


**CITY OF YUCAIPA  
AGENDA REPORT**

**TO:** Honorable Mayor and City Council  
**FROM:**  Raymond A. Casey, Director of Public Works  
Bart Gray, Captain and Chief of Police  
**FOR:** City Council Meeting of December 10, 2007  
**SUBJECT:** Award of Contract –Automated Photo Red Light Enforcement System

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**RECOMMENDATION:**

That City Council:

1. Award and authorize the Mayor to execute a three (3) year Professional Consultant Services Agreement with Redflex Traffic Systems, Inc for the implementation of an Automated Red Light Photo Enforcement Program at two signalized intersections within the City having a high frequency of traffic collisions or other high risk criteria as determined by staff; and
2. Direct staff to establish a separate account in the General Fund to deposit any associated revenues to be held in reserve for funding any anticipated net Program expenses.

**DISCUSSION:**

Over the last several years a number of communities throughout the country have implemented Red Light Photo Enforcement Programs successfully improving public safety, reducing accidents and consequently reducing Police field resources at targeted intersections. The systems have acted as a deterrent to running red lights at targeted intersections typically resulting in less traffic collisions caused by red light violations. Some local agencies have even reported a beneficial impact throughout the community where they have been installed due to the motoring public not being sure at which intersections the systems may be installed.

In June of 2006, a feasibility analysis to determine if a Red Light Photo Enforcement Program would be appropriate for the City was conducted at the following five signalized intersections:

- Yucaipa Boulevard & Hampton Road/Avenue E
- Yucaipa Boulevard & Oak Glen Road
- Yucaipa Boulevard & 5<sup>th</sup> Street
- Yucaipa Boulevard & 3<sup>rd</sup> Street
- Oak Glen Road & Calimesa Boulevard/14<sup>th</sup> Street

The analysis determined that, of the five intersections reviewed, two showed a high number of red light violation incidents. These intersections were Yucaipa Boulevard at Oak Glen Road and Yucaipa Boulevard at 5<sup>th</sup> Street.

At the November 13, 2006 City Council Meeting, staff was directed to proceed with the development of a specific proposal for providing and installing an automated photo red light enforcement system.

In June of this year, City staff distributed a Request for Qualifications/Proposals for providing an Automated Photo Red Light Enforcement System for the City of Yucaipa. In response, one proposal was received from Redflex Traffic Systems, Inc and evaluated by City staff. Based on the review of the proposal, it was determined that Redflex Traffic Systems, Inc had completely and accurately addressed the proposal's scope.

Redflex Traffic Systems, Inc is the largest established digital photo traffic enforcement system in the United States supporting more automated photo red light enforcement systems than all other providers combined. Redflex Traffic Systems, Inc has been selected by local agencies in all of the last 10 Request for Qualifications/Proposals they have responded to. In addition, they have been awarded 75% of recent contracts in California.

The use of digital photos as an enforcement measure within the City would help promote traffic safety and would reduce the number of collisions at intersections directly caused by vehicles running red lights. Redflex Traffic Systems, Inc is the only company that provides a full range of services including, but not limited to, a public awareness campaign, the complete design and installation of the equipment, training for people using the system, back office and citation processing services, court support, database and information technology management, equipment maintenance, and ongoing support of law enforcement and City staff.

The term of the Agreement shall commence after the installation date for a period of three (3) years. The City may terminate this Contract in whole or in part, without cause and for any reason including City's convenience at the conclusion of the initial term, upon written notice to Redflex at least thirty (30) days prior to the conclusion of the three-year term. At the conclusion of the initial term, the agreement shall automatically extend for an additional term of three (3) years unless the City has provided Redflex at least thirty (30) days written notice of its election to terminate this agreement.

#### **FISCAL IMPACT:**

Staff conducted an assessment of the proposed program to determine what the cost (if any) would be to implement such a program for a term of (3) three years. Using information gathered from other local agencies that have implemented a similar program, and information from the feasibility study conducted in June of 2006, it is believed that although the number of red light violations typically lessens over time after the installation of an automated red light enforcement system, it would still be cost effective for the City to implement this program for a period of (3) three years.

Using the number of observed red light violations at the two intersections with a high incident rate, the citation issuance rate (total number of actual citations issued), fine collection rate and the statistical reduction in violations per year after the program is initiated, it is estimated that the program would generate approximately \$450,000 over its three year period. The estimated monthly cost of the program for each approach is \$6,000 for a total of \$48,000 per month for two intersections. In addition to the monthly program costs to be paid to Redflex, there would be an additional cost incurred for staff program administration. Using information collected from other local agencies it was estimated that administration of the proposed program would require a police officer to dedicate approximately five (5) hours per week and a Sheriff's Office Assistant ten (10) hours per week. It is believed that the reallocation of existing resources from field services, associated with the traffic violations and related citations, to the administration of this

program will be adequate to fund that element of the program.

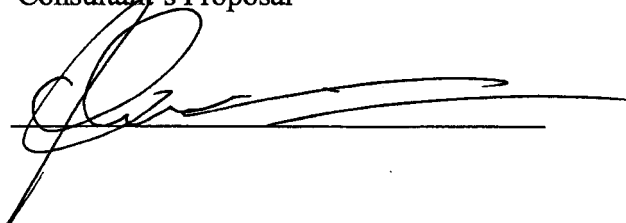
Eight (8) approaches at the two referenced signalized intersections are anticipated to be monitored. Each year the pricing will increase in accordance to the Consumer Price Index (CPI). The CPI will be derived from the publication of the U.S. Department of Labor Consumer Price Index for U.S. City average. It is recommended that a separate account be established in the General Fund and if citation revenues exceed the cost of the program over the three-year period, those funds will be held in that account for eventual allocation by Council. Based on staff's inquiries, it appears revenues are likely to exceed program costs over the three-year life of the program. However, in the event that the revenue generated becomes less than the actual program costs the City has the option to relocate a system to another viable intersection at the City's expense. Currently the estimated cost to relocate a typical system is \$40,000 to \$50,000. In addition, staff will return to Council with a program update, and at that time should be able to forecast if, and approximately when, the program is anticipated to cost more than the associated revenue. At that time staff will make a recommendation to perhaps relocate one or both of the systems and/or how to fund any net program costs. It is likely those costs would have to be funded from the Unallocated General Fund Balance or perhaps a State/Federal Homeland Security grant that may be available at that time. It is important to note that recently executed agreements between local agencies and automated red light photo enforcement program providers are moving away from including a "cost neutrality" clause which states that a local agency never has to pay more than the amount of revenue it receives from red light violation citations. The City Attorney's office has concurred with this approach based on California Vehicle Code Section 21455.5(g), which prohibits contracts between governmental agencies and automated enforcement equipment providers from including provisions that tie compensation to the amount of citations generated. As a result, there is a real risk of expenses exceeding revenues over the length of the Program and in fact some agencies are experiencing just that. Consequently, staff is recommending a (3) three year program instead of the common (5) year program initiated by some other agencies.

**CONCLUSION:**

Staff recommends that City Council award and authorize the Mayor to execute a three (3) year Professional Consultant Services Agreement with Redflex Traffic Systems, Inc for the implementation of an Automated Red Light Photo Enforcement Program at two signalized intersections within the City having a high frequency of traffic collisions or other high risk criteria as determined by staff and direct staff to establish a separate account in the General Fund to deposit any associated revenues to be held in reserve for funding any anticipated net Program expenses.

Attachment: Program Assessment  
RFP/RFQ  
Agreement  
Consultant's Proposal

Approved by: \_\_\_\_\_



## Automated Red Light Enforcement Program Assessment

Red Light Violation Survey												
Number of observed violations during a single weekday - peak hours only												
Intersection	Movement											
	NBLT	NB	NBRT	SBLT	SB	SBRT	EBLT	EB	EBRT	WBLT	WB	WBRT
Yucaipa Blvd & Oak Glen Rd	n/a	n/a	n/a	0	1	8	2	3	7	0	1	0
Yucaipa Blvd & 5th Street	n/a	n/a	n/a	n/a	n/a	n/a	0	6	4	0	10	0

**Total Number of observed violations (peak hour)** 42

**Adjustment for 24-hour period** 49 (Estimated 85% of daily violations occur during peak hours)

Forecast Using Survey Results	
Number of violation per day	49
Citation Issuance Rate	70%
Number of tickets issued per day	35
Fine Collection Rate	60%
Number of tickets paid per day	20.8
Number of tickets paid per month	623
Estimated Fine amount	\$154
Gross monthly revenue for program	\$95,879
Monthly RedFlex fee for program	\$30,000
Net monthly revenue per system	\$65,879
Prog. Administration costs/year <sup>(1)</sup>	\$46,072
<b>Net annual revenue per system</b>	<b>\$744,471</b>

1st Year Revenue Forecast	
Forecast After system Implementation	
(Approx. 30% reduction in violations after program is publicized)	
Number of violation per day	36
Citation Issuance Rate	70%
Number of tickets issued per day	25
Fine Collection Rate	60%
Number of tickets paid per day	14.9
Number of tickets paid per month	448
Estimated Fine amount	\$154
Gross monthly revenue for program	\$69,033
Monthly RedFlex fee for program <sup>(2)</sup>	\$30,000
Net monthly revenue per system	\$39,033
Prog. Administration costs/year <sup>(1)</sup>	\$46,072
<b>Net annual revenue per system</b>	<b>\$383,286</b>

2nd Year Revenue Forecast	
(Approx. 30% reduction in violations from previous year)	
Number of violation per day	24
Citation Issuance Rate	70%
Number of tickets issued per day	17
Fine Collection Rate	60%
Number of tickets paid per day	10.2
Number of tickets paid per month	305
Estimated Fine amount	\$154
Gross monthly revenue for program	\$46,942
Monthly RedFlex fee for program <sup>(2)</sup>	\$31,200
Net monthly revenue per system	\$15,742
Prog. Administration costs/year <sup>(1)</sup>	\$46,072
<b>Net annual revenue per system</b>	<b>\$142,834</b>

3rd Year Revenue Forecast	
(Approx. 30% reduction in violations from previous year)	
Number of violation per day	16
Citation Issuance Rate	70%
Number of tickets issued per day	12
Fine Collection Rate	60%
Number of tickets paid per day	6.9
Number of tickets paid per month	207
Estimated Fine amount	\$154
Gross monthly revenue for program	\$31,921
Monthly RedFlex fee for program <sup>(2)</sup>	\$32,448
Net monthly revenue per system	(\$527)
Prog. Administration costs/year <sup>(1)</sup>	\$46,072
<b>Net annual revenue per system</b>	<b>(\$52,400)</b>

(1) Assuming 5 hours per week for a Police Officer (excluding vehicle) and 10 hours per week for Sheriff's Office Specialist and 15% administration cost

(2) Assuming a Consumer Price Index of 4% for increase in Program costs per year



## Request For Qualifications/Proposals

For Providing  
a  
Automated Photo Red Light Enforcement System  
for  
The City of Yucaipa

**DUE DATE: Tuesday, June 5, 2007 by 2:00 P.M.**

### **I. INTRODUCTION:**

The City of Yucaipa (hereinafter referred to as the "CITY") is requesting qualifications/proposals from qualified vendors for providing an Automated Photo Red Light Enforcement System for the City of Yucaipa.

