

City of Santa Clarita  
23920 Valencia Blvd., Suite 300  
Santa Clarita, CA 91355-2196  
Phone: (661) 259-2489  
FAX: (661) 259-8125



## AGREEMENT FOR REDLIGHT PHOTO ENFORCEMENT

Contract Number 03-00544

This Agreement, between the City of Santa Clarita ("City"), a municipal corporation, and (company name) ("Redflex"), is entered into this 25th day of November 2003.

### 1. Scope of Services

Redflex shall perform services specified in Exhibit "A, "Scope of Services," which is attached hereto and incorporated herein by reference.

### 2. Schedule of Performance

The services of Redflex are to be completed according to the schedule set out in Exhibit "B," Schedule of Performance," which is attached hereto and incorporated herein by reference. Time is of the essence in this Agreement.

### 3. Compensation

Subject to the limitations contained in Section 9, "Termination" and Exhibit "A," "Scope of Services," Redflex shall be paid the amounts identified in Exhibit "C," Compensation Schedule, which is attached hereto and incorporated herein by reference.

### 4. Independent Consultant

Redflex is an independent Redflex and not an agent or employee of the City. As an independent Redflex, Redflex shall obtain no rights to retirement, health care, or any other benefits, which accrue, to City employees. Redflex expressly waives any claim Redflex may have to any such rights.

### 5. Assignability

The expertise and experience of Redflex are material considerations for this Agreement. Redflex shall not assign or transfer any interest in this Agreement or the performance of any of Redflex's obligations without the prior written consent of City, which consent shall not be unreasonably withheld or delayed; provided, however, The Customer hereby acknowledges and agrees that the execution (as outlined in Exhibit D), 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.

## 6. Insurance

### A. General Insurance Requirements

1. All insurance shall be primary and Redflex's general liability and automobile insurance shall name City of Santa Clarita as an additional insured. The naming of an additional insured shall not affect any recovery to which such additional insured would be entitled under the policy if not named as an additional insured, and an additional insured shall not be held liable for any premium or expense of any nature on the policy or any extension thereof solely because they are an additional insured thereon.

2. If the operation under this Agreement results in an increased or decreased risk in the opinion of the City's Risk Manager, then Redflex agrees that the minimum limits hereinabove designated shall be changed accordingly upon written request by the Risk Manager.

3. Redflex agrees that provisions of this paragraph as to maintenance of insurance shall not be construed as limiting in any way the extent to which Redflex may be held responsible for the payment of damages to persons or property resulting from Redflex's activities, the activities of its subcontractors, or the activities of any person or persons for which Redflex is otherwise responsible.

4. A Certificate of Insurance and an additional insured endorsement (for general and automobile liability), evidencing the above insurance coverage with a company acceptable to the City's Risk Manager shall be submitted to City prior to execution of this Agreement on behalf of the City.

5. The terms of the insurance policy or policies issued to provide the above insurance coverage shall provide that said insurance may not be amended or canceled by the carrier, for nonpayment of premiums or otherwise, without 30 days prior written notice of amendment or cancellation

to City. In the event the said insurance is canceled, Redflex shall, prior to the cancellation date, submit new evidence of insurance in the amounts heretofore established.

6. All required insurance must be in effect prior to awarding the contract, and it or a successor policy must be in effect for the duration of the contract. Maintenance of proper insurance coverage is a material element of the Agreement, and the failure to maintain and renew coverage or to provide evidence of renewal may be treated by the City as a material breach of contract. If Redflex, at any time during the term of this Agreement, should fail to secure or maintain any insurance required under this Agreement, City shall be permitted to obtain such insurance in Redflex's name and shall be compensated by Redflex for the cost of the insurance premiums.

**B. General Liability and Property Damage Insurance**

Redflex agrees to procure and maintain general liability and property damage insurance at its sole expense to protect against loss from liability imposed by law for damages on account of bodily injury, including death therefrom, suffered or alleged to be suffered by any person or persons whomsoever, resulting directly from any act or activities of Redflex, its sub Contractors, or any person acting for Redflex or under its control or direction, and also to protect against loss from liability imposed by law for damages to any property of any person caused directly or indirectly by or from acts or activities of Redflex, or its sub contractors, or any person acting for Redflex, or under its control or direction. Such public liability and property damage insurance shall also provide for and protect City against incurring any legal cost in defending claims for alleged loss. Such general liability and property damage insurance shall be maintained in the following minimum limits: A combined single-limit policy with coverage limits in the amount of \$1,000,000 per occurrence will be considered equivalent to the required minimum limits.

