 5307, 5309 or 5311. Consultant agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

Consultant agrees to maintain all books, records, accounts and reports required under this Agreement for a period of not less than three years after the date of termination or expiration of this Agreement, except in the event of litigation or settlement of claims arising from the performance of this Agreement, in which case Consultant agrees to maintain such books, records, account and reports until the VCTC, the FTA Administrator, the Comptroller general, or any of their duly authorized representatives, have disposed of all such litigation, appeals, claims or exceptions related thereto.

FTA 7.1 SUBCONTRACTORS' CERTIFICATE REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY OR VOLUNTARY EXCLUSION

Consultant shall include in each subcontract exceeding \$100,000, regardless of tier, a clause requiring each lower tiered subcontractor to provide the certification set forth in paragraph B of this section. Each subcontract, regardless of tier, shall contain a provision that the subcontractor shall knowingly enter into any lower tier subcontract exceeding \$100,000 with a person who is disbarred, suspended or declared ineligible from obtaining federal assistance funds. If a proposed subcontractor is unable to certify to the statements in the following certification, Consultant shall promptly notify VCTC and provide all applicable documentation.

Each subcontractor with a subcontract exceeding \$100,000 shall certify as follows:

Subcontractor's Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion

_____ ("subcontractor") certifies, by submission of its proposal to _____ ("Contractor"), that neither it nor its "principals" (as defined in 49 CFR 29.105(p)1 is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in contracts by any Federal department or agency.

If subcontractor is unable to certify to the statements in the certification, subcontractor has attached a written explanation to its proposal to Consultant.

FTA 8. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS AND RELATED ACTS

Consultant acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986, as amended, 31 U.S.C. 3801 et seq. And U.S. Department of Transportation (DOT) regulations, "Program Fraud Civil Remedies," 49 CFR Part 31, apply to its actions pertaining to this Agreement. Upon execution of this Contract, Consultant certifies or affirms the truthfulness and accuracy of any statement it has made, it makes, it may make, or causes to be made, pertaining to this Agreement or the FTA assisted project for which this Agreement work is being performed. In addition to other penalties that may be applicable, Consultant further acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification, the Federal Government reserves the right to impose the penalties of the Program fraud Civil Remedies Act of 1986 on Consultant to the extent the Federal Government deems appropriate.

Consultant also acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification to the Federal Government under a contract connected with a project that is financed in whole or in part with Federal assistance originally awarded by FTA under the authority of 49 U.S.C. 5307, the Government reserves the right to impose the penalties of 18 U.S.C. 1001 and 49 U.S.C. 5307(n)(1) on Consultant, to the extent the Federal Government deems appropriate.

Consultant agrees to include the above two clauses in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clauses shall not be modified, except to identify the subcontractor who will be subject to the provisions.

FTA 9. LOBBYING

Contractors who apply or bid for an award of \$100,000 or more shall file the certification required by 49 CFR part 20, "New Restrictions on Lobbying." Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier shall also disclose the name of any registrant under the Lobbying Disclosure Act of 1995 who has made lobbying contacts on its behalf with non-Federal funds with respect to that Federal contract, grant or award covered by 31 U.S.C. 1352. Such disclosures are forwarded from tier to tier up to the recipient.

FTA 10. ENVIRONMENTAL REQUIREMENTS

Consultant agrees to comply with all applicable standards, orders or requirements as follows:

CLEAN AIR

Consultant shall comply with all air pollution control rules, regulations, ordinances and statutes which apply to any work performed pursuant to the Agreement, including any air pollution control rules, regulations, ordinances and statutes, specified in Section 1 1017 of the California Government Code. All Contractors and suppliers shall be required to submit evidence, if requested, to VCTC that the governing air pollution control criteria will be met.

Consultant also agrees to include these requirements in each subcontract exceeding \$100,000 under this Agreement.

CLEAN WATER

Consultant agrees to comply with all applicable standards, orders or regulations issued pursuant to the federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq. Consultant agrees to report each violation to VCTC. VCTC will, in turn, report each violation as required to assure notification to FTA and the appropriate EPA Regional Office.

