

rec'd 12-2-10 by USPS

**AMENDMENT TO AGREEMENT BETWEEN THE
CITY OF UPLAND AND REDFLEX TRAFFIC SYSTEMS, INC.
FOR AUTOMATED RED LIGHT PHOTO ENFORCEMENT CAMERAS**

A. Recitals.

(i) The City of Upland and Redflex Traffic Systems, Inc. have heretofore entered into an agreement for the installation and maintenance of automated red light photo enforcement cameras in the City of Upland ("the Agreement" herein.)

(ii) The term of the Agreement is for five years from the installation date, as defined, and is subject to two additional one-year renewal terms.

(iii) The City of Upland and Redflex Traffic Systems, Inc. desire to revise the term of the Agreement, including provisions applicable to termination.

B. Agreement.

NOW, THEREFORE, the City of Upland and Redflex Traffic Systems, Inc. hereby agree to amend the Agreement as follows:

1. Section 2 of the Agreement is hereby amended to read as follows:

"2. **TERM.** The term of this Agreement shall commence as of the effective date hereof and shall continue for a period of fifteen (15) years unless sooner terminated as provided herein."

2. Section 6 of the Agreement is hereby amended to read as follows:

"6. **TERMINATION.**

For a period of five (5) years following the effective date of this Agreement, either party shall have the right to terminate this Agreement immediately by written notice to the other if (i) Redflex is unable to recover the costs it incurred in connection with the installation of the intersection monitoring equipment; or (ii) state statutes are amended to prohibit or substantially change the operation of red light photo enforcement systems; (iii) 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 (iv) the other party commits any material breach of any of the provisions of this Agreement which breach is not remedied 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-breaching party setting forth in reasonable detail the events which caused the breach. The rights to terminate this Agreement given in this

Section 6 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.

Changes in compensation formula.

In the event any court decision or subsequent legislation declares the current means of compensation of Redflex to be illegal, or, if following an audit of the previous twelve months of revenue generated and costs incurred by Customer, utilizing standard accounting procedures, the results thereof establish that the Customer's net revenue for said period is less than \$1.00, as calculated by subtracting all of the Customer's payments to Redflex from the City's total gross revenue collected, during said period, then both parties shall meet and confer in good faith within thirty (30) days and shall make reasonable efforts to agree upon a new compensation formula. The formula to be established shall: (i) comply with then current laws regarding compensation to Redflex; (ii) provide Redflex with a reasonable return; (iii) provide Customer with a monthly net rate of return that is no less than the amount set forth above in this section based upon the previous twelve (12) months' revenues. After using the new formula for a minimum of no less than ninety (90) days, the parties shall again assess each party's return for that period. If it appears that the new formula is providing each party with the agreed upon return, or both parties are otherwise satisfied with the return, then this Agreement shall continue in full force and effect, subject to all of its terms. If the new formula is not providing the agreed upon rate of return for each party, then, at either party's option, the formula may be further revised, or this Agreement may be terminated upon sixty (60) days prior written notice.

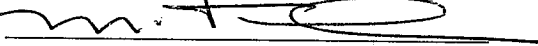
Termination after five (5) years.

Notwithstanding any other provision of this Agreement, commencing with the sixth (6th) year following the effective date, either party may terminate this Agreement for any reason, or no reason, by providing the other party no less than ninety (90) days prior written notice of its intent to terminate."

3. All other terms and conditions set forth in the Agreement shall remain in full force and effect.

Dated: 12-9-03

CITY OF UPLAND

By: 
Martin Thouvenell
Chief of Police

Dated: 12-5-03

REDFLEX TRAFFIC SYSTEMS, INC.

