

EXHIBIT K

FORM OF VIOLATIONS PROCESSING SERVICES AGREEMENT

This VIOLATIONS PROCESSING SERVICES AGREEMENT (this “Agreement”) is made and entered into this [•] day of [•] 20[•], by and between the VIRGINIA DEPARTMENT OF TRANSPORTATION (“VDOT”) and [•] (the “Participant”).

RECITALS

WHEREAS, Participant is the operator of [name of facility] (the “Facility”); and

WHEREAS, in connection with the Participant’s operation of the Facility, the Participant desires to contract with VDOT to obtain certain violation processing services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, VDOT and the Participant hereby agree as follows:

ARTICLE 1 – DEFINITIONS

Section 1.1 The terms set forth below will have the meanings set forth adjacent to them.

Comprehensive Agreement means a comprehensive agreement, if any, relating to the Facility between VDOT and Participant pursuant to the Virginia Public-Private Transportation Act.

Facility means [•].

Facility System means a violation enforcement system at the Facility.

Participant means [•].

VDOT means the Virginia Department of Transportation.

Violations Processing Center means a facility established to provide the Violations Processing Services, including all necessary or convenient data and communication lines, office supplies, equipment and personnel.

Violations Processing Effective Date means the date on which VDOT commences providing the Violations Processing Services to Participant.

Violations Processing Services means the services identified in Exhibit A.

VPS Provider means a third-party provider of Violations Processing Services to VDOT.

ARTICLE 2 – VIOLATIONS PROCESSING SERVICES

Section 2.1 Provision of Violations Processing Services. VDOT agrees to provide the Violations Processing Services to the Participant for the Facility beginning as of the Violations Processing Effective Date, by delivery of notice by VDOT to the Participant that VDOT is prepared to provide the Violations Processing Services, subject to the terms of this Agreement, including, but not limited to the Business Rules and Procedures set forth in Exhibit B and the Fee Schedule and Payment Provisions set forth in Exhibit C. VDOT may contract with one or more private companies for the provision of such Violations Processing Services.

Section 2.2 Violations Processing Centers. Subject to the limitations of and in accordance with the Business Rules and Procedures, VDOT shall establish, maintain, administer and operate (or cause the establishment, maintenance, administration and operation of) one or more Violations Processing Centers. VDOT will provide reasonable advance notice to the Participant of any planned changes to the Violations Processing Center location, its operations and/or service requirements that affect the Participant and will, with good faith cooperation, seek the Participant's comments on any such changes and incorporate mutually agreeable proposals;

Section 2.3 Toll Violations Records. VDOT shall maintain or cause to be maintained a record of all toll violations processed under this Agreement, including fees, charges and penalties for such toll violations, notices, collections, enforcement requests sent to a third party (such as a collection agency or law enforcement agency), administrative dispositions of such toll violations, correspondence relating to toll violation enforcement, and the outcome or resolution of such toll violations, all in accordance with the Business Rules and Procedures. VDOT shall handle, store and dispose of, or cause to be handled, stored, and disposed of violation images and data, in compliance with applicable laws, including Virginia Code §§ 46.2-819.1 *et seq.*, and the records retention and destruction provisions of the Business Rules and Procedures. To the extent permitted by applicable law, all such records shall be available for audit and inspection by the Participant during normal business hours and upon reasonable notice.

Section 2.4 Performance of Violations Processing Services. VDOT shall perform itself or shall use commercially reasonable efforts to cause the VPS Provider to perform the Violations Processing Services in accordance with this Agreement. If the Participant gives VDOT a written notice stating that the VPS Provider is not performing its duties and obligations, and specifying the reasons, VDOT shall promptly give the VPS Provider notice to such effect and request appropriate action. VDOT shall apprise the Participant of all decisions relating to any such situation and seek and take into consideration the Participant's advice and input relating to any such matters. The Participant acknowledges and agrees that the VPS Provider has the discretion to pursue or not to pursue violations by initiation of legal proceedings, as provided by the Business Rules and Procedures. VDOT shall promptly notify the Participant of such events or conditions that are anticipated to materially affect the provision of Violations Processing Services under this Agreement, including with respect to amendments or changes to or matters under the E-ZPass Operations Interagency Agreement and the E-ZPass Reciprocity Agreement.

Section 2.5 Additional Plazas and Lanes. The parties acknowledge that this Agreement provides only for Violations Processing Services in respect of the Facility. Violations Processing Services for additional facilities may be added pursuant to mutual written agreement.

Section 2.6 VDOT Standard of Care. VDOT will exercise due care and diligence in providing Violations Processing Services, planning and implementing modifications, upgrades and associated testing of its Violations Processing system at levels which are reasonable given the schedule, scope and budget for such system. However, VDOT expressly disclaims any and all liability for, and provides no guarantee against, system failures, interruptions or other malfunctions. While precautions will be taken by VDOT to help mitigate the risk of occurrence of such adverse impacts, VDOT shall not be financially responsible for the occurrence of any adverse impact to the Participant or other third parties.

Section 2.7 Relationship to ETC Agreement. Violations Processing Services hereunder shall not constitute “ETC Services” under and as defined in the Electronic Toll Collection Agreement between the Participant and VDOT.

ARTICLE 3 – PARTICIPANT

Section 3.1 Participant Policies and Operating Procedures. The Participant’s policies and operating procedures that affect the Violations Processing Services are subject to the review and reasonable approval of VDOT; provided, however that such approval shall not be subject to any deemed approval provisions of a Comprehensive Agreement. To the extent that any of the Participant’s policies and operating procedures affects the operations of the Violations Processing Center, VDOT and the Participant shall engage in good faith discussions regarding the implementation of such policies and procedures. Should the Participant’s policies and operating procedures or any revisions thereto result in any increase in VDOT’s cost of providing the Violations Processing Services, VDOT shall immediately provide the Participant with notice of such cost increases. The Participant shall reimburse VDOT for VDOT’s associated direct costs within 30 days after VDOT provides the Participant written notice thereof. Such written notice shall include adequate and detailed documentation of the costs.

ARTICLE 4 – FACILITY SYSTEM

Section 4.1 Facility System.