**C. Automotive Insurance**

Redflex shall procure and maintain public liability and property damage insurance coverage for automotive equipment with coverage limits of not less than \$1,000,000 combined single limit. If Redflex does not own automobiles, Redflex shall provide a waiver releasing City from all liability resulting from Redflex's use of personal vehicles on project.

**D. Worker's Compensation Insurance**

Redflex shall procure and maintain Worker's Compensation Insurance in the amount of \$1,000,000 or as will fully comply with the laws of the State of California and which shall indemnify, insure, and provide legal defense for both Redflex and City against any loss, claim, or damage arising from any injuries or occupational diseases happening to any worker employed by Redflex in the course of carrying out the Agreement.

**7. Indemnity**

- A. Redflex agrees to the following:
1. Indemnification of City. Redflex will save harmless and indemnify the City, including, without limitation, City's defense costs (including reasonable attorney's fees), from and against any and all suits, actions, or claims, of any character whatever, brought for, or on account of, any injuries or damages sustained by any person or property resulting or arising, or alleged to have resulted or arisen, from any negligent or wrongful act, error or omission by Redflex or any of Redflex's officers, agents, employees, or representatives, in the performance of Agreement.
  2. For the purposes of this section "City" includes its respective elected and appointed boards, officials, officers, agents, employees, and volunteers.
  3. It is expressly understood and agreed that the foregoing provisions will survive termination of this Agreement.

The requirements as to the types and limits of insurance coverage to be maintained by Redflex and any approval of said insurance by City, are not intended to and will not in any manner limit or qualify the liabilities and obligations otherwise assumed by Redflex pursuant to this Agreement, including, without limitation, to the provisions concerning indemnification.

- B. City agrees to the following:
1. Indemnification of Redflex. City will save harmless and indemnify, including, without limitation, Redflex's defense costs (including reasonable attorney's fees), from and against any and all suits, actions, or claims, of any character whatever, brought for, or on account of, any injuries or damages sustained by any person or property resulting or arising, or alleged to have resulted or arisen, from any negligent or wrongful act, error or omission by City or any of City's officers, agents, employees, or representatives, in the performance of Agreement.

**8. W-9 Form – Request for Taxpayer Identification Number & Certification**  
Pursuant to Senate Bill 542, chaptered in 1999, the Employment Development Department (EDD) of the State of California requires that a W-9 Form be filed by all vendors for all contracts entered into with the City of Santa Clarita that meet or exceed \$600 in value. Redflex agrees to complete all required forms necessary to comply with EDD regulations.

## **9. Termination**

### **A. 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 red light photo enforcement systems; (ii) any court having jurisdiction over City rules, or California or federal statute declares, that results from the Redflex System of red light photo enforcement are inadmissible in evidence; or (iii) the other party commits any material breach of any of the provisions of this Agreement which breach is not remedied within ninety (90) 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-breaching party setting forth in reasonable detail the events which caused the breach. The rights to terminate this Agreement 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

B. **Termination For Convenience:** City may terminate this Agreement without cause at any time by giving ten days' written notice of termination to Redflex. City agrees to reimburse the Redflex for all out-of-pocket and direct costs associated with the installation and management of the City's program, including, but not limited to (1) construction services, (2) software configuration and (3) hardware depreciation, not to exceed \$100,000 per intersection approach.

C. Upon termination by either City or Redflex, Redflex shall deliver to City all property of the City in Redflex's possession and copies of all reports, documents, and other work prepared by Redflex under this Agreement. Redflex shall furnish to City a final statement of the work performed for compensation. The statement shall indicate the task to which the work performed is to be charged, according to the categories in Section 1, Scope of Services of this Agreement. Such statement shall also include a detailed record of actual reimbursable expenses, such as, but not limited to, copying costs, long-distance telephone charges, and computerized research. City will prepare a warrant payable to Redflex in the amount approved by City. City will then make final payment to Redflex for services performed and reimbursable expenses incurred, subject to the limitation on reimbursement set forth in this Agreement. The Redflex System is the property of Redflex, upon termination; at the expense of Redflex, Redflex shall remove the System and restore each applicable intersection.

