

EXCLUSIVE AGREEMENT BETWEEN THE CITY OF ROSEVILLE
AND REDFLEX TRAFFIC SYSTEMS, INC., FOR
PHOTO RED LIGHT ENFORCEMENT PROGRAM

This Agreement (this "Agreement") is made as of this 18th day of June, 2008 by and between Redflex Traffic Systems, Inc., with offices at 15020 N. 74th Street, Scottsdale, Arizona, 85260 ("Redflex"), and the City of City of Roseville, a municipal corporation, with offices at 311 Vernon Street, Roseville, CA 95678 (the "Customer").

RECITALS

WHEREAS, Redflex has exclusive knowledge, possession and ownership of certain equipment, licenses, applications, and citation processes related to digital photo red light enforcement systems; and

WHEREAS, the Customer desires to engage the services of Redflex to provide certain equipment, processes and back office services so that Authorized Employees of the Customer are able to monitor, identify and enforce red light running violations; and

WHEREAS, it is a mutual objective of both Redflex and the Customer to reduce the incidence of vehicle collisions at the traffic intersections and city streets that will be monitored pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other valuable consideration received, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

AGREEMENT

1. **DEFINITIONS.** In this Agreement, the words and phrases below shall have the following meanings:
 - 1.1. "Authorized Employee" means the Project Manager or such other individual(s) as the Customer shall designate to review Potential Violations and to authorize the Issuance of Citations in respect thereto.
 - 1.2. "Authorized Violation" means each Potential Violation in the Violation Data for which authorization to issue a citation in the form of an Electronic Signature is given by the Authorized Employee by using the Redflex System.
 - 1.3. "Citation" means the notice of a Violation, which is mailed or otherwise delivered by Redflex to the violator, on the appropriate Enforcement Documentation with respect to each Authorized Violation.
 - 1.4. "Confidential or Private Information" means, with respect to any Person, any information, matter or thing of a secret, confidential or private nature, whether or not so labeled, which is connected with such Person's business or methods of operation or concerning any of such Person's suppliers, licensors, licensees, customers or others with whom such Person has a business relationship, and which has current or potential value to such Person or the unauthorized disclosure of which could be detrimental to such Person, including but not limited to:

- 1.4.1. Matters of a business nature, including but not limited to information relating to development plans, costs, finances, marketing plans, data, procedures, business opportunities, marketing methods, plans and strategies, the costs of construction, installation, materials or components, the prices such Person obtains or has obtained from its clients or customers, or at which such Person sells or has sold its services.
- 1.4.2. Matters of a technical nature, including but not limited to product information, trade secrets, know-how, formulae, innovations, inventions, devices, discoveries, techniques, formats, processes, methods, specifications, designs, patterns, schematics, data, access or security codes, compilations of information, test results and research and development projects. For purposes of this Agreement, the term "trade secrets" shall mean the broadest and most inclusive interpretation of trade secrets.
- 1.4.3. Notwithstanding the foregoing, Confidential Information will not include information that: (i) was generally available to the public or otherwise part of the public domain at the time of its disclosure, (ii) became generally available to the public or otherwise part of the public domain after its disclosure and other than through any act or omission by any party hereto in breach of this Agreement, (iii) was subsequently lawfully disclosed to the disclosing party by a person other than a party hereto, (iv) was required by a court of competent jurisdiction to be disclosed, or (v) was required by applicable state law to be disclosed.
- 1.5. "Intersection Approach" means a conduit of travel with up to four (4) contiguous lanes from the curb (e.g., northbound, southbound, eastbound or westbound) on which at least one (1) system has been installed by Redflex for the purposes of facilitating Redlight Photo Enforcement by the Customer. This refers to 1-4 contiguous lanes in a single direction, and include straight thru as well as left and right hand turning lanes.
- 1.6. "Designated Intersection Approaches" means the Intersection Approaches as Redflex and the Customer shall mutually agree from time to time. See Exhibit A for the number of Intersection Approaches.
- 1.7. "Electronic Signature" means the method through which the Authorized Employee indicates his or her approval of the issuance of a Citation in respect of a Potential Violation using the Redflex System.
- 1.8. "Enforcement Documentation" means the necessary and appropriate documentation related to the Photo Red Light Enforcement Program, including but not limited to warning letters, citation notices (using the specifications of the Judicial Council and the City, a numbering sequence for use on all citation notices (in accordance with applicable court rules), instructions to accompany each issued Citation (including in such instructions a description of basic court procedures, payment options and information regarding the viewing of images and data collected by the Redflex System), chain of custody records, criteria regarding operational policies for processing Citations (including with respect to coordinating with the applicable vehicle registry), and technical support documentation for applicable court and judicial officers .

- 1.9. "Equipment" means any and all approach cameras, sensors, equipment, components, products, software and other tangible and intangible property relating to the Redflex Photo Red Light System(s).
- 1.10. "Fine" means a monetary sum assessed for Citation, including but not limited to bail forfeitures, but excluding suspended fines.
- 1.11. "Governmental Authority" means any domestic or foreign government, governmental authority, court, tribunal, agency or other regulatory, administrative or judicial agency, commission or organization, and any subdivision, branch or department of any of the foregoing.
- 1.12. "Installation Date of the Photo Red Light Program" means the date on which Redflex completes the construction and installation of at least one (1) Intersection Approach in accordance with the terms of this Agreement so that such Intersection Approach is operational for the purposes of functioning with the Redlight Photo Enforcement Program.
- 1.13. "Intellectual Property" means, with respect to any Person, any and all now known or hereafter known tangible and intangible (a) rights associated with works of authorship throughout the world, including but not limited to copyrights, moral rights and mask-works, (b) trademark and trade name rights and similar rights, (c) trade secrets rights, (d) patents, designs, algorithms and other industrial property rights, (e) all other intellectual and industrial property rights (of every kind and nature throughout the universe and however designated), whether arising by operation of law, contract, license, or otherwise, and (f) all registrations, initial applications, renewals, extensions, continuations, divisions or reissues hereof now or hereafter in force (including any rights in any of the foregoing), of such Person.
- 1.14. "Operational Period" means the period of time during the Term, commencing on the Installation Date, during which the Photo Red Light Enforcement Program is functional in order to permit the issuance of Citations using the Redflex System.
- 1.15. "Person" means a natural individual, company, Governmental Authority, partnership, firm, corporation, legal entity or other business association.
- 1.16. "Project Manager" means the project manager appointed by the Customer in accordance with this Agreement, which shall be an Authorized Employee and shall be responsible for overseeing the installation of the Intersection Approaches and the implementation of the Redlight Photo Enforcement Program, and which manager shall have the power and authority to make management decisions relating to the Customer's obligations pursuant to this Agreement, including but not limited to change order authorizations, subject to any limitations set forth in the Customer's charter or other organizational documents of the Customer or by the city council or other governing body of the Customer.
- 1.17. "Potential Violation" means, with respect to any motor vehicle passing through a Designated Intersection Approach, the data collected by the Redflex System with respect to such motor vehicle, which data shall be processed by the Redflex System for the purposes of allowing the Authorized Employee to review such data and determine whether a Red Light Violation has occurred.

- 1.18. “Proprietary Property” means, with respect to any Person, any written or tangible property owned or used by such Person in connection with such Person’s business, whether or not such property is copyrightable or also qualifies as Confidential Information, including without limitation products, samples, equipment, files, lists, books, notebooks, records, documents, memoranda, reports, patterns, schematics, compilations, designs, drawings, data, test results, contracts, agreements, literature, correspondence, spread sheets, computer programs and software, computer print outs, other written and graphic records and the like, whether originals, copies, duplicates or summaries thereof, affecting or relating to the business of such Person, financial statements, budgets, projections and invoices.
- 1.19. “Redflex Marks” means all trademarks registered in the name of Redflex or any of its affiliates, such other trademarks as are used by Redflex or any of its affiliates on or in relation to Photo Red Light Enforcement at any time during the Term of this Agreement, service marks, trade names, logos, brands and other marks owned by Redflex, and all modifications or adaptations of any of the foregoing.
- 1.20. “Redflex Project Manager” means the project manager appointed by Redflex in accordance with this Agreement, who shall be responsible for overseeing the construction and installation of the Designated Intersection Approaches and the implementation the Photo Red Light Enforcement Program, and who shall have the power and authority to make management decisions relating to Redflex’s obligations pursuant to this Agreement, including but not limited to change-order authorizations.
- 1.21. “Redflex System” means, collectively, the Salus™ and/or SMARTcam™ System, the SMARTscene™ System, and all of the other equipment, applications, cameras, sensors, components, motor vehicles and other tangible and intangible property relating thereto, to enable Redflex to enforce a minimum of one lane of travel at a designated location, together with the SMARTops™ System, the Photo Enforcement Program, and all of the other equipment, applications, back office processes, servers, off-site backup systems, software and other tangible and intangible property relating thereto.
- 1.22. “Photo Red Light Enforcement Program” means the process by which the monitoring, identification and enforcement of Violations is facilitated by the use of certain equipment, applications and back office processes of Redflex, including but not limited to cameras, flashes, central processing units, signal controller interfaces and sensor arrays which, collectively, are capable of measuring Violations and recording such Violation data in the form of photographic images of motor vehicles.
- 1.23. “Photo Redlight Violation Criteria” means the standards and criteria by which Potential Violations will be evaluated by Authorized Employees of the Customer, which standards and criteria shall include, but are not limited to, the duration of time that a traffic light must remain red prior to a Violation being deemed to have occurred, and the location(s) in an intersection which a motor vehicle must pass during a red light signal prior to being deemed to have committed a Violation, all of which shall be in compliance with all applicable

laws, rules and regulations of Governmental Authorities. Should physical criteria change which requires additional modification to the Photo Red Light Enforcement System or its detection equipment, any cost incurred is the responsibility of the customer.

