

**PROFESSIONAL SERVICES AGREEMENT**

**REFLEX TRAFFIC SYSTEMS, INC.**

**THIS FIRST AMENDMENT TO THE AGREEMENT** is to be effective the 13<sup>th</sup> day of February 2012, by the CITY OF GARDEN GROVE, a municipal corporation, ("CITY"), and Reflex Traffic Systems, Inc., a Delaware corporation, ("SERVICE PROVIDER").

**RECITALS**

The following recitals are a substantive part of this Agreement:

1. This Agreement is entered into pursuant to Garden Grove City Council authorization.
2. CITY desires to utilize the services of SERVICE PROVIDER to furnish all equipment, licenses, applications and back office processor related to the SMARTCAM digital red light traffic enforcement cameras for monitoring and enforcement of red-light running violations at up to 25 approaches within the City of Garden Grove.
3. SERVICE PROVIDER is qualified by virtue of experience, training, education and expertise to accomplish services.

**AMENDED TERMS AND CONDITIONS**

1. Extension of Term. The term of this Agreement, which was made on the 13<sup>th</sup> day of February 2007, and was automatically extended for two (2) additional one (1) year terms from said date of execution, shall be extended for an additional six (6) month term, through 13 August 2012.
2. During the current extension of term, either party shall have the right to terminate this Agreement by providing 30 days written notice to the other party.
3. All other provisions of the Agreement shall remain in full force and effect.

*[SIGNATURES ON FOLLOWING PAGE]*

**IN WITNESS THEREOF**, these parties have executed this Agreement on the date and year shown below.

**"CITY"**

**CITY OF GARDEN GROVE**

Dated: Feb 22, 2012

By: Matthew Fatale  
City Manager

**ATTEST**

**"CONSULTANT"**

*Redtlex Traffic Systems, Inc.*

Kathleen Baird  
City Clerk

By: San K. [Signature]  
Title: CFO

Dated: Feb 22, 2012

Dated: 2-3, 2012

**APPROVED AS TO FORM:**

If CONSULTANT/CONTRACTOR is a corporation, a Corporate Resolution and/or Corporate Seal is required. If a partnership, Statement of Partnership must be submitted to CITY

[Signature]  
Garden Grove City Attorney

Dated: 2/8, 2012



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
11/16/2011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER LIC #0726293 Arthur J. Gallagher & Co. Insurance Brokers of California, Inc. 3697 Mt. Diablo Boulevard, Suite 300 Lafayette, CA 94549 Robert J. Marrone INSURED Reflex Traffic Systems, Inc. 23751 N. 23rd Avenue, Suite 150 Phoenix, AZ 85085-1854	1-925-299-1112 CONTACT NAME: Certificate Department PHONE (A/C, No. Ext): 925-299-1112 FAX (A/C, No.): 925-953-6270 E-MAIL ADDRESS: eastbaycerts@AJG.COM	
INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A: WAUSAU UNDERWRITERS INS CO [AMBest: A, XV]		26042
INSURER B: LIBERTY MUT FIRE INS CO [AMBest: A, XV]		11748
INSURER C: ENDURANCE AMER SPECIALTY INS CO [A, XV]		41718
INSURER D:		
INSURER E:		
INSURER F:		

## COVERAGES

CERTIFICATE NUMBER: 24110857

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> STOP GAP: WA, OH  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC	X		TBJZ91453980031	03/15/11	04/01/12	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL ACCRECAE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> COMP/CODL <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input checked="" type="checkbox"/> DEP*: \$1,000			ASJZ91453980021	03/15/11	04/01/12	COMBINED SINGLE LIMIT (Per accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ *- *HAPP Ded \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			THZ291453980041	03/15/11	04/01/12	EACH OCCURRENCE \$ 19,000,000 AGGREGATE \$ 19,000,000 \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N N/A	WCJZ91453980011	03/15/11	04/01/12	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	PROFESSIONAL/CYBER LIAB.  (See attached Suppl. Page...)			PPL10003051000 [ClaimsMade]	03/15/11	04/01/12	\$50K.SIR   EaCln/Agg 2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

RE: Activities performed by or on behalf of the permittee or contractor as required by contract. ADDITIONAL INSURED(S): The City of Garden Grove, CA as required by written contract.