Consultant also agrees to include these requirements in each subcontract exceeding \$100,000 under this Agreement.

ENERGY CONSERVATION

Consultant shall recognize mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the federal Energy Policy and Conservation Act (42 U.S.C., Section 6321 et seq.).

FTA 11. RECYCLED PRODUCTS

Consultant agrees to comply with all the requirements of Section 6002 of the Resource Conservation and Recovery Act (RCRA), as amended, 42 U.S.C. 6962, including but not limited to the regulatory provisions of 40 CFR Part 247, and Executive Order 12873, as the apply to the procurement of the items designated in Subpart B of 40 CFR Part 247.

FTA 12. INCORPORATION OF FEDERAL TRANSIT ADMINISTRATION (FTA) TERMS

The provisions in this Section (FTA Requirements) include, in part, certain Standard Terms and Conditions required by the U.S. Department of transportation (DOT), whether or not expressly set forth in the preceding provisions. All contractual provisions required by DOT, as set forth in FTA Circular 4220.1D, dated April 15, 1996 as it may be amended from time to time, are hereby incorporated in this Agreement reference. Anything to the contrary herein notwithstanding, all FTA mandated terms shall be deemed to control in the event of a conflict with other provisions contained in this Agreement. Consultant shall not perform any act, fail to perform any act or refuse to comply with any requests of VCTC which would cause VCTC to be in violation of the FTA terms and conditions.

FTA 13. BREACHES AND DISPUTE RESOLUTION PROCEDURE

Disputes - Disputes arising in the performance of this Agreement which are not resolved by agreement of the parties shall be decided in writing by the authorized representative of VCTC. This decision shall be final and conclusive unless within ten (10) days from the date of receipt of its copy, Consultant mails or otherwise furnishes a written appeal to the Executive Director of the VCTC. In connection with any such appeal, Consultant shall be afforded an opportunity to be heard and to offer evidence in support of its position. The decision of the Executive Director of VCTC shall be binding upon Consultant and Consultant shall abide by the decision, subject to Consultant's continuing right to seek arbitration or other legal remedy as provided below.

Performance During Dispute - Unless otherwise directed by VCTC, Contractor shall continue performance under this Agreement while matters in dispute are being resolved.

Claims for Damages - Should either party to the Agreement suffer injury or damage to person or property because of any act or omission of the party or of any of his employees, agents or others for whose acts he is legally liable, a claim for damages

therefore shall be made in writing to such other party within a reasonable time after the first observance of such injury of damage.

Remedies - Unless this Agreement provides otherwise, all claims, counterclaims, disputes and other matters in question between VCTC and Consultant arising out of or relating to this Agreement or its breach will be decided by arbitration should one party submit the dispute for resolution in accordance with the same, or in a court of competent jurisdiction within the State of California.

Rights and Remedies - The duties and obligations imposed by the Agreement documents and the rights and remedies available hereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law. No action or failure to act by VCTC or Contractor shall constitute a waiver of any right or duty afforded any of them under the Agreement, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach there under, except as may be specifically agreed in writing.

PROTEST PROCEDURES

The Federal Transit Administration will only review protests regarding alleged failure of VCTC to follow the written and adopted Contract Protest Procedures.

FTA ROLE IN BID PROTESTS

Protestors shall file a protest with FTA not later than five days after a final decision is rendered under VCTC's protest procedure. In instance where the protestor alleges that VCTC failed to make a final determination on the protest, protestors shall file a protest with FTA not later than five days after the protestor knew or should have known of VCTC's failure to render a final determination on the protest.

Protests should be filed with the appropriate FTA Regional Office with a concurrent copy to the grantee. The protest filed with FTA shall:


- Include the name and address of the protestor.
- Identify the grantee, project number, and the number of the contract solicitation.
- Contain a statement of the grounds for the protest and any supporting documentation. This should detail the alleged failure to follow protest procedures or the alleged failure to have procedures and be fully supported to the extent possible.
- Include a copy of the local protest filed with the grantee and a copy of the grantee's decision, if any.

FTA may dismiss the protest without further process if the protest, as originally filed, fails to establish grounds for FTA review.