- 1.24. “Records Retention” means the period of time that Redflex will retain confidential information to include photographic evidence and data associated with the photo enforcement program.
 - 1.25. “SMARTcam™ System” means the proprietary software system that controls the photo enforcement system of Redflex relating to the Photo Enforcement Program.
 - 1.26. “Salus™ System” means the proprietary software system that controls the photo enforcement system of Redflex relating to the Photo Enforcement Program.
 - 1.27. “REDFLEXred™ System” means the proprietary digital redlight photo enforcement system of Redflex relating to the Photo Red Light Enforcement Program.
 - 1.28. “SMARTops™ System” means the proprietary back-office processes of Redflex relating to the Photo Red Light Enforcement Program.
 - 1.29. “SMARTscene™ System” means the proprietary digital video camera unit, hardware and software required for providing supplemental violation data.
 - 1.30. “Traffic Signal Controller Boxes” means the signal controller interface and vehicle detection owned and operated by the Customer. This includes, but is not limited to, the Customer’s traffic controller, Customer’s vehicle detection equipment, Customer’s communication equipment, Customer’s controller cabinet, etc.
 - 1.31. “Violation” means any traffic violation authorized for photo enforcement by prohibition under the Vehicle Code or any applicable rule, regulation or law of any other Governmental Authority, including but not limited to operating a motor vehicle contrary to traffic signals, and operating a motor vehicle without displaying a valid license plate or registration.
 - 1.32. “Violations Data” means the images and other Violations data gathered by the Redflex System at the Designated Intersection Approaches.
 - 1.33. “Warning Period” means a period after the Installation Date of the first intersection approach, wherein only warning notices shall be issued, commencing within 3 days after the system has been installed.
2. **TERM.** The term of this Agreement shall commence as of the date hereof and shall continue for a period of five (5) years after the issuance of the first citation by the system. The Customer shall have the right, but not the obligation, to extend the term of this Agreement for up to two (2) additional consecutive and automatic two (2) year periods following the expiration of the Initial Term (each, a “Renewal Term” and collectively with the Initial Term, the “Term”). The contract shall be renewed automatically unless the Customer provides written notice to Redflex not less than thirty (30) days prior to the last day of the Initial Term or the Renewal Term, as the case may be.

3. **SERVICES.** Redflex shall provide the Photo Red Light Enforcement Program to the Customer, in each case in accordance with the terms and provisions set forth in this Agreement.
 - 3.1. **INSTALLATION.** With respect to the construction and installation of (1) the Designated Intersection Approaches and the installation of the Redflex System at such Designated Intersection Approaches, the Customer and Redflex shall have the respective rights and obligations set forth on Exhibit B attached hereto.
 - 3.2. **MAINTENANCE.** With respect to the maintenance of the Redflex System at the Designated Intersection Approaches the Customer and Redflex shall have the respective rights and obligations set forth on Exhibit C attached hereto.
 - 3.3. **VIOLATION PROCESSING.** During the Operational Period, Violations shall be processed as follows:
 - 3.3.1. All Violations Data shall be stored on the Redflex System;
 - 3.3.2. The Redflex System shall process Violations Data gathered from the Designated Intersection Approaches into a format capable of review by the Authorized Employee via the Redflex System;
 - 3.3.3. The Redflex Photo Enforcement System will be accessible by Authorized Staff through a secure and encrypted connection by use of a confidential user account on a computer equipped with a high-speed Internet connection and an approved web browser.
 - 3.3.4. Redflex shall provide the Authorized Employee with access to the Redflex System for the purposes of reviewing the pre-processed Violations Data within seven (7) days of the gathering of the Violation Data from the applicable Designated Intersection Approaches.
 - 3.3.5. The Customer shall cause the Authorized Employee to review the Violations Data and to determine whether a citation shall be issued with respect to each Potential Violation captured within such Violation Data, and transmit each such determination in the form of an Electronic Signature to Redflex using the software or other applications or procedures provided by Redflex on the Redflex System for such purpose, and REDFLEX HEREBY ACKNOWLEDGES AND AGREES THAT THE DECISION TO ISSUE A CITATION SHALL BE THE SOLE, UNILATERAL AND EXCLUSIVE DECISION OF THE AUTHORIZED EMPLOYEE AND SHALL BE MADE IN SUCH AUTHORIZED EMPLOYEE'S SOLE DISCRETION (A "CITATION DECISION"), AND IN NO EVENT SHALL REDFLEX HAVE THE ABILITY OR AUTHORIZATION TO MAKE A CITATION DECISION.
 - 3.3.6. With respect to each Authorized Violation, Redflex shall print and mail a Citation within five (5) days after Redflex's receipt of such authorization; provided, however, during the Warning Period, warning violation notices shall be issued in respect of all Authorized Violations and not Citation shall be issued during the Warning Period.
 - 3.3.7. Redflex shall provide a toll-free telephone number for the purposes of answering citizen inquiries and shall include such number on each Citation.
 - 3.3.8. Redflex shall permit the Authorized Employee to generate reports using the Redflex Standard Report System.

- 3.3.9. Upon Redflex's receipt of a written request from the Customer and in addition to the Standard Reports, Redflex shall provide to the Customer at no charge, reports regarding the processing and issuance of Citations, the maintenance and downtime records of the Designated Intersection Approaches and the functionality of the Redflex System with respect thereto. Such reports shall be provided for the time period requested by the Customer and in such format and as mutually agreed by Redflex and Customer.
- 3.3.10. During the six (6) month period following the Installation Date and upon Redflex's receipt of a written request from the Customer at least fourteen (14) calendar days in advance of court proceeding, Redflex shall provide expert witnesses for use by the Customer in prosecuting Violations, which use shall include court testimony, if required, at no additional cost to Customer; provided, however, the Customer shall use reasonable best efforts to seek judicial notice in lieu of requiring Redflex to provide such expert witnesses. After the initial six month period, Redflex shall provide expert testimony, when requested by Customer, on a cost reimbursement basis.
- 3.3.11. During the three (3) month period following the Installation Date, Redflex shall provide such training to Customer personnel as shall be reasonably necessary in order to allow such personnel to act as expert witnesses on behalf of the Customer with respect to the Redlight Enforcement Program.
- 3.4. Records Retention: Redflex will retain confidential information to include photographic evidence and data associated with the photo enforcement program for a period of time compliant with California Vehicle Code requirements.
- 3.5. PROSECUTION AND COLLECTION; COMPENSATION. The Customer shall diligently prosecute Citations and the collection of all Fines in respect thereof, and Redflex shall have the right to receive, and the Customer shall be obligated to pay, the compensation set forth on Exhibit D attached hereto.
- 3.6. OTHER RIGHTS AND OBLIGATIONS. During the Term, in addition to all of the other rights and obligations set forth in this Agreement, Redflex and the Customer shall have the respective rights and obligations set forth on Exhibit E attached hereto.
- 3.7. CONTRACT AMMENDMENT. The parties agree that any changes additions or modifications to this contract may be done by amendment.
- 4. License; Reservation of Rights.**
- 4.1. License. Subject to the terms and conditions of this Agreement, Redflex hereby grants the Customer, and the Customer hereby accepts from Redflex upon the terms and conditions herein specified, a non-exclusive, non-transferable license during the Term of this Agreement to: (a) solely within the City of Roseville, access and use the Redflex System for the sole purpose of reviewing Potential Violations and authorizing the issuance of Citations pursuant to the terms of this Agreement, and to print copies of any content posted on the Redflex System in connection therewith, (b) disclose to the public (including outside of the City of Roseville that Redflex is providing services to the Customer in connection with Photo Red Light Enforcement Program pursuant to the terms of this Agreement, and (c) use and display the Redflex Marks on or in marketing, public awareness

or education, or other publications or materials relating to the Photo Red Light Enforcement Program, so long as any and all such publications or materials are approved in advance by Redflex.

- 4.2. RESERVATION OF RIGHTS. The Customer hereby acknowledges and agrees that: (a) Redflex is the sole and exclusive owner of the Redflex System, the Redflex Marks, all Intellectual Property arising from or relating to the Redflex System, and any and all related Equipment, (b) the Customer neither has nor makes any claim to any right, title or interest in any of the foregoing, except as specifically granted or authorized under this Agreement, and (c) by reason of the exercise of any such rights or interests of Customer pursuant to this Agreement, the Customer shall gain no additional right, title or interest therein.
- 4.3. RESTRICTED USE. The Customer hereby covenants and agrees that it shall not (a) make any modifications to the Redflex System, including but not limited to any Equipment, (b) alter, remove or tamper with any Redflex Marks, (c) use any of the Redflex Marks in any way which might prejudice their distinctiveness, validity or the goodwill of Redflex therein, (d) use any trademarks or other marks other than the Redflex Marks in connection with the Customer's use of the Redflex System pursuant to the terms of this Agreement without first obtaining the prior consent of Redflex, or (e) disassemble, de-compile or otherwise perform any type of reverse engineering to the Redflex System, the Redflex System, including but not limited to any Equipment, or to any, Intellectual Property or Proprietary Property of Redflex, or cause any other Person to do any of the foregoing.
- 4.4. PROTECTION OF RIGHTS. Redflex shall have the right to take whatever action it deems necessary or desirable to remedy or prevent the infringement of any Intellectual Property of Redflex, including without limitation the filing of applications to register as trademarks in any jurisdiction any of the Redflex Marks, the filing of patent application for any of the Intellectual Property of Redflex, and making any other applications or filings with appropriate Governmental Authorities. The Customer shall not take any action to remedy or prevent such infringing activities, and shall not in its own name make any registrations or filings with respect to any of the Redflex Marks or the Intellectual Property of Redflex without the prior written consent of Redflex.
- 4.5. INFRINGEMENT. The Customer shall use its reasonable best efforts to give Redflex prompt notice of any activities or threatened activities of any Person of which it becomes aware that infringes or violates the Redflex Marks or any of Redflex's Intellectual Property or that constitute a misappropriation of trade secrets or act of unfair competition that might dilute, damage or destroy any of the Redflex Marks or any other Intellectual Property of Redflex. Redflex shall have the exclusive right, but not the obligation, to take action to enforce such rights and to make settlements with respect thereto. In the event that Redflex commences any enforcement action under this Section 4.5, then the Customer shall render to Redflex such reasonable cooperation and assistance as is reasonably requested by Redflex, and Redflex shall be entitled to any damages or other monetary amount that might be awarded after deduction of actual costs;

provided, that Redflex shall reimburse the Customer for any reasonable costs incurred in providing such cooperation and assistance.

4.6. INFRINGING USE. The Customer shall give Redflex prompt written notice of any action or claim, whether threatened or pending, against the Customer alleging that the Redflex Marks, or any other Intellectual Property of Redflex, infringes or violates any patent, trademark, copyright, trade secret or other Intellectual Property of any other Person, and the Customer shall render to Redflex such reasonable cooperation and assistance as is reasonably requested by Redflex in the defense thereof; provided, that Redflex shall reimburse the Customer for any reasonable costs incurred in providing such cooperation and assistance. If such a claim is made and Redflex determines, in the exercise of its sole discretion, that an infringement may exist, Redflex shall have the right, but not the obligation, to procure for the Customer the right to keep using the allegedly infringing items, modify them to avoid the alleged infringement or replace them with non-infringing items.

5. Representations and Warranties.

5.1. Redflex Representations and Warranties.

5.1.1. Authority. Redflex hereby warrants and represents that it has all right, power and authority to execute and deliver this Agreement and perform its obligations hereunder.