### **II. DESCRIPTION / TYPES OF SERVICES:**

The successful Vendor will provide the City with a turnkey program that will include but not be limited to:

- Assistance with intersection selection, including establishment of baseline counts of red light violations, from the intersections listed in this RFP. This data should enable the City to gauge the impact of an automated photo red light enforcement system.
- Complete procurement, site design, installation, implementation and maintenance of all equipment necessary for the operation of an automated red light enforcement and citation processing system.
- Training City staff involved in implementation of the Program.

- Back office and citation processing services
- Court support services
- Provision of regular statistical reports of program operations
- Database and IT Management
- Assistance with development of a public information and community outreach campaign

The proposed program shall be in strict compliance with the California Vehicle Code (CVC) and all applicable state and local statutes.

The City prefers Vendor proposals that guarantee cost neutrality; that is, revenues from the citations will at least match the cost of the Vendor's monthly service fees. Should revenue collections fall short of the cost of the Vendor's service fees, the Vendor would be expected to absorb the difference in cost.

The proposals shall be based on implementing the services at the following intersections, with the City selecting from among these intersections, covering one to four approaches, at a later date:

- Yucaipa Boulevard and 5<sup>th</sup> Street
- Yucaipa Boulevard and Oak Glen Rd
- Yucaipa Boulevard and Hampton Road

### **III. SCHEDULE:**

The Agreement award shall be for a period of three (3) years for each intersection commencing from the date all system equipment is installed and in place, tested, calibrated and operational with two (2), one (1) year renewal options at the City's sole discretion.

### **IV. PROPOSAL REQUIREMENTS:**

1. This office will accept Qualifications/Proposals for this project until **2:00 p.m. on Tuesday, June 5, 2007**. Four (4) copies of the Qualifications/Proposals shall be submitted in a sealed envelope, plainly marked "Automated Photo Red Light Enforcement System for the City of Yucaipa". Proposals shall be addressed to:

Mr. Raymond A. Casey, P.E.  
 Director of Public Works/City Engineer  
 City of Yucaipa  
 34272 Yucaipa Boulevard  
 Yucaipa, CA 92399  
**Refer Questions to:**  
**Fermin Preciado (909) 797-2489 Ext. 254**

Please format your response in the following order to facilitate comparisons between respondents. The proposal must include the following:

1. Cover letter introducing the Vendor and including the legal name of the Vendor, address and telephone number of corporate headquarters and the local office, state of incorporation or partnership (if applicable), and date founded. The name of the individual who will be the primary contact with the City must be set forth.
2. Detailed index of the contents of the proposal.
3. Description of the proposed Automated Red Light Enforcement Services, in narrative format, with any exhibits or documentation deemed essential. Presentations should be concise and 3 pages maximum. The proposal should address the following:
  - a. Planning and project coordination.
  - b. Complete design and installation of the equipment.
  - c. Public Awareness/Community Education Campaign.
  - d. Training for Law Enforcement, Prosecution, Hearing and Adjudication and other persons involved in the use of the system.
  - e. City and Law Enforcement interface requirements and equipment installation.
  - f. Back office and Citation Processing Services.
  - g. Court Support.
  - h. Database and IT Management.
  - i. Reports and reporting formats.
  - j. Maintenance procedures.
  - k. Collision Avoidance system capabilities.
  - l. Ability to expand the system.
  - m. Agreement conditions, including procedures for underperforming locations.
  - n. Required support of Police and City staff expected by Vendor
4. Detailed schedule of the proposed timing for completion of the project.
5. A detailed list and description of all equipment deployed, together with physical dimensions for a single monitored approach of four traffic lanes. Include photos of all required equipment, from an existing active four-lane intersection approach, including all poles, cabinets, housings, and flash units that make up the entire system.
6. Work plan identifying the tasks required to complete each of the project components.
7. Manpower capabilities outlined including:
  - a. Number and titles of full-time staff currently employed who will be assigned to project.
  - b. Credentials of personnel currently employed by the firm including:
    - i. Principal who will manage project with responsibility for successful execution; and
    - ii. The field supervisor who will oversee the installation and maintenance of system.

8. Statement of Qualifications and Experience:
  - a. Vendor must have a minimum of three (3) current Automated Red Light Enforcement services contracts with systems operational in the State of California, each of these programs need to have been fully operational for a period of no less than twelve (12) months and support no less than 5 monitored intersection approaches.
  - b. Provide a resume of the Vendor's experience in related projects, including the Agency name, primary contact person and telephone number of three (3) client references that may be contacted. Also include a description of work performed for reference, date contract executed, date program commenced, number of systems currently operational, type of technology (i.e. still images, video or both), and duration of contract.
9. Financial Strength:
  - a. Provide a copy of the Vendor's most recent annual report that demonstrates the financial strength of the Vendor.
  - b. Describe any regulatory censure and past or pending litigation related to services provided by the Vendor. Indicate all applicable information regarding Vendor ownership changes in the last 3 years.
10. Sample Agreement/Contract: a. A sample standard agreement is attached to this proposal for review. This will be considered a sample only.
11. The City wants systems with higher prosecutable image capture rates. They shall provide a detailed breakdown showing its proposed system's prosecutable image capture rate based on the last six months of operation from a reference jurisdiction most similar in size.
  - a. The data must reflect the results from cameras and systems, which are identical to the systems being proposed herein.
  - b. Vendor must calculate the capture both BEFORE and AFTER removal of so-called controllable and non-controllable event losses.

## **V. SCOPE OF WORK:**

The general scope of work is to provide a complete turnkey digital-only red light running photo enforcement program. A desirable system would incorporate, but not be limited to, many of the following features: digital video as well as multiple digital still photographs to include rear scene images, rear plate images, front driver images, digital video, internet review and approval; the ability to select from several triggering options and the capability to issue citations related to red light violations associated with straight through, left turn, double left-turn and right-hand turning movements. The program shall consist of the installation of complete camera systems, providing complete citation processing, training of key City/Police Department employees and adjudication personnel, providing expert witness testimony in court, local customer service, collection processing, and providing a public awareness/educational program, all in compliance with state law and the California Vehicle Code. Additionally, it is expected that the Vendor will provide assistance with intersection selection. The Scope



of Work will conform, at a minimum, to the following System Specifications:

### **System Specifications**

#### **Equipment**

- The system shall use digital media. Film based systems are not acceptable. Systems should capture video and still photo images of violations.
- The system shall generate secured violation evidence that can be communicated to and processed using Vendor supplied or operated photo enforcement processing systems.
- The system shall apply different methods of violation detection to ensure intersection variances and geometrics are optimally addressed.
- The system shall be capable of recording each violation at all times of the day or night, during varying weather conditions. The system shall be capable of remote monitoring to determine proper operation.
- All system component operations shall be synchronized to a single, standard, independent, external and verifiable time and date source.
- The system shall be capable of being configured to address the specific number of lanes to be enforced in each direction of travel at the site, including straight through, left turn, double left turn, and right turn violations.
- All cameras and associated equipment shall be maintained and perform to required minimum functional requirements as stated below. Any defective camera or other equipment shall be repaired or replaced within 48 hours.

#### **Functional Requirements**

- The system shall be capable of identifying vehicles traveling through a signalized intersection during the 'red' signal phase and recording a series of violation images that track the whole violation event from before the stop-bar and through to exiting the intersection.
- The system shall be capable of capturing license plate images displaying the characters and numbers on reflective and non-reflective license plates.
- The system shall be capable of capturing frontal (face) images for effective driver identification.
- The system shall be capable of detecting and capturing evidence of violation by slow moving vehicles. There shall be no minimum 'threshold speed' for effective monitoring and evidence capture.
- The system shall be capable of detecting and recording evidence of straight through violations, left-turn violations and right turn violations, including violations by slow moving right-turn vehicles, at approaches with 3 or 4 lanes in one direction. (Please reference programs that demonstrate this capability.)
- The system shall provide continuous "live" intersection monitoring and viewing capabilities. In compliance with the California Vehicle Code, the system will only save footage of violations.
- The system must incorporate full motion video for each violation Camera.

### **Unit Housing and Equipment**

- Sealed to be weather, dust, water and spray resistant.
- Securely lockable.
- Capable of being pole-mounted on Vendor supplied pole or existing City pole.
- The City prefers systems that utilize existing structures or minimally obtrusive new poles to minimize impacts to curbside/streetscapes. The system shall minimize its overall “intrusion” into the physical environment at/near selected intersections, and where proposed system makes use of existing infrastructure.

### **Imaging Units**

- Each imaging unit’s operation shall be microprocessor controlled and fully automatic.
- Each camera shall record images with an output of 3888 x 2592 pixels or greater of resolution per image.
- Each unit shall record images at 35 frames per second or faster.
- Units shall allow aperture adjustment.
- Units shall have automatic high shutter speed

### **Traffic Signal Detection**

The Vendor will offer non-intrusive signal phase detection systems that are fully opto-isolated and meet current NEMA and Caltrans Standard Plans and Standard Specifications.

