

A G E N D A
REGULAR MEETING OF THE WALNUT CITY COUNCIL
AND WALNUT IMPROVEMENT AGENCY
CITY COUNCIL CHAMBERS
21201 La Puente Road, Walnut, CA 91789

AUGUST 9, 2006
7:00 P.M.

CALL TO ORDER: Mayor King

PLEDGE OF ALLEGIANCE: C/Lim

INVOCATION: Pastor Mark Maki, Walnut Valley Vineyard Church

ROLL CALL: C/Lim, C/Su, C/Sykes, MPT/Cartagena, M/King

PRESENTATIONS:

- Commendation to Ron Kranzer, Retiring After Serving 25 Years as Walnut City Engineer, 1981 - 2006

RECESS:

RECONVENE:

MINUTES:

1. [Approve City Council Workshop Minutes of June 10, 2006](#)
2. [Approve Combined City Council/Walnut Housing Authority/Walnut Improvement Agency Minutes of June 28, 2006](#)
3. [Approve Combined City Council/Walnut Improvement Agency Minutes of July 12, 2006](#)

RECONVENE TO THE WALNUT IMPROVEMENT AGENCY

WALNUT IMPROVEMENT AGENCY MEETING

Walnut Improvement Agency called to order.

ORAL COMMUNICATION FOR THE IMPROVEMENT AGENCY

Under Government Code Section 54954.3, any person wishing to address any item or issue not on the agenda or any item on the Consent Calendar may do so under Oral Communication. There will also be an opportunity to speak on Discussion or Public Hearing items when the items are scheduled for consideration.

Any person given permission to address shall advance to the podium and state their name for the record and the subject matter they wish to discuss. Speakers are asked to limit their comments to three minutes and to present them in a constructive manner. The Agency, City staff, and other citizens present have the right to be treated with respect, courtesy and openness. In return, the members of the Agency and Staff commit to conduct themselves at all times with civility and courtesy.

AGENCY PUBLIC HEARING: None scheduled.

AGENCY CONSENT CALENDAR: The Consent Calendar items listed below are considered and acted upon under one motion unless an individual item or items are moved by an Agency Member for further consideration or explanation. **Mayor to ask for electronic vote.**

4. [Resolution No. 06-10 WIA – “A Resolution of the Walnut Improvement Agency Allowing Certain Claims and Demands in the Amount of \\$22,414.44, Demand No. 100302, through No. 100304, Both Inclusive.](#)

Recommendation: That the Agency adopt Resolution No. 06-10 WIA.

AGENCY DISCUSSION: None

AGENCY LATE BUSINESS: No action shall be taken on any item not appearing on the posted agenda except upon a determination by four-fifths of the Agency Board Members that an emergency exists.

AGENCY ADJOURNS TO WALNUT CITY COUNCIL MEETING

WALNUT CITY COUNCIL MEETING

Walnut City Council meeting called to order.

ORAL COMMUNICATION FOR THE CITY COUNCIL

Under Government Code Section 54954.3, any person wishing to address any item or issue not on the agenda or any item on the Consent Calendar may do so under Oral Communication. There will also be an opportunity to speak on Discussion or Public Hearing items when the items are scheduled for consideration.

Any person given permission to address shall advance to the podium and state their name for the record and the subject matter they wish to discuss. Speakers are asked to limit their comments to three minutes and to present them in a constructive manner. The Agency, City staff, and other citizens present have the right to be treated with respect, courtesy and openness. In return, the members of the Agency and Staff commit to conduct themselves at all times with civility and courtesy.

PUBLIC HEARINGS:

5. **Congestion Management Program (CMP) Conformance Resolution No. 06-31**

Recommendation: That the City Council:

1. Review the staff report;
2. Open the public hearing to receive testimony;
3. Close the public hearing;
4. Adopt Resolution No. 06-3, "A Resolution of the City of Walnut, California, Finding the City to be in Conformance with the Congestion Management Program (CMP) and adopting the CMP Local Development Report, in Accordance with California Government Code Section 65089";
5. Certify that the City is in conformance with the 2006 Congestion Management Program; and
6. Forward a certified copy of Resolution No. 06-31 to the Metropolitan Transportation Authority.

6. **Appeal of Zone Variance 2006-004 and Site Plan & Architectural Review (SPC/AR) 2006-044 – Request to Reduce the Rear Yard Setback from 30’0” to 10’0” in Order to Construct a 2,875 Square Foot Addition to a Single Family Residence Located at 20315 E. Walnut Canyon Road (Noel Mayder, Owner/ Jonathan Park, Architect) – Resolution No. 06-32**

Recommendation: That the City Council:

1. Review the staff report;
2. Open the public hearing to receive testimony;
3. Close the public hearing; and
4. Adopt Resolution No. 06-32, "A Resolution of the Walnut City Council of the City of Walnut Denying the Appeal and Upholding the Planning Commission's Action, with Reports and Findings, Denying Zone Variance 2006-004 and Site Plan and Architectural Review 2006-44 to Reduce the Rear Yard Setback from 30'0" to 10'0" in order to Construct a 2,875 Square Foot Single Story Addition at 20315 E. Walnut Canyon Road (Assessor Parcel #8709-006-039).

ORDINANCES:

7. **Second Reading - Ordinance No. 06-02 re: Controlled Substances**

Recommendation: That the City Council:

1. Review the staff report; and
2. Adopt Ordinance No. 06-02 and read by title only and waive further reading -- "An Ordinance of the City Council of the City of Walnut, County of Los Angeles, State of California, Adding Chapter 17C to the Walnut Municipal Code Related to the Sale and Distribution of Controlled Substances."

8. **Second Reading - Ordinance No. 06-03 re: Floodplain Management**

Recommendation: That the City Council:

1. Review the staff report; and
2. Adopt Ordinance No. 06-03 and read by title only and waive further reading -- "An Ordinance of the City Council of the City of Walnut, Adding Article IV to Title II, Chapter 6, Buildings, Entitled "Floodplain Management" to the Walnut Municipal Code."

COUNCIL CONSENT CALENDAR: The Consent Calendar items listed below are considered and acted upon under one Council motion unless an individual item or items are removed by a Council member for further consideration or explanation. **Mayor to ask for an electronic vote.**

9. **Resolution No. 06-30 -- "A Resolution of the City of Walnut Allowing Certain Claims and Demands in the Amount of \$1,231,695.54, Demand No. 123646 through No. 123887, Both Inclusive."**

Recommendation: That the City Council adopt Resolution No. 06-30.