5.1.2. Professional Services. Redflex hereby warrants and represents that any and all services provided by Redflex pursuant to this Agreement shall be performed in a professional and workmanlike manner and, with respect to the installation of the Redflex System, subject to applicable law, in compliance with all specifications provided to Redflex by the Customer.

5.2. Customer Representations and Warranties.

5.2.1. Authority. The Customer hereby warrants and represents that it has all right, power and authority to execute and deliver this Agreement and perform its obligations hereunder.

5.2.2. Professional Services. The Customer hereby warrants and represents that any and all services provided by the Customer pursuant to this Agreement shall be performed in a professional and workmanlike manner.

5.3. LIMITED WARRANTIES. EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, REDFLEX MAKES NO WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE REDFLEX SYSTEM OR ANY RELATED EQUIPMENT OR WITH RESPECT TO THE RESULTS OF THE CUSTOMER'S USE OF ANY OF THE FOREGOING. NOTWITHSTANDING ANYTHING TO THE CONTRARY SET FORTH HEREIN, REDFLEX DOES NOT WARRANT THAT ANY OF THE DESIGNATED INTERSECTION APPROACHES OR THE REDFLEX SYSTEM WILL OPERATE IN THE WAY THE CUSTOMER SELECTS FOR USE, OR THAT THE OPERATION OR USE THEREOF WILL BE UNINTERRUPTED. THE CUSTOMER HEREBY ACKNOWLEDGES THAT THE REDFLEX SYSTEM MAY MALFUNCTION FROM TIME TO TIME,

AND SUBJECT TO THE TERMS OF THIS AGREEMENT, REDFLEX SHALL DILIGENTLY ENDEAVOR TO CORRECT ANY SUCH MALFUNCTION IN A TIMELY MANNER.

6. Termination.

6.1. **TERMINATION FOR CAUSE:** Either party shall have the right to terminate this Agreement immediately by written notice to the other if (i) state statutes are amended to prohibit or substantially change the operation of photo red light enforcement systems; (ii) any court having jurisdiction over City rules, or state or federal statute declares, that results from the Redflex System of photo red light enforcement are inadmissible in evidence; or (iii) the other party commits any material breach of any of the provisions of this Agreement. In the event of a termination due to Section 6.1(i) or 6.1(ii) above, Customer shall be relieved of any further obligations for payment to Redflex other than as specified in Exhibit "D". Either party shall have the right to remedy the cause for termination (Sec 6.1) within forty-five (45) calendar days (or within such other time period as the Customer and Redflex shall mutually agree, which agreement shall not be unreasonably withheld or delayed) after written notice from the non-causing party setting forth in reasonable detail the events of the cause for termination.

6.2. The rights to terminate this Agreement given in Section 6.1 shall be without prejudice to any other right or remedy of either party in respect of the breach concerned (if any) or any other breach of this Agreement.

6.3. **PROCEDURES UPON TERMINATION.** The termination of this Agreement shall not relieve either party of any liability that accrued prior to such termination. Except as set forth in Section 6.3, upon the termination of this Agreement, all of the provisions of this Agreement shall terminate and:

6.3.1. Redflex shall (i) immediately cease to provide services, including but not limited to work in connection with the construction or installation activities and services in connection with the Photo Red Light Enforcement Program, (ii) promptly deliver to the Customer any and all Proprietary Property of the Customer provided to Redflex pursuant to this Agreement, (iii) promptly deliver to the Customer a final report to the Customer regarding the collection of data and the issuance of Citations in such format and for such periods as the Customer may reasonably request, and which final report Redflex shall update or supplement from time to time when and if additional data or information becomes available, (iv) promptly deliver to Customer a final invoice stating all fees and charges properly owed by Customer to Redflex for work performed and Citations issued by Redflex prior to the termination, and (v) provide such assistance as the Customer may reasonably request from time to time in connection with prosecuting and enforcing Citations issued prior to the termination of this Agreement. Immediately upon termination Redflex is no longer bound to the Data Retention Requirements for any data and if the customer wishes to obtain the data it must be conveyed at the time of termination. Redflex will transfer the data and relevant information to the Customer by a mutually agreed upon method. The Customer will assume the burden for all costs associated with

this task including but not limited to administrative, storage media, storage media authoring devices, and internet bandwidth used for transferring data. Redflex will provide no tools for accessing this.

- 6.3.2. The Customer shall (i) immediately cease using the Photo Red Light Enforcement Program, accessing the Redflex System and using any other Intellectual Property of Redflex, (ii) promptly deliver to Redflex any and all Proprietary Property of Redflex provided to the Customer pursuant to this Agreement, and (iii) promptly pay any and all fees, charges and amounts properly owed by Customer to Redflex for work performed and Citations issued by Redflex prior to the termination.
- 6.3.3. Unless the Customer and Redflex shall have agreed to enter into a new agreement relating to the Photo Red Light Enforcement Program or shall have agreed to extend the Term of this Agreement, Redflex shall remove any and all Equipment or other materials of Redflex installed in connection with Redflex's performance of its obligations under this Agreement, including but not limited to housings, poles and camera systems, and Redflex shall restore the Designated Intersection Approaches to substantially the same condition such Designated Intersection Approaches were in immediately prior to this Agreement.
- 6.4. **SURVIVAL.** Notwithstanding the foregoing, the definitions and each of the following shall survive the termination of this Agreement: Sections 4.2 (Reservation of Rights), 5.1 (Redflex Representations and Warranties), 5.2 (Customer Representations and Warranties), 5.3 (Limited Warranty), 7 (Confidentiality), 8 (Indemnification and Liability), 9 (Notices), 10 (Dispute Resolution), 11.1 (Assignment), 11.17 (Applicable Law), 11.16 (Injunctive Relief; Specific Performance) and 11.18 (Jurisdiction and Venue), and those provisions, and the rights and obligations therein, set forth in this Agreement which either by their terms state, or evidence the intent of the parties, that the provisions survive the expiration or termination of the Agreement, or must survive to give effect to the provisions of this Agreement.
7. **CONFIDENTIALITY.** During the term of this Agreement and for a period of three (3) years thereafter, neither party shall disclose to any third person, or use for itself in any way for pecuniary gain, any Confidential Information learned from the other party during the course of the negotiations for this Agreement or during the Term of this Agreement. Upon termination of this Agreement, each party shall return to the other all tangible Confidential Information of such party. Each party shall retain in confidence and not disclose to any third party any Confidential Information without the other party's express written consent, except (a) to its employees who are reasonably required to have the Confidential Information, (b) to its agents, representatives, attorneys and other professional advisors that have a need to know such Confidential Information, provided that such parties undertake in writing (or are otherwise bound by rules of professional conduct) to keep such information strictly confidential, and (c) pursuant to, and to the extent of, a request or order by any Governmental Authority, including laws relating to public records.
8. **Indemnification and Liability.**

- 8.1. Indemnification by Redflex. Subject to Section 8.3, Redflex hereby agrees to defend and indemnify the Customer and its affiliates, shareholders or other interest holders, managers, officers, directors, employees, agents, representatives and successors, permitted assignees and each of their affiliates, and all persons acting by, through, under or in concert with them, or any of them (individually a “Customer Party” and collectively, the “Customer Parties”) against, and to protect, save and keep harmless the Customer Parties from, and to pay on behalf of or reimburse the Customer Parties as and when incurred for, any and all liabilities, obligations, losses, damages, penalties, demands, claims, actions, suits, judgments, settlements, costs, expenses and disbursements (including reasonable attorneys’, accountants’ and expert witnesses’ fees) of whatever kind and nature (collectively, “Losses”), which may be imposed on or incurred by any Customer Party arising out of or related to (a) any material misrepresentation, inaccuracy or breach of any covenant, warranty or representation of Redflex contained in this Agreement, or (b) the willful misconduct of Redflex, its employees or agents which result in death or bodily injury to any natural person (including third parties) or any damage to any real or tangible personal property (including the personal property of third parties), except to the extent caused by the willful misconduct of any Customer Party.
- 8.2. Indemnification by Customer. Subject to Section 8.3, the Customer hereby agrees to defend and indemnify Redflex and its affiliates, shareholders or other interest holders, managers, officers, directors, employees, agents, representatives and successors, permitted assignees and all persons acting by, through, under or in concert with them, or any of them (individually a “Redflex Party” and collectively, the “Redflex Parties”) against, and to protect, save and keep harmless the Redflex Parties from, and to pay on behalf of or reimburse the Redflex Parties as and when incurred for, any and all Losses which may be imposed on or incurred by any Redflex Party arising out of or in any way related to (a) any material misrepresentation, inaccuracy or breach of any covenant, warranty or representation of the Customer contained in this Agreement, (b) the willful misconduct of the Customer, its employees, contractors or agents which results in death or bodily injury to any natural person (including third parties) or any damage to any real or tangible personal property (including the personal property of third parties), except to the extent caused by the willful misconduct of any Redflex Party, or (c) any claim, action or demand challenging the Customer’s use of the Redflex System or any portion thereof, the validity of the results of the Customer’s use of the Redflex System or any portion thereof, or the validity of the Citations issued, prosecuted and collected as a result of the Customer’s use of the Redflex System or any portion thereof.
- 8.3. Indemnification Procedures. In the event any claim, action or demand (a “Claim”) in respect of which any party hereto seeks indemnification from the other, the party seeking indemnification (the “Indemnified Party”) shall give the party from whom indemnification is sought (the “Indemnifying Party”) written notice of such Claim promptly after the Indemnified Party first becomes aware thereof; provided, however, that failure so to give such notice shall not preclude indemnification with respect to such Claim except to the extent of any additional

or increased Losses or other actual prejudice directly caused by such failure. The Indemnifying Party shall have the right to choose counsel to defend such Claim (subject to the approval of such counsel by the Indemnified Party, which approval shall not be unreasonably withheld, conditioned or delayed), and to control, compromise and settle such Claim, and the Indemnified Party shall have the right to participate in the defense at its sole expense; provided, however, the Indemnified Party shall have the right to take over the control of the defense or settlement of such Claim at any time if the Indemnified Party irrevocably waives all rights to indemnification from and by the Indemnifying Party. The Indemnifying Party and the Indemnified Party shall cooperate in the defense or settlement of any Claim, and no party shall have the right to enter into any settlement agreement that materially affects the other party's material rights or material interests without such party's prior written consent, which consent will not be unreasonably withheld or delayed.

8.4. **LIMITED LIABILITY.** Notwithstanding anything to the contrary in this Agreement, neither party shall be liable to the other, by reason of any representation or express or implied warranty, condition or other term or any duty at common or civil law, for any indirect, incidental, special, lost profits or consequential damages, however caused and on any theory of liability arising out of or relating to this Agreement.

