

Termination for Convenience – Revised Language

Revised 5/21/25

Our standard contract language:

- 1.1. The Customer may terminate this Agreement on ninety (90) days advance notice for convenience provided that such termination will entitle NG to the recovery of investment as provided in this subsection. The Customer acknowledges that NG will make a substantial investment in the installation of the Systems, furnishing of the Back-Office Software, and otherwise preparing to perform its obligations hereunder. In the event that the Customer terminates this Agreement for convenience under this subsection within sixty (60) months of the Installation Date, the Customer shall pay to NG a Recovery Fee (the "**Recovery Fee**") in a pro rata amount equal to \$70,000 for each System where equipment and software is installed to monitor violations for a single approach to an intersection for up to five lanes of traffic multiplied by a fraction, (a) the numerator of which will be 60 minus the number of full calendar months between (i) the date that this Agreement terminates and (ii) the Installation Date, and (b) the denominator of which will be sixty (60). No Recovery Fee shall be due if this Agreement terminates, expires, or is not renewed pursuant to any other subsection of this Agreement.

A suggested alternative allowing a 3-year contract term:

- 1.1. The Customer may terminate this Agreement on ninety (90) days advance notice for convenience provided that such termination will entitle NG to the recovery of investment as provided in this subsection. The Customer acknowledges that NG will make a substantial investment in the installation of the Systems, furnishing of the Back-Office Software, and otherwise preparing to perform its obligations hereunder. In the event that the Customer terminates this Agreement for convenience under this subsection within thirty six (36) months of the Installation Date, the Customer shall pay to NG a Recovery Fee (the "**Recovery Fee**") in a pro rata amount equal to \$70,000 for each System where equipment and software is installed to monitor violations for a single. No Recovery Fee shall be due if this Agreement terminates, expires, or is not renewed pursuant to any other subsection of this Agreement. Examples of recovery cost are as follow.

TERMINATION	RECOVERY COST
First Month	\$70,000
After One (1) Year	\$46,666
After Two (2) Years	\$23,333
After Three (3) Years	\$0