# Exhibit A

## **EXECUTIVE EMPLOYMENT AGREEMENT**

THIS EXECUTIVE EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into as of September 20, 2006 ("Effective Date"), by and between American Traffic Solutions, Inc., a Kansas corporation, (the "Company"), and Michael J. Lenza (the "Executive").

### WITNESSETH:

WHEREAS, the Company has entered into the Business Representation Agreement dated September 20, 2006 between Executive's company, Public Finance Strategies, LLC, and American Traffic Solutions, Inc., ("BRA") attached hereto as Exhibit A;

WHEREAS, the Company desires to retain the services of Executive, and Executive desires to be employed by the Company, on the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth herein, the Company and Executive, intending to be legally bound, hereby agree as follows:

- 1. <u>Employment</u>. The Company agrees to employ Executive as Senior Vice President Financial Services of the Company, and Executive accepts such employment and agrees to perform full-time employment services for the Company, subject always to resolutions of the Board of Directors of the Company (the "Board") and direction from the Company's Chief Executive Officer, for the period and upon the other terms and conditions set forth in this Agreement. In addition, Executive agrees to abide by the terms and conditions set forth in the BRA.
- 2. <u>Term.</u> The term of Executive's employment hereunder (the "Term") shall commence on the Effective Date, and shall continue until August 31, 2011 unless this Agreement is terminated upon written notice by either party as set forth in Section 5 below. Sections 5, 6 and 7 of this Agreement shall govern the amount of any compensation to be paid to Executive upon termination of this Agreement and his employment.

## 3. <u>Position and Duties</u>.

- 3.1. <u>Service with the Company</u>. During the Term of this Agreement, Executive agrees to perform such executive employment duties as the Chief Executive Officer shall reasonably assign to him from time to time. Executive's initial duties are described in Exhibit B.
- 3.2. <u>No Conflicting Duties</u>. Executive hereby confirms that he is under no contractual commitments inconsistent with his obligations set forth in this Agreement, and that during the Term of this Agreement, he will not render or perform services, or enter into any contract to do so, for any other corporation, firm, entity or person that are inconsistent with the provisions of this Agreement or Executive's fiduciary obligations to the Company.

## 4. <u>Compensation and Benefits</u>.

- 4.1. <u>Base Salary</u>. As compensation for all services to be rendered by Executive under this Agreement, the Company shall pay to Executive an annual salary of \$156,000.00 (the "Base Salary"). The Company shall pay the Base Salary to Executive on the Company's regularly scheduled paydays in accordance with the Company's normal payroll procedures and policies.
- 4.1.1. Offset. The Base Salary to Executive will be offset by management fees owed by Executive to the Company as set forth in the BRA.
- 4.2. <u>Participation in Benefit Plans</u>. Executive shall be included to the extent eligible thereunder in plans of the Company providing general benefits for the Company's executive employees, including, medical, dental, vision, disability, life insurance, 401(k) plan, sick days, vacation, and holidays. Executive's participation in any such plan or program shall be subject to the provisions, rules, and regulations applicable thereto.
- 4.3. <u>Commissions</u>. Executive shall receive a commission of up to 0.5% of gross revenue actually received by the Company for new municipal red light camera and speed camera enforcement contracts that Executive implements within the sales territory defined in Exhibit B so long as Executive remains employed by the Company. This commission will be paid in the month following the receipt of payments from customers on invoiced amounts and is earned only when paid.
- 4.4. <u>Business Expenses</u>. In accordance with the terms of the BRA and/or Company's policies established from time to time, the Company will pay or reimburse Executive for all reasonable and necessary out-of-pocket expenses incurred by him in the performance of his duties under this Agreement, subject to the presentment of appropriate supporting documentation.

## 5. Termination.

- 5.1. <u>Disability</u>. At the Company's election, Executive's employment and this Agreement shall terminate upon Executive's becoming totally or permanently disabled for a period of ninety (90) days or more in any twelve (12) month period. For purposes of this Agreement, the term "totally or permanently disabled" or "total or permanent disability" means Executive's inability on account of sickness or accident, whether or not job-related, to engage in regularly or to perform adequately his assigned duties under this Agreement. A reasonable determination by the Company of the existence of a disability shall be conclusive for all purposes hereunder. In making such determination of disability, the Company may utilize such advice and consultation as the Company deems appropriate, but there is no requirement of procedure or formality associated with the making of a determination of disability.
- 5.2. <u>Death of Executive</u>. Executive's employment and this Agreement shall terminate immediately upon the death of Executive.

- 5.3. <u>Termination</u>. Notwithstanding the term of this agreement (Paragraph 2, above), the Company may terminate Executive's employment and this Agreement at any time if favorable/revenue producing enabling legislation for ATS is not passed by the state legislature on or prior to December 31, 2009, or for Cause (as described in paragraph 6.3, infra) immediately upon written notice to Executive.
- 5.4. <u>Resignation</u>. Executive's employment and this Agreement shall terminate on the earlier of the date that is one (1) month following the written submission of Executive's resignation to the Company or the date such resignation is accepted by the Company.
- 5.5. Surrender of Records and Property. Upon termination of his employment with the Company or when requested at any time by the Company, Executive shall deliver promptly to the Company all credit cards, computer equipment, cellular telephone, records, manuals, books, blank forms, documents, letters, memoranda, notes, notebooks, reports, data, tables, calculations or copies thereof, that are the property of the Company and that relate in any way to the business, strategies, products, practices, processes, policies or techniques of the Company, and all other property, trade secrets and confidential information of the Company, including, but not limited to, all documents that in whole or in part contain any trade secrets or confidential information of the Company that in any of these cases are in his possession or under his control, and Executive shall also remove all such information from any personal computers and other data devices that he owns or controls.