9. **NOTICES.** Any notices to be given hereunder shall be in writing, and shall be deemed to have been given (a) upon delivery, if delivered by hand, (b) three (3) days after being mailed first class, certified mail, return receipt requested, postage and fees prepaid, or (c) one Business Day after being delivered to a reputable overnight courier service, excluding the U.S. Postal Service, prepaid, marked for next day delivery, if the courier service obtains a signature acknowledging receipt, in each case addressed or sent to such party as follows:

9.1. Notices to Redflex:

Redflex Traffic Systems, Inc.
15020 North 74th Street
Scottsdale, AZ 85260
Attention: PROGRAM MANAGEMENT
Facsimile: (480) 607-5552

9.2. Notices to the Customer:

City of Roseville
Lt. Michael Allison
Roseville Police Department
1051 Junction Blvd.
Roseville, CA 95678
Facsimile: (916) 774-5019

10. **DISPUTE RESOLUTION.** Upon the occurrence of any dispute or disagreement between the parties hereto arising out of or in connection with any term or provision of this Agreement, the subject matter hereof, or the interpretation or enforcement hereof (the "Dispute"), the parties shall engage in informal, good faith discussions and attempt to resolve the Dispute. In connection therewith, upon written notice of either party, each of the parties will appoint a designated officer whose task it shall be to meet for the purpose of attempting to resolve such Dispute. The designated officers shall meet as often as the parties shall deem to be reasonably necessary. Such officers will discuss the Dispute. If the parties are unable to resolve the Dispute in accordance with this Section 10, and in the event that either of the parties concludes in good faith that amicable resolution through continued negotiation with respect to the Dispute is not reasonably likely, then the parties may mutually agree to submit to binding or nonbinding arbitration or mediation.

11. **Miscellaneous.**

11.1. **Assignment.** Neither party may assign all or any portion of this Agreement without the prior written consent of the other, which consent shall not be unreasonably withheld or delayed; provided, however, The Customer hereby acknowledges and agrees that the execution (as outlined in Exhibit F), delivery and performance of Redflex's rights pursuant to this Agreement shall require a significant investment by Redflex, and that in order to finance such investment, Redflex may be required to enter into certain agreements or arrangements ("Financing Transactions") with equipment lessors, banks, financial institutions or other similar persons or entities (each, a "Financial Institution" and collectively, "Financial Institutions"). The Customer hereby agrees that Redflex shall have the right to assign, pledge, hypothecate or otherwise transfer ("Transfer") its rights, or any of them, under this Agreement to any Financial Institution in connection with any Financing Transaction between Redflex and any such Financial Institution, subject to the Customer's prior written approval, which approval shall not be unreasonably withheld or delayed. The Customer further acknowledges and agrees that in the event that Redflex provides written notice to the Customer that it intends to Transfer all or any of Redflex's rights pursuant to this Agreement, and in the event that the Customer fails to provide such approval or fails to object to such Transfer within forty-five (45) business days after its receipt of such notice from Redflex, for the purposes of this Agreement, the Customer shall be deemed to have consented to and approved such Transfer by Redflex. Notwithstanding the above, this Agreement shall inure to the benefit of, and be binding upon, the parties hereto, and their respective successors or assigns.

11.2. **RELATIONSHIP BETWEEN REDFLEX AND THE CUSTOMER.** Nothing in this Agreement shall create, or be deemed to create, a partnership, joint venture or the relationship of principal and agent or employer and employee between the parties. The relationship between the parties shall be that of independent contractors, and nothing contained in this Agreement shall create the relationship of principal and agent or otherwise permit either party to incur any

debts or liabilities or obligations on behalf of the other party (except as specifically provided herein).

- 11.3. AUDIT RIGHTS. Each of the parties hereto shall have the right to audit the books and records of the other party hereto (the "Audited Party") solely for the purpose of verifying the payments, if any, payable pursuant to this Agreement. Any such audit shall be conducted upon not less than forty-eight (48) hours' prior notice to the Audited Party, at mutually convenient times and during the Audited Party's normal business hours. Except as otherwise provided in this Agreement, the cost of any such audit shall be borne by the non-Audited Party. In the event any such audit establishes any underpayment of any payment payable by the Audited Party to the non-Audited Party pursuant to this Agreement, the Audited Party shall promptly pay the amount of the shortfall, and in the event that any such audit establishes that the Audited Party has underpaid any payment by more than twenty five percent (25%) of the amount actually owing, the cost of such audit shall be borne by the Audited Party. In the event any such audit establishes any overpayment by the Audited Party of any payment made pursuant to this Agreement, non-Audited Party shall promptly refund to the Audited Party the amount of the excess.
- 11.4. FORCE MAJEURE. Neither party will be liable to the other or be deemed to be in breach of this Agreement for any failure or delay in rendering performance arising out of causes beyond its reasonable control and without its fault or negligence. Such causes may include but are not limited to, acts of God or the public enemy, terrorism, significant fires, floods, earthquakes, epidemics, quarantine restrictions, strikes, freight embargoes, or Governmental Authorities, approval delays which are caused by the other party, and unusually severe weather. The party whose performance is affected must notify the other promptly of the existence and nature of any delay and the expected duration of the delay, in order to benefit from the provisions of this section.
- 11.5. ENTIRE AGREEMENT. This Agreement represents the entire Agreement between the parties, and there are no other agreements, whether written or oral, which affect its terms. This Agreement may be amended only by a subsequent written agreement signed by both parties.
- 11.6. SEVERABILITY. If any provision of this Agreement is held by any court or other competent authority to be void or unenforceable in whole or part, this Agreement shall continue to be valid as to the other provisions thereof and the remainder of the affected provision.
- 11.7. WAIVER. Any waiver by either party of a breach of any provision of this Agreement shall not be considered as a waiver of any subsequent breach of the same or any other provision thereof.
- 11.8. CONSTRUCTION Except as expressly otherwise provided in this Agreement, this Agreement shall be construed as having been fully and completely negotiated and neither the Agreement nor any provision thereof shall be construed more strictly against either party.
- 11.9. HEADINGS. The headings of the sections contained in this Agreement are included herein for reference purposes only, solely for the convenience of the parties hereto, and shall not in any way be deemed to affect the meaning,

interpretation or applicability of this Agreement or any term, condition or provision hereof.

- 11.10. EXECUTION AND COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and such counterparts together shall constitute only one instrument. Any one of such counterparts shall be sufficient for the purpose of proving the existence and terms of this Agreement, and no party shall be required to produce an original or all of such counterparts in making such proof.
- 11.11. COVENANT OF FURTHER ASSURANCES. All parties to this Agreement shall, upon request, perform any and all acts and execute and deliver any and all certificates, instruments and other documents that may be necessary or appropriate to carry out any of the terms, conditions and provisions hereof or to carry out the intent of this Agreement.
- 11.12. REMEDIES CUMULATIVE. Each and all of the several rights and remedies provided for in this Agreement shall be construed as being cumulative and no one of them shall be deemed to be exclusive of the others or of any right or remedy allowed by law or equity, and pursuit of any one remedy shall not be deemed to be an election of such remedy, or a waiver of any other remedy.
- 11.13. BINDING EFFECT. This Agreement shall inure to the benefit of and be binding upon all of the parties hereto and their respective executors, administrators, successors and permitted assigns.
- 11.14. COMPLIANCE WITH LAWS. Nothing contained in this Agreement shall be construed to require the commission of any act contrary to law, and whenever there is a conflict between any term, condition or provision of this Agreement and any present or hereinafter enacted statute, law, ordinance or regulation contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the term, condition or provision of this Agreement affected shall be curtailed and limited only to the extent necessary to bring it within the requirement of the law, provided that such construction is consistent with the intent of the Parties as expressed in this Agreement.
- 11.15. NO THIRD PARTY BENEFIT. Nothing contained in this Agreement shall be deemed to confer any right or benefit on any Person who is not a party to this Agreement.
- 11.16. INJUNCTIVE RELIEF; SPECIFIC PERFORMANCE. The parties hereby agree and acknowledge that a breach of Sections 4.1 (License), 4.3 (Restricted Use) or 7 (Confidentiality) of this Agreement would result in severe and irreparable injury to the other party, which injury could not be adequately compensated by an award of money damages, and the parties therefore agree and acknowledge that they shall be entitled to injunctive relief in the event of any breach of any material term, condition or provision of this Agreement, or to enjoin or prevent such a breach, including without limitation an action for specific performance hereof.
- 11.17. APPLICABLE LAW. This Agreement shall be governed by and construed in all respects solely in accordance with the laws of the State of California, United States.

11.18. JURISDICTION AND VENUE. Any dispute arising out of or in connection with this Agreement shall be submitted to the exclusive jurisdiction and venue of the courts located in the County of Placer and both parties specifically agree to be bound by the jurisdiction and venue thereof.

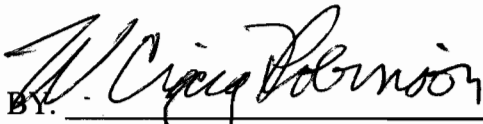
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first set forth above.

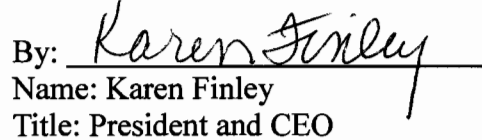
“Customer”

“Redflex”

CITY OF ROSEVILLE

REDFLEX TRAFFIC SYSTEMS, INC.,

BY: 

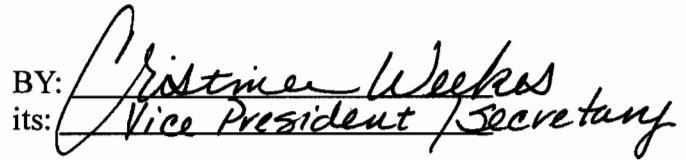
By: 
Name: Karen Finley
Title: President and CEO

W. CRAIG ROBINSON
City Manager

and

ATTEST:

BY: 

BY: 
its: Vice President / Secretary

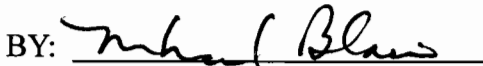
SONIA OROZCO
City Clerk

APPROVED AS TO FORM:

BY: 

BRITA J. BAYLESS
City Attorney

APPROVED AS TO SUBSTANCE:

BY: 

MICHAEL BLAIR
Police Chief

EXHIBIT "A"
Designated Intersection Approaches

The contract is for the implementation of up to 15 intersection approaches. Identification of enforced intersection approaches will be based on mutual agreement between Redflex and the City as warranted by community safety and traffic needs.