**10. Law to Govern: Venue**

The law of the State of California shall govern this Agreement. In the event of litigation between the parties, the action must be filed in the Los Angeles County Superior Court, San Fernando Branch.

**11. Compliance with Law**

Redflex shall comply with all applicable laws, ordinances, codes, and regulations of the federal, state, and local government.

**12. Prevailing Wages**

If services provided for this agreement are on a public works project, not less than the general prevailing rate of per diem wages shall be paid to all workers. Redflex shall adhere to all applicable provisions of the California Labor Code including, but not limited to, sections 1720, 1771, 1774, 1775, and 1776, regarding the payment of prevailing wages. In accordance with Labor Code section 1773.2, copies of the prevailing rate of per diem wages are available upon request at the Office of the City Clerk. A copy of the prevailing rate of per diem wages shall be posted at the job site.

**13. Nondiscrimination**

Redflex shall not discriminate, in any way, against any person on the basis of age, sex, race, color, religious creed, national origin, ancestry, physical handicap, medical condition, or marital status in connection with or related to the performance of this Agreement.

**14. Ownership of Materials**

All reports, documents, computer disks, diskettes, photographs and all other documents or materials or things generated by the Equipment (as defined in Exhibit "A" attached hereto) or other materials developed or discovered by Redflex during the course of this Agreement shall be solely the property of City.

**15. Waiver**

Waiver by City or Redflex of any breach of any of the provisions of this Agreement shall not constitute a waiver of any other provision, nor a waiver of any subsequent breach or violation of the same or any other provision of this Agreement. Acceptance by City of any work or services by Redflex shall not be a waiver of any of the provisions of this Agreement.

**16. Conflict of Interest**

Redflex shall at all times avoid conflict of interest or appearance of conflict of interest with the interests of the City in the performance of this Agreement.

**17. Exhibits Incorporated**

Exhibits "A" through "D" are attached to and incorporated in this Agreement by this reference. Additional language describing specific duties and responsibilities are outlined in the exhibits and are inclusive to contract.

**18. Notices**

All notices required or permitted to be given under this Agreement shall be in writing and shall be personally delivered, or sent by telecopier or certified mail, postage prepaid and return receipt requested, addressed as follows:

To City: City Manager, City of Santa Clarita  
23920 Valencia Boulevard, Suite 300  
Santa Clarita, CA 91355

and to: City Attorney, City of Santa Clarita  
611 West Sixth Street, Suite 2500  
Los Angeles, California 90017  
Tel: (213) 236-0600  
Fax: (213) 236-2700

to Redflex: Redflex Traffic Systems, Inc.  
15020 North 74<sup>th</sup> Street

Scottsdale, AZ 85260  
Attention: Ms. Karen Finley  
Facsimile: (480) 607-5552

With a copy to:

Alschuler Grossman Stein & Kahan LLP  
2049 Century Park East  
39<sup>th</sup> Floor  
Los Angeles, CA 90067  
Attn: Steve Penden  
Facsimile: (310) 907-1000

Notice shall be deemed effective on the date delivered or transmitted by facsimile or, if mailed, three (3) days after deposit in the mail.

**19. General**

This Agreement, including the Exhibits, embodies the entire understanding of the parties with respect to the matters addressed in this Agreement and the Exhibits and supersedes all other agreements entered into between the parties prior to the execution of this Agreement. No amendment of this Agreement shall be valid unless in writing duly executed by the parties or their authorized representatives. This agreement was prepared as a result of the negotiations of the parties and shall not be strictly or liberally construed for or against any party as drafter of the Agreement.

By signing this Agreement, the person signing states that he or she is authorized to enter into contracts on behalf of Redflex. The undersigned, on behalf of Redflex, binds Redflex, its partners, successors, executors, administrators, and assigns with respect to the terms and conditions of this Agreement.

WITNESS THE EXECUTION of this Agreement on the day and year first written above.