## 6. Compensation Upon the Termination of Executive's Employment.

- 6.1. In the event that Executive's employment and this Agreement are terminated pursuant to Section 5.1 (Disability), 5.3 (Termination), or 5.4 (Resignation), then Executive shall be entitled to receive Executive's then current Base Salary through the date his employment is terminated, but no other compensation of any kind or amount.
- 6.2. In the event Executive's employment and this Agreement are terminated pursuant to Section 5.2 (Death), Executive's beneficiary or a beneficiary designated by Executive in writing to the Company, or in the absence of such beneficiary, Executive's estate, shall be entitled to receive Executive's then current Base Salary through the end of the month in which his death occurs, but no other compensation of any kind or amount.
- 6.3 Definition of Cause. As used herein, the term "Cause" shall mean a determination in good faith by the Company of one or more of the following by Executive: (1) Committed a criminal act or a single act of fraud, embezzlement, theft, breach of trust, or other act of gross misconduct; (2) Been arraigned, indicted, formally charged, or convicted of any felony or any crime involving dishonesty, fraud, theft, or moral turpitude, whether or not related to Executive's employment with the Company; (3) Been arraigned, indicted, formally charged, or convicted of any crime or offense that, in the reasonable good faith judgment of the Company, has or could materially damage the reputation of the Company or would materially interfere with Executive's performance of services to the Company; (4) Willful misconduct or gross negligence with regard to the Company having a material adverse affect on the Company; (5) Conduct which in the good faith and reasonable determination of the Company demonstrates gross

unfitness to serve; (6) Violated any material written Company policy or rules of the Company, after written notice from the Company and a reasonable opportunity to cure (if deemed curable by the Company in its sole discretion) not to exceed fifteen (15) days; and/or (7) Persistent unsatisfactory performance of employment and/or assigned duties after written notice from the Company and a reasonable opportunity to cure (if deemed curable by the Company in its sole discretion) not to exceed fifteen (15) days.

7. <u>Ventures</u>. With the exception of the line of business described in the BRA, if, during the Term of this Agreement, Executive is engaged in or associated with the planning or implementing of any project, program, or venture involving the Company and a third party or parties, all rights in the project, program, or venture shall belong to the Company and shall constitute a corporate opportunity belonging exclusively to the Company. Except as approved in writing by the Board, Executive shall not be entitled to any interest in such project, program, or venture or to any commission, finder's fee, or other compensation in connection therewith other than the Base Salary to be paid to Executive as provided in this Agreement.

## 8. Restrictions.

- 8.1. Executive and the Company reaffirm the Proprietary Rights and Non-Competition Agreement entered into between the parties on September 21, 2006 and attached hereto as Exhibit \_\_. If any provision of this Agreement is determined to be inconsistent with the Proprietary Rights and Non-Competition Agreement, then the more restrictive provision shall be given preference.
- 8.2.Definitions. For purposes of this Agreement, the following terms shall have the following meanings:
- 8.2.1. "Trade Secrets" means information that is not generally known about the Company or its business, including without limitation about its products, recipes, projects, designs, developmental or experimental work, computer programs, data bases, knowhow, processes, customers, suppliers, business plans, marketing plans and strategies, financial or personnel information, and information obtained from third parties under confidentiality agreements. "Trade Secrets" also means formulas, patterns, compilations, programs, devices, methods, techniques, or processes that derive independent economic value, actual or potential. from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. In particular, the parties agree and acknowledge that the following list, which is not exhaustive and is to be broadly construed, enumerates some of the Company's Trade Secrets, the disclosure of which would be wrongful and would cause irreparable injury to the Company: (i) the Company's photo-traffic enforcement processes, software, technology, techniques, equipment or services; (ii) manufacturing processes for the foregoing products; (iii) pricing information; (iv) product development, marketing, sales, customer, and supplier information related to any Company product or service available commercially or in any stage of development during Executive's employment with the Company; and (v) Company marketing and business strategies, ideas, and concepts. Executive acknowledges that the Company's Trade Secrets were and are designed and developed by the

Company at great expense and over lengthy periods of time, are secret, confidential, and unique, and constitute the exclusive property of the Company.

- 8.2.2. "Restricted Field" means the business of manufacturing, developing, marketing, and/or selling photo-traffic enforcement software, technology, techniques, equipment or services or other business activities in which the Company engages during the Term. The Company is in the business of developing, manufacturing, and selling these products in the Business Territory.
- 8.2.3. "Business Territory" means the entire United States, unless a court of competent jurisdiction determines that that geographic scope is unenforceable under applicable law because it is too broad, in which case the Business Territory shall be amended by eliminating geographical areas and states from the following list until the Business Territory is determined to be reasonable: Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, Washington, District of Columbia, West Virginia, Wisconsin, Wyoming, Maricopa County, Arizona, Phoenix, Arizona. The parties acknowledge and agree that if any of the geographic areas or States listed above are required by law to be eliminated, it would be fair and appropriate to do so in the inverse order of the volume of revenue received or projected to be received by the Company from such area or State at the time of determination.
- 8.2.4. "Non-Solicitation Period" means a period of 12 months after the termination of Executive's employment with the Company.
- 8.3. <u>Non-Disclosure Obligations</u>. Executive shall not at any time, during or after the Term of this Agreement, without the express written consent of an officer of the Company, publish, disclose, or divulge to any person, firm or corporation, or use directly or indirectly for the Executive's own benefit or for the benefit of any person, firm, corporation or entity other than the Company, any Trade Secrets of the Company.
- 8.4. Non-Competition Obligations. The Company has the option of non compete obligations by compensating the executive at the rate of \$13,000 per month after termination. Executive acknowledges the substantial amount of time, money, and effort that the Company has spent and will spend in developing its products and other strategically important information (including Trade Secrets), and agrees that during the Non-Competition Period, Executive will not, alone or with others, directly or indirectly, as an employee, agent, consultant, advisor, owner, manager, lender, officer, director, employee, partner, stockholder, or otherwise, engage in any Restricted Field activities in the Business Territory, nor have any such relationship with any person or entity that engages in Restricted Field activities in the Business Territory; provided, however, that nothing in this Agreement will prohibit Executive from owning a passive investment of less than one percent of the outstanding equity securities of any company listed on any national securities exchange or traded actively in any national over-the-counter market so

long as Executive has no other relationship with such company in violation of this Agreement. The Non-Competition Period set forth in this Section 8.3 shall be tolled during any period in which the Executive is in breach of the restriction set forth herein.