The City will make all reasonable efforts to provide the list of proposed intersections under consideration prior to formal project kick-off to the designated Redflex project manager.

EXHIBIT "B"
Construction and Installation Obligations

Timeframe for Installation: Fixed Photo Red Light System

Redflex will have each specified approach installed and activated in phases in accordance with an implementation plan to be mutually agreed in writing by Redflex Traffic Systems and the Customer.

Redflex will use reasonable commercial efforts to install the system in accordance with the schedule set forth in the implementation plan that will be formalized upon project commencement.

Redflex will use reasonable commercial efforts to install and activate the first specified intersection within sixty (60) days subsequent to issuance of notice to proceed under this agreement and receipt of the required customer approved program business rules. The Customer agrees that the estimated timeframe for installation and activation are subject to conditions beyond the control of Redflex and are not guaranteed. However, upon issuance of all permits by City and State agencies, if Redflex fails to install and activate specified equipment within 45 days after issuance of permits, the City reserves the right to cancel the agreement.

In order to provide the Customer with timely completion of the photo enforcement project, Redflex Traffic Systems requires that the Customer assist with obtaining timely approval of permit requests. The Customer acknowledges the importance of the safety program and undertakes that in order to keep the project on schedule the Customer will provide engineering review(s) of Redflex permit requests and all documentation in a timely manner.

1. Redflex Obligations. Redflex shall do or cause to be done each of the following (in each case, unless otherwise stated below, at Redflex's sole expense):
 - 1.1. Appoint the Redflex Project Manager and a project implementation team.
 - 1.2. Organize a pre-design meeting at the City of Roseville Civic Center and/or in the field with pertinent City Engineering and Police Department staff to discuss the design prior to plan submittal.
 - 1.3. Request current "as-built" electronic (if available) or hard copy engineering drawings for the Designated Intersection Approaches (the "Drawings") from the city traffic engineer.
 - 1.4. Develop and submit to the Customer for approval, construction and installation specifications, to the satisfaction of the City Engineer for the Designated Intersection Approaches, including but not limited to specifications for all radar sensors, pavement loops, electrical connections and traffic controller connections, as required.
 - 1.5. Obtain approval from the relevant Governmental Authorities having authority or jurisdiction over the construction and installation specifications for the Designated Intersection Approaches (collectively, the "Approvals"), which will include compliance with City permit applications.
 - 1.6. Finalize the acquisition of the Approvals.

- 1.7. Assist the Customer in developing a public awareness strategy, which may include media and educational materials.
- 1.8. Develop the Redlight Violation Criteria in consultation with the Customer;
- 1.9. Develop the Enforcement Documentation for approval by the Customer, which approval shall not be unreasonably withheld.
- 1.10. Complete the installation and testing of all necessary Equipment, including hardware and software, at the Designated Intersection Approaches.
- 1.11. Cause an electrical sub-contractor to complete all reasonably necessary electrical work at the Designated Intersection Approaches, including but not limited to the installation of all related Equipment and other detection sensors, poles, cabling, conduit, telecommunications equipment and wiring, which work shall be performed in compliance with all applicable local, state and federal laws and regulations. City conduit and pull boxes may not be used except between any agreed upon existing City pole used to mount Redflex equipment and the pull box nearest to the same pole.
- 1.12. Provide metered power, at its own cost, through a service point designated by the controlling electric utility. Redflex shall be solely responsible for all costs, equipment, and construction.
- 1.13. Install and test the functionality of the Designated Intersection Approaches with the Redflex System and establish fully operational Violation processing capability with the Redflex System.
- 1.14. Implement the use of the Redflex System at each of the Designated Intersection Approaches.
- 1.15. Provide and install any required enforcement signage.
- 1.16. Submit and obtain formal acceptance of a traffic control plan from the City of Roseville Traffic Operations Section in Engineering. This plan will contain lane use restrictions and restricted working hours. Work at some intersections will be required to be completed at night.
- 1.17. Obtain a City of Roseville no cost encroachment permit prior to the beginning of work, which includes standard conditions including certain insurance and bonding requirements.
- 1.18. Deliver the Materials to the Customer.
- 1.19. Provide citation processing and citation issuance/re-issuance for Authorized Violations.
- 1.20. Redflex shall provide training (i) for up to fifteen (15) personnel of the Customer, including but not limited to the persons who Customer shall appoint as Authorized Employees and other persons involved in the administration of the Redlight Photo Enforcement Program, (ii) for up to sixteen (16) hours in the aggregate, (iii) regarding the operation of the Redflex System and the Redlight Photo Enforcement Program, which training shall include training with respect to the Redflex System and its operations, strategies for presenting Violations Data in court and judicial proceedings and a review of the Enforcement Documentation;

Interact with court and judicial personnel to address issues regarding the implementation of the Redflex System, the development of a subpoena processing timeline that will permit the offering of Violations Data in court and judicial

Interact with court and judicial personnel to address issues regarding the implementation of the Redflex System, the development of a subpoena processing timeline that will permit the offering of Violations Data in court and judicial proceedings, and coordination between Redflex, the Customer and, when applicable, juvenile court personnel.

2. CUSTOMER OBLIGATIONS. The Customer shall do or cause to be done each of the following (in each case, unless otherwise stated below, at Customer's sole expense):
 - 2.1.1. Appoint the Project Manager.
 - 2.1.2. Assist Redflex in obtaining the Drawings from the relevant Governmental Authorities.
 - 2.1.3. Notify Redflex of any specific requirements relating to the construction and installation of any Intersection Approaches or the implementation of the Redlight Photo Enforcement Program.
 - 2.1.4. Provide assistance to Redflex in obtaining access to the records data of the Department of Motor Vehicles in Redflex's capacity as an independent contractor to the Customer.
 - 2.1.5. Assist Redflex in seeking the Approvals.
 - 2.1.6. Provide reasonable access to the Customer's properties and facilities in order to permit Redflex to install and test the functionality of the Designated Intersection Approaches and the Redlight Photo Enforcement Program.
 - 2.1.7. Provide reasonable access to the personnel of the Customer and reasonable information about the specific operational requirements of such personnel for the purposes of performing training.
 - 2.1.8. Seek approval or amendment of Awareness Strategy and provide written notice to Redflex with respect to the quantity of media and program materials (the "Materials") that the Customer will require in order to implement the Awareness Strategy during the period commencing on the date on which Redflex begins the installation of any of the Designated Intersection Approaches and ending one (1) month after the Installation Date.
 - 2.1.9. Assist Redflex in developing the Redlight Violation Criteria.
 - 2.1.10. Seek approval of the Enforcement Documentation.
 - 2.1.11. The Customer shall provide on an agreed upon frequency, without cost to Redflex, reports regarding the prosecution of Citations, the collection of fines, fees and other monies and available collision data, in such format and for such periods as Redflex may reasonably request.
 - 2.1.12. Yellow Light Timing Review: The Customer is responsible to ensure that the yellow or amber light phase timing at all photo enforced intersections meets minimum standards according to federal, state, and local laws, guidelines, and/or rules. Redflex construction will not be able to utilize existing conduit except between any agreed upon existing City pole used to mount Redflex equipment and the pull box nearest to the same pole. All cost of conduit installation shall be borne by Redflex.

- 2.1.13. The Customer shall be responsible to provide and install LED traffic signal lights (yellow and red) at all enforced locations.
- 2.1.14. Customer is responsible for all computer hardware, web browsers and high speed Internet access necessary to operate the systems.

EXHIBIT "C"

Maintenance

1. All repair and maintenance of Photo Red Light Enforcement systems and related equipment will be the sole responsibility of Redflex, including but not limited to maintaining the casings of the cameras included in the Redflex System and all other Equipment in reasonably clean and graffiti-free condition.
2. Redflex shall not open the Traffic Signal Controller Boxes without a representative of city Traffic Engineering present.
3. In the event that images of a quality suitable for the Authorized Employee to identify Violations cannot be reasonably obtained without the use of flash units, Redflex shall provide and install such flash units.
4. Redflex may assign specific personnel to provide follow up assistance to the Customer in the form of the HELPDESK, a designated Customer Service Representative and a Director of Accounts.

EXHIBIT "D"
COMPENSATION & PRICING

Fixed Fee

Commencing on the expiration of the Warning Period for each Designated Intersection Approach, Customer shall be obligated to pay Redflex a fixed fee of \$6,000 per month for each Designated Intersection Approach ("Fixed Fee") as full remuneration for performing all of the services contemplated in this Agreement.

Cost Neutrality

Cost neutrality is assured to Customer - Customer will never be required to pay Redflex more than actual cash received.

The Customer agrees to pay Redflex within thirty (30) days after the invoice is received. Customer shall be obligated to pay the cumulative balance invoiced by Redflex, in accordance with terms set forth above, to the extent of **gross cash received by the Customer from automated red light violations. In the event that a balance remains unpaid due to a deficit in gross cash received by the Customer compared to invoiced amounts, Customer will provide to Redflex with each monthly payment, an accounting of such gross receipts supporting the amount withheld.**

1. In the event that the contract ends or is terminated and an invoiced balance is still owed to Redflex, all subsequent receipts from automated red light violations for a period of 12 months from date of termination will be applied to such balance and paid to Redflex
2. Payment will only be made by Customer up to the amount of cash received by Customer through the collection of red light citation up to the amount currently due.
3. Customer to open special revenue account and payments to Redflex will come only from the available balance in that account up to the amount currently due, including any unpaid prior invoiced amounts.
4. Cost neutrality is guaranteed except as follows:
 - If police routinely fail to review violations by the due date as established in Section 3.3.5.
 - The City or Police waives more than 10 percent of valid violations forwarded to the Police for acceptance according to mutually agreed upon business rules established during the project kick-off meeting.
 - If systems are de-activated due to Customer requirement.
 - If the Customer fails to maintain the yellow light change interval that meets minimum standards according to federal, state, and local laws, guidelines, and/or rules.
5. In the event that any of the conditions described in item #4 (above) exist relative to a Designated Intersection Approach then Cost Neutrality for that billing period will not apply.