(a) In order for VDOT to provide Violations Processing Services, the Participant shall provide, install, maintain and operate at its Facility a Facility System, which shall be compatible with VDOT’s system, and shall be capable of capturing a video image of a license plate, and other pertinent information of a vehicle that does not pay the proper toll amount, and shall provide violation processing capabilities consistent with the further requirements of this Agreement. The Participant shall provide and install all equipment, components, hardware, software, cabling, and any other materials and services required for this function. VDOT and/or the VPS Provider shall provide data formats, documentation, interface requirements and any other necessary design information, including updates and modifications, to the Participant in a

timely manner and at no additional cost to the Participant other than as noted in the Fee Schedule and Payment Provisions set forth in Exhibit C

(b) The Participant shall be responsible for ensuring that the Facility System provides transaction data in the format required by VDOT. The Participant's Facility System shall be capable of capturing a violation transaction, consisting of transaction data and license plate images for each vehicle that does not pay the proper toll either manually or electronically. The captured image shall be associated with the correct transaction and sent to the Violations Processing Center for processing. No image captured by the Facility System shall include the face of any person in the vehicle after the image has been prepared for processing in accordance with applicable law and a Comprehensive Agreement, if any. The license plate number and state shall be readable to a clerk during review on a violation processing workstation monitor.

(c) Should the Participant's Facility System send erroneous data that increases VDOT's cost of providing the Violations Processing Services, VDOT shall immediately provide the Participant with notice of such cost increases. The Participant shall reimburse VDOT for VDOT's associated direct costs within 30 days after VDOT shall have given the Participant written notice. Such written notice shall include adequate and detailed documentation of such costs.

Section 4.2 Testing Procedures and Results.

(a) The Participant will be responsible for any and all system maintenance, changes, modifications or upgrades to its Facility System. All changes, modifications or upgrades to any of the Participant's Facility equipment or other system modifications shall be compatible with VDOT's operations and otherwise satisfy the requirements of this Agreement. Either party shall notify the other in writing at least 90 days in advance of any changes or modification to such party's violations processing system equipment that may affect the other's system, equipment, provision of services or operations in any material respect.

(b) VDOT or its representatives will participate in acceptance testing and must approve testing of upgrades or other modifications to the Participant's Facility System, prior to processing of live violations through the Violations Processing Center. VDOT shall give the Participant advance notice of VDOT's testing of upgrades or other modifications to VDOT's violations processing system, including a successor to the then-current VPS Provider or Violations Processing Center, and shall allow the Participant or its representatives an opportunity to participate in such testing.

Section 4.3 Modifications. In the event either party proposes upgrades or modifications, such party will provide proposed test schedules and scripts for such upgrades or other modifications to the other party and the VPS Provider at least 60 days in advance of testing. In the case of upgrades or modifications to the Participant's Facility System, VDOT may require additional tests to be undertaken at the Participant's expense in order to confirm the accuracy and reliability in all aspects of the processing of violations. Copies of test results shall promptly be made available to the other party and the VPS Provider.

Section 4.4 System Performance. Both the Participant and VDOT shall report to the other within two (2) business days any system failure or degradation that may affect Violations Processing Services. In the event that the Participant is unable to send transactions for periods in excess of two (2) business days, the Participant must notify the manager of the Violations Processing Center prior to sending any backlogged violations transactions. If the Violations Processing Center is unable to process violation transactions for the Participant for any period in excess of 24 hours, VDOT shall notify the Participant within two (2) business days of such occurrence.

Section 4.5 Disputed Transactions. Disputed transactions shall be resolved as set forth in the Business Rules and Procedures.

ARTICLE 5 – MAINTENANCE

Section 5.1 Participant Responsibility. The Participant shall be responsible for the maintenance, repair and operation of all necessary lane and computer equipment for its Facility System through and including its host computer to ensure that it performs hereunder and in accordance with the Business Rules and Procedures. In no event shall VDOT have any liability to the Participant for any losses suffered due to equipment failure or error in the Participant's Facility System from the lane level through the Participant's host computer. If VDOT gives the Participant a written notice stating that the Facility System is not operating in accordance with this Agreement or the Business Rules and Procedures, and specifying the reasons, the Participant shall promptly initiate appropriate corrective action. The Participant shall include VDOT in all decisions relating to any such situation. The Participant shall notify VDOT of all changes in the Facility Systems that can reasonably be anticipated to affect VDOT or its provision of Violations Processing Services under this Agreement.

Section 5.2 VDOT Responsibility. VDOT shall be responsible for the maintenance, repair and operation of its Violations Processing system commencing from (but excluding) the Participant's host router and extending through and including telephone lines, routers, black boxes within the Violations Processing Center.

ARTICLE 6 – PAYMENT TERMS

Section 6.1 Payment Terms. The Participant agrees to compensate VDOT for Violations Processing Services, by paying to VDOT the fees and charges set forth in Exhibit C (as amended from time to time) that are applicable to the services requested by the Participant in accordance with Section 2.1. The parties acknowledge that Exhibit C contains a non-refundable initial set-up payment, in addition to ongoing transaction fees and charges. VDOT reserves the right to amend Exhibit C to revise, from time to time, the charges and fees for providing Violations Processing Services under this Agreement, which revisions shall take effect on such date as established by VDOT, but in no event before the expiration of 60 days from the delivery of notice of the revised charges and fees to the Participant. VDOT shall invoice the Participant on a monthly basis for the Violations Processing Services in accordance with Exhibit C. The Participant agrees to remit payment to VDOT within 30 days of delivery of each such invoice.

ARTICLE 7 – TERM

Section 7.1 Term. The term of this Agreement shall commence upon the date of this Agreement, and shall terminate on that date which is the earlier to occur of:

- (a) [•], 20[•], subject to automatic renewal for successive one year extensions, unless and until terminated by written notice delivered by either party to the other party at least 120 days prior to the end of the then current term; or
- (b) the effective date on which this Agreement is terminated by either party, as specified by delivery of written notice to the other party.

ARTICLE 8 – OPERATIONS

Section 8.1 Termination of VPS Operations. VDOT shall notify the Participant of VDOT's intention to terminate its existing agreements with VPS Providers, its operations of its Violations Processing Center, and/or the provision of Violations Processing Services at least 120 days prior to undertaking same, absent exigent circumstances, in which latter case, VDOT shall provide Participant such prompt notice as practicable under the circumstances.