- 8.5. Agreement Not to Solicit Customers. Executive agrees that during Executive's employment with the Company hereunder and during the Non-Solicitation Period, Executive will not, either directly or indirectly, on Executive's own behalf or in the service or on behalf of others, solicit, divert, or appropriate, or attempt to solicit, divert, or appropriate, to any business that engages in Restricted Field activities in the Business Territory (i) any person or entity whose account with the Company was sold or serviced by or under the supervision of Executive during the twelve (12) months preceding the termination of such employment, or (ii) any person or entity whose account with the Company has been directly solicited at least twice by the Company within the year preceding the termination of employment (the "Customers"). The Non-Solicitation Period set forth in this Section 8.4 shall be tolled during any period in which the Executive is in breach of the restriction set forth herein.
- 8.6. Agreement Not to Solicit Employees. Executive agrees that during Executive's employment with the Company hereunder and during the Non-Solicitation Period, Executive will not, either directly or indirectly, on Executive's own behalf or in the service or on the behalf of others solicit, divert, or hire away, or attempt to solicit, divert, or hire away any person then employed by the Company, nor encourage anyone to leave the Company's employ. The Non-Solicitation Period set forth in this Section 8.5 shall be tolled during any period in which the Executive is in breach of the restriction set forth herein.
- 8.7. Non-Disparagement. Executive agrees that during Executive's employment with the Company hereunder and thereafter, he will not, either directly or indirectly, disparage, defame, or besmirch the reputation, character, or image of the Company or its products, services, employees, directors, or officers.
- 8.8. Reasonableness. Executive and the Company agree that the covenants set forth in this Agreement are appropriate and reasonable when considered in light of the nature and extent of the Company's business. Executive further acknowledges and agrees that (i) the Company has a legitimate interest in protecting the Company's business activities and its current. pending, and potential Trade Secrets; (ii) the covenants set forth herein are not oppressive to Executive and contain reasonable limitations as to time, scope, geographical area, and activity; (iii) the covenants do not harm in any manner whatsoever the public interest; (iv) Executive's chosen profession, trade, or business is in accounting, public finance and administration generally (the "Profession") (v) the Restricted Field is only a very small or limited part of the Profession, and Executive can work in many different jobs in Executive's Profession besides those in the Restricted Field; (vi) the covenants set forth herein do not completely restrain Executive from working in Executive's Profession, and Executive can earn a livelihood in Executive's Profession without violating any of the covenants set forth herein; (vii) Executive has received and will receive substantial consideration for agreeing to such covenants, including without limitation the consideration to be received by Executive under this Agreement; (viii) if Executive were to work for a competing company that engages in activities in the Restricted Field, there would be a substantial risk that Executive would inevitably disclose Trade Secrets to

that company; (ix) the Company competes with other companies that engage in Restricted Field Activities in the Business Territory, and if Executive were to engage in prohibited activities in the Restricted Field within the Business Territory, it would harm the Company; (x) the Company expends considerable resources on hiring, training, and retaining its employees and if Executive were to engage in prohibited activities during the Non-Solicitation Period, it would harm the Company; and (xi) the Company expends considerable resources acquiring, servicing, and retaining its Customers and if Executive were to engage in prohibited activities during the Non-Solicitation Period, it would harm the Company.

9. Assignment. This Agreement shall not be assignable, in whole or in part, by either party without the written consent of the other party, except that the Company may, without the consent of Executive, assign its rights and obligations under this Agreement to any corporation, firm or other business entity (i) with or into which the Company may merge or consolidate, (ii) to which the Company may sell or transfer all or substantially all of its assets or (iii) of which 30% or more of the equity investment and of the voting control is owned, directly or indirectly, by, or is under common ownership with, the Company. Upon such assignment by the Company, the Company shall attempt to obtain the assignees' written agreement enforceable by Executive to assume and perform, from and after the date of such assignment, the terms, conditions, and provisions imposed by this Agreement upon the Company. After any such assignment by the Company and such written agreement by the assignee, the Company shall be discharged from all further liability hereunder and such assignee shall thereafter be deemed to be the Company for the purposes of all provisions of this Agreement including this Section 10.

## 10. Other Provisions.

- 10.1. Choice of Forum and Governing Law. Employee agrees that: (i) any litigation involving this Agreement, or regarding the interpretation, validity and/or enforceability of this Agreement, shall be filed and conducted only in the state or federal courts in the City of Phoenix, Arizona, Maricopa County, Arizona; and (ii) the Agreement shall be interpreted in accordance with and governed by the laws of the State of Arizona, without reference to conflicts of law provisions thereof.
- 10.2. <u>Prior Agreements</u>. This Agreement contains the entire agreement of the parties relating to the subject matter hereof and supersedes all prior agreements and understanding with respect to such subject matter, and the parties hereto have made no agreements, representations, or warranties relating to the subject matter of this Agreement which are not set forth herein.
- 10.3. Withholding Taxes and Right of Offset. The Company may withhold from all payments and benefits under this Agreement all federal, state, city, or other taxes as shall be required pursuant to any law or governmental regulation or ruling. Executive agrees that the Company may offset any payments owed to Executive pursuant to this Agreement or otherwise against any amounts owed by the Executive to the Company.
- 10.4. <u>Amendments</u>. No amendment or modification of this Agreement shall be deemed effective unless made in writing signed by Executive and the Company.

- 10.5. No Waiver. No term or condition of this Agreement shall be deemed to have been waived nor shall there be any estoppel to enforce any provisions of this Agreement, except by a statement in writing signed by the party against whom enforcement of the waiver or estoppel is sought. Any written waiver shall not be deemed a continuing waiver unless specifically stated, shall operate only as to the specific term or condition waived, and shall not constitute a waiver of such term or condition for the future or as to any act other than that specifically waived.
- 10.6. <u>Severability</u>. To the extent any provision of this Agreement shall be invalid or unenforceable, it shall be considered deleted from this Agreement and the remainder of such provision and of this Agreement shall be unaffected and shall continue in full force and effect.
- 10.7. Survivability. Sections 8, 9, 10, and 11 of this Agreement shall survive the termination of this Agreement and the termination of Executive's employment with the Company.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year set forth above.