### **Violation Detection System**

Any System to detect potential red light running violations shall be:

- Direction sensitive
- Provide speed measurements accurately
- Minimize false detections
- Minimize missed events

### **Camera System Operations**

The Camera System Shall:

- Be capable of on-site or remote activation and maintenance support.
- Record multiple-image sets for each of the ‘scene’ images, license plate images, and frontal/face images to meet the evidentiary requirements required to prove a violation.
- Record event-specific evidence to substantiate multiple, simultaneous and/or concurrent violations occurring during any red signal phase. (Please provide sample violation images to demonstrate this capability)
- Count the number of violations.
- Allow a malfunction to be easily identified and debugged on-line.
- Perform a self-test upon set-up. Simulate a violation being recorded for testing. Communicate error messages. Record date and time of system shutdown in the event of a malfunction.
- Encrypt violation images and data to ensure security of primary evidence.

### **Violation Processing**

The Vendor shall provide a fully Internet enabled violation processing system. All access to the violation processing system for the purpose of pre-processing evidence, Police Department authorization, notice printing, payments tracking, and generation of courts evidence packages shall be Internet enabled and shall be accessible by authorized users 24 hours a day, 7 days a week.

The violation processing system shall provide the following functionalities:

- Web-enabled access and operation
- Secure user log-in and access
- Automatic presentation of images and data captured by the camera system onto review PC's.
- Easy review of violation evidence against local regulations
- Ability to both 'play' full motion video and view multiple scene and plate images
- Ability to view each image as a full screen enlargement with a single click
- Ability to view all original images
- Ability to 'crop' a license plate image area from the optimal license plate image in the multiple-image license plate set to establish vehicle ID, and subsequently print the cropped plate area image to the notice.
- Ability to 'accept' or 'reject' violation sets and record rejection reasons.
- Ability to generate printed warning letters (during the first 30 days of program operations at the City's discretion).
- Ability to automatically generate printed traffic notices.
- Ability to store and archive all processed violation evidence into a secured database.
- 24-hour access to any stored violation image from the system database subject to agreed upon archive rules.
- 24-hour access to request and immediately view Courts Evidence Package image sequences displayed as video or as individual high resolution still shots, or send images to printing locally.
- 24 hour access to immediately request, view and print both standard and user-defined reports.
- Secured Access Control and automatically generated Electronic Audit Trails
- Encryption and decryption management. The Vendor will provide at least one workstation (hardware and software) for on-line approval and violation viewing appointments. System will be reviewed and approved by IS Staff prior to award.

### **Statistical Reporting**

In support of the City's project evaluation activities, the successful Vendor will provide monthly a summary program matrix to the City that will include, at a minimum, the following:

- Number of violations recorded, by intersection approach and in total.
- Count of violations where notices were not prepared, including a breakout of controllable and non-controllable events lost, by intersection approach and in total.
- Notices prepared and mailed.
- Status of notices issued (outstanding, canceled, reissued and so forth).
- Camera equipment hours of service and hours lost.
- Number and description of camera or other equipment malfunctions.
- Violations by time of day
- Violations by day of week Program

**Program Implementation**

The contractor will develop the following:

- A warning letter to be issued to violators during the 30-day warning phase. The warning letter should include at least two (2) color images of the violation.
- An automated enforcement citation format approved by the California Judicial Council.

**Training**

The contractor shall provide a comprehensive program for up to 15 persons to include, but not limited to, but not be limited to equipment orientation, Academic and in-field training, Training on software program used for citation processing, and a review of documentation required in Court. The contractor will work with Court personnel in implementing the automated red light enforcement program.

**Public Awareness Campaign**

During the initial public awareness period, the contractor will provide the following:

- A 30-day period of warning letters. Warning letters will include at least two (2) color images of the violation.
- Assistance with the kick-off media events.

**VI. INSURANCE REQUIREMENTS:**

The consultant shall provide the City current copies of Certificates of Insurance showing the following minimum insurance coverage's and maintain such coverage for the duration of this project:

- |    |   |   |
|----|---|---|
| A. | Worker's Compensation Liability         | In accordance with the Worker's Compensation Act of the State of California |
| B. | Broad Form Commercial General Liability | \$1 million   |

- |    |                                 |             |
|----|---------------------------------|-------------|
| C. | Automotive                      | \$1 million |
| D. | Professional Liability Coverage | \$1 million |

**VII. INDEMNIFICATION:**

The consultant shall indemnify and hold harmless the City, its officers, directors, employees, and agents from and against any and all claims, including attorney's fees and reasonable expenses for litigation or settlement, for any loss, damages, bodily injuries, and loss of property caused by negligent acts, omissions, or willful misconduct by the consultant and its sub consultants arising out of performance of the requirements of this RFQ/RFP.

**VIII. OWNERSHIP OF REPORTS AND DOCUMENTS:**

Originals of all documents, letters, drawings, design calculations, estimates, specifications, and other materials and data produced under the terms of the Contract Agreement shall become the property of the City. The City shall retain all rights in copyright. Copies may be made and retained by the consultant for its records but shall not be furnished to others without the written consent of the City for a period of three (3) years from the date of acceptance, by the City, of all requirements of this project.

**IX. CHANGES IN PERSONNEL:**

All changes in key project personnel or subconsultants shall be submitted to City in writing together with resumes for approval.

**IX. COMPENSATION:**

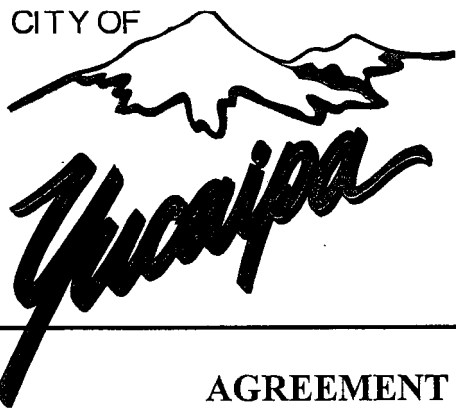
Price Structure:

- A. The City is interested in acquiring red light photo enforcement services as a turnkey service for a flat monthly service fee based on the value of the equipment and services provided by the Vendor. Alternative proposals will be considered.
- B. Alternative Pricing Structures or components must be clearly labeled as "alternative one", "alternative two", etc.
- C. Pricing must be fixed and firm throughout the term of the program. As previously noted, the City strongly prefers proposals that guarantee cost neutrality, i.e., that revenue from citations will at least match the cost of the Vendor fees. Should citation revenue fall short of the cost of the fees, the Vendor will absorb the difference in cost.

**X. WORK PERFORMANCE**

All work shall be conducted and completed in accordance with all current, applicable state and federal laws, including, but not limited to Labor Code Sections 1770 et seq. where applicable; local laws, ordinances and regulations; and specifications on file with the city.

The undersigned acknowledges that he has read and understands the entire proposal and agrees to perform the functions that are assigned to him by the City of Yucaipa under this proposal.



CITY OF YUCAIPA  
34272 YUCAIPA BLVD.  
YUCAIPA, CA 92399  
(909) 797-2489 PHONE  
(909) 797-9203 FAX

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## AGREEMENT FOR PROFESSIONAL SERVICES

### TO PROVIDE AN AUTOMATED PHOTO RED LIGHT ENFORCEMENT SYSTEM FOR THE CITY OF YUCAIPA

On this 10th day of December, 2007, the City of Yucaipa, a Municipal Corporation, hereinafter referred to as City, and Redflex Traffic Systems, Inc., a California Corporation, hereinafter referred to as Consultant or Redflex, hereby mutually agree as follows:

#### RECITALS

WHEREAS, Redflex represents that it 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 City desires to engage the services of Redflex to provide certain equipment, processes and back office services so that sworn peace officers of the City are able to monitor, identify and enforce red light running violations; and

WHEREAS, City desires 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, and Redflex represents that it can assist City in achieving that objective.

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 City 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 Violations Data for which authorization to issue a citation in the form of an Electronic Signature is given by the Authorized Officer.



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 the City in consultation with the Redflex Project Manager may designate 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, severs and poles.
- 1.9 “Fine” means a monetary sum assessed for Citation, including but not limited to bail forfeitures, but excluding suspended fines.
- 1.10 “Governmental Authority” means any domestic or foreign government, governmental authority, court, tribunal, agency or other regulatory, administrative or judicial agency, commission or organization, and any subdivision, branch or department of any of the foregoing.
- 1.11 “Installation Date” means the date on which Redflex completes the construction and installation of at least one (1) Intersection Approach in accordance with the terms of this Agreement so that such Intersection Approach is operational for the purposes of functioning with the Photo Redlight 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 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. Intellectual Property does NOT include any information owned by or lawfully under the control of the City, including any such information placed on the Redflex System.
- 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) Redflex System has been installed by Redflex for the purposes of facilitating Photo Redlight Enforcement by the City.
- 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 City 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 City 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 Photo Redlight Enforcement Program.
- 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. No property owned by or lawfully under the control of the City shall be deemed the Proprietary Property of Redflex.
- 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 City from time to time, who shall be the responsible person for Redflex 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” or “Redflex System” means, collectively, the SmartCam™ System, the SmartOps™ System, the Photo Redlight 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 Violations 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 City, 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 Photo Redlight 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 Violations 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 violation of the California 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.
  - 1.31 "Warning Violation Notice" means the courtesy notification of a violation that is mailed or otherwise delivered by Redflex to the violator in the form of a document that has been approved by the City.
2. **TERM.** The term of this Agreement shall commence as of the date hereof and shall continue for a period of three (3) years after the Installation Date (the "Initial Term"). The City may terminate this Agreement in whole or in part, without cause and for any reason including City's convenience at the conclusion of the Initial Term, upon written notice to Redflex at least thirty (30) days prior the conclusion of the Initial Term. At the conclusion of the Initial Term, this Agreement shall automatically extend for an additional term of three (3) years (the "Extended Term") unless the City has provided Redflex at least thirty (30) days written notice of its election to terminate this Agreement.
  3. **SERVICES.** Redflex shall provide the Photo Red Light Enforcement Program to the City, 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 the Designated Intersection Approaches and the installation of the Redflex System at such Designated Intersection Approaches, the City 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 City 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 Violations Data from the applicable Designated Intersection Approaches;
  - 3.3.5 The City 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 Violations 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 lieu of Citations for 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 City and in addition to the Standard Reports, Redflex shall provide, without cost to the City, 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 City in such format and for such periods as the City 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 City;

3.3.10 Upon the City's receipt of a written request from Redflex, the City 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 City 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 Upon Redflex's receipt of a written request from the City at least fourteen (14) calendar days in advance of court proceeding (unless such notice period is not feasible, in which case the City shall provide the maximum feasible notice), Redflex shall provide expert witnesses for use by the City in prosecuting Violations; provided, however, the City shall use reasonable best efforts to seek judicial notice in lieu of requiring Redflex to provide such expert witnesses, if appropriate. During the six (6) month period immediately following the Installation Date, Redflex will provide expert witnesses to the City at no charge. Following the initial six (6) month period after the Installation Date, Redflex will provide expert witnesses to the City at no charge for the first three (3) requests in a calendar year; for each additional request for expert witness testimony within the calendar year, the City shall reimburse Redflex for all travel related expenses.