BUSINESS ASSUMPTIONS FOR ALL PRICING OPTIONS:

1. Redflex construction will not be able to utilize existing conduit except between any agreed upon existing City pole used to mount Redflex equipment and the pull box nearest to the same pole. All cost of conduit installation shall be borne by Redflex.
2. Each year, on the anniversary date of the contract, the pricing will increase by the CPI. CPI will be derived from the publication of the U.S. Department of Labor Consumer Price Index for U.S. City average.
3. Except where a balance remains unpaid due to a deficit in the gross cash received as described herein, Customer agrees to pay Redflex within thirty (30) days after the invoice is received. A monthly late fee of 1.5% is payable for amounts remaining unpaid 60 days from date of invoice.
4. The provision of all necessary communication, broadband and telephone services to the Designated Intersection Approaches will be the sole responsibility of Redflex.
5. Redflex shall provide metered power, at its own cost, through a service point designated by the controlling electric utility. Redflex shall be solely responsible for all costs, equipment, and construction. The on-going provision of any and all necessary electrical power to the Designated Intersection Approaches will be the sole responsibility of the Customer.
6. The Customer shall require any and all employees who may operate or occupy the Equipped Motor Vehicles to complete a mandatory training program to insure that (a) the Equipped Motor Vehicles are operated in a safe manner and (b) all warnings and instructions that accompany the Equipped Motor Vehicles are understood and heeded.
7. Redflex shall be solely responsible for installing required signage. Redflex shall be solely responsible for the fabrication of any signage, notices or other postings required pursuant to any law, rule or regulation of any Governmental Authority ("Signage"), including but not limited to the Vehicle Code, and Customer shall assist in determining the placement of such Signage. Redflex shall submit signage design drawings to the appropriate local authority for approval. Any changes or modifications to signage requirements will be the responsibility of the Customer.
8. Required Credit Card fees will not be considered to be revenue received and are the responsibility of the violator.
9. Roadway/Intersection improvement projects: Redflex is solely responsible for all costs associated with replacing and or the modification of operational system approaches.
10. If a system is deactivated at the Customer's request due to roadway construction, the monthly fee will continue.

Exhibit "E"

Additional Rights and Obligations

Redflex and the Customer shall respectively have the additional rights and obligations set forth below:

1. Redflex shall assist the Customer in public information and education efforts, including but not limited to the development of artwork for utility bill inserts, press releases and schedules for any public launch of the Redlight Photo Enforcement Program (actual print and production costs are the sole responsibility of the Customer).
2. The Customer shall not access the Redflex System or use the Redlight Photo Enforcement Program in any manner other than as prescribed by law and which restricts or inhibits any other Person from using the Redflex System or the Redflex Photo Enforcement Program with respect to any Intersection Approaches constructed or maintained by Redflex for such Person, or which could damage, disable, impair or overburden the Redflex System or the Redflex Photo Enforcement Program, and the Customer shall not attempt to gain unauthorized access to (i) any account of any other Person, (ii) any computer systems or networks connected to the Redflex System, or (iii) any materials or information not intentionally made available by Redflex to the Customer by means of hacking, password mining or any other method whatsoever, nor shall the Customer cause any other Person to do any of the foregoing.
3. The Customer shall maintain the confidentiality of any username, password or other process or device for accessing the Redflex System or using the Redlight Photo Enforcement Program.
4. Redflex and the Customer shall advise each other in writing with respect to any applicable rules or regulations governing the conduct of the other on or with respect to the property of such other party, including but not limited to rules and regulations relating to the safeguarding of confidential or proprietary information, and when so advised, Redflex and the Customer shall obey any and all such rules and regulations.
5. The Customer shall promptly reimburse Redflex for the cost of repairing or replacing any portion of the Redflex System, or any property or equipment related thereto, damaged directly or indirectly by the Customer, or any of its employees, contractors or agents.
6. Redflex shall promptly reimburse the Customer for the cost of repairing or replacing any property or equipment of Customer, if damaged directly or indirectly by Redflex, or any of its employees, contractors or agents

Insurance

1. During the Term, Redflex shall procure and maintain at Redflex's sole cost and expense the following insurance coverage with respect to claims for injuries to persons or damages to property which may arise from or in connection with the performance of work or services pursuant to this Agreement by Redflex, and each of Redflex's subcontractors, agents, representatives and employees:
 - Commercial General Liability Insurance. Commercial General Liability Insurance with coverage of not less than One Million Dollars (\$1,000,000) combined single limit per occurrence for bodily injury and property damage.
 - Commercial Automobile Liability Insurance. Commercial Automobile Liability Insurance with coverage of not less than One Million Dollars (\$1,000,000) combined single limit per accident for bodily injury or property damage, including but not limited to coverage for all automobiles owned by Redflex and hired by Redflex.
 - Professional Liability (Errors and Omissions) Insurance. Redflex will use its commercial best efforts to procure and maintain Professional Liability (Errors and Omissions) Insurance with coverage of not less than One Million Dollars (\$1,000,000) per claim and in the aggregate.
 - Workers' Compensation and Employer's Liability Insurance. Workers' Compensation Insurance with coverage of not less than that required by the Labor Code of the State of City of Roseville, and Employer's Liability Insurance with coverage of not less than One Million Dollars (\$1,000,000) per occurrence.
2. With respect to the insurance described in the foregoing Section of this Exhibit E, any deductibles or self-insured retentions must be declared to and approved by the Customer, and any changes to such deductibles or self-insured retentions during the Term must be approved in advance in writing by the Customer.
3. With respect to the Commercial General Liability Insurance the following additional provisions shall apply:
 - The Customer Parties shall be named as additional insureds with respect to the Commercial General Liability insurance, and such coverage shall contain no special limitations on the scope of protection afforded to such additional insureds.
 - The insurance coverage procured by Redflex and described above shall be the primary insurance with respect to the Customer Parties in connection with this Agreement, and any insurance or self-insurance maintained by any of the Customer Parties shall be in excess, and not in contribution to, such insurance.
 - Any failure to comply with the reporting provisions of the various insurance policies described above shall not affect the coverage provided to the Customer Parties, and such insurance policies shall state the such insurance coverage shall apply separately with respect to each additional insured against whom any claim is made or suit is brought, except with respect to the limits set forth in such insurance policies.

4. With respect to the insurance described in the foregoing Section of this Exhibit E, if any of the Redflex Parties are notified by any insurer that any insurance coverage will be cancelled, Redflex shall immediately provide written notice thereof to the Customer and shall take all necessary actions to correct such cancellation in coverage limits, and shall provide written notice to the Customer of the date and nature of such correction. If Redflex, for any reason, fails to maintain the insurance coverage required pursuant to this Agreement, such failure shall be deemed a material breach of this Agreement, and the Customer shall have the right, but not the obligation and exercisable in its sole discretion, to either (i) terminate this Agreement and seek damages from Redflex for such breach, or (ii) purchase such required insurance, and without further notice to Redflex, deduct from any amounts due to Redflex pursuant to this Agreement, any premium costs advanced by the Customer for such insurance. If the premium costs advanced by the Customer for such insurance exceed any amounts due to Redflex pursuant to this Agreement, Redflex shall promptly remit such excess amount to the Customer upon receipt of written notice thereof.
5. Redflex shall provide certificates of insurance evidencing the insurance required pursuant to the terms of this Agreement, which certificates shall be executed by an authorized representative of the applicable insurer, and which certificates shall be delivered to the Customer prior to Redflex commencing any work pursuant to the terms of this Agreement.

Exhibit F

FORM OF ACKNOWLEDGMENT AND CONSENT

This Acknowledgement and Consent, dated as of June 18, 2008, is entered into by and between the City of Roseville (the "City") and Redflex Traffic Systems, Inc. ("Redflex"), with reference to the Agreement between the City of Roseville and Redflex Traffic Systems, Inc. for Photo red light enforcement program, dated as of June 18, 2008, by and between the City and Redflex (the "Agreement").

1. Redflex has entered into a Credit Agreement, dated as of August 3, 2003 (the "Harris-Redflex Credit Agreement"), with Harris Trust and Savings Bank (the "Bank"), pursuant to which the Bank has provided certain working capital credit facilities to Redflex. Such credit facilities will provide Redflex the working capital that it needs to perform its obligations to the City under the Agreement.

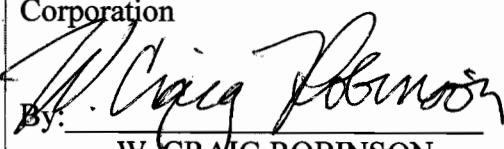
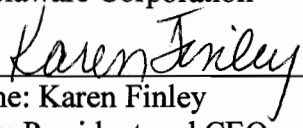
2. Pursuant to the Harris-Redflex Credit Agreement, Redflex has granted Harris a security interest in all of Redflex's personal property as collateral for the payment and performance of Redflex's obligations to the Bank under the Harris-Redflex Credit Agreement. Such security interest applies to and covers all of Redflex's contract rights, including, without limitation, all of Redflex's rights and interests under the Agreement.

3. Redflex will not, by virtue of the Harris-Redflex Credit Agreement, be relieved of any liability or obligation under the Agreement, and the Bank has not assumed any liability or obligation of Redflex under the Agreement.

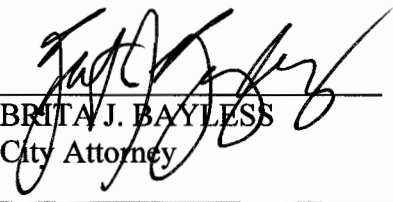
4. The City hereby acknowledges notice of, and consents to, Redflex's grant of such security interest in favor of the Bank in all of Redflex's rights and interests under the Agreement pursuant to the Harris-Redflex Credit Agreement.

5. The City further acknowledges and agrees that this Acknowledgement and Consent shall be binding upon the City and shall inure to the benefit of the successors and assigns of the Bank and to any replacement lender which refinances Redflex's obligations to the Bank under the Harris-Redflex Credit Agreement.

IN WITNESS WHEREOF, the City and Redflex have caused this Acknowledgement and Consent to be executed by their respective duly authorized and elected officers as of the date first above written.

<p>The City:</p> <p>CITY OF ROSEVILLE a Municipal Corporation</p> <p>By:  W. CRAIG ROBINSON City Manager</p>	<p>Redflex:</p> <p>REFLEX TRAFFIC SYSTEMS, INC., a Delaware Corporation</p> <p>By:  Name: Karen Finley Title: President and CEO</p>
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APPROVED AS TO FORM:

BY: 
BRITA J. BAYLESS
City Attorney

RESOLUTION NO. 08-330

APPROVING AN AGREEMENT BETWEEN THE CITY OF ROSEVILLE AND REDFLEX TRAFFIC SYSTEMS, INC. AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE

WHEREAS, an exclusive agreement regarding the photo red light enforcement program, between the City of Roseville and Redflex Traffic Systems, Inc., has been reviewed by the City Council; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Roseville that said agreement is hereby approved and that the City Manager is authorized to execute it on behalf of the City of Roseville.