"Company": American Traffic Solutions, Inc.

Title:

"Executive"

Michael Lenza

## Exhibit B

## American Traffic Solutions, Inc. Proprietary Rights and Non-Competition Agreement

### THIS AGREEMENT CREATES IMPORTANT OBLIGATIONS WHICH ARE BINDING. PLEASE READ IT IN FULL BEFORE YOU SIGN.

I recognize the importance of protecting the Company's relationships and its rights to inventions, discoveries, ideas, confidential information and other intellectual property and for good and valuable consideration which I have received, including my engagement to provide services to the Company as an independent contractor or employee (in either event referred to hereinafter as my "Relationship with the Company") or the continuation of my Relationship with the Company, I agree to the following:

## DEFINITIONS. For the purposes of this Agreement:

- (a) "Business Territory" means [the entire United States], unless a court of competent jurisdiction determines that that geographic scope is unenforceable under applicable law because it is too broad, in which case the Business Territory shall be amended by eliminating geographical areas and states from the following list until the Business Territory is the maximum area determined to be reasonable: Arizona, California, Colorado, Delaware, District of Columbia, Florida, Georgia, Hawaii, Illinois, Indiana, Kansas, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Texas, Utah, Virginia, Washington, West Virginia, Wisconsin, Maricopa County, Arizona, Phoenix, Arizona. I acknowledge and agree that if any of said geographic areas or States are required by law to be eliminated, it would be fair and appropriate to do so in the inverse order of the volume of revenue received by the Company in the year prior to, and projected to be received in the year following, the time of determination in such area or State.
- (b) "Company" means American Traffic Solutions, Inc., a Kansas corporation, and its subsidiaries, if any.
- (c) "Computer Information" means all information and communications created, received, or stored on or passed through the Company's computer and communications systems and Company information located on any personal computer. Among other things, Computer Information includes all of my files, voice mail and e-mail.
- (d) "Confidential Information" means information (including information created by me) which is not generally known about the Company or its business, including without limitation about its products, projects, designs, developmental or experimental work, computer programs, software, data bases, know-how, processes, formulas, customers, business partners, suppliers, business plans, marketing plans and strategies, finances, employee compensation, or personnel, and information obtained from third parties under confidentiality agreements. The term "software" includes software in various stages of development or any product thereof and includes without limitation the literal elements of a program (source code, object code or otherwise), its audiovisual components (memis, screens, structure, and organization), any human or machine readable form of the program, and any writing or medium in which the program or the information therein is sorted, written or described, including without limitation diagrams, flow charts, designs, drawings, specifications, models, date and customer information.
- (e) "Creation" means any invention, discovery, idea, concept, design, process, work of authorship, development or improvement (whether or not subject to copyright or patent protection and whether or not reduced to practice by me): (i) relating to any past, present or reasonably anticipated business of the Company and which is or was created or otherwise developed during my Relationship with the Company; (ii) which is or was created or otherwise developed while performing work for the Company; or (iii) which is or was created or otherwise developed at any time using equipment, supplies, facilities, information or proprietary rights or other property of the Company.

Employee Initials:

- (f) The "Employee Non-Solicitation Period" and the "Client Non-Solicitation Period" shall follow Section 8 of the Executive Employment Agreement.
- (g) The "Non-Competition Period" shall follow Section 8 of the Executive Employment Agreement
- (h) "Restricted Field" means the business of developing and marketing traffic control solutions. The Company is in the business of developing manufacturing, marketing, selling and otherwise providing products, software, and materials in the Restricted Field, which includes computer hardware, software development and maintenance and other support services in the electronic toll and traffic management business. Specifically, the restricted field includes systems and services which support or enable traffic enforcement management, automated revenue collection and related service and technology delivery.

### OWNERSHIP OF CREATIONS.

- (a) Inventions Retained. I represent that all matters which I have created or otherwise developed prior to my Relationship with the Company or my signing this Agreement, which I wish to exclude from my obligations to the Company under this Agreement, are listed below. If no items are listed below, I represent that there are no such matters to be excluded.
- (c) <u>Maintenance of Records.</u> Lagree to keep and maintain adequate and current written records of all Creations made by me. in the form of notes, sketches, drawings and other notations which may be specified by the Company, which records shall be available to and remain the sole property of the Company at all times.
- (d) <u>Disclosure of Creations and Filings</u>. I agree to promptly disclose to the Company in writing all Creations created or otherwise developed by me alone or in conjunction with others, as well as any and all patent applications or copyright registrations filed by me during and within one (I) year after termination of my Relationship with the Company,
- (e) <u>Assistance</u>. During and after the period of my Relationship with the Company, I agree that I will give the Company all assistance it reasonably requires (at the Company's expense) to file for, maintain, protect and enforce the Company's patents, copyrights, trademarks, trade secrets and other rights in Creations, in any and all countries. To that end I will sign documents and do other acts which the Company may determine necessary or desirable including, without limitation, giving evidence and testimony in support of the Company's rights hereunder.
- (f) Intellectual Property Rights in Works of Authorship. I acknowledge and agree that any intellectual property rights in Creations which are works of authorship belong to the Company and are "works made for hire" within the definition of section 101 of the United States Copyright Acts of 1976,

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Title 17, United States Code. The Company or any of its direct or indirect licensees shall not be obligated to designate me as author of any design, software, firmware, related documentation, or any other work of authorship when distributed publicly or otherwise, nor to make any distribution.