3.3.12 During the three (3) month period following the Installation Date, and upon the assignment of additional or replacement personnel, 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 City with respect to the Redlight Enforcement Program;

- 3.4 COMPENSATION. In consideration of the satisfactory performance of the services require by this Agreement, City shall pay the compensation set forth on Exhibit D, attached hereto and incorporated herein.
- 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 City shall have the respective rights and obligations set forth on Exhibit E attached hereto.
- 3.6 CHANGE ORDERS. The City 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 City. Following the City'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.

3.7 ADDITIONAL SCOPE OF WORK. Redflex shall also provide the services described in "Exhibit G" (Redflex Proposal). In the event of any conflict between the provisions of this Agreement and the Redflex Proposal, the provisions of this Agreement shall control.

4. LICENSE; RESERVATION OF RIGHTS.

4.1 License. Subject to the terms and conditions of this Agreement, Redflex hereby grants the City, and the City 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 Yucaipa, 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 Yucaipa) that Redflex is providing services to the City 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, which approval shall not unreasonably be withheld. The City shall have access to the Redflex System for the purpose of reviewing Potential Violations and to print copies of any content posted on the Redflex System in connection therewith during the term of this Agreement and for a period of six (6) months following its expiration.

4.2 RESERVATION OF RIGHTS. The City hereby acknowledges and agrees that: (a) Redflex is the sole and exclusive owner of the Redflex Photo Red Light System, the Redflex Marks, all Intellectual Property arising from or relating to the Redflex System, and any and all related Equipment, (b) the City 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 City pursuant to this Agreement, the City shall gain no additional right, title or interest therein.

4.3 RESTRICTED USE. The City hereby covenants and agrees that it shall not (a) make any modifications to the Redflex Photo Red Light System, including but not limited to any of Redflex's 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 City'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 Photo Red Light 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 City 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 INFRINGING USE. The City shall give Redflex prompt written notice of any action or claim action or claim, whether threatened or pending, against the City 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 City 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 City 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 City the right to keep using the allegedly infringing items, modify them to avoid the alleged infringement or replace them with non-infringing items. In such case, the City has the option to terminate this Agreement without cancellation fee, if any, to Redflex.

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 City.

5.2 City Representations and Warranties.

5.2.1 Authority. The City 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 City hereby warrants and represents that any and all services provided by the City 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 CITY'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 CITY SELECTS FOR USE, OR THAT THE OPERATION OR USE THEREOF WILL BE UNINTERRUPTED. THE CITY 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 during Initial Term. During the Initial Term of this Agreement, City may terminate this Agreement with or without cause and in its sole discretion at any time by giving Redflex at least thirty (30) days' written notice of such termination. In the event of termination during the Initial Term due to no fault or failure of performance by Redflex, Redflex shall be paid the monthly fees earned prior to the effective date of termination, as calculated in Exhibit D of this Agreement, and shall be entitled to the cancellation fee provided for in Section 6.3.
- 6.2 Termination during Extended Term. If this Agreement is extended past the Initial Term (the "Extended Term"), City may terminate this Agreement during the Extended Term with or without cause and in its sole discretion at any time by giving Redflex at least thirty (30) days' written notice of such termination. In the event of termination during the Extended Term due to no fault or failure of performance by Redflex, Redflex shall be paid the monthly fees earned prior to the effective date of termination, as calculated in Exhibit D of this Agreement.
- 6.3 Termination for Convenience- Cancellation Fee. In the event the City exercises its right to terminate this Agreement without cause during the Initial Term, Redflex shall be entitled to a cancellation fee for each installed approach which reflects reimbursement of the direct labor costs and direct material costs (not including Equipment costs and salvageable material costs) solely associated with the installation of the Redflex Photo Red Light System at all Intersection Approaches where such system(s) have been installed prior to the effective date of Termination (the "Reimbursable Costs"). Redflex shall provide an itemization of the Reimbursable Costs, with supporting invoices and labor expense documentation, to the City within thirty (30) days of the completion of installation of the Redflex Photo Red Light System at each designated Intersection Approach. The Reimbursable Costs are currently estimated to equal approximately \$40,000 to \$80,000 per Intersection Approach, but in no event shall that amount exceed \$80,000 per Intersection Approach. For the purpose of this section, the cancellation fee shall be derived in accordance with the following formula:





X = the number of months remaining in the Initial Term

Y = the number of months of the Initial Term

X/Y = the percentage of remaining Initial Term

Z = the Reimbursable Costs per Installed Approach (not to exceed \$80,000)

$(X/Y) * Z$  = amount to be paid as cancellation fee

For example, if the Agreement ends on the last day of the 24th month and the Installed Approach was installed in month 1, and if the Reimbursable Costs are \$60,000, the cancellation fee would be:

X = 12 (36 months – 24 months transpired under the Initial Term).

Y = 36 (number of months of the Initial Term).

Z = \$60,000 (value of reimbursable costs)

$X/Y * Z = (12/36 * \$60,000)$

Calculation of Fee = \$20,000

- 6.4 Termination for Cause. City or Redflex may, with cause, terminate this Agreement effective immediately upon written notice to the other party in the event such other party materially fails to perform any material provision of this Agreement or fails to perform any of its material obligations under the Agreement and such failure continues unremedied for a period of thirty (30) days after written notice of such failure from the party alleging such failure. City may, with cause, terminate this Agreement effective immediately upon written notice in the event Consultant fails to abide by the reasonable directive of City or City's Police Department, or in the event of Consultant's gross misconduct, or acts or omissions of Consultant contrary to law. In the event City terminates this Agreement for cause, Consultant shall not be entitled to a cancellation fee.
- 6.5 In the event that, in City's judgment, this Agreement and/or the type of Photo Safety Program provided pursuant to this Agreement shall be deemed to be invalid or unconstitutional by any act of any branch of government, or a decision of any branch of government makes the implementation of City's Photo Safety Program unconstitutional or impossible to continue to implement, such decision shall be treated as a mutual termination and Redflex shall not be entitled to a cancellation fee.
- 6.6 Upon termination of this Agreement as herein provided (or expiration of the term), Redflex shall cease all work on or before the date of such termination or expiration. Redflex shall deliver to City in an orderly and expedient manner, all records prepared for or belonging to City pursuant to this Agreement. Redflex shall be responsible for the removal and return to Redflex of the Redflex Photo Red Light System in good working order. Redflex shall be responsible for repair of any damage to public property caused



by the Redflex Photo Red Light System or removal of the Redflex Photo Red Light System.

6.7 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 (City 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).

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, or as may be required by the California Public Records Act or other 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 City 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 "City Party" and collectively, the "City Parties") against, and to protect, save and keep harmless the City Parties from, and to pay on behalf of or reimburse the City 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 City 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, (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 City Party.

8.2 Indemnification by City. Subject to Section 8.3, the City 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 City contained in this Agreement, or (b) the willful misconduct of the City, 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.

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 74<sup>th</sup> Street  
Scottsdale, AZ 85260  
Attention: Ms. Karen Finley  
Facsimile: (480) 607-5552

9.2 Notices to the City:

City of Yucaipa  
34272 Yucaipa Blvd.  
Yucaipa, CA 92399  
Attention: Raymond A. Casey  
Facsimile: (909) 790-9203

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 City 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 City 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 City's prior written approval, which approval shall not be unreasonably withheld or delayed. The City further acknowledges and agrees that in the event that Redflex provides written notice to the City that it intends to Transfer all or any of Redflex's rights pursuant to this Agreement, and in the event that the City 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 City 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 CITY. 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, the 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, unless the invalidated provision(s) shall uniquely, materially and adversely affect the rights and obligations of a Party to this Agreement.



- 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 San Bernardino and both parties specifically agree to be bound by the jurisdiction and venue thereof.



### SIGNATURE PAGE

The City and Consultant hereby agree to the full performance of the covenants and conditions contained herein.

IN WITNESS WHEREOF, the City and Consultant have executed this Agreement the day and year first above written.

City of Yucaipa

Redflex Traffic Systems, Inc.

By its Authorized Representatives:

_____	_____	<i>Karen Finley</i>	<i>12/4/07</i>
Dick Riddell, Mayor	Date	Karen Finley, President & CEO	Date

ATTEST:

_____	_____	_____	_____
City Clerk City of Yucaipa	Date	Raymond A. Casey Director of Public Works/City Engineer	Date

APPROVED AS TO FORM:

_____	_____	_____	_____
City Attorney City of Yucaipa	Date	John Tooker, City Manager	Date

APPROVED AS TO CONTENT:

_____	_____
Greg Franklin Administrative Services Officer City of Yucaipa	Date





EXHIBIT "A"  
Designated Intersection Approaches

The contract is for the implementation of up to 10 intersections. The City in consultation with the Redflex Project Manager shall designate the Designated Intersection Approaches.