LOBBYING CERTIFICATION

As required by U.S. DOT regulations, "New Restrictions on Lobbying," at 49 CFR 20.110, I certify to the best of my knowledge and belief that for each application for federal assistance exceeding \$100,000: (1) No Federal appropriated funds have been or will be paid, by or on behalf of Cubic Transportation Systems Inc., to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress pertaining to the award of any Federal assistance, or the extension, continuation, renewal, amendment, or modification of any Federal assistance agreement; and (2) If any funds other than Federal appropriated funds have been or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any application to FTA for Federal assistance, I assure that Standard Form-LLL, "Disclosure Form to Report Lobbying," would be submitted and would include all information required by the form's instructions.

I understand that this certification is a material representation of fact upon which reliance is placed and that submission of this certification is a prerequisite for providing Federal assistance for a transaction covered by 31 U.S.C. 1352. I also understand that any person who fails to file a required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each failure.


Signature & Title of Authorized Official
Carl R. Adrignola
Vice President, Contracts

May 6, 2013
Date

SUSPENSION AND DEBARMENT CERTIFICATION

CERTIFICATION OF PRIMARY PARTICIPANT REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS

The Primary Participant (applicant for an FTA grant or cooperative agreement, or Potential Contractor for a major third party contract), certifies to the best of its knowledge and belief, that it and its principals:

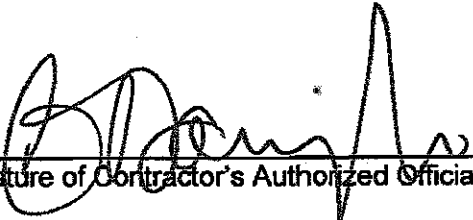
1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency,-
2. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction,- violation of Federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
3. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (2) of this certification; and
4. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default. (If the primary participant (applicant for an FTA grant, or cooperative agreement, or potential third party contractor) is unable to certify to any of the statements in this certification, the participant shall attach an explanation to this certification.)

THE PRIMARY PARTICIPANT (APPLICATION FOR AN FTA GRANT OR COOPERATIVE AGREEMENT, OR POTENTIAL CONTRACTOR FOR A MAJOR THIRD PARTY CONTRACT) CUBIC TRANSPORTATION SYSTEMS, INC. CERTIFIES OR AFFIRMS THE TRUTHFULNESS AND ACCURACY OF THE CONTENTS OF THE STATEMENTS SUBMITTED ON OR WITH THIS CERTIFICATION AND UNDERSTANDS THAT THE PROVISIONS OF 31 U.S.C. SECTIONS 3801 ET. SEQ. ARE APPLICABLE THERETO.

Attached Explanation

As required above in section 4, Cubic Transportation Systems, Inc. hereby attaches the following explanation of circumstances.

In May 2011 a now former employee of Cubic Transportation Systems, Inc. was arrested in Boston for unlawfully using Cubic equipment to make counterfeit Massachusetts Bay Transit Authority (MBTA) rail passes and selling those passes to the public. The MBTA then gave Cubic a notice of termination for default of the Agreement for Processing and Fulfillment of Fare Media. Cubic disputes the basis for the termination notice and continues to perform substantially all the services called for under the Agreement. The MBTA and Cubic are working cooperatively on a resolution of the open issues. The individual allegedly responsible for the counterfeiting scheme remains in jail.



Signature of Contractor's Authorized Official

May 6, 2013
Date

Typed Name and Title of Contractor's Authorized Official

Carl R. Adrignola
Vice President, Contracts

The undersigned chief counsel for Cubic Transportation Systems, Inc. hereby certifies that Cubic Transportation Systems, Inc. has authority under State and local law to comply with the subject assurances and that the certification above has been legally made.



Signature of Applicant's Attorney

May 6, 2013
Date

Typed Name of Applicant's Attorney

David A. Jenkins III

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives.

"VCTC": VENTURA COUNTY TRANSPORTATION COMMISSION

Steven Sojka , VCTC Chair

Date _____

APPROVED AS TO FORM:

Mitchel B. Kahn, General Counsel

Date _____

CONSULTANT: Cubic Transportation Systems, Inc.



Carl Adrignola

May 6, 2013
Date

Vice President

Title: _____