REVISED - POLICY TERM EXTENDED TO 04/01/2012<sup>v</sup>

## CERTIFICATE HOLDER

City of Garden Grove  
City Traffic Engineer  
11222 Acacia Pkwy.  
Garden Grove, CA 92842  
USA

## CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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ACORD 25 (2010/05)  
satyaram  
24110857

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# SUPPLEMENT TO CERTIFICATE OF INSURANCE

DATE  
11/16/2011

NAME OF INSURED: RedFlex Traffic Systems, Inc.

Additional Description of Operations/Remarks from Page 1:

Additional Information:

**GENERAL LIABILITY:**

- \* Separation of Insureds applies per policy form.
- \* Additional Insured if required by written contract per attached form LG3234 0907. ✓
- \* Coverage is Primary & Non-Contributory if required by written contract per form LG3234 0907. ✓

Policy Number TBJ-Z91-453980-031<sup>cl</sup>  
Issued by WAUSAU UNDERWRITERS INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**LIBERTY DirectSolutions for Contractors  
(with Professional Liability)**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

This endorsement modifies insurance by broadening the insurance provided by CG 00 01.

**Index of modified items:**

- Item 1. REASONABLE FORCE
- Item 2. NON-OWNED WATERCRAFT EXTENSION
- Item 3. ALIENATED PREMISES
- Item 4. PROPERTY IN YOUR CARE, CUSTODY OR CONTROL
- Item 5. CONTRACTORS PROFESSIONAL LIABILITY
- Item 6. DAMAGE TO PREMISES RENTED TO YOU - EXPANDED COVERAGE
- Item 7. BODILY INJURY TO CO-EMPLOYEES
- Item 8. HEALTH CARE PROFESSIONALS AS INSURED
- Item 9. NEWLY FORMED OR ACQUIRED ENTITIES
- Item 10. BLANKET ADDITIONAL INSURED AND WAIVER OF SUBROGATION-MANAGERS OR LESSORS OF PREMISES
- Item 11. EXPANDED BLANKET ADDITIONAL INSURED AND WAIVER OF SUBROGATION (FOR INSTALLATION EXPOSURES)
- Item 12. BLANKET ADDITIONAL INSURED AND WAIVER OF SUBROGATION - PERSON OR ORGANIZATION
- Item 13. ADDITIONAL INSURED - ARCHITECTS, ENGINEERS OR SURVEYORS
- Item 14. ADDITIONAL INSURED - STATE, MUNICIPALITY OR POLITICAL SUBDIVISION - PERMITS
- Item 15. ADDITIONAL INSURED AND WAIVER OF SUBROGATION - LESSOR OF LEASED EQUIPMENT
- Item 16. KNOWLEDGE OF OCCURRENCE
- Item 17. UNINTENTIONAL ERRORS AND OMISSIONS
- Item 18. BODILY INJURY REDEFINITION
- Item 19. MOBILE EQUIPMENT REDEFINITION
- Item 20. SUPPLEMENTARY PAYMENTS
- Item 21. LIBERALIZATION

These changes broaden the policy sections described unless differing language is separately endorsed to the coverage part.

**Item 1. REASONABLE FORCE**

Exclusion a. of Coverage A is replaced by the following:

a. Expected or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

If the written agreement to indemnify an additional insured requires that you indemnify the additional insured for its sole negligence, then the coverage for the additional insured shall conform to that agreement; provided, however, that the contractual indemnification language of the agreement is valid under the law of the state where the agreement was formed. If the written agreement provides that a particular state's law will apply, then such provision will be honored.

**B. Waiver Of Subrogation**

For any additional insured that obtains insured status on this policy through Paragraph A. above, we waive any right of recovery we may have against the additional insured because of payments we make for "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies.

**C. Exclusions**

This insurance does not apply to:

1. Any "occurrence" that takes place after you cease to be a tenant in that premises.
2. Any construction, renovation, demolition or installation operations performed by or on behalf of the additional insured.
3. Any premises for which coverage is excluded by endorsement.

**D. Other Insurance**

The insurance provided by this endorsement applies only to coverages and limits of insurance required by written agreement, but in no event exceeds either the scope of coverage or the limits of insurance available within this policy.

This insurance shall be excess over any other insurance available to the additional insured, whether such insurance is on an excess, contingent or primary basis, unless you are obligated under a written agreement to provide liability insurance for that additional insured on any other basis. In that event, this policy will apply solely on the basis required by such written agreement.