Section 8.2 Business Rules and Procedures. VDOT shall establish, maintain and amend, from time to time, the Business Rules and Procedures for Violations Processing Services. The current Business Rules and Procedures are annexed to this Agreement as Exhibit B. Any anticipated amendments shall be presented by VDOT and discussed at liaison meetings. VDOT will, in good faith cooperation, try to accommodate changes proposed by the Participant. However, VDOT has sole authority to amend the Business Rules and Procedures, which amendments shall take effect on the date established by VDOT, but no sooner than the expiration of 90 days after delivery of written notice of the amendments to the Participant.

Section 8.3 Liaison and Meetings. Participant and VDOT each agree to meet with each other and VPS Providers to coordinate the administration and performance of this Agreement with each other and to conduct periodic meetings and liaison sessions to ensure the efficient provision of Violations Processing Services and the resolution of disputes that may arise under this Agreement.

ARTICLE 9 – DISPUTE RESOLUTION

Section 9.1 Dispute Resolution Generally. VDOT and the Participant will each exercise their best efforts to mutually resolve any dispute that may arise between them through good faith negotiations between the Authorized VDOT Representative and Authorized Participant Representative.

Section 9.2 Dispute Resolution Pursuant to a Comprehensive Agreement. If VDOT and the Participant have entered into a comprehensive agreement pursuant to the Virginia Public-Private Transportation Act which requires their respective entry into this

Agreement, then the provisions of Section 9.1 shall not apply and the parties agree to resolve any disputes which arise between them under this Agreement pursuant to the dispute resolution provisions of such comprehensive agreement.

ARTICLE 10 - DEFAULT

Section 10.1 Events of Default; Cure; Termination.

(a) A failure by either VDOT or Participant to fulfill their respective material responsibilities and obligations set forth herein will give rise to an event of default, respectively. Following the provision of notice of default by the non-defaulting party to the defaulting party, and the failure to cure the event of default within the period agreed upon pursuant to Section 12.1(b), the Agreement may be terminated in accordance with Section 10.1(c).

(b) If an event of default occurs pursuant to Section 10.1(a), the defaulting party shall have 60 days to cure such default; provided, however, that the 60-day cure period may be extended by mutual agreement.

(c) Following expiration of the cure period, unless such cure period is extended by mutual agreement, the non-defaulting party will have the right to terminate this Agreement by notice thereof to the defaulting party.

(d) The Participant acknowledges and agrees that its sole remedy in the event of a default by VDOT shall be to terminate this Agreement in accordance with the terms herof. VDOT shall incur no liability to the Participant for any actual or purported failure to properly maintain, repair or operate its violations processing system and the Violations Processing Center or otherwise provide Violations Processing Services hereunder. However, in the event of a default that arises by reason of the failure of a VPS Provider to perform its contractual obligations to VDOT and VDOT is able to recover damages from that VPS Provider with respect to such failure, VDOT shall remit to the Participant such portion of the recovered damages as VDOT determines in its sole judgment to be appropriate and shall advise the Participant of the rationale for its determination.

(e) Except as otherwise expressly provided by this Agreement, neither party shall have any liability to the other party for consequential damages.

ARTICLE 11 - MISCELLANEOUS

Section 11.1 Waivers, Modifications and Amendments. No waiver, modification, or amendment of any term, condition or provision of this Agreement will be valid or of any force or effect unless made in writing and signed by both VDOT and the Participant. The effect of any such change will be limited to the extent specified and agreed to by VDOT and the Participant, as evidenced by signatures of duly appointed officers of each of the parties.

Section 11.2 Captions. Captions, headings, cover pages and tables of contents contained in this agreement are inserted for convenience of reference only and in no way define, limit or prescribe the scope, intent or meaning of any provisions of this Agreement. All

appendices, exhibits, or schedules attached hereto are hereby incorporated herein and made a part of this Agreement.

Section 11.3 Notices. All notices will be in writing and will be delivered personally, by telecopy, or by registered or certified mail, return receipt requested, addressed as follows:

Participant Mailing Address

[INSERT]

VDOT Mailing Address

Virginia Department of Transportation
1401 East Broad Street
Richmond, Virginia 23219
Attention: Commissioner of Highways
Telecopier: 804-780-6250

Section 11.4 Entire Agreement. This Agreement constitutes the entire agreement between VDOT and the Participant concerning the subject matter hereof and supersedes all prior negotiations, representations, and agreements about them, either oral or written; *provided, however* that the provisions of a Comprehensive Agreement, if any, shall prevail in the event such provisions conflict with the terms of this Agreement.

Section 11.5 Force Majeure/Emergency. In case by reason of force majeure, either party will be rendered unable wholly or in part to carry out its obligations under this Agreement, then, provided such party will give notice and full particulars of such force majeure in writing to the other within a reasonable time after occurrence of the event or cause relied on, the obligations of such party so far as they are affected by such force majeure, will be suspended during the continuance of the inability then claimed, which will include a reasonable time for the removal of the effect thereof, and such party will endeavor to remove or overcome such inability with all reasonable dispatch. Any time period specified herein for the performance by such party of an obligation will be appropriately adjusted and extended without the necessity for any amendment to this Agreement if a force majeure event occurs.

Section 11.6 Assignment. Participant may not assign its rights and obligations under this Agreement except with the prior written consent of VDOT.

Section 11.7 Governing Law and Venue. This Agreement shall be governed and construed in accordance with the laws of the Commonwealth of Virginia. All litigation between the parties arising out of or pertaining to this Agreement or its breach will be filed, heard and decided in the Circuit Court for the City of Richmond, Virginia, Division I, which will have exclusive jurisdiction and venue.

Section 11.8 Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

[Signature Page Follows]

IN WITNESS THEREOF, this Agreement has been entered into as of the first date set forth above, by the duly authorized officers of the parties hereto.