FOR REDFLEX:

By: *Aaron Rosenberg*  
ARON ROSENBERG - V.P.  
Print Name and Title

Date: 12-19-03

FOR CITY OF SANTA CLARITA:

By: *Phil Josselyn*  
for City Manager

Date: 12-24-03

Attest:

By: *Sharon Z. Jensen*  
City Clerk

Date: 12/29/03

Approved as to form:

BURKE, WILLIAMS & SORENSEN

By: *B. A. Pal*  
City Attorney

Date: 12-29-03



**EXHIBIT A**  
**SCOPE OF SERVICES**

**A. Redflex Services**

1. **DEFINITIONS.** In this Agreement, the words and phrases below shall have the following meanings:
  - 1.1. "**Authorized Officer**" means the La Enforcement 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, and in any event, a sworn peace officer.
  - 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 Officer 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 in respect of each Authorized Violation.
  - 1.4. "**Confidential 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; and
    - 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 as defined by §3426.1(d) of the California Civil Code (the "Uniform Trade Secrets Act") and cases interpreting the scope of the Uniform Trade Secrets Act.
    - 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 described, or (v) was required by applicable state law to be described.

- 1.5. "Designated Intersection Approaches" means the Intersection Approaches set forth on Exhibit A attached hereto, and such additional Intersection Approaches as Redflex and the Customer shall mutually agree from time to time.
- 1.6. "Electronic Signature" means the method through which the Authorized Officer indicates his or her approval of the issuance of a Citation in respect of a Potential Violation using the Redflex System.
- 1.7. "Enforcement Documentation" means the necessary and appropriate documentation related to the Redlight Photo Enforcement Program, including but not limited to warning letters, citation notices (using the specifications of the Judicial Council and the Santa Clarita Police Department), 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 Department of Motor Vehicles), and technical support documentation for applicable court and judicial officers .
- 1.8. "Equipment" means any and all cameras, sensors, equipment, components, products, software and other tangible and intangible property relating to the Redflex System, including but not limited to all camera systems, housings and poles.
- 1.9. "Fine" means a monetary sum assessed for Citation, including but not limited to bail forfeitures, but excluding suspended fines.
- 1.10. "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.
- 1.11. "Installation Date" 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.
- 1.12. "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.
- 1.13. "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) digital, rear shot multiple image color camera

and at least one (1) digital face camera has been installed by Redflex for the purposes of facilitating Redlight Photo Enforcement by the Customer.

- 1.14. "Operational Period" means the period of time during the Term, commencing on the Installation Date, during which the Redlight Photo Enforcement Program is functional in order to permit the identification and prosecution of Violations at the Designated Intersection Approaches by a sworn police officer of the Customer and the issuance of Citations for such approved Violations 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. "Police Project Manager" means the project manager appointed by the Customer in accordance with this Agreement, which manager shall initially be the Traffic Officer, or such person as the Customer shall designate by providing written notice thereof to Redflex from time to time, which manager shall be a sworn peace officer 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 counsel 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 Officer to review such data and determine whether a 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 Redlight Photo Enforcement at any time during the Term 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, which project manager shall initially be Joe Bernard or such person as Redflex shall designate by providing written notice thereof to the Customer from time to time, who shall be responsible for overseeing the construction and installation of the Designated Intersection Approaches and the

implementation the Redlight Photo 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 SmartCam™ System, the SmartOps™ System, the Redlight Photo Enforcement Program, and all of the other equipment, applications, back office processes and digital red light traffic enforcement cameras, sensors, components, products, software and other tangible and intangible property relating thereto.
- 1.22. "Redlight Photo 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 detectors (whether loop, radar or video loop) which, collectively, are capable of measuring Violations and recording such Violation data in the form of photographic images of motor vehicles and/or their drivers.
- 1.23. "Redlight Violation Criteria" means the standards and criteria by which Potential Violations will be evaluated by sworn police officers 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.
- 1.24. "SmartCam™ System" means the proprietary digital speed and redlight photo enforcement system of Redflex relating to the Redlight Photo Enforcement Program.
- 1.25. "SmartOps™ System" means the proprietary back-office processes of Redflex relating to the Redlight Photo Enforcement Program.
- 1.26. "SmartScene™ System" means the proprietary digital video camera unit, hardware and software required for providing supplemental violation data.
- 1.27. "Traffic Signal Controller Boxes" means the signal controller interface and detector, including but not limited to the radar or video loop, as the case may be.
- 1.28. "Video Analysis" means perform a video analysis that measures the number of violations by approach and the inspection the pavement conditions and existing pavement markings;
- 1.29. "Violation" means any traffic violation contrary to the terms of 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.
- 1.30. "Violations Data" means the images and other Violations data gathered by the Redflex System at the Designated Intersection Approaches.
- 1.31. "Warning Period" means the period of thirty (30) days after the Installation Date.