10. [Request Matching Funds for the Historic National Trust Grant for the William R. Rowland Adobe Ranch House](#)

Recommendation: That the City Council appropriate \$5,000 from the General Fund toward the National Trust for Historic Preservation project: William R. Rowland Adobe Ranch House Historic Structure Report.

11. [Designation of Voting Delegate and Alternate Voting Delegate for League of California Cities Annual Conference](#)

Recommendation: That the City Council:

- 1) Designate Tom King as the official Voting Delegate to the League Conference; and
- 2) Designate Tom Sykes as the official Alternate Voting Delegate to the League Conference.

12. [Authorization to Request Formal Bids for the Purchase of a City Truck](#)

Recommendation: That the City Council authorize staff to complete a formal bid process for the purchase of a truck.

13. [Waiver of Parking Restriction on La Puente Road for Events at Walnut High School and Suzanne Middle School](#)

Recommendation: That the City Council deny the request for a waiver of the parking restriction along La Puente Road for the 2006-07 school year for Walnut High School and Suzanne Middle School events.

14. [Resolution No. 06-33 re: Stop Sign Controls on Morningside Drive at Somerset Drive](#)

Recommendation: That the City Council:

1. Adopt Resolution No. 06-33, "A Resolution of the City Council of the City of Walnut Pertaining to the Installation of Stop Signs on Morningside Drive at Somerset Drive in Both Directions;" and
2. Approve the installation of stop signs and pavement markings as shown in Exhibit "A".

COUNCIL DISCUSSION:

15. [Implementation of Red Light Camera System](#)

Recommendation: That the City Council:

- 1) Authorize the Interim City Manager to execute an Agreement with Redflex Traffic Systems for the installation and maintenance of the photo enhancement system; and
- 2) Appropriate \$108,000 from the General Fund reserve.

ANNOUNCEMENTS:

COUNCIL LATE BUSINESS: No action shall be taken on any item not appearing on the posted agenda except upon a determination by four-fifths of the Council Members that an emergency exists.

ADJOURNMENT: The next regular meeting of the City Council is scheduled on Wednesday, August 23, 2006, at 7:00 p.m., in the Council Chambers, 21201 La Puente Road, Walnut, California.

NOTIFICATIONS:

AMERICANS WITH DISABILITIES: It is the intention of the City of Walnut to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee or a participant at this meeting you will need special assistance beyond what is normally provided, the City will attempt to accommodate you in every reasonable manner. Please contact the City Clerk's Office at (909) 595-7543, Ext. 311 at least forty-eight (48) hours prior to the meeting to inform us of your particular needs and to determine if accommodation is feasible. Please advise us at that time if you will need accommodations to attend or participate in meetings on a regular basis.

AGENDA POSTING: The agenda for this meeting was posted in the following listed sites before the close of business at 6:00 p.m. on the Thursday preceding the meeting:

1. Walnut City Hall 21201 La Puente Road, Walnut, Ca
2. United States Post Office, 280 S. Lemon Avenue, Walnut, Ca
3. Public Library, Walnut Branch, 21155 La Puente Road Walnut, Ca
4. Internet: www.ci.walnut.ca.us (staff reports included)

LIVE BROADCASTS OF CITY COUNCIL MEETINGS ON WCTV 56: City Council meetings air live the second and fourth Wednesdays of each month at 7:00 p.m. on Channel 56.

WCTV 56 REBROADCAST: City Council meetings re-air at 1:00 p.m. on the first Friday after the live meeting and 6:00 p.m. on the first Monday following the live meeting on Channel 56.

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TOM KING
Mayor

ANTONIO "TONY" CARTAGENA
Mayor Pro Tem

JOAQUIN LIM
Council Member

MARY SU
Council Member

THOMAS SYKES
Council Member

P.O. Box 682, Walnut, CA 91788-0682
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CITY OF WALNUT

July 31, 2006

CITY COUNCIL AGENDA: August 9, 2006

TO : CITY COUNCIL

VIA : CHRISTINE F. LONDO, INTERIM CITY MANAGER *CF*

FROM : ROB WISHNER, ASSISTANT CITY MANAGER *RW*

SUBJECT : IMPLEMENTATION OF RED LIGHT CAMERA SYSTEM

SUMMARY

Staff has completed the review process for the red light "flash cam" system and is bringing forth a recommendation to implement the subject system at specific locations within the City. The Council will consider a request to authorize staff to enter into an exclusive agreement with Redflex Traffic Systems for implementation of the red light enforcement program.

BACKGROUND

One of Mayor King's goals was to explore the option of red light flash cameras at various intersections throughout the City to assist with traffic calming and improve vehicular safety. The traffic camera program is designed to reduce traffic collisions as well as improve traffic safety on city arterials by reducing the number of red light violations at key intersections.

At its meeting of December 14, 2005, the Council received a comprehensive analysis of the red light camera program, including legal and legislative requirements, technology and vendor information, statistics on local impacts, financial considerations, and process for implementation. Further staff provided information on the two (2) vendors in

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California (Redflex Traffic Systems and Nestor Traffic Systems) that install and operate photo enforcement equipment.

Based on the information presented in December 2005, the Council directed staff to commence with the necessary reviews to look at traffic camera implementation at intersections identified by the Traffic Engineer and report back with a recommendation.

STAFF ANALYSIS

Based on the aforementioned direction, staff issued a Letter of Intent and began contract discussions with Redflex Traffic Systems for the purpose of installing red light enforcement equipment at identified intersections. Following a thorough review of the systems available and through discussions with other communities, staff determined that the Redflex system is the best on the market to clearly identify a violation and produce evidence that would support the issuance of a citation. Additionally, Redflex is the only company that provides a full range of services that includes research and development, system installation, system maintenance and repair, and citation processing. Because of the full range of services provided, there are no chain-of-custody issues, and full system integrity and liability is maintained.

Along with the Letter of Intent, staff provided Redflex with a list of six (6) intersections that may warrant system installation. Upon receipt of the candidate intersections, Redflex conducted a video survey of the identified locations to capture the typical types of violations that are occurring and determine if it is financially feasible to install the equipment.

In order to meet the financial threshold for installation, the video survey must capture fifteen (15) movement violations in a twelve (12) hour period. The survey results for the 6 intersections originally submitted by staff concluded that two (2) intersection approaches meet the threshold for installation. Following are the approaches that are being proposed at this time for installation:

S/B Grand Avenue at Amar Road (19 violations in 12 hr. period)

E/B Amar Road at Grand Avenue (21 violations in 12 hr. period)

With continued traffic pressures and residential development, staff and Redflex are committed to monitoring the remaining intersection approaches for potential implementation in the future.