### 3. CONFIDENTIAL INFORMATION

- (a) Ownership of Confidential Information. All Confidential Information which I create or otherwise develop or which comes into my possession or that previously came into my possession shall be and remain the exclusive property of the Company. Unless authorized in writing by the Company, I will maintain all Confidential Information in confidence and, except as necessary in conjunction with my work for the Company, will not copy or make notes of, divulge to anyone outside the Company or use any of the Confidential Information for my own or another's benefit, either during or after the term of my Relationship with the Company. I agree that I will promptly disclose to the Company all Confidential Information developed by me. I will abide by any policies and procedures adopted from time to time by the Company to facilitate such disclosures.
- (b) No Disclosure or Use of Confidential Information. Unless authorized in writing by the Company, I will maintain all Confidential Information in confidence and, except as necessary in conjunction with my work for the Company, will not copy or make notes of, divulge to anyone outside the Company or use any of the Confidential Information for my own or another's benefit, either during or after the term of my Relationship with the Company. I agree that I will promptly disclose to the Company all Confidential Information developed by me. I will abide by any policies and procedures adopted from time to time by the Company to facilitate such disclosures.
- (c) Returning the Company Documents and Tangible Property. Upon request of the Company and, in any event, upon termination of my Relationship with the Company, I will promptly surrender and deliver to the Company (and will not keep in my possession or deliver to anyone else) and agree not to use any Confidential Information, records, data, notes, reports, proposals, lists, correspondence, computer code, specifications, drawings, blueprints, sketches, flow diagrams, materials, equipment, devices or any other documents or property (including photocopies or other reproductions of any of the aforesaid items) of the Company.
- (d) <u>Confidential Information of Third Parties.</u> During my Relationship with the Company I may receive, under non-disclosure agreements agreed to by authorized representatives of the Company, information claimed by third parties to be their confidential information. I agree that I will respect such agreements and will not disclose such information to any person or organization, except as is necessary in carrying out my work for the Company consistent with the Company's agreement with such third parties. At the request of the Company and, in any event, upon the termination of my Relationship with the Company, I will promptly surrender to the Company any such information.
- 4. NON-USE OF PROPERTY OF THIRD PARTIES. During my Relationship with the Company, I will not improperly use or disclose any confidential or proprietary information or property of any third party (including any former employer).
- 5. NO PRIOR RESTRICTIONS. I hereby represent and warrant that I am free to enter into my Relationship with the Company and that there are no contracts or restrictive covenants preventing full performance of my duties.
- 6. <u>LIMITATIONS ON COMPETITIVE ACTIVITIES DURING RELATIONSHIP.</u> During my Relationship with the Company, I will not, alone or with others, directly or indirectly, work on, plan, prepare for, organize or engage in any consulting, employment or other business activity (whether or not for compensation) that is competitive with the business in which the Company is involved or may hereafter become involved, nor will I engage in any other activity that conflicts with my obligations to the Company.

Prior to working on, planning, preparing for, organizing or engaging in any consulting, employment or other business activity outside my Relationship with the Company, I will consult with my department Vice President or supervisor to ensure that no conflict of interest with the Company exists.

- 7. <u>PUBLISHING</u>. Unless approved by the Company in writing, I will not publish anything in the Company's business areas of interest during my Relationship with the Company.
- 8. <u>EXPORT LAW ASSURANCES</u>. I agree and certify that no technology, software or any other technical data received from the Company, or the direct product thereof, will be downloaded, shipped, transferred or re-exported, directly or indirectly, to any countries designated from time to time by the U.S. government for non-export of regulated technology.
- 9. NO GUARANTEE OF EMPLOYMENT. I expressly acknowledge and agree that this is not an agreement by the Company to employ me, or otherwise engage my services, for any period, and unless otherwise expressly agreed in writing between me and the Company, my Relationship with the Company may be terminated at any time, with or without cause by either myself or the Company. All of the terms of this Agreement shall survive any termination of my Relationship with the Company.
- 10. NO EXPECTATION OF PRIVACY. The Company retains the right, with or without cause or notice to me, to access or monitor all Computer Information, including but not limited to my e-mail and voice mail. I agree that I have no reasonable expectation of privacy in the Computer Information and expressly waive any right of privacy or similar right in the Computer Information. I agree that Computer Information is the sole and exclusive property of the Company. Any of my files, e-mail or other Computer Information stored on the Company's computer and/or communications systems shall become the property of the Company. I agree that I shall not install or use encryption software on any of the Company's computers without first obtaining written permission from my department Vice President or supervisor. I agree that I shall not use passwords or encryption keys that are unknown to my manager or supervisor.

### 11. POST-EMPLOYMENT RESTRICTIONS.

- (a) Non-Solicitation of Employees. I acknowledge the character of the Company's business and the substantial amount of time, money and effort that the Company has spent and will spend in recruiting competent employees and contractors, and I agree that I will not, during my Relationship with the Company and during the Employee Non-Solicitation Period, alone or with others, directly or indirectly, solicit for employment, hire, or employ, or assist any other entity or person in soliciting for employment, hiring, or employment any employee or contractor who is or who is hereafter employed or engaged by the Company. The Employee Non-Solicitation Period shall be tolled while I am in breach hereof.
- (b) Non-Solicitation of Clients. I acknowledge the character of the Company's business and the substantial amount of time, money and effort that the Company has spent and will spend in building relationships with customers and clients in the Business Territory, and I agree that during the Client Non-Solicitation Period, I will not, alone or with others, directly or indirectly, solicit or cause to be solicited for the purpose of selling products or services substantially similar to the Company's products and services at the time of my termination, or provide, or offer to provide, services, directly or indirectly, for, any client, customer, or subcontractor with whom I have had contact on behalf of the Company, or as a result of my Relationship with the Company, within the 18 months preceding termination of my Relationship with the Company; nor will I induce, attempt to induce, or encourage any client, customer, supplier, licensee, or other business relation of the Company to cease doing business with the Company or otherwise interfere with the relationship between the Company and such person or entity. The Client Non-Solicitation Period shall be tolled while I am in breach hereof.
- (c) <u>Non-Competition</u>. I acknowledge that the Company does business throughout the Business Territory and further acknowledge the substantial amount of time, money and effort that the Company has

spent and will spend in building its products, services, employee and customer relationships and development of strategically important information, and agree that during the Non-Competition Period, I will not, alone or with others, directly or indirectly, work on, plan, prepare for, organize or engage in any business activity (whether or not for compensation) within the Restricted Field (or which I am aware the Company intends to include in the Restricted Field) in the Business Territory. The Non-Competition Period shall be tolled while I am in breach hereof.