PARTICIPANT

**VIRGINIA DEPARTMENT OF
TRANSPORTATION**

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Exhibit A

Violations Processing Services

Violations Processing Services shall include each of the following services if the box adjacent to any such service has been checked:

- Providing a manual image review of images and data transmitted from the Participant for the Toll Facility.
- Rejecting violation transactions that fail to meet appropriate criteria including image quality, valid transaction data, and front license plate image for tractor/trailer combinations.
- Identifying and communicating systematic issues with violation quality to the Participant.
- Processing requests from the participant for specific violations dismissals due to equipment or other issues.
- Posting the transaction to the appropriate account for images associated with valid EZ-Pass accounts by transponder, license plate or vehicle owner name and address.
- Obtaining from the appropriate Department of Motor Vehicles or third party data provider the name and address of the owner associated with the recorded license plate number of each violating vehicle.
- Issuing by mail to such individual or entity one or more toll violation notices according to business rules.
- Quality control on the accuracy and appearance of notices.
- Escalating unpaid violations and amounts due according to business rules and issuing follow up notices.
- Imposing and collecting fees and tolls for toll violations, and waiving or crediting such fees and tolls.
- Providing customer service to support violation resolution via the web, in person service centers and telephone.
- Processing disputes for leased and rental vehicles and assigning violations to the driver of the vehicle.
- Providing monthly financial and processing reports of all amounts received, in respect to Participant's Toll facility for the Participant to audit violation activity
- For unpaid violations meeting necessary criteria, as defined by the Participant, issuing summons by mail and by delivery to the appropriate sheriff and attending court hearings with the necessary evidentiary information.
- Recording and communication to the Participant the disposition of any court hearings.
- Working with the Participant on an ad-hoc basis to provide information to identify and allow the Participant to pursue egregious violators.

This scope of services may be modified in writing periodically to reflect funding constraints, modified business processes and new activities that are identified as beneficial to the violation processing program.

Business Rules and Procedures

[see attached]



VPS Agreement
Exhibit C - Business R



Virginia Department of Transportation

E-ZPass Service Center

Violations Processing Business Rules

Version 2.0



**Faneuil, Inc.
1504 Chestnut Street
Clifton Forge
Virginia 24422-1234**

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Revision History

VERSION #	DATE	SECTION #	CHANGE DESCRIPTION
Version 1.0	March 2008	All	Initial release
Version 1.1	April 8, 2008	7.2	Add 4 th offences level \$500
Version 1.2	April 9, 2008	2.3.8 2.3.9 2.5.2 2.5.3 2.5.5 2.5.6 2.7.2 2.7.8 2.8	Clean up revisions to incorporate modifications agreed to in meetings with VDOT
Version 1.3	August, 2009	2.2 2.6 2.9	Clarification on Lane Filtering and DMV Lookup; update to violation payment processing; new VDOT business rule for legacy violation write-off
Version 2.0	May 2001	2.3.13 2.5.3	Change to Final Image Review Certify Criteria; one-time customer v-toll courtesy for E-ZPass patrons who receive violation notices.

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Table of Contents

1	Introduction.....	1
2	Violation Processing Business Rules.....	3
2.1	Lane Level.....	3
2.1.1	Run Through.....	3
2.1.2	Insufficient Funds Transaction*.....	3
2.1.3	Partial Payment.....	3
2.1.4	Insufficient Funds Transponder.....	3
2.1.5	Class Mismatch.....	3
2.2	Violation Filtering (VF)*.....	4
2.2.1	ACM Failure.....	4
2.2.2	AVI System Failure.....	4
2.2.3	VCS System Failure.....	4
2.2.4	Resync Rules.....	4
2.2.5	Excessive Violations.....	4
2.2.6	ACM Duration Event.....	5
2.2.7	Lane Restart.....	5
2.2.8	Lane Closure.....	5
2.2.9	Start/Stop Degraded Mode.....	5
2.2.10	ACM Over-Payment.....	5
2.2.11	ACM Lane Update.....	5
2.2.12	Heartbeat Transaction.....	5
2.2.13	Rejected Coin Transaction.....	5
2.3	Queue Processing.....	5
2.3.1	OCR Confidence Levels.....	6
2.3.2	Insufficient Transponder Check.....	6
2.3.3	Plate Identification.....	6
2.3.4	License Plate V-toll Check.....	6
2.3.5	V-toll Retry.....	6
2.3.6	Unpaid Toll Check*.....	7
2.3.7	Sampler Queue.....	7
2.3.8	DMV Records Processing.....	7
2.3.9	Plate Confirmation.....	7
2.3.10	New Party.....	7
2.3.11	DMV Pending.....	8
2.3.12	Pre-Classify and Classify.....	8
2.3.13	Final Review Certify Criteria.....	8
2.3.14	Final Review Reclassify Criteria.....	8
2.3.15	Final Review Reject Criteria.....	8
2.3.16	Document Generation.....	9
2.3.17	Filters 1 and 2.....	9
2.4	Violation Notice Processing.....	9
2.4.1	Toll Violator Notice (TVN) and TVN Customer (TVNC).....	9
2.4.2	Final Notice (FN) and FN Customer (FNC).....	9

2.5	Dispute Processing	9
2.5.1	Ad hoc	9
2.5.2	Leased Rental.....	10
2.5.3	Customer Dispute.....	10
2.5.4	Sold Vehicle	10
2.5.5	Stolen Vehicle.....	11
2.5.6	Sinner to Saint.....	11
2.5.7	Returned Mail	11
2.6	Payment Processing.....	11
2.6.1	Payment Methods and Locations	11
2.6.2	Unpaid Tolls*	13
2.6.3	Prepaid Tolls.....	13
2.6.4	Refunds.....	13
2.6.5	Returned Checks	13
2.6.6	Credit Card Disputes	13
2.7	Court Processing.....	13
2.7.1	Qualification Criteria.....	13
2.7.2	Summons	13
2.7.3	Mailing	14
2.7.4	Service.....	14
2.7.5	Court.....	14
2.7.6	Evidence Package	14
2.7.7	Court Scheduling	14
2.7.8	Court Dispositions.....	14
2.8	Purging Violation Data	15
2.9	Write-off Threshold.....	15

1 Introduction

This document defines the business rules governing violation processing for the Virginia E-ZPass Customer Service and Violations Processing Center (the “Service Center”). The business rules were developed using several guidelines consisting of VDOT RFP 137-RO (and addenda) and § 46.2-819.1. of the Code of Virginia. As business rules are modified or newly introduced, this document will be updated following the same process used to update the Virginia E-ZPass Service Center Operations Manual. Rules which do not apply to Open Road Tolling, e.g., AVI-only transactions, are marked with an asterisk.

The document is organized into sections as follows:

1. Violation Filtering
2. Queue Processing
3. Violation Notice Processing
4. Dispute Processing
5. Payment Processing
6. Court Processing
7. Purging Violation Data
8. Write off Threshold

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2 Violation Processing Business Rules

2.1 Lane Level

Violations are assigned unusual occurrence (“UO”) codes based upon the type of transaction. As image files are loaded into the VPS for processing, the loader will consider these UO codes to determine how the violation record will proceed. The rules associated with applicable UO codes are defined as follows:

2.1.1 Run Through

No transponder is read and no payment is collected. These violations are transmitted to the Service Center for processing after clearing the violation filtering process. Run through’s can occur in any type of lane, e.g., attended or full-service lanes, exact change or E-ZPass lanes.