PASSED AND ADOPTED by the Council of the City of Roseville this 18th day of June, 2008, by the following vote on roll call:

AYES COUNCILMEMBERS: Allard, Roccucci, Garcia, Gray

NOES COUNCILMEMBERS: None

ABSENT COUNCILMEMBERS: Garbolino


MAYOR

ATTEST:


City Clerk

need 1-24-08 from defendant
see pgs 11 & 12

**LOS ANGELES COUNTY
METROPOLITAN TRANSPORTATION AUTHORITY**

PART A

SCOPE OF WORK

**SYSTEM OPERATION AND FIELD MAINTENANCE SERVICES
FOR LONG BEACH BLUE LINE PHOTO ENFORCEMENT
EQUIPMENT (02/00-01/05)**

Contract No. SP035

1. INTRODUCTION

This Scope of Work is the basis for a qualified Contractor to provide certain services in connection with the operation of photo enforcement equipment at highway-rail intersections on the Metro Blue Line. The work to be done consists of the following elements.

- A. Operations and Field Maintenance. Operate and maintain photo enforcement equipment at Metro Blue Line highway-rail intersections, including camera units, camera unit housings and poles, vehicle detection loops, signs and sign poles, and related cabling and conduit. Maintenance work shall be limited to routine repair and maintenance tasks that can be accomplished in the field by the Service Technician and which do involve equipment replacement, new construction, or shop repairs.
- B. Citation Processing Services. Prepare and mail citations using photographs taken of violators at the grade crossings, including additional services related to the processing of the citations until the disposition of all citations issued for grade crossing violations has been finalized.

2. BACKGROUND

In mid-1993, the AUTHORITY Board of Directors authorized funding for the Metro Blue Line Grade Crossing Safety Improvement Program. The program consisted of 17 separate projects, designed to enhance public safety at the 100 at-grade crossings on the Metro Blue Line. The Metro Blue Line, opened in mid-1990, is a Light Rail Transit line, which runs from downtown Los Angeles to downtown Long Beach.

As part of the Metro Blue Line Grade Crossing Safety Improvement, the AUTHORITY initially carried out five demonstration projects involving the use of photo enforcement equipment at grade crossings. Citations were issued as part of three demonstration projects. For these projects, large reductions in the number of grade crossing violations were measured after photo enforcement equipment was installed and photo citations issued. For example, at the Compton Boulevard crossing, the rate of violations dropped from approximately one violation every hour to one violation every 12 hours.

Based on the positive demonstration project results, the AUTHORITY elected to proceed with the installation of photo enforcement equipment at 17 crossings. The AUTHORITY also initiated modifications to the California Vehicle Code (CVC), under State Senate Bill 1802, which make citations for violations recorded by photo enforcement equipment subject to the same procedures as citations for other moving violations. The provisions enacted under Senate Bill 1802 have since been extended, under Senate Bill 833, for red light running violations at signalized intersections.

Photo enforcement cameras are currently operational for one or both approaches at 17 crossings on the Metro Blue Line, a total of 33 camera unit housings. Ten cameras are used and are rotated from crossing to crossing so that there is a camera at each location every 3-4 weeks on the average. Since September 1995 when the initial three locations were made operational, over 8,000 citations have been issued for grade crossing violations at the 17 crossings where photo enforcement cameras are operational. The rate of train/vehicle collisions at crossings where there are photo enforcement cameras is 40 percent lower than for other crossings on the Metro Blue Line where trains operate at speeds up to 55 miles per hour.

The AUTHORITY's project represents the first use of photo enforcement cameras at light rail transit grade crossings in North America. Currently, it is one of the largest photo enforcement systems in North America.

3. DESCRIPTION OF EXISTING STREET EQUIPMENT

See Attachment A, Product Data For Poles, Cabinets, Camera and Flash Units, and Warning Signs.

4. SCOPE OF WORK

This Section describes the requirements for operation and field maintenance of the photo enforcement equipment, including requirements for the processing of citations based on photographic evidence.

- A. The Contractor shall service the photo enforcement equipment at each location with a camera not less often than once per day, Monday through Friday, excluding holidays (eleven observed holidays per year), to change film, verify that the equipment is working properly, perform routine cleaning and light maintenance tasks, maintain all moveable and street equipment related to the camera system in good working order and condition, and remove the camera unit for relocation or repair work when necessary.

The Contractor shall adjust the camera unit setups as needed to optimize the quality of the photographs taken at each location and to maximize the percentage of recorded violations for which citations are issued.

The Contractor shall maintain the camera units and street equipment in proper working order and condition. The Contractor shall repair and/or replace the warning signs, warning sign poles and foundations, camera units, camera unit housings and poles, vehicle detection loops, and all other street equipment and facilities.

- B. The Contractor shall prepare and mail citations using photographs taken of violators at the grade crossings, including additional services related to the processing of the citations until the disposition of the citations issued has been finalized. Data concerning all violations recorded and citations issued shall be maintained using an automated data processing system. The Contractor shall provide the necessary documentation and training for AUTHORITY Police Services Providers personnel who will be supporting the operation of the system.
- C. The Contractor shall provide the necessary equipment and facilities to support the camera servicing and field maintenance, citation processing, and related work tasks described in this Section.

5.1 DAILY SERVICING AND EQUIPMENT FIELD MAINTENANCE

- A. Number of Camera Units.
 - 1. Existing Camera Units - 10.

2. Maximum Number of Camera Units During Period of Performance - up to 22 camera units and five (5) flash-only camera units. It is the Authority's intent that additional camera units shall be the same or fully compatible with existing camera units and housings.
3. The Contractor shall replace any camera unit removed from service for more than three consecutive days in any 60-day period for preventative maintenance, corrective maintenance, or repairs with a Contractor-supplied camera unit.

B. Number of Locations.

1. Existing Operational Locations - 33.
2. Maximum Number of Locations During Period of Performance - 60.

C. Existing Servicing and Maintenance Procedures - See Attachment B.

D. Daily Servicing.

1. The Contractor shall service the photo enforcement cameras at each location not less often than one time per day, Monday through Friday, excluding holidays, 52 weeks per year.
 - a. Change film and camera data card.
 - b. Verify that the equipment is working properly.
 - c. Adjust the detector frequency and sensitivity settings being used for each vehicle detection loop, as needed, to ensure that all vehicles are being properly detected, that the loops are not cross-talking with adjacent loops, and that trains are not being detected.
 - d. Adjust the camera unit setups as needed to optimize the quality of the photographs taken at each location.
 - e. Perform routine cleaning and field maintenance tasks, including the removal of graffiti from the camera housing, camera pole, and/or advance warning signs.
 - f. Remove the camera unit for relocation or repair work when necessary.
 - g. Record camera service data including date and time, exposure and traffic counts, and any problems or defects noted and corrected.

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E. Equipment Field Maintenance. The Contractor shall maintain the photo enforcement equipment, including but not limited to the following tasks.

1. Inspect the camera housings, camera poles, and advance warning signs for graffiti, scratches, and damage during each service visit, Monday through Friday. Remove minor graffiti, less than one square foot, on camera housings or camera poles being serviced. Remove all graffiti and touch-up paint any scratches or damaged areas on all camera housings, camera poles, and advance warning signs within five (5) working days. Replace advance-warning signs if graffiti cannot be removed without damaging sign wording or background.
2. Replace or repair advance warning signs which have been damaged within five (5) working days.
3. Repair or replace sign poles, where the sign pole base has not been damaged and only the mast section of the pole needs to be replaced, which are knocked down or damaged within five (5) working days.
4. Respond within four (4) hours, after being notified by the AUTHORITY, to any location where a camera pole has been hit or knocked down or where there has been any damage involving photo enforcement street equipment that may be affecting street or pedestrian traffic or train operations. As needed at the location, remove any damaged street equipment including the damaged or downed pole, camera cabinet, and camera unit, if any; disconnect all wires at the camera pole terminal block and pull the wires, including power supply wires, into the closest photo enforcement system pullbox; verify that all power supply wires have been disconnected and there are no exposed "hot" wires; and clearly mark and/or protect the camera pole foundation bolts.
5. Inspect vehicle detection loops at least every 12 months. Verify loop circuit integrity using Megger test at camera pole; inspect loop to DLC splices and redo any splices which appear worn or weathered; inspect DLC tags and replace any tags which have been removed or damaged; and inspect loop saw cuts, add sealant where necessary, and remove any objects which may be damaging loops. Identify any locations where street maintenance may be required in order to avoid potential damage to the vehicle detection loops.
6. Inspect camera unit and flash unit operation on a daily basis, Monday through Friday. Make any adjustments needed to the camera unit and flash unit required for optimum performance. Replace any failed or damaged parts or components, which can be done by the Service Technician using hand tools or not requiring tools in the field.

F. Documentation

1. The Contractor shall maintain written or automated daily service and field maintenance log books or journals. Entries shall be made by the person performing the task at the time the task is done. The person performing the task shall initial entries in the service logs. The logs shall be available to the AUTHORITY or AUTHORITY's representatives at all times.

2. The Contractor shall provide a Service and Field Maintenance Procedures Manual, which provides a description of the daily service and field maintenance tasks, including example of all logs or journals used to record service and maintenance tasks. The Manual shall be updated as necessary to incorporate current service and field maintenance procedures and record keeping.
3. The Contractor shall include summary daily servicing and field maintenance information in the monthly summary reports.

5.2 CITATION PROCESSING

A. Existing Citation Processing Procedures - See Attachment C.

B. Participating Agencies

1. Courts.
 - a. Compton Municipal Court, located in downtown Compton, for traffic violations at crossings on the cab signal route segment from Slauson Boulevard to as far south as Manville Street.
 - b. Long Beach Juvenile Court, Traffic Division (handles juvenile violations for the Compton Court).
 - c. Los Angeles Municipal Court located on Hill Street in Los Angeles may be used for citations issued north of Slauson Avenue, as determined by the Authority and the Authority Police Service Provider.
 - d. Long Beach Municipal Court, in downtown Long Beach, may be used for citations issued in the city of Long Beach, as determined by the Authority and the Authority Police Service Provider.
2. State of California Department of Motor Vehicles.
3. AUTHORITY Police Services Provider. Currently, the Los Angeles County Sheriff's Department Transit Services Bureau provides police services for the Metro Blue Line under a contract with the AUTHORITY.

B. Requirements

1. The Contractor shall view all photographs taken by the photo enforcement cameras.
2. The Contractor shall prepare and mail citations to violators photographed by the system where the photographs have recorded a violation and where they provide identifiable images of each driver's face and vehicle license plate. The Authority Police Services Provider shall provide criteria to the Contractor for the preparation of citations from the photographic evidence.