(d) Reasonableness. I agree that the restrictions contained in this Agreement are fair and reasonable and necessary for the protection of the legitimate business interests of the Company, and I intend that such restrictions be enforceable and enforced to their fullest extent. I acknowledge that I can earn a livelihood without violating any of the undertakings contained in this Agreement, and that the restrictions in this Agreement will not prevent me from obtaining employment in many different jobs within my chosen field of work. I further acknowledge that it would take at least 12 months to locate, hire and adequately train my replacement and to give my replacement sufficient time to develop a good business relationship with the clients with whom I work during my Relationship with the Company.

#### (e) <u>Remedies.</u>

- (i) I acknowledge that any violation of this Agreement may result in immediate termination of my Relationship with the Company and may subject me to a civil action for money damages by the Company for any and all losses sustained as a result of the unauthorized disclosure of any Confidential Information or other actions which breach any provision of this Agreement or any of the covenants contained herein.
- (ii) I recognize that the Company's remedies at law may be inadequate and that Company shall have the right to seek injunctive relief in addition to any other remedy available to it. If I breach this Agreement or any of the covenants contained herein, the Company has the right to seek issuance of a court-ordered injunction as well as any and all other remedies and damages, to compel the enforcement of the terms stated herein. This provision with respect to injunctive relief shall not, however, diminish the right of the Company to claim and recover damages in addition to injunctive relief. If court action is necessary to enforce this Agreement, I shall be responsible for the Company's reasonable attorney's fees and costs.

### 12. MISCELLANEOUS

- (a) Severability. If any provision of this Agreement or portion thereof is determined by a court of competent jurisdiction to be wholly or partially unenforceable for any reason, such provision or portion thereof shall be considered separate from the remainder of this Agreement, which shall remain in full force and effect. Any court of competent jurisdiction is authorized to "blue-pencif" any unenforceable or unreasonable portion of this Agreement to eliminate grammatically severable words, phrases, sentences, or paragraphs in order to render the remaining language enforceable and reasonable.
- (b) <u>Waiver</u>. The Company's waiver or failure to enforce any violation or provision of this Agreement shall not constitute a waiver of its rights hereunder with respect to any other or continuing violation or provision of this Agreement, and shall be effective only if in writing, signed by the Company, and then only in the specific instance and for the specific purpose given.
- (c) <u>Governing Law.</u> This agreement shall be governed by and construed and enforced in accordance with the laws of the State of Arizona. I agree that suit to enforce any provision of this Agreement or to obtain any remedy with respect hereto may be brought in Superior Court, Maricopa County, Arizona or the United States District Court for the District of Arizona, and for this purpose I hereby expressly and irrevocably consent to the jurisdiction of these courts.

- (d) <u>Successors</u>. This Agreement shall be for the benefit of and be binding upon: i) my executors, heirs, and personal representatives, and ii) the successors and assigns of the Company.
- (e) Entirety of Agreement. This Agreement supersedes all prior agreements concerning Creations, Computer Information, Confidential Information, Non-Solicitation, Non-Competition and the other matters referred to herein between myself and the Company. No amendment or modification of this Agreement shall be deemed effective unless made in writing signed by me and the Company.
- (f) <u>Acknowledgment</u>. I acknowledge that I have received, read, and understand this Proprietary Rights Agreement.

Employee or Independent Contractor:
Signature
Michael Lenza
Print Name
1/21/2006 Date
ACRIV.
Accepted and agreed:
By:
Name: Musics D. Tohow
Title: Qui in sent

## Exhibit C

### **BUSINESS REPRESENTATION AGREEMENT**

This Business Representation Agreement (the "Agreement") is made and entered into this \_\_20th\_\_\_day of September, 2006 by and between Public Finance Strategies, LLC, a Delaware Limited Liability Company (the "Company"), and between American Traffic Solutions, Inc., a Kansas corporation ("Independent Contractor").

WHEREAS, the Company has developed products, strategies and lending relationships enabling state and local government to receive advanced playments on its past due receivables of unpaid fees, fines and orders "Debt Pool," (collectively, the "Business");

WHEREAS, the Company has identified state, county, and municipal government entities within the United States (collectively, the "Territory") as a valuable target market;

WHEREAS, the Company recognizes and acknowledges that Independent Contractor possesses the background, customer base, integrity and interest to contribute its valuable resources and services toward ensuring the success of anticipated market development in the Territory;

WHEREAS, Independent Contractor recognizes that Company has engaged independent Contractor because of its resources and more specifically, because independent Contractor has employed Michael J. Lenza as its Sr. Vice President – Financial Services. Company specifically recognizes the value of Mr. Lenza's experience and understanding of municipal and public sector processes within the Territory, which offers unique talents and capabilities to market Company products and services within the Territory;

WHEREAS, the Company desires to engage Independent Contractor, and Independent Contractor wishes to be engaged by the Company, for the work herein described, upon the terms herein set forth.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements hereinafter set forth, it is agreed as follows:

- 1. Appointment Subject to the terms and provisions of this Agreement and for the term hereinafter set forth, the Company hereby engages Independent Contractor to perform the duties more particularly described in Attachment 1 to this Agreement. Independent Contractor hereby accepts such engagement pursuant to the terms and provisions herein.
- 2. Independent Contractor Independent Contractor is retained by the Company only for the purposes of, and to the extent set forth in, this Agreement, and the relationship of Independent Contractor with the Company under this Agreement during the term of this Agreement shall be that of an independent contractor. Independent Contractor agrees to devote time, effort, resources, ability, skill and attention as may be necessary for Independent Contractor to perform the services required to be provided to the Company under this Agreement, but Independent Contractor shall have the full authority to select the means, manner, and method of performing such services.

### 3. Compensation

(a) The Company will pay to Independent Contractor, and Independent Contractor agrees to accept, compensation as set forth in Attachment 2 to this Agreement.