2.1.2 Insufficient Funds Transaction*

This occurs when a collector provides the patron with an unpaid toll receipt indicating the patron did not have money to pay. The collector provides instructions on how to send payment to the Service Center. The payment will be matched with the unpaid toll if received within the configured period of time (10 days) and the violation will be dismissed. This functionality must be configured at the lane level where a flag is set in the tag file indicating that an insufficient funds transaction occurred. Insufficient funds transactions may only occur in full-service lanes operated by a toll collector.

2.1.3 Partial Payment

Patron deposited an amount lower than the expected toll in the coin basket (these violations are filtered, e.g., are not sent to the Service Center for processing). Partial payment transactions only occur when a payment is made in a lane equipped with an automated coin machine.

2.1.4 Insufficient Funds Transponder

Patron’s transponder was read in the lane but the account to which the transponder was assigned is in an insufficient status. The violation record will proceed to the Service Center where it will be held for 5 days, during which time the Service Center will attempt to post the transaction to the account, if not successful the record will continue to be processed as a violation. An insufficient funds transponder transaction may occur in any AVI-equipped lane.

2.1.5 Class Mismatch

This occurs when a transponder read indicates a class that is different from the class assigned by the lane. The fare provided by the lane is posted to the customer account and image loader ignores the UO code and does not load this transaction as a violation. Class mismatches may occur in any AVI-equipped lane.

2.2 Violation Filtering (VF)*

VF will examine every transaction generated by the lane controllers. The transactions that VF will use will come from the lane controllers and flow into a Transaction File Manager (TFM) that will run on the VES Host. When VF sees a violation transaction, it stores a record of the violation in a designated database table that resides on the VES Host. VF examines each subsequent transaction message to determine if the transaction indicates that the patron may have attempted to pay the toll. If such a reason is found, VF marks the violation record with a code number indicating that the violation should be *filtered* from the normal violation process. The data VF creates and writes to database will be used as part of the process that sends the evidence packages to the Violation Processing System (VPS). Each evidence package containing violation image and data that arrives at the VES Host will be stored in a database table. Records of images that are assigned a filter reason code other than violation will not be sent to VPS, these will be retained on the VES Host for 6 months. VF looks for the following subsequent events:

2.2.1 ACM Failure

A patron may have attempted to pay the toll with coins before the lane controller was aware that the ACM was disabled.

2.2.2 AVI System Failure

A patron may have attempted to pay the toll with an AVI tag before the lane controller was aware that the AVI system was disabled.

2.2.3 VCS System Failure

When the status of any critical device (IDRIS, loop, light curtain, treadle) is reported by the lane, VF filters out the violations up to a configurable amount of time or transactions.

2.2.4 Resync Rules

VF will filter out transactions with a specific resync value.

2.2.5 Excessive Violations

A patron may have attempted to pay the toll during a time that either the ACM or AVI is disabled, but either the lane controller is not yet aware of the problem, or the system is disabled in a way that is not detectable. Examples of the latter are the AVI antenna is tilted away from the road or the coin basket is obstructed. The lane declares an excessive violations condition if there are X consecutive violations and clears the condition after Y consecutive normal transactions. The values of X and Y are dependent on the lane type. For AVI only lanes, the value of X is 6 and the value of Y is 10. For ACM and MLT lanes, the value of X is 2 and the value of Y is 5.

2.2.6 ACM Duration Event

Patron behavior in an ACM lane will be filtered out if the ACM detects coins and the vehicle leaves the lane before all coins were counted.

2.2.7 Lane Restart

The lane may have been rebooting when the patron attempted to pay the toll, so the lane controller did not register the toll.

2.2.8 Lane Closure

The lane may have been in an unstable state prior to closing, so if the lane is closed, the system assumes no violations in this mode will be captured.

2.2.9 Start/Stop Degraded Mode

VF can be configured to filter out transactions for a set time before the lane declares a Start degraded mode. This event is usually followed by a Stop degraded mode message once the lane recovers and VF can continue to filter a set amount of vehicles or time after this event occurs.

2.2.10 ACM Over-Payment

VF will look back 5 transactions to forgive the latest violation if one existed.

2.2.11 ACM Lane Update

VF will look back 5 transactions to forgive the latest violation if one existed.

2.2.12 Heartbeat Transaction

VF checks for all questionable violation transactions that have all flags set to **Y** and declares those *valid* violation transactions. Any questionable transactions (all flags are not set to **Y**) that are more than 4 hours old (default value) are declared *inconclusive* violation transactions and are filtered out.

2.2.13 Rejected Coin Transaction

VF will filter out all rejected coin transactions.

2.3 Queue Processing

The violation processing system utilizes automated processing of queues to move violations in and out of various statuses. Many business rules are configured within the queue processing procedures. Business rules are also applied in manually processed queues. Queue processing begins with image loader and ends with notice generation. Queue processing business rules include.

2.3.1 OCR Confidence Levels

The system is set to route 100% of all qualifying violations to plate ID regardless of the OCR confidence level.

2.3.2 Insufficient Transponder Check

At image loader if a transponder is found in the tag file, the system will check the Service Center account to see if the account has sufficient funds to post a v-toll. If it does, the violation record will be rejected and a v-toll will post to the account. If it fails to post it will proceed to v-toll retry queue.

2.3.3 Plate Identification

This is a manual queue.

2.3.3.1 Certification

To certify a violation record the license plate characters must be clear and unobstructed and the plate jurisdiction must be readable.

2.3.3.2 Rejection

From time to time associates are instructed by VDOT to reject violation records at certain plazas and lanes. This is only done with direction from VDOT.

Standard reject rules are:

- Reject if plate characters are obstructed or not clear
- Reject if plate jurisdiction is not readable
- Reject if no front shot is available and license plate is on a trailer being pulled by a tractor
- Reject Emergency Vehicle Plates (Fire, Ambulance, EMS and State Police Vehicle)

2.3.4 License Plate V-toll Check

After plate ID, the system will check the plate characters and jurisdiction entered against the license plate database for EZ-Pass Virginia first. If an account is found and is sufficient, a v-toll will post to the account and the violation will be dismissed. If an account is not found, the violation will go next to the IAG license plate database. If a match is found the violation will be dismissed and the v-toll information will be collected for transmission to the away agency. If a valid account is found in the EZ-Pass VA license plate database but the account is in insufficient status, the violation record will proceed to the v-toll retry queue.