2. **SERVICES.** Redflex shall provide the Redlight Photo Enforcement Program to the Customer with respect to the Designated Intersection Approaches, in each case in accordance with the terms and provisions set forth in this Agreement.
- 2.1. **INSTALLATION.** With respect to the construction of 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 in Exhibit A and Exhibit B
- 2.2. **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 A, Part A, Section 6 "Maintenance".
- 2.3. **VIOLATION PROCESSING.** During the Operational Period, Violations shall be processed as follows:
- 2.3.1. All Violations Data shall be stored on the Redflex System;
- 2.3.2. The Redflex System shall process Violations Data gathered from the Designated Intersection Approaches into a format capable of review by the Authorized Officer via the Redflex System; Redflex shall screen the potential violations for unclear images and instances where obtaining DMV registered owner information is not possible. This includes, but is not limited to, instances of no license plate, unclear images of license plates, out of state license plates. Only potential violations that have a clear image of the driver and DMV registered owner information shall be presented to the Authorized Officer for review.
- 2.3.3. The Redflex System shall be accessible by the Authorized Officer through a virtual private network in encrypted format by use of a confidential password on any computer equipped with a high-speed internet connection and a web browser;
- 2.3.4. Redflex shall provide the Authorized Officer 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 Approach;
- 2.3.5. The Customer shall cause the Authorized Officer 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 OFFICER AND SHALL BE MADE IN SUCH AUTHORIZED OFFICER'S SOLE DISCRETION (A "CITATION DECISION"), AND IN NO EVENT SHALL REDFLEX HAVE THE ABILITY OR AUTHORIZATION TO MAKE A CITATION DECISION;
- 2.3.6. With respect to each Authorized Violation, Redflex shall print and mail a Citation within five (5) days after Redflex's receipt of such authorization; however, during the Warning Period, warning violation notices shall be mailed

- to the registered owner for Potential Violations;
- 2.3.7. The Customer shall track the collection of Fines assessed on each Citation and complete and accurate records shall be maintained by the Customer with respect each such Citation;
- 2.3.8. Redflex shall provide a toll-free telephone number for the purposes of answering citizen inquiries; this telephone number shall be operational prior to issuing warning notices.
- 2.3.9. Redflex shall permit the Authorized Officer to generate monthly reports using the Redflex Standard Report System.
- 2.3.10. Upon Redflex's receipt of a written request from the Customer and in addition to the Standard Reports, Redflex shall provide, without cost to the Customer, 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 to the Customer in such format and for such periods as the Customer may reasonably request; provided, however, Redflex shall not be obligated to provide in excess of six (6) such reports in any given twelve (12) month period without cost to the Customer;
- 2.3.11. Upon the Customer's receipt of a written request from Redflex, the Customer shall provide, without cost to Redflex, reports regarding the prosecution of Citations and the collection of fines, fees and other monies in respect thereof in such format and for such periods as Redflex may reasonably request; provided, however, the Customer shall not be obligated to provide in excess of six (6) such reports in any given twelve (12) month period without cost to Redflex;
- 2.3.12. During the three (3) 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; provided, however, the Customer shall use reasonable best efforts to seek judicial notice in lieu of requiring Redflex to provide such expert witnesses; and
- 2.3.13. During the three (3) month period following the Installation Date, Redflex shall provide such training to police 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.
- 2.4. 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 B attached hereto.
- 2.5. CHANGE ORDERS. The Customer may from time to time request changes to the work required to be performed or the addition of products or services to those required pursuant to the terms of this Agreement by providing written notice thereof to Redflex, setting forth in reasonable detail the proposed changes (a "Change Order Notice"). Upon Redflex's receipt of a Change Order Notice, Redflex shall deliver a written statement describing the effect, if any, the proposed changes