FISCAL IMPACT

The equipment for the red light camera system is on a lease basis from the proposed vendor, Redflex Traffic Systems. It should be noted that Redflex is offering a "cost neutrality" clause whereby the City does not have to pay the vendor the full amount of the monthly lease for an intersection if adequate fines are not collected. It is estimated,

based on historical data from other jurisdictions utilizing red light cameras, that the fines generated each month will meet or exceed the monthly lease.

The entire capital expenditure for purchase and installation of the equipment will be borne by Redflex Traffic Systems. The ability to recover capital costs and the City's operational costs is a function of how many red light violations occur at intersection approaches where the system is put in place.

Based on the two (2) proposed intersection approaches, Redflex Traffic Systems has provided the City with a conservative annual revenue figure of approximately \$37,400. This figure is net the monthly fee of \$12,000 (\$6,000 per approach) due to Redflex. The aforementioned figure also reflects a citation collection rate of 60% and an issuance rate of 75% as some camera violations may not be valid and formally cited by sworn personnel.

The Sheriff's Department has agreed to administer the program with existing contact personnel for the initial sixty (60) to ninety (90) days to assess the workload and time required to administer the photo enforcement program. It is anticipated that the aforementioned revenue will be sufficient to cover any additional administrative costs associated with the program.

Funds required for the monthly fee were not included in the FY 06-07 budget; therefore, if the Council decides to move forward with the program, an appropriation of \$108,000 (9 Mo. X \$12,000) would be necessary to cover the fees through the end of the fiscal year. Again, this would be completely offset by revenue generated from citations.

PROGRAM ADMINISTRATION

Although Redflex handles system installation, maintenance, and repair and citation processing, the State requires that all violations detected by the cameras be reviewed and formally issued a citation by a sworn peace officer or a qualified employee of a law enforcement agency.

Additionally, the Sheriff's Department would be responsible for assisting citizens wishing to contest a citation and be present at court proceedings. Initially, this may be time consuming as the Pomona Traffic Court does not have a city in its jurisdiction with photo enforcement and will need time to ramp up their evidentiary hearing process. Sheriff's personnel have already initiated discussions with the Pomona Court Supervisor regarding process.

Sergeant Brad Gray has had several discussions with cities that have implemented the program and much of the administration is based on the individual court requirements. Therefore, as indicated earlier in the report, the staffing and administrative demands will be determined in the initial 60 to 90 days. The Penal Code requires a warning period; therefore, no formal citations will be issued for the first 30 days.

CONTRACT

Due to significant capital costs associated with the purchase and installation of the camera equipment, Redflex Traffic Systems is requesting a five (5) year contract with options to extend. They are agreeable to an "out" clause; however, they would like to be reimbursed for capital expenditures if initiated by the City at a prorated estimate of \$100,000.

City Attorney Mike Montgomery has reviewed the draft agreement and approved the content. A copy of the agreement is attached for your information.

TIMELINE

If approved, it is anticipated that equipment installation will begin in September 2006 and live enforcement will begin October 1, 2006. Again, the first 30-days will be a warning period and no citations will be issued.

MISSION STATEMENT

Walnut is committed to offering a "high level of safety" to its residents. The Red Light Camera system at key intersection approaches will provide traffic calming and enhance vehicular safety, as well as continue to improve the quality of life for our residents.

RECOMMENDATION

Staff recommends that the City Council:

1. Authorize the Interim City Manager to execute an agreement with Redflex Traffic Systems for the installation and maintenance of the photo enforcement system and;
2. Appropriate \$108,000 from the General Fund reserve.

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

This Agreement (this "Agreement") is made as of this ___ day of June, 2006 by and between Redflex Traffic Systems, Inc. with offices at 6047 Bristol Parkway 1st Floor, Culver City, California 90230 ("Redflex"), and The City of Walnut a municipal corporation, with offices at 21201 La Puente Road, Walnut, CA 91789 ("Walnut").

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 sworn peace officers 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 Officer" means the Police 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 or a qualified employee of the Police Department.
 - 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 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; 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.
- 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 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 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 Photo Red Light System(s), including but not limited to all camera systems, housings, radar units, servers 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 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.
- 1.12. “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) system 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 Photo Red Light Enforcement Program is functional in order to permit the identification and prosecution of Violations at the Designated Intersection Approaches by a sworn peace 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 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 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 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 _____ 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 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 Photo Red Light 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. “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 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.
- 1.23. “Photo Redlight Violation Criteria” means the standards and criteria by which Potential Violations will be evaluated by sworn peace 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 redlight photo enforcement system of Redflex relating to the Photo Red Light Enforcement Program.
 - 1.25. "SmartOps™ System" means the proprietary back-office processes of Redflex relating to the Photo Red Light 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. "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.
 - 1.29. "Violations Data" means the images and other Violations data gathered by the Redflex System at the Designated Intersection Approaches.
 - 1.30. "Warning Period" means the period of thirty (30) days after the Installation Date of the first intersection approach.
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 Installation Date (the "Initial Term"). 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 Customer may exercise the right to extend the term of this Agreement for a Renewal Term by providing 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 Officer via the Redflex System;
- 3.3.3. 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;
- 3.3.4. 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 Approaches
- 3.3.5. 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;
- 3.3.6. With respect to each Authorized Violation, Redflex shall print and mail a Citation within six (6) 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;
- 3.3.7. Redflex shall provide a toll-free telephone number for the purposes of answering citizen inquiries
- 3.3.8. Redflex shall permit the Authorized Officer to generate monthly 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, 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;
- 3.3.10. 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;
- 3.3.11. During the six (6) month period following the Installation Date and/or 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
- 3.3.12. During the three (3) month period following the Installation Date, Redflex shall provide such training to law enforcement 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. 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.
- 3.5. 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.
- 3.6. 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 D (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 D shall govern. Any failure of the parties to reach agreement with respect to any of the foregoing as a result of any proposed changes shall not be deemed to be a breach of this

Agreement, and any disagreement shall be resolved in accordance with Section 10.

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 (insert name), 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 (insert name) 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 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 this 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.

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 have agreed to enter into a new agreement relating to the Photo Red Light Enforcement Program or 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: (x) 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 (y) 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 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 Redflex Party, (c) any claim, action or demand not caused by Redflex's failure to perform its obligations under this Agreement, or (d) 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 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 registry 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: Ms. Karen Finley
Facsimile: (480) 607-5552
- 9.2. Notices to the Customer:
City of (insert name)

Attention:
Facsimile:

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 parties hereto shall have the right to audit 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 of 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 not caused by any act or omission by Redflex, and unusually severe weather. The party whose performance is affected agrees to notify the other promptly of the existence and nature of any delay.
- 11.5. ENTIRE AGREEMENT. This Agreement represents the entire Agreement between the parties, and there are no other agreements (other than invoices and purchase orders), 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 future 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 (insert name) and both parties specifically agree to be bound by the jurisdiction and venue thereof.