To the extent that the additional insured has the right to pursue any other insurance carrier for coverage, including a defense, we shall share that right with the additional insured.

**Item 11. EXPANDED BLANKET ADDITIONAL INSURED AND WAIVER OF SUBROGATION (FOR INSTALLATION EXPOSURES)**

A. Section II - Who Is An Insured is amended to include as an insured any person or organization to whom you are obligated by a written agreement to procure additional insured coverage, provided that: ✓

1. The "bodily injury," "property damage," or "personal and advertising injury" giving rise to liability occurs subsequent to the execution of the written agreement; and
2. The written agreement is in effect at the time of the "bodily injury," "property damage," or "personal and advertising injury" for which coverage is sought.

That person or organization shall be referred to as the additional insured.

The coverage afforded to the additional insured is limited to liability caused, in whole or in part, by the negligent acts or omissions of you, your employees, your agents, or your subcontractors, in the performance of your ongoing operations.

This insurance does not apply to "bodily injury," "property damage," "personal and advertising injury" arising out of "your work" included in the "products-completed operations hazard" unless you are required to provide such coverage for the additional insured by the written agreement, and then only for the period of time required by the written agreement and only for liability caused, in whole or in part, by the negligent acts or omissions of you, your employees, your agents, or your subcontractors.

There is no coverage for the additional insured for "bodily injury", "property damage" or "personal and advertising injury" arising out of the sole negligence of the additional insured or by those acting on behalf of the additional insured, except as provided below.

If the written agreement to indemnify an additional insured requires that you indemnify the additional insured for its sole negligence, then the coverage for the additional insured shall conform to that agreement; provided, however, that the contractual indemnification language of the agreement is valid under the law of the state where the agreement was formed. If the written agreement provides that a particular state's law will apply, then such provision will be honored.

#### **B. Waiver Of Subrogation**

For any additional insured that obtains insured status on this policy through Paragraph A. above, we waive any right of recovery we may have against the additional insured because of payments we make for "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies.

#### **C. Exclusions**

With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply:

1. To "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:
  - a. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - b. Supervisory, inspection, architectural or engineering activities.
2. To "bodily injury" or "property damage" that occurs during the ongoing operations of a project where you have purchased an Owners & Contractors Protective Liability or Railroad Protective Liability Policy for the additional insured.
3. When coverage is available under a consolidated (wrap up) insurance program in which you are involved.

#### **D. Other Insurance**

The insurance provided by this endorsement applies only to coverages and limits of insurance required by written agreement, but in no event exceeds either the scope of coverage or the limits of insurance available within this policy.

This insurance shall be excess over any other insurance available to the additional insured, whether such insurance is on an excess, contingent or primary basis, unless the written agreement with you requires that the insurance provided for the additional insured be primary concurrent or primary non-contributory, in comparison to the additional insured's own policy or policies.

To the extent that the additional insured has the right to pursue any other insurance carrier for coverage, including a defense, we shall share that right with the additional insured.

**Item 12. BLANKET ADDITIONAL INSURED AND WAIVER OF SUBROGATION – PERSON OR ORGANIZATION**

A. Section II – Who Is An Insured is amended to include as an additional insured any person or organization to whom you are obligated by a written agreement to procure additional insured coverage, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf.

1. In the performance of your ongoing operations; or ✓
2. In connection with premises owned by you;

provided that:

- (a) The "bodily injury", "property damage" or "personal and advertising injury" giving rise to liability occurs subsequent to the execution of the agreement; and
- (b) The written agreement is in effect at the time of the "bodily injury", "property damage", "personal injury" or "advertising injury" for which coverage is sought.

That person or organization shall be referred to as the additional insured.

There is no coverage for the additional insured for "bodily injury", "property damage" or "personal and advertising injury" arising out of the sole negligence of the additional insured or by those acting on behalf of the additional insured, except as provided below.

If the written agreement to indemnify an additional insured requires that you indemnify the additional insured for its sole negligence, then the coverage for the additional insured shall conform to that agreement; provided, however, that the contractual indemnification language of the agreement is valid under the law of the state where the agreement was formed. If the written agreement provides that a particular state's law will apply, then such provision will be honored.

**B. Waiver Of Subrogation**

For any additional insured that obtains insured status on this policy through Paragraph A. above, we waive any right of recovery we may have against the additional insured because of payments we make for "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies. ✓

**C. Exclusions**

This insurance does not apply to:

1. Any premises or equipment leased to you.
2. Any construction, renovation, demolition or installation operations performed by or on behalf of you, or those operating on your behalf.