### 4. Expense Reimbursement

Independent Contractor shall be responsible for all of its "out of pocket" costs and expenses related to all of its duties within the Territory, including staff travel and living, consumables, proposal development, etc., and shall not be entitled to reimbursement for such costs by the Company unless such cost or expense is incurred at the specific request of Company and Company agrees to pay such cost or expense.

### 5. Representation

During the Term of this Agreement, the Independent Contractor will represent the Company's offerings on a branded basis with all branded representations to the customer being American Traffic Solutions, Inc., ("ATS"). ATS or other variant of the ATS business. The Company will only be represented to the customer as the contracting and financing arm of ATS related to the Business. The objective is for the Company to "white label" its Business offerings to Independent Contractor.

### 6. Exclusivity

During the term of this Agreement, Company agrees that it will not offer or provide its Business products and services to third party competitors of ATS or its customers without the written permission of Independent Contractor. Unless otherwise provided herein, Company acknowledges that such Business products and offerings will be marketed as Independent Contractor's products. The Company will provide from time to time a pipeline report of non-competitive third party opportunities in written, electronic or web based form.

### 7. Representations and Disclosures

Company discloses the following:

- (a) Company has executed a pre-existing joint venture agreement with Highbridge/Zwirn (known as "PFS Investment Partners, LLC") to acquire government receivables.
- (b) Company maintains an equity position in the receivables pool from preexisting government Debt Pool receivables contracts.
- (c) Company is the Manager of the receivables Debt Pool and receives a management fee in addition to equity participation.

### 8. Confidential Information

Both during and after the term of this Agreement, the parties agree to keep secret and confidential, and not to use or disclose (directly or indirectly) to any third parties, except as directly required for a party to perform its responsibilities hereunder, any of the other party's Confidential Information.

(a) "Intellectual Property" means any and all concepts, inventions, technological developments and improvements, mask works, methods, techniques, systems, documentation, data, programs (including object code and/or source code), and information (irrespective of whether in human or machine-readable form), works of authorship, and

products, whether or not patentable, copyrightable, or susceptible to any other form of protection and whether or not reduced to practice.

- (b) "Confidential Information" means (i) the terms of this Agreement, (ii) all Intellectual Properly and (iii) any data and other information (whether in human or machine readable form) that comes into a party's possession or knowledge (before or after the date of this Agreement) and which is obtained from the other party or obtained by a party for or on behalf of the other party, and which pertains to the other party's business, and is a trade secret and is not generally known in the speed photo enforcement and public receivables financing industry. This Confidential Information includes, but is not limited to, a party's business, accounting, marketing and operational methods, including without limitation business and strategic plans, organizational data, internal financial information, research and development plans and activities, business acquisition and expansion plans, marketing plans, sales data, unpublished promotional materials and proposals, cost and pricing information and policies, customer lists, employee lists, mailing lists, and information concerning relationships between a party and its employees or customers.
- 9. Judicial Enforcement. If any provision of this Agreement is unenforceable under applicable law, that shall not affect the validity or enforceability of the remaining provisions. To the extent that any provision of this Agreement is unenforceable because it is overbroad, that provision shall not be void but rather shall be limited to the extent required by applicable law and enforced as so limited.
- 10. Coordination. Company's sole shareholder, Michael J. Lenza, who is employed by Independent Contractor shall be responsible for development and execution of strategic and marketing plans for the Company's products and offerings in the Territory. Topics to be addressed at such meetings shall include pricing, contractual terms, company offerings, market and business development strategy and the identity of potential Customers in the Territory.
- 11. Accounting Information. Company shall keep accurate records of its receipts necessary to determine the amounts payable to Independent Contractor hereunder. Such records of Company shall be open to inspection by or on behalf of Independent Contractor on a quarterly basis on reasonable notice during ordinary business hours for the purpose of verifying the calculation of the payments provided for in this Agreement. All such inspections shall be at the expense of Independent Contractor. Furthermore, within one hundred twenty (120) days of the end of each fiscal year, Company shall provide complete annual financial statements (income statement, balance sheet, statement of cash flows & footnotes) to Independent Contractor that have been compiles or reviewed by an independent accounting firm. The Company will make available to Independent Contractor such work papers and other available information as may be reasonably requested by Independent Contractor to verify such information. Independent Contractor may provide notice to Company of any questions or objections it has to the preparation. Company shall review and evaluate any such notice and shall inform Independent Contractor of its explanation or conclusion.
- 12. **Term of Engagement**. The initial term of this Agreement shall be for three years beginning on the effective date noted above. Upon expiration of the initial term hereof, this Agreement shall renew for an unlimited number of one year terms, unless either party gives notice of its intent not to renew at least thirty (30) days prior to the conclusion of the then-current term. Either party may terminate this Agreement with or without reason given at any time upon not less than thirty (30) days' prior written notice. Further, this Agreement shall terminate immediately and without any requirement for notice in the event that Independent Contractor

severs its employment relationship with Michael J. Lenza. Notwithstanding the foregoing, this Agreement shall not terminate as to, and Company shall continue to make, commission payments to Independent Contractor on contracts with Customers in the Territory in force or in negotiation on the date of termination or expiration hereof, and any renewals of any such contracts. The provisions of Section 8 shall continue after termination or expiration of this Agreement in accordance with their terms.