2.3.5 V-toll Retry

When insufficient at plate check or transponder check it is not able to post a v-toll, the violation record will remain in a holding queue and will try to post the v-toll each day for five consecutive days. If it fails to post on the sixth day the violation will proceed on as a valid violation.

2.3.6 Unpaid Toll Check*

Violations that have been flagged as insufficient funds at the lane (UOcode9 unpaid toll transaction) will proceed to the unpaid toll queue. After plate ID the violation will be held in the unpaid toll queue awaiting a payment match. If after 10 days no match is found the violation will proceed on as a valid violation.

2.3.7 Sampler Queue

The sampler queue is used as a quality assurance review for selected associates. Selected associates are set up so a percentage of the violation records that are reviewed at plate ID will be re-routed back through plate ID for a second review. Re-reviewed records are scored by percentage if they are re-identified differently by the second reviewer.

2.3.8 DMV Records Processing

Virginia, Pennsylvania and Maryland license plates are routed directly to their state's DMV for owner information. License plates for most other states (some are excluded) are routed to LES (a contracted vendor) for processing.

2.3.8.1 DMV Cache

Once a response is returned from the DMV with the owner information, that record is saved in cache for a configurable amount of time. If subsequent violations occur for a license plate, the Violation Processing System will look for a match in the DMV cache before corresponding to the applicable DMV. The current expiration time parameter for owner information in the cache is 60 days.

2.3.9 Plate Confirmation

This is a manually processed queue. Plate confirmation queue contains plates that were returned unknown by the DMV processor. Associates review this queue and correct any information that may have not been entered correctly. The re-identified record will be routed back to plate check queue if the plate information was changed or to registration pending queue. This is for the first look-up only. The next time that plate receives a no-match the plate will go to **registration pending**. Registration pending plates will be retried 5 times and if no match is found the record will age out.

2.3.10 New Party

This is a manually processed queue. When the DMV returns a record that is similar, but not the same for an existing party in the system, the associate processing this queue will link or un-link the new record to the existing party record. The business rules that are applied will link a party with a name and address that is similar to the existing party and un-link the party if the name and address is clearly not the same. Records will not age out of this queue if unprocessed.

2.3.11 DMV Pending

DMV Pending queue is an automated queue. Records that are not returned by the DMV will remain in this queue and will be picked up each time the DMV records are processed to the DMV processor. If no response record is returned after 90 days, the record will age out of the queue.

2.3.12 Pre-Classify and Classify

The pre-classify and classify queues will determine if a party has previously been qualified within the violation processing system as a violator. The business rule that is applied is as follows:

The first violation for a party will wait 90 days for a second violation to occur. If a second violation does not occur within 90 days the first violation will be dismissed. After the party has achieved 2 violations within 90 days from that point forward each new violation occurring will be held until the next processing day then will proceed to Classify for processing into the Final Review manual queue. The reason the violations are held for a day are so that multiple violations (up to 20) for that day will be issued on one notice. If one party violates 21 times in a day a second notice will be issued.

2.3.13 Final Review Certify Criteria

Final review is a manual queue process. VDOT has specific requirements regarding the quality of the image that is selected for the violation notice. The business rule governing this is that the image must be a recognizable image of the vehicle (preferably in color). The intent of the quality control is to provide reasonable assurance that the recipient of the notice will be able to recognize their vehicle. This image must be readable to the extent that we can recognize the vehicle and identify the plate characters. If the plate characters are not perfectly clear or we cannot recognize more than four (4) of the characters we can certify as long as we have an ROI image that is clearly from the same vehicle with an irrefutable image of the plate characters. If a suitable image is not available within the group of images on file for the notice, we will send the entire group of images to reclassify.

2.3.14 Final Review Reclassify Criteria

When a violation notice is sent to reclassify it will stay in the classify queue until another qualifying violation for an existing party enters the system. The system will link the party to the records in classify and send the package of records back to final review for processing. Reclassified violations will age out after 180 days if no new violation record enters the system.

2.3.15 Final Review Reject Criteria

Business rules for rejecting violation records at final review are:

- Reject toll facility vehicle violations
- Reject US Government vehicles violations
- Reject if DMV information does not match image (eg: if DMV returns a vehicle make that does not match the image)

2.3.16 Document Generation

When a document is generated to the print outsource file, there will be a 3 day offset to the issue date to allow for printing and mailing time.

2.3.17 Filters 1 and 2

Currently Filter 1 and Filter 2 are being used to filter toll collector violations. Toll collector plates are provided by the Facility Operators on an ad hoc basis. Any request for filtering in Filter 1 or Filter 2 must come directly from VDOT or a Toll Collection Facility Manager/Director.

2.4 Violation Notice Processing

2.4.1 Toll Violator Notice (TVN) and TVN Customer (TVNC)

Business rules related to toll violation notices are as follows:

1. Dispute or payment must be made within 30 days
2. Amount due will be one administration fee and all tolls associated with the violation events itemized on the notice
3. Toll violation notice will contain all violation events for the party occurring within a 24 hour period up to 20 violation events.

2.4.2 Final Notice (FN) and FN Customer (FNC)

If the toll violation notices is not resolved within 30 days of notice issuance date, it will automatically escalate to final notice status.

Business rules related to final notices are as follows:

1. Dispute or payment must be made within 14 days or all open violations on the notice will be subject to a summons being generated.
2. Amount due will be one administration fee for each violation escalated all tolls associated with the violation events itemized on the notice.
3. Final notice will include all violations from the original notice that have not been paid or dismissed.

2.5 Dispute Processing

2.5.1 Ad hoc

An ad hoc dispute is one that does not fit into any other designated dispute category. The business rule governing ad hoc disputes is that it will be escalated to the facility operator for a ruling prior to being accepted or rejected.

2.5.2 Leased Rental

The business rule governing leased rental disputes is that the appellant must provide a lease or rental contract or copy to the Service Center via mail. If the violations occurred during the contract period, the violations will be reassigned to the renter or lessee and the rental agency or lessor's violation notice will be dismissed. If the contract is not provided or if the violations occurred outside of the contract period the dispute will be rejected.