**D. Other Insurance**

The insurance provided by this endorsement applies only to coverages and limits of insurance required by written agreement, but in no event exceeds either the scope of coverage or the limits of insurance available within this policy.



AL

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NOTICE OF CANCELLATION TO THIRD PARTIES

This endorsement modifies insurance provided under the following:

- BUSINESS AUTO COVERAGE PART ✓
- MOTOR CARRIER COVERAGE PART
- GARAGE COVERAGE PART
- EXCESS AUTOMOBILE LIABILITY INDEMNITY COVERAGE PART
- SELF-INSURED TRUCKER EXCESS LIABILITY COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART ✓
- EXCESS COMMERCIAL GENERAL LIABILITY COVERAGE PART
- PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART ✓
- LIQUOR LIABILITY COVERAGE PART

- A. If we cancel this policy for any reason other than nonpayment of premium, we will notify the persons or organizations shown in the Schedule below. We will send notice to the email or mailing address listed below at least 10 days, or the number of days listed below, if any, before the cancellation becomes effective. In no event does the notice to the third party exceed the notice to the first named insured.
- B. This advance notification of a pending cancellation of coverage is intended as a courtesy only. Our failure to provide such advance notification will not extend the policy cancellation date nor negate cancellation of the policy.

SCHEDULE		
Name of Other Person(s)/ Organization(s):	Email Address or mailing address:	Number Days Notice
PER SCHEDULE ON FILE WITH THE COMPANY		30

All other terms and conditions of this policy remain unchanged.

Policy No: ASJ-Z91-453980-021 ✓ Issued By: Wausau Underwriters Insurance Company  
 Effective Date: 03/15/2011  
 Expiration Date: 03/15/2012 (extended to 4/1/12)  
 Sales Office: 0600

4

Policy Number TBJ-Z91-453980-031 ✓  
Issued by WAUSAU UNDERWRITERS INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### NOTICE OF CANCELLATION TO THIRD PARTIES

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE PART ✓  
MOTOR CARRIER COVERAGE PART  
GARAGE COVERAGE PART  
EXCESS AUTOMOBILE LIABILITY INDEMNITY COVERAGE PART  
SELF-INSURED TRUCKER EXCESS LIABILITY COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART ✓  
EXCESS COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART ✓  
LIQUOR LIABILITY COVERAGE PART

- A. If we cancel this policy for any reason other than nonpayment of premium, we will notify the persons or organizations shown in the Schedule below. We will send notice to the email or mailing address listed below at least 10 days, or the number of days listed below, if any, before the cancellation becomes effective. In no event does the notice to the third party exceed the notice to the first named insured.
- B. This advance notification of a pending cancellation of coverage is intended as a courtesy only. Our failure to provide such advance notification will not extend the policy cancellation date nor negate cancellation of the policy.

All other terms and conditions of this policy remain unchanged.

#### SCHEDULE

Name of Other Person(s) / Organization(s):	Email Address or mailing address:	Number Days Notice:
PER SCHEDULE ON FILE WITH THE COMPANY	PER SCHEDULE ON FILE WITH THE COMPANY	30 ✓

NOTICE OF CANCELLATION TO THIRD PARTIES

NOTICE OF CANCELLATION TO THIRD PARTIES

A. If we cancel this policy for any reason other than nonpayment of premium, we will notify the persons or organizations shown in the Schedule below. In no event does the notice to the third party exceed the notice to the first named insured.

B. This advance email notification of a pending cancellation of coverage is intended as a courtesy only. Our failure to provide such advance notification will not extend the policy cancellation date nor negate cancellation of the policy.

SCHEDULE

Name of Other Person(s) /  
Organization(s):  
PER SCHEDULE ON FILE WITH COMPANY ✓

Number Days Notice: 30 DAYS ✓

FORM: WM90180910

al C.

NOTICE OF CANCELLATION TO THIRD PARTIES

Continued

All other terms and conditions of this policy remain unchanged.

This endorsement is executed by the Wausau Underwriters Insurance Company

18996

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. WCJ-Z91-453980-011 ✓

Countersigned by



Authorized Representative

End. Serial No. 1

W102S

Page 2

WC