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- a. All violators shall be mailed a notice of violation and/or citation within eleven calendar days of the date of violation. Contractor shall maintain adequate records to verify that citations are being mailed within the ~~specified number of days and shall provide~~
 - b. The notice of violation letters shall be written for each type of vehicle ownership as follows - individual, commercial, and juvenile.
 - c. Citations sent to individuals shall include the driver's license number and related information with the following exception: With Court approval, citations sent to individuals may not include the driver's license number
 - d. Citations shall include, at the AUTHORITY's option, digitized reproductions of the second photograph, close-up view of the driver's face, and close-up view of the license plate.
 - e. Copies of each citation shall be provided to the Court having jurisdiction and to the MBL police services provider either electronically or hard copy.
 - f. Summary reports listing each day's citations shall be provided to the Court having jurisdiction and to the Authority Police Services Provider either electronically or hard copy.
 - g. Data in an acceptable computer readable format for each day's citations shall be provided to the Court having jurisdiction, if required by the Court.
 - h. Citations shall be prepared and mailed where a written statement by the registered vehicle owner of record concerning a change in ownership or providing identification of the person driving has been received.
 - i. Certificates of Mailing and other supporting documentation or statements, which may be required by a Court in order to issue warrants and DMV holds shall be provided.
 - j. The citation form shall be approved by the Court having jurisdiction, the Authority Police Services Provider, and the State of California Judicial Council.
3. The Contractor shall provide an automated system for tracking relevant information for each violation recorded by the photo enforcement system and warning notice or citation issued. At a minimum, the data processing system shall provide the following information retrieval and reporting capabilities:
- a. Generate notice of violation letters, citations, and warning notices. Citations shall be issued per the AUTHORITY established policy and procedures for issuing photo citations. The AUTHORITY may revise or amend its policy and procedures for issuing photo citations at any time, and as often as necessary, during the period of performance.
 - b. Generate monthly operations report in the format of the attached example report - see Attachment E.

- c. For each violation recorded:
 - Location.
 - Date.
 - Time.
 - Number of seconds of amber and red traffic signal, or red flashing signal displayed.
 - Type of violation (such as right turn, left turn or straight through), if applicable.
 - Estimated vehicle speed.
 - Train present, if applicable.
 - Vehicle description, including license plate state and number.
 - VC section violated.
 - Citation prepared or reason for not preparing citation.
 - Registered vehicle owner's name and address, driver's license number, and related information required to prepare citation.
 - Driver's name and address, driver's license number, and related information required to prepare citation where violation made by driver other than registered owner.
 - Status of citation (outstanding, canceled, reissued, paid or bail forfeited, warrant issued, and so forth).

- d. Ability to access State of California DMV databases to obtain registered owner and driver's license information. DMV access shall be on-line via telephone line. Over-the-counter DMV access or access which does not provide full access to the registered owner and driver's license data bases shall not be acceptable.

The Contractor shall not be required to issue citations for out-of-state or foreign license plates.

- e. Provide on-line access to Authority Police Services Provider for on-line inquiries regarding the disposition of citations and related items.

- f. Provide automated support for photographic data analysis and AUTHORITY audits as follows:
 - i. Provide on-line status of recorded violations for any date, time, and location by roll of film identifier.
 - ii. Provide on-line disposition of recorded violations for any date, time, and location by citation issued or reason for not issuing citation.

- g. Provide for the reporting of special cases and circumstances, such as the following:
 - i. Number of citations dismissed under Section D and the disposition of citations issued under Section D

- ii. Number of violations recorded and citations issued or reasons for not issuing citations for two violations recorded at the same time.

At the AUTHORITY's request, the Contractor shall provide data tabulations and related information, including violation photographs, for these violations.

- 4. The Contractor shall review all photographs taken to determine where camera unit adjustments are needed to optimize the quality of the photographs taken at each location and to maximize the percentage of recorded violations for which citations are issued. For example, the Contractor may elect to change the distance for the second photograph in order to provide improved photographs of vehicles making turns.
- 5. The Contractor shall provide a telephone answering and information service to handle calls from persons receiving citations.
 - a. Answer questions in English or Spanish.
 - b. Answer questions about citations issued and options available for persons receiving a citation.
 - c. Schedule appointments with the AUTHORITY Police Services Provider for persons receiving a citation to view photographs.
 - d. To be available from 9:00 a.m. to 5:00 p.m., Monday through Friday except holidays.
- 6. The Contractor shall provide copies of photographs and related information for any citation to the AUTHORITY Police Services Provider in connection with appointments by persons receiving citations or court hearings.
- 7. The Contractor shall provide "on call" technical assistance, copies of photographs, and related information to the AUTHORITY Police Services Provider or the courts in connection with court hearings or any inquiries from the courts concerning the operation of the photo enforcement equipment.

The Contractor shall also provide "on call" technical assistance as required by the AUTHORITY for:

- a. Assistance in drafting proposed legislation that enhances or clarifies the operation of photo enforcement cameras at MBL grade crossings and in presenting the proposed legislation to elected officials and public agency representatives.
- b. Engineering assistance to evaluate new or enhanced photo enforcement systems and related equipment.

8. The Contractor shall inform the AUTHORITY of each violation recorded involving an AUTHORITY vehicle, a Police or Fire Department vehicle, any emergency services vehicle, vehicles transporting hazardous materials, and school buses. At the AUTHORITY's request, the Contractor shall provide copies of photographs and related information for these violations.

The Contractor shall inform the AUTHORITY of any commendations, complaints, or comments received from the general public concerning the use of photo enforcement equipment at MBL grade crossings.

8. Security shall be provided to protect photographic evidence and related records.
 - a. Lockable and fireproof cabinets for storing photographic evidence and related records.
 - b. Access control for facilities where citation processing equipment and records are located.
 - c. Access control for computer systems where violations and citations data is processed.

Adequate records shall be maintained to establish a chain of evidence for each violation recorded by the system. At a minimum, the Contractor shall maintain the following information in written or automated logs books or journals.

- a. ~~Daily servicing of each camera unit (film changes, violation and traffic counts, and equipment maintenance)~~
- b. ~~Use of each roll of film, including the disposition of each photograph taken by the camera units.~~
- c. ~~Status of each citation prepared and mailed.~~

The Contractor shall establish procedures and record-keeping for the handling and processing of film that provide for the accountability and independent verification of all exposures taken by the photo enforcement equipment.

10. The Contractor shall familiarize and train personnel from the AUTHORITY Police Services Provider and courts in the operation of the photo enforcement equipment.
11. From time to time and without notice, the AUTHORITY, the AUTHORITY's representative, or the Police Services Provider may audit the Contractor's records.
12. The Contractor shall provide a Citation Processing manual, which provides a description of the citation processing tasks, reports and documentation, and data processing systems. The Manual shall be updated as necessary to incorporate current citation processing procedures and record keeping.

D. Estimated Citation Processing Volumes

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1. The volume of citations to be processed will depend on the number of cameras in use for photo enforcement and the characteristics of the location where the camera equipment is being operated. The Contractor should expect that the number of violations recorded and citations issued per camera, on the average per day, will be not more than 50 percent higher than the existing number of violations recorded and citations issued for each location - see Attachment F. Note that the actual number of violations recorded and citations issued at each location may vary considerably from these estimates.
2. Telephone Inquiries and Calls for Appointments. The Contractor should expect that the number of calls will be as follows.

Low -- 1 call per 10 citations mailed.
High -- 2 calls per 10 citations mailed.
3. Court Hearings. The Contractor should expect that the number of court hearings will be approximately one for every 30 citations mailed.
4. Moving Cameras. The Contractor should expect that camera units will be moved from one location to another not more often than every two weeks.

E. Monthly Operations Report

The Contractor shall submit Monthly Operations Reports, which shall provide a recap of the month's operations as well as summary statistical data and charts showing the month's camera utilization and program results. The report shall be prepared in the format of the attached example report - see Attachment D. The Contractor may suggest changes to the report format for AUTHORITY review and approval.

The Contractor shall submit ten (10) copies of the Monthly Operations Report within ten (10) working days after the last day of the month being reported on.

F. Maintenance of Existing Citations Issued Rates By Location

The Contractor shall be required to maintain, at a minimum, the existing rates of citations issued by location as summarized in Attachment F. The existing rates by location, to be referred to as the "baseline rates", are based on the citations issued since the startup of the Metro Blue Line photo enforcement program in September 1995. The baseline rates have been calculated using the total number of recorded violations, including recorded violations where citations were not issued for all reasons.

The Contractor shall compute the rate of citations issued for each location for comparison with the baseline rate as a floating rate, based on the most recent 100 recorded violations or one-month's number of violations if more than 100 violations have been recorded during the month. The baseline and calculated rates shall be reported in the Monthly Operations Report. For example:

Baseline rate - citations issued per recorded violation: 0.25
 Citations issued for last 100 recorded violations: 28
 Current rate - citations issued per recorded violation: 0.28, which is greater than the baseline rate.

For any location where the calculated rate of citations issued is lower than the baseline rate of citations issued, the Contractor shall prepare and submit a Corrective Actions Report which provides an analysis of the reasons for the lower rate of citations issued, description of the corrective actions to be taken, and time schedule for implementing the corrective actions.

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LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY**CONTRACT NO. SP035****AMENDMENT NO. 2****FOR****PHOTO ENFORCEMENT MAINTENANCE SERVICES**

This Amendment No. 2 to Contract No. SP035 is made and entered into this 9th day of December, 2004, by and between the **LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY**, hereinafter referred to as "MTA" and **ACS STATE AND LOCAL SOLUTIONS, INC.**, hereinafter referred to as "CONTRACTOR".

WHEREAS, Contractor and MTA entered into Contract No. SP035, effective February 1, 2000, the "Existing Contract" and;

WHEREAS, Contractor and MTA desire to amend the Existing Contract as provided herein.

Now, therefore, it is mutually agreed by and between the parties as follows:

ARTICLE V, PERIOD OF PERFORMANCE is hereby revised to extend the expiration date from January 31, 2005 to January 31, 2007 at no additional cost to the contract.

Except as expressly amended hereby, the Existing Contract remains in full force and effect as originally executed.

IN WITNESS WHEREOF, the parties have caused this Amendment No. 1 to the Existing Contract to be executed by their respective officers duly authorized on the date first written above.

ACS STATE AND LOCAL SOLUTIONS, INC.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

By: *[Signature]*
SIGNATURE OF AUTHORIZED OFFICIAL

By: *[Signature]*
MARK LU
Contract Administrator

M. J. Hannigan
(PRINT OR TYPE NAME)

12/9/04
DATE

Vice-President / INC. DR.
TITLE

12/17/04
DATE