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 commercially reasonable 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 commercially reasonable 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 City 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 City 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 City a public awareness strategy for the City's consideration and approval, which strategy shall include media and educational materials for the City's approval or amendment (the "Awareness Strategy");
  - 1.7 Develop the Redlight Violation Criteria in consultation with the City;



- 1.8 Develop the Enforcement Documentation for approval by the City, 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 City);
  - 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 City; and
  - 1.14 Issue citation notices for Authorized Violations;
  - 1.15 Redflex shall provide training (i) for up to fifteen (15) personnel of the City, including but not limited to the persons who City shall appoint as Authorized Officers and other persons involved in the administration of the Photo Redlight Enforcement Program, (ii) for at least sixteen (16) hours in the aggregate, (iii) regarding the operation of the Redflex System and the Photo Redlight 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 City and juvenile court personnel; and
  - 1.17 Provide reasonable public relations resources and media materials to the City in the event that the City elects to conduct a public launch of the Photo Redlight Enforcement Program.
  - 1.18 Citation processing and citation re-issuance
2. CITY OBLIGATIONS. The City shall do or cause to be done each of the following (in each case, unless otherwise stated below, at City'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 Photo Redlight 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 City; and
- 2.1.5 Assist Redflex in seeking the Approvals
- 2.1.6 Provide reasonable access to the City's properties and facilities in order to permit Redflex to install and test the functionality of the Designated Intersection Approaches and the Photo Redlight Enforcement Program;
- 2.1.7 Provide reasonable access to the personnel of the City 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 City 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. Redflex shall acquire an encroachment permit from the Public Works Department prior to doing any work within City Right-of-Way.
2. Redflex shall not open the Traffic Signal Controller Boxes without a representative of city Public Works Department 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 City.
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, City shall be obligated to pay Redflex a fixed fee of \$ 6,000 per month for each Designated Intersection Approach ("Fixed Fee") as full remuneration for performing all of the services contemplated in this Agreement.

The City 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, the outstanding balance shall be paid to Redflex within thirty (30) days.
2. The Customer may request that equipment be relocated at any time following the first year anniversary of the "go live" date for the system in question. If the decision to relocate the system is not mutually agreed to by Redflex, which agreement shall not unreasonably be withheld, the Customer will be solely responsible for all associated relocation costs (i.e. construction, post-mortem conditions, equipment remedies, etc.). Payment for relocation of each system will be paid in one of two ways: 1) Costs to be paid in full at the time of relocation; 2) Costs to be amortized over the remaining length of the contract term and applied to the monthly fee for the system being relocated. The Customer shall receive a credit in an amount equal to 1/30<sup>th</sup> of the Fixed Fee for each full or partial day that the system being relocated is not fully operational, and the Fixed Fee for the month during which the relocation occurs shall be reduced by the amount of the credit.

**BUSINESS ASSUMPTIONS FOR ALL PRICING OPTIONS:**

1. Redflex construction will be able to utilize existing conduit for installation where space is available.
2. Annually, commencing January 1, 2009 and each January 1 thereafter, the Fixed Fee shall be increased by the percentage change in the CPI. Such escalation shall be calculated by computing the percentage change in the CPI for the twelve month period ending September 30 of the preceeding calendar year, and multiplying the Fixed Fee to be escalated by 100% (one hundred percent) of that percentage change in the CPI. "CPI" means the Consumer Price Index for All Urban Consumers, All-Items Index, for the Los Angeles-Anaheim-Riverside Area, as published by the United States Department of Labor, Bureau of Labor Statistics.
3. Except where a balance remains unpaid due to a deficit in the gross cash received as described herein, City 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 City shall respectively have the additional rights and obligations set forth below:

1. Redflex shall assist the City 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 Photo Redlight Enforcement Program (actual print and production costs are the sole responsibility of the City).
2. 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. Redflex shall be solely responsible for installing 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 City Manager shall mutually agree.
4. The City shall not access the Redflex System or use the Photo Redlight Enforcement Program in any manner other than as prescribed by law, or which could damage, disable, impair or overburden the Redflex System or the Redflex Photo Enforcement Program, and the City 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 City by means of hacking, password mining or any other method whatsoever, nor shall the City cause any other Person to do any of the foregoing.
5. The City shall maintain the confidentiality of any username, password or other process or device for accessing the Redflex System or using the Photo Redlight Enforcement Program.
6. Each of Redflex and the City 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 City shall obey any and all such rules and regulations.
7. The City 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 City, or any of its employees, contractors or agents.



Insurance

1. During the Term, Redflex shall procure and maintain at Redflex's sole cost and expense the following insurance coverage with respect to claims for injuries to persons or damages to property which may arise from or in connection with the performance of work or services pursuant to this Agreement by Redflex, and each of Redflex's subcontractors, agents, representatives and employees:
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 accident for bodily injury or property damage, including but not limited to coverage for all automobiles owned by Redflex, hired by Redflex, Professional Liability (Errors and Omissions) Insurance. Redflex will use its commercial best efforts to procure and maintain Professional Liability (Errors and Omissions) Insurance with coverage of not less than One Million Dollars (\$1,000,000) per claim and in the aggregate.
4. Workers' Compensation and Employer's Liability Insurance. Workers' Compensation Insurance with coverage of not less than that required by the Labor Code of the State of California, and Employer's Liability Insurance with coverage of not less than One Million Dollars (\$1,000,000) per occurrence.
5. With respect to the insurance described in the this Exhibit E, any deductibles or self-insured retentions must be declared to and approved by the City and any changes to such deductibles or self-insured retentions during the Term must be approved in advance in writing by the City.
6. With respect to the Commercial General Liability Insurance the following additional provisions shall apply:
7. The City 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.
8. The insurance coverage procured by Redflex and described above shall be the primary insurance with respect to the City Parties in connection with this Agreement, and any insurance or self-insurance maintained by any of the City Parties shall be in excess, and not in contribution to, such insurance.
9. Any failure to comply with the reporting provisions of the various insurance policies described above shall not affect the coverage provided to the City 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.





10. With respect to the insurance described in this Exhibit E, if any of the Redflex Parties are notified by any insurer that any insurance coverage will be cancelled, Redflex shall immediately provide written notice thereof to the City and shall take all necessary actions to correct such cancellation in coverage limits, and shall provide written notice to the City 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 City 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 City for such insurance. If the premium costs advanced by the City for such insurance exceed any amounts due to Redflex pursuant to this Agreement, Redflex shall promptly remit such excess amount to the City upon receipt of written notice thereof.
  
11. 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 City 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 \_\_\_\_ day of \_\_\_\_\_, 2007, is entered into by and between the City of Yucaipa (the "City") and Redflex Traffic Systems, Inc., ("Redflex"), with reference to the Agreement between the City of Yucaipa and Redflex Traffic Systems, inc. for Photo red light enforcement program, dated as of 13<sup>th</sup> day of August, 2007, 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.



Exhibit G  
Consultant Proposal



Redflex Traffic Systems, Inc.  
15020 N. 74<sup>th</sup> Street  
Scottsdale, AZ 85260  
Tel: 310 642 0470  
Fax: 310 642 0142  
www.redflex.com

## 1. Cover Letter

June 5, 2007

Mr. Raymond A Casey, P.E.  
Director of Public Works/City Engineer  
City of Yucaipa  
34272 Yucaipa Blvd.  
Yucaipa, CA 92399

Redflex Traffic Systems, Inc. is pleased to respond to the Request for Qualification/Proposal for Automated Photo Red Light Enforcement Systems issued by the City of Yucaipa.

**Servicing over 70% of the entire California market, Redflex is uniquely positioned to best understand the legal and operational specifications and statutory requirements as outlined in the California Vehicle Code, California Superior Court as well as the recommendations of the California State Auditors Office.**

We are pleased to announce that we have been **selected in 100% of the last ten 10 RFP's** for which Redflex has participated in the State of California, including most recently; the cities of Daly City, Elk Grove and Glendale. Redflex has also be awarded sole sources selections in Burlingame, Menlo Park and Redwood City. **Additionally, in the last 6 months alone, we have executed contracts with the California cities of Riverside, Walnut, Redding, Menlo Park, Burlingame, Commerce, Lancaster and Montebello.**

Redflex was incorporated in 1986 in the State of Delaware. For purposes of this proposal, **Wade Bettisworth** is the point of contact during the RFP review process. Mr. Bettisworth is located at our Culver City office. Our headquarters office is located in Scottsdale, AZ:

Redflex Traffic Systems, Inc. 6076 Bristol Parkway, Suite 106 Culver City, CA 90230 Telephone: (310) 642-0470 Fax: (310) 642-0142	Redflex Traffic Systems, Inc. Corporate Headquarters 15020 N 74 <sup>th</sup> Street Scottsdale, AZ 85260 Telephone: (480) 607-0705 Fax: (480) 607-5552
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Mr. Bettisworth can be reached by telephone at (310) 221-1521 or via email at [wbettisworth@redflex.com](mailto:wbettisworth@redflex.com). Ms. Karen Finley can also be reached at (480) 998-4442 or via email at [kfinley@redflex.com](mailto:kfinley@redflex.com). She is also authorized to bind the firm to a contract.

In addition, the undersigned acknowledges that he has read and understands the entire proposal and agrees to perform the functions that are assigned to him by the City of Yucaipa under this proposal.