(The remainder of this page is left intentionally blank)

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

“Customer”

“Redflex”

CITY OF (insert name)

REDFLEX TRAFFIC SYSTEMS, INC.,

By: _____

By: _____

Name:

Name:

Title:

Title:

EXHIBIT "A"
Designated Intersection Approaches

The contract is for the implementation of up to 10 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 "B"
Construction and Installation Obligations

Timeframe for Installation: Fixed Photo Red Light System

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 forty-five (45) to 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 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 consisting of between one (1) and four (4) people to assist the Redflex Project Manager;
 - 1.2. Request current "as-built" electronic engineering drawings for the Designated Intersection Approaches (the "Drawings") from the city traffic engineer;
 - 1.3. 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, electrical connections and traffic controller connections, as required; and
 - 1.4. 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.
 - 1.5. Finalize the acquisition of the Approvals;
 - 1.6. 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");
 - 1.7. Develop the Redlight Violation Criteria in consultation with the Customer;
 - 1.8. Develop the Enforcement Documentation for approval by the Customer, which approval shall not be unreasonably withheld;

- 1.9. Complete the installation and testing of all necessary Equipment, including hardware and software, at the Designated Intersection Approaches (under the supervision of the Customer);
 - 1.10. 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;
 - 1.11. 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;
 - 1.12. Implement the use of the Redflex System at each of the Designated Intersection Approaches;
 - 1.13. Deliver the Materials to the Customer; and
 - 1.14. Issue citation notices for Authorized Violations;
 - 1.15. 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;
 - 1.16. 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 juvenile court personnel; and
 - 1.17. 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.
 - 1.18. Citation processing and citation re-issuance
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; and

- 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; and
- 2.1.10. Seek approval of the Enforcement Documentation.

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. The provision of all necessary communication, broadband and telephone services to the Designated Intersection Approaches will be the sole responsibility of the Redflex
4. The provision of all necessary electrical services to the Designated Intersection Approaches will be the sole responsibility of the Customer
5. 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.
6. The Redflex Project Manager (or a reasonable alternate) shall be available to the Police Project Manager each day, on a reasonable best efforts basis.

EXHIBIT "D"
COMPENSATION & PRICING

Commencing on the expiration of the Warning Period for each Designated Intersection Approach, Customer shall be obligated to pay Redflex a fixed fee of \$XXXX 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. Cost neutrality is assured to Customer using this methodology as Customer will never pay Redflex more than actual cash received.

The Customer agrees to pay Redflex within thirty (30) days after the invoice is received. City 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 City from automated red light violations. In the event that a balance remains unpaid due to a deficit in gross cash received by the City compared to invoiced amounts, City 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 from the County 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. Intersection approaches can be relocated to a new site at the customers request and expense.

BUSINESS ASSUMPTIONS FOR ALL PRICING OPTIONS:

1. Redflex construction will be able to utilize existing conduit for installation where space is available.
2. Each year 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.

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. Redflex shall be solely responsible for installing such Signage. The 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 shall assist in determining the placement of such Signage.
3. The Redflex Project Manager and the Police 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.
4. 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.
5. 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.
6. 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.
7. 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.

Insurance

1. During the Term, Redflex shall procure and maintain and 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:
2. 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;
3. Commercial Automobile Liability Insurance. Commercial Automobile Liability Insurance with coverage of not less than One Million Dollars (\$1,000,000) combined single limit per occurrence for bodily injury or property damage, including but not limited to coverage for all automobiles owned by Redflex, hired by Redflex, and owned by third parties;
4. 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 occurrence and in the aggregate.
5. Workers' Compensation and Employer's Liability Insurance. Workers' Compensation Insurance with coverage of not less than the limits required by the Labor Code of the State of (insert name), Employer's Liability Insurance with coverage of not less than One Million Dollars (\$1,000,000) per occurrence.
6. 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.
7. With respect to the Commercial General Liability Insurance the following additional provisions shall apply:
8. The Customer Parties shall be covered as additional insureds with respect to any liability arising from any act or omission of any Redflex Parties on the premises upon which any such Redflex Parties may perform services pursuant to this Agreement, and such coverage shall contain no special limitations on the scope of protection afforded to such additional insureds.
9. 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.
10. 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.
11. With respect to the insurance described in the foregoing Section of this Exhibit E, each such insurance policy shall be endorsed to state that the coverage provided thereby shall not be cancelled except after thirty (30) calendar days' prior written

notice to the Customer. 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.

12. 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 _____, 2006, is entered into by and between the City of Walnut ("Walnut") and Redflex Traffic Systems, Inc., ("Redflex"), with reference to the Agreement between the city of Walnut and Redflex Traffic Systems, inc. for Photo red light enforcement program, dated as of _____, 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 Walnut 21201 La Puente Road</p> <p>By: _____ Name: _____ Title: _____</p>	<p>Redflex:</p> <p>REFLEX TRAFFIC SYSTEMS, INC., a Delaware Corporation</p> <p>By: _____ Name: _____ Title: _____</p>
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AUGUST 9, 2006 – CC/WIA

ITEM 1

**REGULAR MEETING OF THE WALNUT CITY COUNCIL
AND WALNUT IMPROVEMENT AGENCY
CITY COUNCIL CHAMBERS
21201 La Puente Road, Walnut, CA 91789**

CALL TO ORDER: Mayor King called the meeting to order at 7:04 pm.

PLEDGE OF ALLEGIANCE: C/Lim led in the Pledge of Allegiance.

INVOCATION: Pastor Mark Maki, Walnut Valley Vineyard Church gave the invocation.

ROLL CALL:

PRESENT: COUNCILMEMBERS: Cartagena, King, Lim, Su, Sykes

ABSENT: COUNCILMEMBERS: None

Also present were Interim City Manager Londo; Assistant City Manager Wishner; City Attorney Montgomery; Community Services Director Rooney; Senior Management Analyst Csupak; Senior Management Analyst Robinson; Deputy City Engineer Palencia; Deputy City Engineer Gilbertson; Parks & Recreation Superintendent Kistemann; Associate Planner Zingg; and City Clerk DeDios.