would have on the pricing terms set forth in Exhibit B (the "Change Order Proposal"), which Change Order Proposal shall include (i) a detailed breakdown of the charge and schedule effects, (ii) a description of any resulting changes to the specifications and obligations of the parties, (iii) a schedule for the delivery and other performance obligations, and (iv) any other information relating to the proposed changes reasonably requested by the Customer. Following the Customer's receipt of the Change Order Proposal, the parties shall negotiate in good faith and agree to a plan and schedule for implementation of the proposed changes, the time, manner and amount of payment or price increases or decreases, as the case may be, and any other matters relating to the proposed changes; provided, however, in the event that any proposed change involves only the addition of equipment or services to the existing Designated Intersection Approaches, or the addition of Intersection Approaches to be covered by the terms of this Agreement, to the maximum extent applicable, the pricing terms set forth in Exhibit B shall govern.

2.6. 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.

2.7. 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 which will not be unreasonably withheld, or (e) disassemble, decompile 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.

2.8. 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.



**EXHIBIT B**  
**SCHEDULE OF PERFORMANCE**

**Timeframe for Installation**

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

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 the first sixty (60) days subsequent to formal project kick-off. The Municipality agrees that the estimated timeframe for installation and activation are subject to conditions beyond the control of Redflex and are not guaranteed.

In order to provide the client with timely completion of the photo enforcement project Redflex Traffic Systems requires that the city assist with providing timely approval of City permit requests. The City acknowledges the importance of the safety program and undertakes that in order to keep the project on schedule the customer is to provide city engineers review of Reflex permit requests and all documentation within a two business days. Reflex will also review and correct if necessary any redlines within two business days. Permits need to be received within five business days of first submittal in order to implement the program in a timely manner.

3. 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):
  - 3.1. Appoint the Redflex Project Manager and a project implementation team consisting of between one (1) and four (4) people to assist the Redflex Project Manager;
  - 3.2. Request current "as-built" engineering drawings for the Designated Intersection Approaches (the "Drawings") from the Santa Clarita Public Works Department
  - 3.3. Develop and submit to the Customer for approval construction and installation specifications in reasonable detail for the Designated Intersection Approaches, including but not limited to specifications for all radar sensors, pavement loops, video sensors, electrical connections and traffic controller connections, as required; and
  - 3.4. Seek 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.
  - 3.5. Finalize the acquisition of the Approvals;
  - 3.6. Submit to the Customer a public awareness strategy for the Customer's consideration and approval, which strategy shall include media and educational materials for the Customer's approval or amendment (the "Awareness Strategy");

- 3.7. Develop the Redlight Violation Criteria in consultation with the Customer;
  - 3.8. Develop the Enforcement Documentation for approval by the Customer, which approval shall not be unreasonably withheld;
  - 3.9. Complete the installation and testing of all necessary Equipment, including hardware and software, at the Designated Intersection Approaches (under the supervision of the Customer);
  - 3.10. 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, telecommunications equipment and wiring, which work shall be performed in compliance with all applicable local, state and federal laws and regulations;
  - 3.11. 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;
  - 3.12. Implement the use of the Redflex System at each of the Designated Intersection Approaches;
  - 3.13. Deliver the Materials to the Customer; and
  - 3.14. Issue "warning letters" for Authorized Violations which occurred at each Designated Intersection Approach during the Warning Period; and
  - 3.15. During the Warning Period, 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 Officers and other persons involved in the administration of the Redlight Photo Enforcement Program, (ii) for at least 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;
  - 3.16. Interact with court and judicial personnel to address issues regarding the implementation of the Redflex System and the development of a subpoena processing timeline that will permit the offering of Violations Data in court and judicial proceedings, the establishment of a court hearing schedule for adjudicating upon Citations, and coordination between Redflex, the Customer and juvenile court personnel; and
  - 3.17. Provide reasonable public relations resources and media materials to the Customer in the event that the Customer elects to conduct a public launch of the Redlight Photo Enforcement Program.
4. 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):
- 4.1.1. Appoint the Police Project Manager;
  - 4.1.2. Assist Redflex in obtaining the Drawings from the relevant Governmental Authorities;
  - 4.1.3. 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;
  - 4.1.4. 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;

- 4.1.5. Assist Redflex in seeking the Approvals
- 4.1.6. 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;
- 4.1.7. 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;
- 4.1.8. Provide the services of necessary personnel during the Warning Period;
- 4.1.9. 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;
- 4.1.10. Assist Redflex in developing the Redlight Violation Criteria; and
- 4.1.11. Seek approval of the Enforcement Documentation.