Kind Regards,

Aaron M. Rosenberg, PhD  
Vice President, Redflex Traffic Systems



3. Automated Red Light Enforcement Services Narrative

a. Planning and project coordination. - As part of our standard implementation methodology, Redflex works closely with various City agencies including the law enforcement agency, Traffic Engineering and Dept. of Public Works in the identification of the City's most dangerous intersections. Redflex and the City will identify and triangulate which intersections warrant automated enforcement to ensure the City meets its specified safety needs. This process includes a detailed review of numerous data points, which include collision histories. Redflex will also complete a detailed video-analysis at each identified intersection. This video analysis will provide baseline violation data during peak traffic times, providing specific details. The completion of a detailed video-analysis, will ensure that Redflex and the City develop and implement a truly comprehensive "Approach Strategy", that will provide the City with detailed information for accurate fact-based decisions on possible program expansion efforts.

b. Complete design and installation of the equipment. - Our Program Management Office has already created a baseline plan for the installation process, which includes the acquisition of necessary permits; site design, construction, the identification qualified subcontractors and equipment testing; resulting in a successful "go-live" of the full program within 30 - 60 days. To achieve this aggressive outcome, Redflex uses our tried and tested implementation methodology, which breaks work down into defined and easy to manage steps. Analysis and Design - The Analysis and Design phase allows the project team to focus on defining City-specific business processes, collecting requirements and documentation within the City DOTDPW, Police Department, Traffic Engineering, Court and other critical City agencies, reviewing and developing detailed intersection and engineering drawings, defining system configurations and customizations required and determining external system integration requirements. Installation - During the installation phase the project team performs the tasks of installing necessary equipment, such as the communications infrastructure, electrical connections, installing signage and configuring Redflex applications to meet the City's requirements as outlined in the Schedule of Program Milestones. Redflex will perform all the required preparatory and installation work essential for the City's program for the specified intersection. Deployment & Testing - The Deployment phase of the project focuses on deployment planning, developing marketing and public awareness campaigns, program "go-live", and total system testing and training of the identified City Staff. The Redflex team will rigorously test each camera site, program processes and evaluate the output to ensure effective program operations. All violation detection and capture processes and protocols are thoroughly tested and are totally validated prior to the systems becoming operational. These testing procedures include all hardware (camera units, detection devices, interfaces, etc), software and service components (File Transfers, Public Awareness) of the program.

c. Public Awareness/Community Education Campaign. - Redflex will provide assistance to the City with development and design of an ongoing media campaign to be implemented by the Police Department that will provide awareness to the Citizens and visitors of the City. The robust Public Awareness and Outreach Campaign that will be based on research and public polling to ensure tailored messaging for the community. Please refer to Exhibit A for a full description of our public outreach approach. Prior to issuing citation to violators, a 30 day warning period will occur. During this time the Vendor will send a letter approved by the Yucca Valley Police Department Administrator, to violators notifying them of their offense. Advance warnings signs will be posted for all approaches of an enforced intersection in accordance with the Manual on Uniform Traffic Control Devices and the California Vehicle Code.

d. Training for Law Enforcement, Prosecution, Hearing and Adjudication and other persons involved in the use of the system. - The Redflex Training Services Department will help the City develop the knowledge and skills required to successfully deploy, maintain and

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operate an effective Red Light Camera Program. Participants will be trained utilizing specific training modules, each that address specific components of the program; additionally each participant will gain valuable hands-on experience using Redflex hardware and software. Training is tailored to meet the needs of the customer, and can be delivered in a variety of formats. Redflex institutes comprehensive training programs of up to two-days. Specific modules are developed to meet the unique requirements of the Courts, Law Enforcement and other relevant City personnel. Specific training modules will be developed and coordinated with the City personnel.

**e. City and Law Enforcement interface requirements and equipment installation.** Redflex has developed and implemented file transfer protocols for approximately 50 city agencies and dozens of court systems throughout the State of California. Our current operations in the cities of Loma Linda and Upland provide us with extensive experience in working with the San Bernardino County Superior Court of California (SBSC). In our current dealings with our programs in the County of San Bernardino, Redflex transfers files that are loaded onto the SBSC main frame, making the data available to all the individual branches throughout the system. This is currently being accomplished by transferring one batch containing two files containing two files to the SBSC.

**f. Back office and Citation Processing Services.** - Redflex will provide the City with a fully web-based system for review and approval of all violations and for running a comprehensive suite of program reports. These on-line activities are made possible through our WebOps program. This application is completely web-enabled and can be accessed by assigned users through any computer with Internet access. The application is available to authorized Law Enforcement personnel and is completely secure using a user management and Internet security protocols. When violations are accepted, the application utilizes digital signatures confirming City authorization of the notice. Once the authorizing party completes the process and chooses to "accept" the violation, the Redflex System automatically queues the information and violation images for citation notice generation and printing. Each citation notice will enclose a digital signature from the individual that authorized the citation, which is physically printed on each citation. Please refer to Exhibit J for details on WebOps.

**g. Court Support.** - Redflex will provide a comprehensive program to support the City's Court proceedings. We will provide documentation and witnesses and evidence packages as necessary; at no additional cost to the City. For all installed systems across the U.S., Redflex has analyzed existing data and Redflex supports a 99% conviction rate. In many of our existing programs less than 1% of all citations result in court proceedings. The low numbers of contested cases are indicative of the high quality and high resolution of the evidence that is produced by Redflex solution.

**h. Database and IT Management.** - Each Redflex imaging unit provides robust nonvolatile on-site image and violation data transferring, storage and archiving capabilities. This is accomplished with an on-site server that can store thousands of images if required. Fortunately, each Redflex imaging unit and its associated server are connected to a secure broadband network and use a variety of telecommunications modes for data transfer. Incorporating DSL, T1, Integrated Wi-Fi, or Fiber Optics, Redflex builds a secure network that includes the latest Cisco Firewall security measures which result in a highly secure network called a Virtual Private Network (VPN).

**i. Reports and reporting formats.** - The Redflex System provides a comprehensive statistics packages and numerous standard reports. Each report can be easily accessed on-line via the Internet. The powerful Oracle relational databases underpinning SmartOps/WebOps report



generation function allows extensive management reporting to the City and system managers. Please refer Exhibit B on statistical reporting.

**j. Maintenance Procedures** - Redflex is pleased to provide the City with the Industry's most comprehensive maintenance program. In fact, Redflex offers Service Levels that provide 24 x 7 on-call operators for prompt initial response and is able to replace inoperable equipment within 24-48 hours. In the rare event of a problem with a system, we can provide a fast response time as we have a regional office located in Southern California. Our company resources include over 30 technicians available to provide prompt service. Please refer to Exhibit C for our detailed maintenance policy.

**k. Collision Avoidance system capabilities - REDFLEXed Intelligent Collision Preemption System.** - The Intelligent Collision Preemption System developed by Redflex Traffic Systems, Inc is designed to reduce collisions at an intersection that is currently deployed with Redflex traffic enforcement technologies. Please refer to Exhibit D for additional information on Collision Avoidance.

**l. Ability to expand the system** - The Redflex Red Light Camera system is modular in nature. This provides our clients with the ability to expand the system without limit. As an example, we have over 100 systems in place in the City of Chicago. The City intends to eventually expand the program to include over 300 systems. Redflex will be able to accommodate the City's growth in a seamless manner due to the limitless expansion capability of our Web-based Citation Processing customer interface.

**m. Agreement conditions, including procedures for underperforming locations** - Our experience over the past 20 years has shown that if we conduct a thorough survey of the intersection approaches we rarely will install a system that is determined to be in an "underperforming" category. What we have experienced with our 110+ programs nationwide is that red light camera systems have an effect similar to assigning a patrol car to an intersection 24/7. Removing the system has the same effect as removing the patrol car with violations returning to the levels prior to when the red light camera system was in place. As with any new enforcement initiative (i.e. new stop sign added at an intersection) violations will typically be higher initially and then in most cases (but not all) will level out over time. The actual time line for this varies by city and intersection approach. In the event that a red light camera system is determined to be "underperforming" as a result of an engineering modification or change in traffic patterns, Redflex will relocate the system at no charge to the City.

**n. Required support of Police and City staff expected by Vendor** - In the 50+ contracts that we have in place in California there is really no standard way that programs are managed. The number of systems in place, however does impact the resources required to operate the program. In the cities of Culver City and Santa Ana, both of which have in excess of 20 systems in place, more than one person is involved in the running of the program. Conversely, a number of the smaller programs are managed on a part-time basis by personnel that have other job responsibilities. The major responsibilities of administering the program and estimated time to complete these duties are listed below (based on the assumption of nine systems in operation):

1. Authorization of Citations: One hour per week
2. Interface with Public for Viewings: Four hours per week
3. Court Time (includes preparation time): Two hours per week
4. Freedom of Information Act requests: Time varies
5. Administration of Program (includes interface with court administration): Five hours per week



**4. Detailed Schedule/Proposed Timeline for Completion**

Redflex Project Approach illustrates how we will complete the scope of services, accomplish required objectives and meet the City's project implementation schedule.

Redflex is very committed to utilizing City approved local contractors to aid in the construction and implementation of each system. Redflex provides extensive oversight and construction management during each step of the implementation. Construction efforts follow a comprehensive methodology and guide that has been tried, tested and proven effective for working with local subcontractors and ensuring all project timelines are met.

Redflex will ensure to have all desired intersection approaches fully operational within 30 - 60 days of the Notice to Proceed. In city after city we have proven to deploy programs of substantial magnitude in this period of time. For examples, we would like to reference the Cities of El Paso and Chicago.

For the last year, Redflex has averaged approximately 30 new installations per month, with a capacity of over 50 new installations in one month. The following work plan schedule will outline the scope of services required and the tasks associated with completed the necessary services.

Additionally, each task requiring city staff involvement has been highlighted for ease of review.