- 13. Transferability Neither the Independent Contractor nor the Company may assign this Agreement or any rights hereunder without the consent of the other party.
- 14. Right of First Refusal During the term of this Agreement and for a period of 6 months following its termination, Company grants a right of first refusal to Independent Contractor in the event that Company receives a bona fide offer to sell its stock or assets to a third party. In the event of an offer from a third party, Company shall notify Independent Contractor of the terms and conditions of such offer and Independent Contractor shall have a 30 day period to exercise its right to purchase such stock or assets on the same terms and conditions offered Company by the third party. Independent Contractor shall have an additional 30 days to close the transaction following its written notification to Company of its intent to purchase. In the event that Independent Contractor fails to give notice of its intent to purchase or fails to close the transaction, the Company shall be free to dispose of its stock or assets to such third party. In no event shall any potential buyer be provided with a copy of this agreement, any information about the Independent Contractor products developed by Company, any information about specific invoicing or revenues generated by sales to the Independent Contractor related Confidential Information without written consent from Independent Contractor.
- 15. Employees, Agents and Subcontractors Independent Contractor may provide the services described on Attachment 1 through its employees, agents or independent contractors; provided, however, that all such persons providing services shall generally report to Michael J. Lenza, unless otherwise agreed by the parties.
- 16. Choice of Forum and Governing Law In light of Company's and Independent Contractor's substantial contacts with the Territory, the parties agree that: (i) any litigation involving any noncompliance with or breach of the Agreement, or regarding the interpretation, validity and/or enforceability of the Agreement, shall be filed and conducted in the state or federal courts in the City of Phoenix, Arizona, Maricopa County, Arizona; and (ii) the Agreement shall be interpreted in accordance with and governed by the laws of the State of Arizona, without regard for any conflict of law principles.
- 17. Integration and Amendments This Agreement, including Attachments 1 and 2, each of which is fully incorporated by this reference, constitutes the entire agreement between the parties and supersedes and extinguishes any prior agreement between the parties. No modification, amendment or waiver of any of the provisions of this Agreement shall be effective unless in writing specifically referring hereto, and signed by the parties hereto.
- 18. Non Waiver of Rights The failure to enforce at any time any of the provisions of this Agreement or to require at any time performance by the other party of any of the provisions hereof shall in no way be construed to be a waiver of such provisions or to affect either the validity of this Agreement, or any part hereof, or the right of either party thereafter to enforce each and every provision in accordance with the terms of this Agreement.

19. Notices All notices, requests, demands and other communications hereunder shall be deemed to have been duly given if the same shall be in writing and shall be delivered (i) personally, (ii) by registered or certified mail, postage prepaid, (iii) by facsimile transmission, with a copy by regular mail, or (iv) by overnight delivery service and addressed as set forth below:

If to Company:

Public Finance Strategies, LLC

87 Beal Road.

Waltham, MA 02453

If to Independent Contractor:

American Traffic Solutions, Inc. 14861 N. Scottsdale Road

Suite 109

Scottsdale, AZ 85254

or to such other address as may have been furnished to the other party by written notice.

IN WITNESS WHEREOF, the parties hereto have caused this Business Representation Agreement to be executed the day and year first above written.

American Traffic Solutions, Inc.

Public Finance Strategies, LLC

Name: James D. Tuton

Title: President

Name: Michael J. Lenza

Title:

### **ATTACHMENT 1**

## DESCRIPTION OF BUSINESS REPRESENTATION SERVICES

Independent Contractor will endeavor to promote and secure contracts for Company products and services related to the Business, and for other products and services agreed upon by the parties, sold and/or marketed by Company to governmental bodies, including without limitation any state government, state agency, municipality, county, court system or other political subdivisions, including their agencies and any private person contracted by them, and to any other third party purchasers and potential purchasers of any product or service provided by the Company (collectively, "Customers") in the Territory only.

### **ATTACHMENT 2**

#### COMPENSATION

## Commission & Fees to Independent Contractor:

The Company will pay fees to Independent Contractor in an amount up to \$13,000 per month to offset expenses. These fees will be paid to Independent Contractor concurrent with the Company receiving offsetting management fees as Debt Pool's are acquired.

For example: if a City with an acquired Debt Pool pays \$10,000 per month in management fees to Company, this full amount would be paid to Independent Contractor first. When these aggregate management fees exceed \$13,000, Independent Contractor will receive no more than \$13,000 per month on a priority basis. Any amount in excess of \$13,000 per month will become a part of the net revenues earned by the Company which will be eligible for the commission sharing according to the calculations provided below. The management fees referenced above may also come in the form of expense coverages paid to the Company from Highbridge/Zwirn.

Company shall deliver to Independent Contractor a commission in the amount set out below:

- (a) Company agrees that 20% of net revenues, as defined in Attachment 3, resulting from the Business, which have been allocated to Public Finance Strategies, LLC will be paid to Independent Contractor on the first \$100,000,000.00 of Debt Pool acquisitions;
- (b) If Business revenue has been generated from transactions related to Independent Contractor's customers, Company agrees that 30% of net revenues resulting from the Business, which have been allocated to Public Finance Strategies, LLC will be paid to Independent Contractor when, from the start of this agreement, Debt Pool acquisitions reach between \$100,000,001.00 to \$200,000,000.00. This percentage will be paid on the increment between this range.
- (c) If Business revenue has been generated from transactions related to Independent Contractor's customers, Company agrees that 40% of net revenues resulting from the Business, which have been allocated to Public Finance Strategies, LLC will be paid to Independent Contractor when, from the start of this agreement, Debt Pool acquisitions reach between 200,000,001.00 to \$300,000,000.00. This percentage will be paid on the increment between this range.
- (d) If Business revenue has been generated from transactions related to Independent Contractor's customers, Company agrees that 50% of net revenues resulting from the Business, which have been allocated to Public Finance Strategies, LLC will be paid to Independent Contractor when, from the start of this agreement, Debt Pool acquisitions exceed \$300,000,000.00. This percentage will be paid on the increment over this amount.

Such commission amounts set out above are based on cash receipts from Customers (as that term is defined in **Attachment 1**) in the Territory as a result of contracts between Customers in the Territory and Company which were consummated or were the subject of a written proposal during the term of this Agreement ("Commission Contracts").

The playments playable to Independent Contractor by Company under this Agreement's hall be calculated on a calendar monthly basis, payable within fourteen (14) days after the last day of each

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month. Each such payment shall be accompanied by a memorandum setting forth the calculation of such payment. The obligation to pay a commission shall survive termination or expiration of this Agreement.

## **ATTACHMENT 3**

## **NET REVENUE CALCULATION EXAMPLE**

The following table provides an example of how net revenues are calculated and will be split between the Company and Independent Contractor based upon a Debt Pool acquisition example provided below:

If for example the pool asset value requires a 20% distribution to independent Contractor based on distribution schedule in Attachment #2. A 20% commission will be paid to independent Contractor of all net revenues that would flow to Michael Lenza.