By: Karen Finley

Dated: 12-5-03

By: ~~B. M. [unclear]~~

(Signatures of two corporate officers required)



RED FLEX
TRAFFIC SYSTEMS

March 30, 2005

Officer Daniel Hoctor
City of Upland Police Department 1499 W. 13th ST.
Upland CA 91786
(909) 946-7624

Redflex Traffic Systems, Inc. 15020 N. 711th Street Scottsdale, AZ 85260 Tel: 480 607 0705 Fax: 480 607 0752
www.redflex.com

The City wishes to exercise its right under Section 3.6 of our Agreement to request, at no cost to City other than as expressly identified in the following, the following changes to the work, product and services presently required under the Agreement. These items and issues have been discussed and mutually agreed upon by Redflex Traffic Systems and the City of Upland and the parties have agreed to the change order items, upon the terms, conditions and restrictions as set forth below.

1. Redflex shall immediately begin working with the City in implementing a collection process with the applicable court for unpaid fines to the extent such process is not implemented at present. This is intended to assist with increasing the collection rate on drivers who do not respond to the citations issued. Redflex will work directly with the City and pay 50% of the "one-time" software costs to implement the program; this anticipated cost has not been determined. Based on a current payment rate, an improvement of 10% would yield an additional \$8.90 approximate to net program receipts. This is on going with a completion date not yet determined.
- 2, Redflex shall retrofit new face cameras into selected intersections to achieve a minimum performance level of 6.0 mega pixels. This is a permanent installation.
3. Redflex will shift the City of Upland to payment terms of 30 to 60 days for the next six months to assist with cash flow on the program. When greater history is available and more unpaid fines are collected, the position is expected to improve.
4. Redflex appreciates that the above changes will take time to implement and improve the fiscal position of the City. Redflex agrees that the first (30) citations each month will be at no charge to the City of Upland. The total

number of citations issued has been in a range of 400 to 650 per month.

A member of the Redflex Group

5. Item #'s 3 and 4 of this First Amendment are a test program of limited time and are effective for the time period commencing April 1, 2005 and ending at 11 :59 p.m. on October 31, 2005. At the end of the test program the parties will discuss further amendments to further satisfy the needs of each party .

Karen Finley
ent

Stephen Dunn
Stephen Dunn, Interim City Manager
City of Upland

Steve Adams
Steve Adams, Interim Police Chief City of Upland
Karen Finley, Vice President Redflex Traffic Systems

Dated: March 31, 2005

Dated: MARCH 31, 2005

Dated: March 30, 2005

5. Item #'s 3 and 4 of this First Amendment are a test program of limited time and are effective for the time period commencing April 1, 2005 and ending at 11 :59 p.m. on October 31, 2005. At the end of the test program the parties will discuss further amendments to further satisfy the needs of each party .

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Steve Adams, Interim Police Chief City of Upland
Karen Finley, Vice President Redflex Traffic Systems

Dated: March 31, 2005

Dated: MARCH 31, 2005

Dated: March 30, 2005



REDFLEX
TRAFFIC SYSTEMS

*rec'd for
on 7/5/07
by email*

Redflex Traffic Systems, Inc.
15020 N. 74th Street
Scottsdale, AZ 85260
Tel: 480 607 0705
Fax: 480 607 0752
www.redflex.com

December 6, 2005

Sergeant John Poole
City of Upland Police Department
1499 W 13th Street
Upland, CA. 91787

RE: Automated Red Light Photo Enforcement Agreement

Dear Sgt Poole

The city wishes to exercise its right under Section 3.6 of our agreement, to request at no cost to city, the following changes to the work, product and services presently required under the agreement. This has been discussed and mutually agreed upon by Redflex Traffic Systems Inc and the city of Upland and the parties have agreed to this change order, upon the terms conditions and restrictions as set forth below.

Redflex agrees to work with representatives of the San Bernadino County Court with the aim of improving the quality and accuracy of reporting of Redlight photo enforcement program revenue. Redflex further agrees to provide the first 100 citations issued each month in the City of Upland at no charge for a period of six (6) months commencing December 1st 2005. At the expiry of this period, the fiscal position of the city will be reviewed again and the parties shall discuss additional amendments that may be required to satisfy both parties

Sincerely,

For and on behalf of Redflex Traffic Systems, Inc.
Richard Eden
Chief Financial Officer

A member of the Redflex Group