2.5.3 Customer Dispute

Consistent with VDOT's intention we try to be customer friendly when dealing with customers who receive violation notices. The degree to which leniency is applied depends upon the general criteria outlined below:

2.5.3.1 E-ZPass Virginia Customers

An E-ZPass Virginia customer may enter their dispute as follows:

- *Walk in or call the Service Center providing their account information.* As a one-time courtesy, the dispute will be processed and if the account is in good status the appeal will be accepted and v-tolls for the violations will be posted to the customer's account. Subsequent violation notices received by an E-ZPass patron will be upheld and not v-tolled to his/her account. If the account is not in good standing the appeal will be rejected. Associate handling the call will inform the customer that the account must first be funded to process a dispute.
- *Enter a dispute via the Web.* The dispute will be processed and if the account is in good status the dispute will be accepted and v-tolls for the violations will be posed to the customer's account. If the account is not in good standing the appeal will be rejected. Customer will be advised to contact the Service Center for assistance.
- *Mail dispute to Service Center for processing.* As a one-time courtesy, the dispute will be processed and if the account is in good status the dispute will be accepted and v-tolls for the violations will be posed to the customer's account. Subsequent violation notices received by an E-ZPass patron will be upheld and not v-tolled to his/her account. If the account is not in good standing the appeal will be rejected. Customer will be advised via a dispute rejection letter.

2.5.3.2 IAG Customer Dispute

Customers from away agencies are required to mail an account statement to the Service Center since account information is not readily available. These IAG customer disputes are processed as follows:

- *Mail dispute (including statement) to the Service Center.* As a one-time courtesy, the dispute will be processed and if the plate information entered matches the away agency license plate data, the violation notice will be dismissed and v-tolls will be processed to the away agency. Subsequent violation notices received by an E-ZPass patron will be upheld and not v-tolled to his/her account. If a match is not found the dispute will be rejected and the customer will be notified via mail.

2.5.4 Sold Vehicle

Dispute must be mailed to the Service Center. Dispute must be accompanied with a signed vehicle title or receipt of sale as record of vehicle sale. If the violations on the notice occurred after the vehicle was sold

this dispute will be accepted and the notice will be closed. If the violations did not occur after the vehicle was sold or no proof of sale is provided the dispute will be rejected.

2.5.5 Stolen Vehicle

Dispute must be mailed to the Service Center. Dispute must be accompanied with a police report or copy. If the violations on the notice occurred after the vehicle was stolen this dispute will be accepted and the notice will be closed. If the violations did not occur after the vehicle was stolen or no police report is provided the dispute will be rejected.

2.5.6 Sinner to Saint

If a violator contacts the Service Center and wishes to open an account, the associate has the authority to provide amnesty for the violations that have occurred as follows:

- 1st Notice - Advise the violator to open an account with sufficient funds to cover cumulative tolls on the violation notice(s) and waive the \$25.00 administrative fee.
- Final Notice - Advise the violator to open an account with sufficient funds to cover cumulative tolls and 50% of the administrative fees on the violation notice(s), and waive the remaining 50% of the administrative fees.
- After the account has been opened, process the customer dispute causing notice to be closed and v-tolls and administrative fees, if applicable, to post to the newly opened customer account.

2.5.7 Returned Mail

When violation notices are returned to the Service Center they are processed according to the following business rules:

- If the returned mail has a forwarding address, the associated will enter the postal service provided address and reissue the document. The document will be reissued with a new document issue date.
- If the returned mail does not have a forwarding address, the document will be put on administrative hold for a configurable period of time (currently 999 days).

2.6 Payment Processing

2.6.1 Payment Methods and Locations

Customers are provided with numerous opportunities to pay violation notices:

2.6.1.1 Payment Methods

The following are the payment methods accepted for violation payments.

- Cash (walk in locations only)
- Visa, Master Card, American Express, Discover
- Check

-
- Money Order

2.6.1.2 Payment Locations

The following are the payment locations available for violation payments

- Walk in locations (Gloucester Point, Herndon, Richmond)
- Phone or Mail (Clifton Forge)
- Credit Card (All locations including Web)

2.6.1.3 Underpayments

If payment is received via mail or offered during a phone call or walk-in visit and the payment amount is less than the amount due, these payments are applied to the current balance in the following order:

1. Administrative Fees
2. NSF (non sufficient funds) – *if applicable*
3. Unpaid tolls

2.6.1.4 Three Day Rule

This rule addresses processing payments for violation notices during the “transition” period when the due date of First Notice is expiring and Final Notice is being created. There are instances when payment is received for the amount of the First Notice but Final Notice has already been created. Payment can now only be applied to Final Notice which contains a higher amount due to the more-punitive administrative fees.

- If a check is received for payment and the check is dated on or before the issue date of the Final Notice (VF or VFC), the payment will be applied to the Final Notice with the additional administrative fees being dismissed. If the check is dated after the issue date of the Final Notice, the business rule no longer applies and the payment will be applied as an underpayment.
- Violators can provide payment via credit card by mailing their credit card information to the service center. If the credit card payment is received on or before the issue date of the Final Notice, payment can be processed for the amount due on the First Notice. Once payment has been processed for the original amount due, a supervisor must be notified to dismiss the additional admin fees. If the credit card payment is received after the issue date of the Final Notice, the business rule no longer applies and the payment will be applied as an underpayment.
- When a violator calls in/walks in to make payment on or before the issue date of Final Notice, payment can be processed for the amount due on the First Notice. If the payment is received after the issue date of the Final Notice, the business rule no longer applies and the payment will be applied as an underpayment. Once payment has been processed for the original amount due, a supervisor must be notified to dismiss the additional admin fees.

If this scenario occurs, notify your Senior CSR or Supervisor so they can appropriately dismiss the applicable fees.

2.6.2 Unpaid Tolls*

Unpaid tolls must be received at the Service Center for posting within 10 days of the unpaid toll receipt being issued. If payment is not received the record will proceed in the workflow as a violation. Only unpaid toll payments matching a transaction from the lane will be reported on the facility disbursement report.

2.6.3 Prepaid Tolls

Prepaid tolls are accepted in the Service Center. If it is possible to find the violation and reject it the Service Center will attempt to do so. The payment will be posted regardless of whether a corresponding violation was found or not. Prepaid tolls will not be reported on the facility disbursement report.