## 5. Maintenance

1. All repair and maintenance of camera 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. The provision of all necessary electrical and telephone services to the Designated Intersection Approaches will be the sole responsibility of the Customer.
4. In the event that images of a quality suitable for the Authorized Officer to identify Violations cannot be reasonably obtained without the use of flash units, Redflex shall provide and install such flash units.
5. The Redflex Project Manager (or a reasonable alternate) shall be available to the Police Project Manager each day, on a reasonable best efforts basis.

Redflex has primary responsibility for the daily maintenance and support of the systems, including a maximum two (2) hour response time to maintenance issues identified as any fault that renders the system unable to perform its absolute necessary functionality.

**Fault** means anything, which does or could result in the supported system not performing in accordance with the specified functionality.

1. **Category 1 fault** means a Fault, which renders the system unable to perform absolutely necessary functionality, such as a power outage or when a vehicle crashes into a pole and knocks it over.
2. **Category 2 fault** means a Fault which is not a Category 1 Fault, but which imposes limits or restrictions on use of important functionality of the system, such as a flash is burned out or one camera is not working or one lane is not responding during the remote check.
3. **Category 3 fault** means a Fault which is neither a Category 1 or 2 Fault, but which may cause City to suffer inconvenience in performing regularly used functions of the system such as the communication company changes the I.P address without advising Redflex of the change, which causes the images to be stored at the intersection until communication is reestablished (i.e., delays image processing and the ability to access the streaming video component).
4. **Category 4 fault** means a Fault which is neither a Category 1, 2 or 3 Fault, such as a dark image.

### **Response Times**

Once the fault has been identified the response times for the faults as described above are as follows:

1. For a Category 1 Fault, response by Redflex within 2 hours

2. For a Category 2 Fault, response by Redflex within 5 hours
3. For a Category 3 Fault, response by Redflex within 1 working day
4. For a Category 4 Fault, response by Redflex within 2 working days

6. *Additional Rights and Obligations*

1. Redflex and the Customer shall respectively have the additional rights and obligations set forth below:
2. 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 (actually print and production costs are the sole responsibility of the Customer).
3. The Customer 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 shall assist in determining the placement of such Signage, and the Customer hereby acknowledges and agrees that the Customer shall be solely responsible for installing such Signage.
4. The Customer shall be solely responsible for the installation of red LED lights at enforced intersections
5. The Redflex Project Manager and the Customer Project Manager shall meet on a weekly basis during the period commencing as of the date of execution hereof and ending on the Installation Date, and on a monthly basis for the remainder of the Term, at such times and places as the Redflex Manager and the Customer Manager shall mutually agree.
6. The Customer shall not access the Redflex System or use the Redlight Photo Enforcement Program in any manner other than prescribe 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.
7. 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.
8. Each of 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, each of Redflex and the Customer shall obey any and all such rules and regulations.

9. 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.

#### Designated Intersection Approaches

The contract is for the implementation of up to 20 intersections. Identification of enforced intersection will be based on mutual agreement between Redflex and the City as warranted by community safety and traffic needs.

**EXHIBIT C  
PAYMENTS**

1. The total contract price for services rendered by REDFLEX under this AGREEMENT shall be \$89 Per Citation Issued.

2. Payment shall be made to REDFLEX on a monthly basis, and REDFLEX shall submit monthly invoices. Billing shall begin after program is operational following the 30-day warning notice period.

3. Any additional meetings or work required beyond that set forth in Exhibit "A" shall be mutually agreed to by the CITY and REDFLEX, and shall be billed on a time and materials basis.

4. Payments made to the REDFLEX under this contract shall cover services associated with this agreement.