PRESENTATIONS:

- **Commendation to Cody Stanger**

M/King presented Cody Stanger and his Taekwondo teacher George Ku with commendations for their accomplishments in representing the United States in Taekwondo competitions. Mrs. Ku accepted the commendation on behalf of her husband. Each of the Councilmembers expressed their appreciation.

- **Commendation to Ron Kranzer, Retiring After Serving 25 Years as Walnut City Engineer, 1981 - 2006**

M/King presented retiring City Engineer Ron Kranzer with a proclamation and city tile in recognition of his many achievements in the City of Walnut. Each of the Councilmembers expressed their appreciation for his contributions in making Walnut the beautiful city that it is.

Ron Kranzer thanked the City Council and shared his history with the City of Walnut.

RECESS: M/King called a recess at 7:27 pm for a cake reception in honor of Ron Kranzer.

RECONVENE: The Council reconvened at 7:46 pm.

MINUTES:

1. Approve City Council Workshop Minutes of June 10, 2006
2. Approve Combined City Council/Walnut Housing Authority/Walnut Improvement Agency Minutes of June 28, 2006
3. Approve Combined City Council/Walnut Improvement Agency Minutes of July 12, 2006

MOTION ON ITEMS 1 AND 2

C/Lim made a motion to approve Items 1 and 2; seconded by MPT/Cartagena. Motion carried without objection and so ordered.

MOTION ON ITEM 3

M/King made a motion to approve Item 3; seconded by MPT/Cartagena. Motion carried without objection and so ordered. C/Lim and C/Sykes abstained as they were not at the July 12, 2006 meeting.

RECONVENE TO THE WALNUT IMPROVEMENT AGENCY

WALNUT IMPROVEMENT AGENCY MEETING

Walnut Improvement Agency called to order.

ORAL COMMUNICATION FOR THE IMPROVEMENT AGENCY

C/Lim welcomed 29 students in the audience from China who are in the United States on a 10 month training program at Cal Poly Pomona.

There being no further input, MPT/Cartagena made a motion to close Oral Communications; seconded by C/Lim. Motion carried without objection and so ordered.

AGENCY PUBLIC HEARING: None scheduled.

AGENCY CONSENT CALENDAR:

4. Resolution No. 06-10 WIA – “A Resolution of the Walnut Improvement Agency Allowing Certain Claims and Demands in the Amount of \$22,414.44, Demand No. 100302, through No. 100304, Both Inclusive.

Recommendation: That the Agency adopt Resolution No. 06-10 WIA.

MOTION ON ITEM 4

C/Lim made a motion to approve Item 4; seconded by MPT/Cartagena. Motion carried by the following electronic vote:

AYES:	AGENCY MEMBERS:	<i>Cartagena, King, Lim, Su, Sykes</i>
NOES:	AGENCY MEMBERS:	<i>None</i>
ABSENT:	AGENCY MEMBERS:	<i>None</i>

AGENCY DISCUSSION: None

AGENCY LATE BUSINESS: None

AGENCY ADJOURNS TO WALNUT CITY COUNCIL MEETING

WALNUT CITY COUNCIL MEETING

Walnut City Council meeting called to order.

ORAL COMMUNICATION FOR THE CITY COUNCIL

Scott Newman reported that he lives on a private street and has to pay for the maintenance of the street without the City's help. The home next to him is new and the developer was told by the City that they had to put in a cement curb and gutter, rather than use of decomposed granite from the grass to the asphalt which would allow two cars to go pass each other. He inquired how he could appeal the curb and gutter because a safety problem has been created.

M/King stated he will request that CDD/Fox look into this matter.

Lynn Newman spoke about the safety issue relating to the gutter as previously mentioned.

Greg Fritchle spoke in favor of Item 15, Implementation of Red Light Camera System.

There being no further input, C/Lim made a motion to close Oral Communications; seconded by C/Su. Motion carried without objection and so ordered.

PUBLIC HEARINGS:

5. Congestion Management Program (CMP) Conformance Resolution No. 06-31

Recommendation: That the City Council:

1. Review the staff report;

2. Open the public hearing to receive testimony;
3. Close the public hearing;
4. Adopt Resolution No. 06-31, “A Resolution of the City of Walnut, California, Finding the City to be in Conformance with the Congestion Management Program (CMP) and adopting the CMP Local Development Report, in Accordance with California Government Code Section 65089”;
5. Certify that the City is in conformance with the 2006 Congestion Management Program; and
6. Forward a certified copy of Resolution No. 06-31 to the Metropolitan Transportation Authority.

DCE/Palencia provided the staff report.

M/King opened the public hearing to receive public testimony.

MOTION TO CLOSE PUBLIC HEARING

MPT/Cartagena made a motion to close the public hearing; seconded by C/Lim. Motion carried without objection and so ordered.

MOTION ON ITEM 5

C/Lim made a motion to adopt Resolution 06-31, certify that the City is in conformance with the 2006 Congestion Management Program; and forward a certified copy of Resolution No. 06-31 to the Metropolitan Transportation Authority; seconded by MPT/Cartagena. Motion carried by the following electronic vote:

AYES:	COUNCILMEMBERS:	<i>Cartagena, King, Lim, Su, Sykes</i>
NOES:	COUNCILMEMBERS:	<i>None</i>
ABSENT:	COUNCILMEMBERS:	<i>None</i>

6. **Appeal of Zone Variance 2006-004 and Site Plan & Architectural Review (SPC/AR) 2006-044 – Request to Reduce the Rear Yard Setback from 30’0” to 10’0” in Order to Construct a 2,875 Square Foot Addition to a Single Family Residence Located at 20315 E. Walnut Canyon Road (Noel Mayder, Owner/ Jonathan Park, Architect) – Resolution No. 06-32**

Recommendation: That the City Council:

1. Review the staff report;
2. Open the public hearing to receive testimony;
3. Close the public hearing; and
4. Adopt Resolution No. 06-32, “A Resolution of the Walnut City Council of the City of Walnut Denying the Appeal and Upholding the Planning Commission’s Action, with Reports and Findings, Denying Zone Variance 2006-004 and Site Plan and Architectural Review 2006-44 to Reduce the Rear Yard Setback from 30’0” to 10’0” in order to Construct a 2,875 Square Foot Single Story Addition at 20315 E. Walnut Canyon Road (Assessor Parcel #8709-006-039).

M/King stated that during the last election, he received a campaign contribution from the applicant unrelated to this action.

Each of the Council members expressed that they had individually met with the applicant relating to his project.

CA/Montgomery clarified that the receipt of a campaign contribution does not disqualify the Councilmember. Furthermore Councilmembers may meet with the developer with regards to a project.