2.6.4 Refunds

Violation overpayments due to actual overpayments or payments for violations that have been dismissed are processed as refunds 30 days after the payment was posted.

2.6.5 Returned Checks

Checks for violation payments that are returned for insufficient funds or closed account are assessed a fee of \$35. The returned check fee is added to the total amount due on the violation notice which will be reopened and escalated according to the document escalation rules.

2.6.6 Credit Card Disputes

No fee is assessed on violation payments for credit card disputes.

2.7 Court Processing

Court processing is a combination of automated and manual processes and business rules are applied both by the system and by associates processing the court data.

2.7.1 Qualification Criteria

In order to qualify for a summons the following business rules govern:

- The party has had 3 or more unpaid tolls per facility
- The party has failed to pay or successfully dispute their violations for a period greater than 45 days

2.7.2 Summons

Summons will be queued up as violations meet the criteria for summons processing. As court dockets will allow, associates will select summons to be escalated to court and will generate summons documents. One summons will be generated for each violation record. Once a summons has been generated, the Service Center will no longer be able to post a payment or process a dispute. Summons amounts will

include: civil penalty admin fee, toll, and any other charges. At the hearing the judge will also apply court charges.

Rules governing civil penalties are as follows:

- 1st offence \$50 civil penalty
- 2nd offence \$150 civil penalty
- 3rd offence \$250 civil penalty
- 4th offence \$500 civil penalty

2.7.3 Mailing

- Summons will be mailed directly to the violator from the Service Center
- Two copies of the summons will be sent to the service processor along with a certificate of posted mailing. The service processor will serve the summons and forward certificate of posted mailing to the court when that has occurred.
- Summons will be organized by court date/court location they will be sent to the court where case will be heard.

2.7.4 Service

In order for a case to be properly adjudicated, an authorized officer must serve the summons or post it for service at the violator's place of residence. If service officer is not able to provide service, the court may not be able to adjudicate the case.

2.7.5 Court

Each court will be provided with an electronic file and also a paper copy of all summonses for each day's docket(s). Court will communicate with Service Center when cases are rescheduled or prepaid.

2.7.6 Evidence Package

Court Specialist will prepare evidence packages for each case and bring them to the court on the day of the hearing. Court Specialist will be on hand to assist the judge with any questions or provide evidence package as requested.

2.7.7 Court Scheduling

The Service Center will work directly with the clerk of court in each location to identify available court docket time and fill them with toll violation cases.

2.7.8 Court Dispositions

Court Specialist will enter court disposition determined by the adjudicating judge at the hearing. The following business rules govern summons dispositions:

- Guilty – violation will be closed in the VPS and payment will be received by the court

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- Not Guilty – violation will be closed
 - Collections – violation was not able to be adjudicated so violation will remain open in the VPS and can be processed further via payment made to the Service Center or through a third party collection agency
 - Continued – Judge leaves open with new hearing date.

2.8 Purging Violation Data

Each month, a process will run to purge violation records pursuant to § 46.2-819.1. of the Code of Virginia. The business rules governing violation purging are as follows:

- Paid in full violations – When all violations associated with a party are paid in full all violation records will be purged.
- Dismissed in full violations – When all violations associated with a party are dismissed in full all violation records will be purged.
- Paid by Court disposition violations – Cases marked as Guilty as a result of a hearing will not be purged unless or until it can be verified that amounts due have been paid in full and the payments have been reconciled.

2.9 Write-off Threshold

On April 1, 2009, VDOT determined violation notices that meet all of the following criteria are to be written off and not researched for purposes of escalation to Final Notice or Summons:

- Violation notices with an Issue Date of September 24, 2007 or earlier,
- The outstanding balance of the violation notices are equal to or less than \$5.00,
- The violation notices are in an Admin Hold, Partially Paid, or Partially Dismissed status

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Exhibit C

Fee Schedule and Payment Provisions

A. Fee Schedule.

This preliminary fee schedule is subject to change as provided in Part B of this Exhibit C. Once the actual rates are established they will be reviewed and reset annually based on actual experience and operating costs, as provided in Part B of this Exhibit C. Fees will be assessed according to the following activities undertaken by service center:

- V1 – a transaction fee for each violation received by the central system;
- V2 – a transaction fee for each V-Toll processed by the central system;
- V3 – a system amortization fee allocated based on DMV look-up volume performed by VDOT;
- V4 – a processing fee assessed for each DMV look-up performed by VDOT;
- V5 – a transaction fee for each violation payment processed;
- V6 – a transaction fee for each violation administrative fee payment processed;
- V8 – a fee as a percentage of the value of violation payments processed (This percentage will be based on the average credit card and other financial transaction processing fees per violation dollar processed).
- V9 – actual costs incurred in pursuit of violations subsequent to mailing a final notice including costs to issues summons and attend court hearings or pursue unpaid violations via collections. The ceiling on these costs will be agreed in advance with the Participant.

Fee	Unit	Value
V1	Per Violations Image Loaded	\$0.10
V2	Per V-Toll	\$0.17
V3	Per DMV Look-up by VDOT	\$0.78
V4	Per DMV Look-up by VDOT	\$1.20
V5	Per Notice	\$2.01
V6	Per Payment	\$7.56
V8	Percentage Fee	2.10%
V9	Actual costs incurred on behalf of Participant	Tracked monthly

Fees are progressive. By way of example, a violation that is cleared at the V-Toll stage would have \$0.27 netted against the toll; a violation that proceeds through collection at the Violations Processing Center after a single notice would be assessed \$11.65. Operators will also be invoiced monthly fee of [•] % of payments processed.

In addition, the Participant shall pay VDOT an initial set-up fee of \$[•], within thirty (30) days following delivery of an invoice for such sum by VDOT to the Participant.

B. Payment Provisions.

The foregoing costs and fees are preliminary and subject to change as provided below in connection with VDOT's annual review of the costs of providing Violations Processing Services.

Costs and fees under the Violations Processing Agreement shall cover the Participant's share of the costs of providing Violations Processing Services. VDOT shall review and, if appropriate, establish revised costs and fees on an annual basis and use its best efforts to provide notice thereof by [] in any year (for purposes of meeting the Participant's budget preparation cycle), and in any case provide not less than 3 months notice of any proposed amendment and modification thereof and the effective or implementation date of any such revised costs and fees.

The Participant shall pay all such costs and fees, as provided in the Violations Processing Agreement.