SP/Zingg provided the staff report, followed by a brief discussion by the City Council.

M/King opened the public hearing to receive public testimony.

Noel Mayder, applicant, addressed some key points mentioned by the Council and discussed exhibits for the Council's review. He submitted a petition with names of neighbors in the area who are favor of the project.

Richard Scott objected to the variance at the Planning Commission level due to the precedence issue but he has since had an opportunity to look at the plans and speak to the applicant. He expressed his support in approving the variance.

There being no objection, the public hearing was closed.

CA/Montgomery briefly discussed the roles of the Planning Commission and City Council, and the appeal process.

MOTION ON ITEM 6

C/Lim made a motion to approve Zone Variance 2006-04 and Site Plan and Architectural Review (SPC/AR) 2006-044; seconded by MPT/Cartagena. Motion carried by the following electronic vote:

AYES:	COUNCILMEMBERS:	<i>Cartagena, King, Lim, Su, Sykes</i>
NOES:	COUNCILMEMBERS:	<i>None</i>
ABSENT:	COUNCILMEMBERS:	<i>None</i>

C/Sykes stated that the formal Findings of Fact will be prepared by the City Attorney and brought back to the City Council. CA/Montgomery stated that the four Findings of Fact are listed in the attachment and will be brought back to the City Council because it was not prepared for public inspection prior to the meeting. A new resolution with the Findings of Fact will be agendized at the next meeting for the Council to vote on.

ORDINANCES:

7. Second Reading - Ordinance No. 06-02 re: Controlled Substances

Recommendation: That the City Council:

1. Review the staff report; and
2. Adopt Ordinance No. 06-02 and read by title only and waive further reading -- “An Ordinance of the City Council of the City of Walnut, County of Los Angeles, State of California, Adding Chapter 17C to the Walnut Municipal Code Related to the Sale and Distribution of Controlled Substances.”

ICM/Londo provided the staff report.

MOTION ON ITEM 7

C/Lim made a motion on Item 7 to adopt Ordinance No. 06-02; seconded by C/Su. “AN ORDINANCE OF THE CITY COUNCIL OF WALNUT, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ADDING CHAPTER 17C TO THE WALNUT MUNICIPAL CODE RELATED TO THE SALE AND DISTRIBUTION OF CONTROLLED SUBSTANCES.” Motion carried by the following electronic vote:

AYES:	COUNCILMEMBERS:	<i>Cartagena, King, Lim, Su, Sykes</i>
NOES:	COUNCILMEMBERS:	<i>None</i>
ABSENT:	COUNCILMEMBERS:	<i>None</i>

8. Second Reading - Ordinance No. 06-03 re: Floodplain Management

Recommendation: That the City Council:

1. Review the staff report; and
2. Adopt Ordinance No. 06-03 and read by title only and waive further reading -- “An Ordinance of the City Council of the City of Walnut, Adding Article IV to Title II, Chapter 6, Buildings, Entitled “Floodplain Management” to the Walnut Municipal Code.”

ICM/Londo presented the staff report.

MOTION ON ITEM 8

MPT/Cartagena made a motion on Item 8 to adopt Ordinance No. 06-03; seconded by C/Sykes. “AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WALNUT, ADDINT ARTICLE IV TO TITLE II, CHAPTER 6, BUILDINGS, ENTITLED “FLOODPLAIN MANAGEMENT” TO THE WALNUT MUNICIPAL CODE.” Motion carried by the following electronic vote:

AYES: **COUNCILMEMBERS:** *Cartagena, King, Lim, Su, Sykes*
NOES: **COUNCILMEMBERS:** *None*
ABSENT: **COUNCILMEMBERS:** *None*

COUNCIL CONSENT CALENDAR:

C/Sykes stated he would like to pull Item 13.

9. **Resolution No. 06-30 -- “A Resolution of the City of Walnut Allowing Certain Claims and Demands in the Amount of \$1,231,695.54, Demand No. 123646 through No. 123887, Both Inclusive.”**

Recommendation: That the City Council adopt Resolution No. 06-30.

10. **Request Matching Funds for the Historic National Trust Grant for the William R. Rowland Adobe Ranch House**

Recommendation: That the City Council appropriate \$5,000 from the General Fund toward the National Trust for Historic Preservation project: William R. Rowland Adobe Ranch House Historic Structure Report.

11. **Designation of Voting Delegate and Alternate Voting Delegate for League of California Cities Annual Conference**

Recommendation: That the City Council:

- 1) Designate Tom King as the official Voting Delegate to the League Conference; and
- 2) Designate Tom Sykes as the official Alternate Voting Delegate to the League Conference.

12. **Authorization to Request Formal Bids for the Purchase of a City Truck**

Recommendation: That the City Council authorize staff to complete a formal bid process for the purchase of a truck.

14. **Resolution No. 06-33 re: Stop Sign Controls on Morningside Drive at Somerset Drive**

Recommendation: That the City Council:

1. Adopt Resolution No. 06-33, “A Resolution of the City Council of the City of Walnut Pertaining to the Installation of Stop Signs on Morningside Drive at Somerset Drive in Both Directions;” and
2. Approve the installation of stop signs and pavement markings as shown in Exhibit “A”.

MOTION ON ITEMS 9 THRU 12 AND ITEM 14

C/Lim made a motion to approve Items 9 thru 12 and Item 14; seconded by MPT/Cartagena. Motion carried by the following electronic vote:

AYES: **COUNCILMEMBERS:** *Cartagena, King, Lim, Su, Sykes*
NOES: **COUNCILMEMBERS:** *None*
ABSENT: **COUNCILMEMBERS:** *None*

DISCUSSION ON ITEM 13

13. Waiver of Parking Restriction on La Puente Road for Events at Walnut High School and Suzanne Middle School

Recommendation: That the City Council deny the request for a waiver of the parking restriction along La Puente Road for the 2006-07 school year for Walnut High School and Suzanne Middle School events.

C/Sykes stated that this is an annual waiver of parking request from the School District to plan special events at Suzanne Middle School and Walnut High School.

MOTION ON ITEM 13

C/Sykes made a motion to approve Item 13; seconded by C/Lim. Motion carried by the following roll call vote:

AYES: **COUNCILMEMBERS:** *Cartagena, King, Lim, Su, Sykes*
NOES: **COUNCILMEMBERS:** *None*
ABSENT: **COUNCILMEMBERS:** *None*

COUNCIL DISCUSSION:

15. Implementation of Red Light Camera System

Recommendation: That the City Council:

- 1) Authorize the Interim City Manager to execute an Agreement with Redflex Traffic Systems for the installation and maintenance of the photo enhancement system; and
- 2) Appropriate \$108,000 from the General Fund reserve.

ACM/Wishner provided the staff report.

Wade Bettisworth of Redflex Traffic Systems provided information about the photo enforcement system and presented a Power Point presentation.

There was a brief discussion among the Council, staff, and Mr. Bettisworth.

MOTION ON ITEM 15

M/King made a motion to approve Item 15; seconded by C/Sykes with the clarification that the \$108,000 is to be reimbursed back to the General Fund from revenues generated from the program, with the primary reason for adopting this is public safety not revenue enhancement. Motion carried by the following electronic vote:

AYES: **COUNCILMEMBERS:** *Cartagena, King, Lim, Su, Sykes*
NOES: **COUNCILMEMBERS:** *None*
ABSENT: **COUNCILMEMBERS:** *None*

M/King recommended that the intersection of La Puente Road and Pierre Road be considered when school was back in session. Mr. Bettisworth concurred that when school reconvenes, it would be an excellent time to re-survey.

ANNOUNCEMENTS: None

COUNCIL LATE BUSINESS: None

ADJOURNMENT: There being no further business, C/Lim made a motion to adjourn the meeting at 9:34 pm; seconded by MPT/Cartagena. Motion carried without objection and so ordered. The next regular meeting of the City Council is scheduled on Wednesday, August 23, 2006, at 7:00 p.m., in the Council Chambers, 21201 La Puente Road, Walnut, California.

ADOPTED AND APPROVED this 23rd day of August 2006.

MAYOR TOM KING

ATTEST:

TERESA DE DIOS, CITY CLERK

PREPARED BY:

DONNA M. INTERLICCHIA
DEPUTY CITY CLERK

ITEM 1

**REGULAR MEETING OF THE WALNUT CITY COUNCIL,
WALNUT HOUSING AUTHORITY,
AND WALNUT IMPROVEMENT AGENCY
CITY COUNCIL CHAMBERS
21201 La Puente Road, Walnut, CA 91789**

CALL TO ORDER: Mayor King called the meeting to order at 7:00 pm.

PLEDGE OF ALLEGIANCE: C/Su led in the Pledge of Allegiance.

INVOCATION: Pastor Kirk Randolph of the Southland Church International led the invocation.

ROLL CALL:

PRESENT: COUNCILMEMBERS: Cartagena, King, Lim, Su, Sykes
ABSENT: COUNCILMEMBERS: None

Also present were Interim City Manager Londo; Assistant City Manager Wishner; Community Services Director Rooney; Community Development Director Fox; City Attorney Montgomery; Deputy City Engineer Gilbertson; Management Analyst Orozco; Sgt. Brad Gray; and City Clerk DeDios.

PRESENTATIONS: None

MINUTES:

1. Approve Combined City Council/Walnut Improvement Agency Minutes of August 9, 2006

MOTION ON ITEM 1

AM/Sykes made a motion to approve Item 1; seconded by AM/Cartagena. Motion by the following electronic vote:

AYES: AUTHORITY MEMBERS: Cartagena, King, Lim, Su, Sykes
NOES: AUTHORITY MEMBERS: None
ABSENT: AUTHORITY MEMBERS: None

RECONVENE TO THE MEETING OF THE WALNUT HOUSING AUTHORITY

WALNUT HOUSING AUTHORITY MEETING

Walnut Housing Authority called to order.

ORAL COMMUNICATION FOR THE HOUSING AUTHORITY

There being no input, AM/Cartagena made a motion to close Oral Communications; seconded by AM/Lim. Motion carried without objection and so ordered.

AUTHORITY PUBLIC HEARINGS: None scheduled

AUTHORITY CONSENT CALENDAR:

2. Resolution No. 06-09 WHA - "A Resolution of the City of Walnut Allowing Certain Claims and Demands in the Amount of \$10,054.15, Demand No. 100171 through No. 100172, Both Inclusive."

Recommendation: That the Authority adopt Resolution No. 06-09 WHA.

MOTION ON ITEM 2

AM/Cartagena made a motion to approve Item 2; seconded by AM/Sykes. Motion carried by the following electronic vote:

AYES: AUTHORITY MEMBERS: Cartagena, King, Lim, Su, Sykes
NOES: AUTHORITY MEMBERS: None
ABSENT: AUTHORITY MEMBERS: None

AUTHORITY DISCUSSION: None

AUTHORITY LATE BUSINESS: None

AUTHORITY ADJOURNS TO WALNUT IMPROVEMENT AGENCY MEETING

WALNUT IMPROVEMENT AGENCY MEETING

Walnut Improvement Agency called to order.

ORAL COMMUNICATION FOR THE IMPROVEMENT AGENCY

Richard Scott commented on the Meadowpass Road extension and EIR.

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Dale Kruckenberg commented on Meadowpass Road.

Lori Francis commented on the new curb built along an address on Castlehill Drive.

There was a brief discussion by the Council, and the Council requested that staff prepare a written informational report on construction in this area. Ms. Francis was requested to contact CDD/Fox for additional information.

Lynn Newman commented on the same issue on Castlehill Drive and the requirement for curb and gutters in that area.

Scott Newman commented on the gutter situation on Castlehill Drive.

Lawrence Reinhold commented on the proposed red light camera intersection at Grand and Amar.

Greg Fritchle commented on the red light camera proposal.

John Wang commented on the red light camera proposal.

Phil Bennett asked about any plans for San Jose Hills Road.

There being no further input, AM/Lim made a motion to close Oral Communications; seconded by AM/Sykes. Motion carried without objection and so ordered.

There was a brief discussion among the Council on the intent of the red light cameras.

AGENCY PUBLIC HEARING: None scheduled.

AGENCY CONSENT CALENDAR:

3. Resolution No. 06-11 WIA - Appropriation of WIA Funds for the Completion of Meadowpass Road Environmental Impact Report

Recommendation: That the Agency:

1. Adopt Resolution No. 06-11 WIA, "A Resolution of the Walnut Improvement Agency of the City of Walnut, California, Approval of Findings for the Use of Walnut Improvement Agency Funds for the Completion of Meadowpass Road," and
2. Making findings for the use of WIA funds and appropriating \$154,000 (\$139,719 + 10% contingency) to prepare the Meadowpass Road EIR from the Walnut Improvement Agency Fund Balance.

MOTION ON ITEM 3

AM/Lim made a motion to approve Item 3; seconded by AM/Sykes. Motion carried by the following electronic vote:

AYES:	AGENCY MEMBERS:	<i>Cartagena, King, Lim, Su, Sykes</i>
NOES:	AGENCY MEMBERS:	<i>None</i>
ABSENT:	AGENCY MEMBERS:	<i>None</i>

AGENCY DISCUSSION: None

AGENCY LATE BUSINESS: None

AGENCY ADJOURNS TO WALNUT CITY COUNCIL MEETING

<p style="text-align: center;">WALNUT CITY COUNCIL MEETING</p>

Walnut City Council meeting called to order.

ORAL COMMUNICATION FOR THE CITY COUNCIL

There being no input, C/Lim made a motion to close Oral Communications; seconded by C/Su. Motion carried without objection and so ordered.

PUBLIC HEARINGS: None scheduled.

ORDINANCES: None

COUNCIL CONSENT CALENDAR:

4. **Resolution No. 06-34 -- “A Resolution of the City of Walnut Allowing Certain Claims and Demands in the Amount of \$407,571.48, Demand No. 123888 through No. 124015, Both Inclusive.”**

Recommendation: That the City Council adopt Resolution No. 06-34

5. **Professional Services Agreement for Environmental Services for the Completion of Meadowpass Road Environmental Impact Report**

Recommendation: That the City Council authorize the Interim City Manager to execute a Professional Services Agreement with Jones & Stokes in the amount of \$139,719 for the preparation of the Meadowpass Road EIR.

6. Approval of Plans & Specifications and Authorization to Advertise and Receive Formal Bids for the San Jose Hills Road Traffic Signal Improvement Project

Recommendation: That the City Council:

- 1) Declare that the project qualifies for a Class 1 exemption pursuant to Section 15301 of the California Environmental Quality Act Guidelines; and
- 2) Approve the plans & specifications and authorize the City Engineer to advertise to receive formal bids.

7. Calamba-Walnut Sister City/Calamba Association Dinner and Dance

Recommendation: That the City Council:

- 1) Co-sponsor the Calamba-Walnut Sister City/Calamba Association Dinner and Dance on Saturday, November 4, 2006; and
- 2) Waive the liability insurance requirement and the \$295.00 in facility use and facility monitor fees.

8. Resolution No. 06-32 - Appeal of Zone Variance 2006-004 Requesting to Reduce the Rear Yard Setback from 30'0" to 10'0" and Site Plan and Architectural Review 2006-044 to Construct a 2,875 Square Foot Addition to a Single Family Residence Located at 20315 E. Walnut Canyon Road (Applicant: Noel Mayder)

Recommendation: That the City Council adopt Resolution No. 06-32, "A Resolution of the Walnut City Council of the City of Walnut Granting the Appeal of the Planning Commission's Action and Approving Zone Variance 2006-004 and Site Plan and Architectural Review 2006-044, with Reports and Finding, to Reduce the Rear Yard Setback from 30'0" TO 10'0" in Order to Construct a 2,875 Square Foot Single Story Addition at 20315 E. Walnut Canyon Road," subject to conditions.

MOTION ON ITEMS 4 THROUGH 8

MPT/Cartagena made a motion to approve Items 4 through 8; seconded by C/Sykes. Motion carried by the following electronic vote

AYES:	COUNCILMEMBERS:	<i>Cartagena, King, Lim, Su, Sykes</i>
NOES:	COUNCILMEMBERS:	<i>None</i>
ABSENT:	COUNCILMEMBERS:	<i>None</i>

COUNCIL DISCUSSION: None

ANNOUNCEMENTS:

MPT/Cartagena announced that the last Concert in the Park was held and requested input on the concerts from the residents.

M/King commented on the increase of vandalism in City parks and reminded the public that there is a reward program when residents call the police to report vandalism.

M/King announced that there are vacancies on the Youth Advisory Commission and interested students from the Rowland Unified and Walnut Unified School Districts may apply at the City Hall.

C/Sykes stated that Mr. Bennett commented on Item 6 regarding the San Jose Hills Road Traffic Signal Improvement Project which was approved under consent by the Council. He requested a staff report.

DCE/Gilbertson briefly reviewed the improvements proposed for the traffic signal at the San Jose Hills intersection.

M/King expressed a concern with the location of the MTA bus stop there, and asked Mr. Bennett if he had any questions.

Mr. Bennett briefly discussed the traffic situation at this intersection and recommended an overpass.

M/King requested that staff look into this and come back to the Council with a staff report to determine the costs, what the issues are with right-of-way, possible negotiations with the Mormon Church, etc.

COUNCIL LATE BUSINESS:

- **Yuyao City Delegation Tour of Walnut City Hall**

CA/Montgomery indicated that a late item had been received after the agenda was prepared which is the Yuyao City Delegation Tour of Walnut City Hall. He reviewed the adopted Council policy on invitations from a foreign city or delegation that there should be Council approval and consent to host with regard to official business at City Hall. A memo has been distributed to the City Council. CA/Montgomery stated that it would take four votes tonight to add this item to the Council agenda as an urgent item.

MOTION TO CONSIDER REQUEST FROM YUYAO CITY DELEGATION

M/King made a motion to consider the request in order to facilitate the action before it happens; second by C/Lim. Motion carried by the following electronic vote:

AYES: **COUNCILMEMBERS:** *Cartagena, King, Lim, Su, Sykes*
NOES: **COUNCILMEMBERS:** *None*
ABSENT: **COUNCILMEMBERS:** *None*

C/Lim provided the staff report on the request and recommended that the tour be scheduled on a day that the City Hall is open.

MOTION TO APPROVE REQUEST FROM YUYAO CITY DELEGATION

C/Sykes made a motion to approve the request from the Yuyao City Delegation to tour the Walnut City Hall; seconded by MPT/Cartagena. Motion carried by the following electronic vote:

AYES: **COUNCILMEMBERS:** *Cartagena, King, Lim, Su, Sykes*
NOES: **COUNCILMEMBERS:** *None*
ABSENT: **COUNCILMEMBERS:** *None*

ADJOURNMENT: There being no further business, C/Sykes made a motion to adjourn the meeting at 7:57 pm; seconded by C/Lim. Motion carried without objection and so ordered. The next regular meeting of the City Council is scheduled on Wednesday, September 13, 2006, at 7:00 p.m., in the Council Chambers, 21201 La Puente Road, Walnut, California.

ADOPTED AND APPROVED this 23rd day of August 2006.

MAYOR TOM KING

ATTEST:

TERESA DE DIOS, CITY CLERK

PREPARED BY:

DONNA M. INTERLICCHIA
DEPUTY CITY CLERK