Task	Duration
<b>Project Plan</b>	<b>60 days</b>
Contract Signing (Estimated contract execution)	1 day
Kick-Off Meeting	1 day
Introduce Redflex Project Manager	1 day
Identify City Project Manager	1 day
<b>Field Technology Component</b>	<b>25 days</b>
Obtain Proposed Intersection List From Client	1 day
Preliminary Field Inspection of Proposed Locations	1 day
Video Survey of Intersection	5 days
Conduct Violation Counts	7 days
Request As Built Drawings from Client	1 day
Received Drawings from Client	3 days
Prep Drawings for Red Lining	3 days
Red Line Drawings Showing Camera Equipment	5 days
Submit Redflex Drawing to Client for Approval	2 days
Client Review Drawings & Provides Comments (estimated)	7 days
Client Return Drawing with Comments	2 days
Second Submittal of Drawing to Client for Approval	4 days
Client Approval of Redflex Drawing	2 days
Submit Bid Packages to Contractor	3 days
Review Quotation and Make Decision	1 day
Submit PEV to Construction Director to Authorize Work	1 day
Submit Signed PEV to Accounting	1 day
Fax Letter of Intent to Contractor	1 day
Submit Subcontract Agreement to Contractor	1 day
File PEV, Subcontract Agreement & Insurance Certificates	1 day
Return Signed Fully Executed Copy of Subcontract Agreement to Contractor	2 days
<b>On-Site Construction Equipment in City (Intersections 1-10)</b>	<b>3 days</b>



Task	Duration
Camera Enclosures (Cabinet-less)	3 days
Flash Enclosures	3 days
Pelco Pole Bases	3 days
Cat 5 Cable	3 days
Pre Construction Meeting/Mark Equipment Locations	1 day
Subcontractor Commence Construction	14 days
Underground Work	7 days
Poles & Wiring	5 days
Equipment Installation	5 days
Photo Enforcement Advisory Sign Installation	2 days
Finalization	1 day
Post Construction Check	1 day
Ship Redflex Camera Equipment	3 days
Installation of Redflex Camera Equipment	5 days
Test Equipment Operability	3 days
<b>High Speed Internet Connection</b>	<b>7 days</b>
Order DSL Service	1 day
DSL Service Provider Assigns Address and Account Number	1 day
POTS Line Installation	4 days
Communications Install - DSL Upgrade	2 days
Test Connectivity	2 days
<b>Requirements Analysis &amp; Ancillary Documents</b>	<b>25 days</b>
Prepare Kick-Off Meeting Presentation	2 days
Prepare Business Rules (Violation Criteria) & Ancillary Documents	2 days
Business Rules	2 days
Warning Letter	2 days
Citation - Notice to Liability (Front)	2 days
Citation - Notice to Liability (Back)	2 days
Instructions Page	2 days
Options Page	2 days
Mailing Page	2 days
Default Letters	1 day
Police Authorization On-Line Access Form	2 days
Public Awareness Material	1 day
Client Kick-Off Meeting/Present Documents	1 day
Client Follow-Up Meeting to Finalize Requirements	1 day
Signoff of Bus Rules & Ancillary Documents by Client	7 days
Submit Application to Request Access to DMV for Plate Inquiry	1 day
Client Submits Letter to DMV to Request Access for Redflex (RTS Agent of PD)	1 day
DMV Authorizes Access to Redflex	7 days
<b>Software &amp; Back Office Customization - Smartops</b>	<b>25 days</b>
Schedule Meeting with Software Developer to Submit Requirements	1 day
Requirements Submitted to Software Developer	1 day
Notices Submitted to Software Developer	1 day
Obtain Sign-Off From Software Developer	1 day
Advise Developer of Forecasted Go Live Date	1 day
Develop, Test & Implement Back Office	20 days
Print Sample Notices	2 days



Task	Duration
Generate Reports from WebOps	2 days
Provide Access to Police, Court and City Personnel to WebOps	1 day
Implement into Production	1 day
<b>Project Hand-Over to Production</b>	<b>1 day</b>
Schedule Meeting With Ops Manager & PSA	1 day
Submit Processing Requirements for Production	1 day
Obtain Sign-Off From Ops Manager	1 day
<b>Police Personnel Training</b>	<b>5 days</b>
Prepare Training Agenda and Documentation	2 days
Conduct Training	2 days
Submit Training Certificates	1 day
<b>Warning Period</b>	<b>30 days</b>
Warning Letter Period Commences	30 days
Ticket Issuance	1 day

In addition to our scalability in proven experience in large cities like Chicago, I would also like to reference our capabilities in smaller cities, like Loma Linda, and Riverside California. In Loma Linda, working closely with the City, we installed 7 new systems in less than 3 weeks from the contract being executed. In Riverside we installed 21 systems in 11 weeks from the kick-off meeting. In El Paso, we installed the first 5 systems in less than 30 days.

For more information on Loma Linda, please don't hesitate to contact Lt. Hector Guerra @ (909) 387-3505 or Sergeant Jack Matthews in El Paso @ (915) 564-7044. Riverside contact is Steve Libring 951-826-5368, silbrin@riversideca.gov.

In the City of Chicago, Redflex had the first intersection fully operational in 30 days and an additional 40 systems operational within a period of 90 days. For information regarding the City of Chicago, please contact Deputy Director John Blis @ (312) 907-5453.

### 5. Detailed List and Description of Equipment Deployed

Cameras



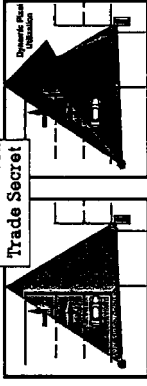
Redflex's camera solution uses digital media that produces a combination of high resolution still images with an output in excess of 3000 x 2000 pixels per frame/image and a full motion digital video technology. Five years ago, with the introduction of our patented combination still-video system, Redflex was the first vendor to recognize, develop and implement a system that provided the highest resolution and quality color still photographs and the benefits of full motion video. This approach allows officers to view all possible extenuating circumstances; providing true objectivity. We have over 830 systems with this exact set-up and configuration fully operational; coast-to-coast. This patent enables Redflex to meet prima facie evidence requirement with a multiple camera set-up if the City chooses this option.

Each Redflex Camera Unit is installed, configured and tested to ensure high shutter speeds providing sufficient frames per second for simultaneous violation capture. This includes multiple still cameras that capture up to 8 frames per second and video cameras that capture up to 30 frames per second (fps).



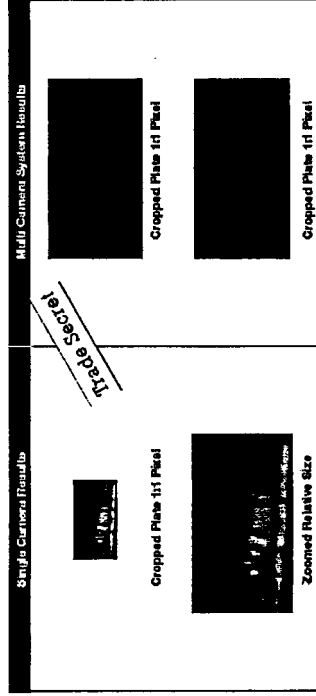
However, even at 8 frames per second (+30 fps integrated video), it is only with a multiple camera set-up (three stills and one video) is any system able to effectively capture simultaneous violations from different lanes and movements during a single phasing.

Redflex's experience in the photo enforcement industry is reflected in the design of its photo enforcement systems, allowing maximum flexibility to suit the application and the customer's needs. A major component of the system's flexibility is the use of multiple integrated and synchronized high resolution digital cameras.



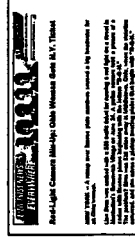
As you can see from the graphic above, using multiple high resolution digital still cameras, Redflex can leverage the pixel coverage of which the system is enforcing, resulting in "Dynamic Pixel Utilization". Dynamic Pixel Utilization means that more pixels are used in areas where they are more effective, creating higher quality and more legible digital still photo evidence than compared to a single camera based photo enforcement systems.

With respect to specific areas of interest such as the license plate of an offending vehicle and/or an image of the driver, Dynamic Pixel Utilization, achieved through a multiple camera set-up, including a specific camera for taking plate shots can result in up to 500% greater pixel coverage on the area of interest compared to single camera based systems. This is very important in insuring that the area of interest, such as a license plate or drivers face, is clear in all types of traffic and weather conditions.



The result clearly shows that the multi camera system produces clearer images of specific areas of interest, resulting in clearer more legible evidence and better overall system performance. The result? A more successful photo enforcement program for the city police and traffic departments, and most importantly the community.

\*In fact, as referenced in the news clip below, there has been recent press that alleged image quality issues in programs such as in New York, NY; that issued tickets to the wrong drivers because the plate images were misread. This program uses a single camera and it demonstrates the field of view and image resolution issues of







vendors that are constrained to using one camera.

Redflex is conscious of the environmental impact that a red light camera system can create. We are committed to coordinating with the City to ensure that the system utilizes existing structures or minimally obtrusive new poles to minimize impacts to curbside and streetscapes.

#### Camera Configurations

Redflex currently has different approaches to camera configurations that can be deployed for the Red Light enforcement program. All the configurations can be mounted on free-standing poles or using the City's existing infrastructure. The City has the following camera configuration options available for a red light enforcement program:

**Traditional Camera Configuration** – This method uses our patented multiple cameras approach.



#### Single Camera Configuration

The SlimLINE Series is our revolutionary new red light traffic system. It's designed to give you choices, and provide high quality and maximum flexibility with the greatest value

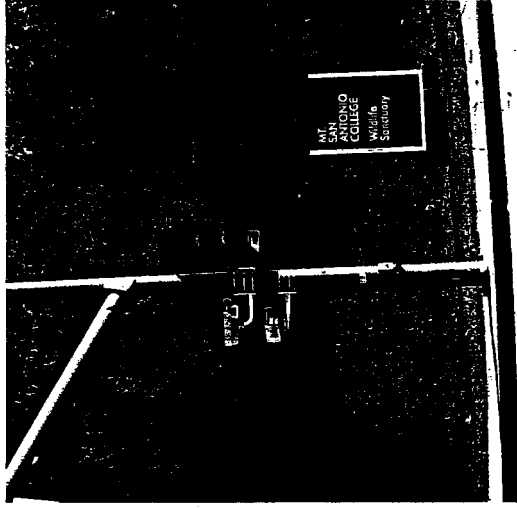
This system can be mounted on free-standing poles or using the City's existing infrastructure. The following features best describe this solution that will meet and exceed the City of Yucaipa's requirements:

- **Aesthetics:** smallest system footprint in the industry
- **Modular & Flexible:** Capable of being mounted to free standing pole or existing city infrastructure
- **Ultra Sharp Image:** New image sensor with 12.4 effective megapixels
- **Non-Intrusive:** Video Loop, Lidar and Radar Options
- **Reliable:** Continuous shooting at up to 8 frames per second
- **Precise:** GPS support for recording of location information with violation data
- **Enforcement Efficiency:** Simultaneous violation capture across all movements

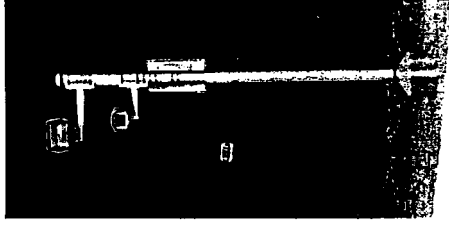


- **24/7/365 Enforcement:** Integrated low watt illumination with ultra-fast recycle intervals
- **Convenient:** Wireless Transmitter for transferring image files directly over wireless LAN & remotely configurable
- **Live Full Motion Video:** Live multi-angle full motion video with playback and archiving features

The following images clearly illustrate the single camera configuration installations:



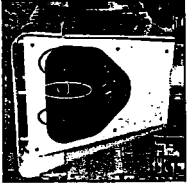
Utilizing Existing Infrastructure





**Poles & Housing**  
**Traditional Housing Camera Configuration**

The image to the right demonstrates a typical head-unit of a Redflex installation. As shown by the "red" circles, this unit includes three (3) high resolution still cameras (up to 12.4 megapixel) and in "yellow", one (1) full motion video camera.



Each one of these cameras has the capability to shoot up to 8 fps, has a different pan-tilt-zoom, and has a unique job to do. It is only with this patented approach that it is possible to effectively capture simultaneous violations.

Redflex is the only vendor that can legally provide a multi-camera, multi-angle and multi-mode solution that incorporates the integrity of using a single central processor and single time clock in a synchronized fashion.

Redflex is conscious of the environmental impacts that a red light camera system can create. We are committed to coordinating with the City to ensure that the system utilizes minimally obtrusive new poles to minimize impact to the curbside and streetscapes. The image to the right illustrates a current installation using existing infrastructure.



The placement of our equipment is flexible and is not dependent on the ability to utilize existing infrastructure. The physical dimensions of our camera enclosures for a single monitored approach of four traffic lanes are 6.8 x 5.0 x 22.0 inches (748 cubic inches), with a flash enclosure of 17 x 11 x 8 inches and a pole mount cabinet 24 x 24 x 13 inches.

The Redflex Camera Units can be pole-mounted in **vandal and weather resistant lockable housings** and each pole is inset into **breakaway concrete footings**. The Camera housing units were designed to preserve the overall effectiveness of the Red Light Enforcement Program's operation and to protect the Redflex Camera Units from extreme weather conditions and vandalism ensuring minimal "downtime" and streamlined maintenance. Poles are typically 10 feet high which protects the housings from defacement, and ensures effective multi-lane image capture.

**Cabinet less Configuration**

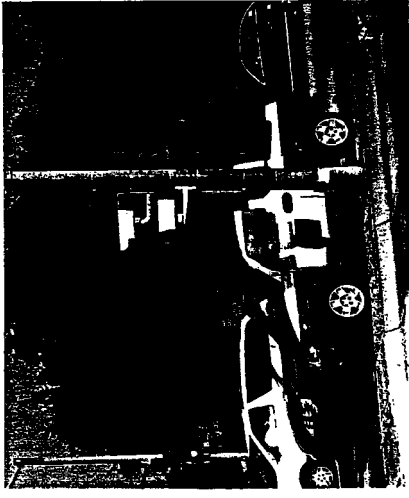


The camera housing of a cabinet-less or cabinet-free configuration include heaters and fans (to eliminate condensation), CPU, SDCM, cards, hubs, routers and all the connections, thereby eliminating the need for bulky roadside or pole attached cabinets.

*Note: There are many untested and new systems in the market that promise aesthetically pleasing configurations. Unfortunately, these systems require a completely non-integrated set of off-the-shelf cameras with exposed cables, no housing locks. In summary – a totally ineffective backyard solution.*



The image to the left illustrates Redflex's ability to install a system using existing city infrastructure. The image to the right illustrates Redflex's ability to utilize a new pole to house the systems cabinet. With this configuration there is no need for roadside cabinets.



**Sample Still Images** -The Redflex Solution will deploy equipment that will capture a set of high resolution color digital still images of the offending vehicle and the license plate without revealing the faces of the passenger (s). The Redflex Solution does not use a wet film application. The Redflex Solution has the ability to accurately capture violations at approaches of up to 5 lanes in one direction, including possible turning lanes. Please refer to Exhibit E for a complete set of sample violation images.

**Databar** - Each of the high resolution digital images produced by the system includes an encrypted databar, which "stamps" pertinent violation information of the image at the very point of capture. The databar includes a 256-character field that can be customized to suit the City's specific preferences and requirements. The standard data elements that are encrypted at the point of capture on each image and this information cannot be manipulated by Redflex or the system.

**Real-Time Intersection Monitoring & Streaming Video** - The video camera is used to capture a 12 – second video clip of the violation (six seconds before and six seconds after the violation). The camera will also provide live viewing of the intersection at any time by the City without interfering with the red light system. The system will store the full 24-7 data for a minimum of 60 days and be available for recall and review by the City at actual speed or frame by frame for accident reconstruction

**Detection/Sensory Array** - Redflex is the only vendor that has experience utilizing four different detection sensors and configurations; which enables the Redflex Solution to be easily customized and implemented to address unique geometrical and spatial needs without jeopardizing effective violation capture. Any vendor that espouses a "one-size fits all" approach is truly constrained and



is proposing a configuration which could lead to a substantially negative impact on public safety through an increase in "false-triggers" and missed violations. In dozens of installations across the USA, Redflex has utilized each of the following technologies: Video Sensors; Virtual Loops; Radar; Laser; and Inductive Arrays. The specific technology we deploy at the proposed intersections will be based on joint Redflex-Customer agreement; ensuring that the end result is a system that is truly optimized for the specific needs at hand.

Redflex uses an opto-isolation module that provides a very robust sensing, filtering and high noise rejection and transient-free "clean" switching. With 4,000V rms optical isolation, this module will completely protect the City's infrastructure, connections and controllers. Our opto-isolation module meets the National Electrical Manufacturers Association (NEMA) and Caltrans Standards Plans and Standard Specifications.



Photo Flash - Redflex Traffic Systems uses a low wattage system to minimize the number of illuminators and extraneous illumination and flash effects. For a standard four lane approach we use a HEX Flash 250 W = 8.5A (rms) @ 120 VAC (950 ms recharge time). We do not use floodlights in our system.

The Flash Unit is typically mounted on the camera pole or to an existing traffic pole for in-line illumination. The flash provides visible white-light to ensure full-color imaging of critical license plate images in all ambient light and variable weather conditions. The Flash Unit is automatically synchronized with the digital still camera's imaging shutter release at all times. The very short flash duration (~1/2600<sup>th</sup> of a second) and ultra fast recycle time (~250 milliseconds) means that the flash does not become a public nuisance and/or impact driver safety. Additionally, the flash unit can be easily turned off, on and reset remotely utilizing the camera configuration software module via the VPN. Flash intensity is routinely tested with a light meter to ensure effective illumination without imposing public nuisance or driver safety risks.

#### 6. Work Plan

Please refer to Exhibit I for a detail work plan identifying the tasks required to complete each of the projects components.

#### 7. Project Personnel/Manpower Capabilities

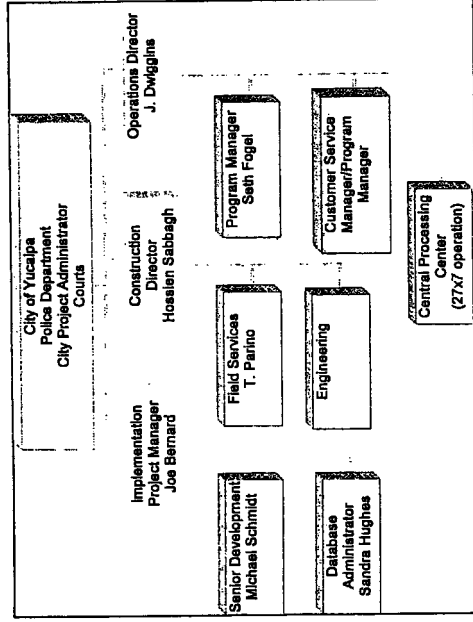
Redflex has over 230 USA based employees and currently supports over 130 municipal contracts from coast-to-coast. We have over 30 employees in our field office located in Culver City in Southern California.

We will provide you with a single point of contact through our Project Manager. No less than six full-time Redflex employees, with skill sets as described below will make significant contributions to the start up of your system. The Project Manager is responsible for the success of the implementation. This individual plans, directs and coordinates all activities related to the technology implementation. Direct responsibilities include: project plan development, timelines and goal specification, staffing & scheduling, contingency plan development and resource allocation. This individual directs and coordinates project personnel, coordinates project activities with appropriate government agencies and resources and tracks project progress and results. The first action of Project Manager will be to immediately commence Phase I: Project Kick-Off activities.



Redflex is committed to providing the City with the most experienced project team in the industry. The professionals with direct responsibility of each department are skilled in their profession to carry out the program being proposed herein. The organizational chart shows the name of the project manager and other key personnel that will be assigned to this project.

The team consists of most tenured individuals with the greatest depth of photo enforcement experience in the USA.



The key personnel include the following individuals:

- Project Manager, Joe Bernard
- Construction Director, Hossein Sabbagh
- Program Director, Seth Fogel

#### Project Manager



Joe Bernard, Construction Project Manager has been with Redflex for more than 10 years and has extensive experience in project management, operations, and city personnel training. Bernard has aided in the successful implementation of programs in more than 100 cities nationwide. He directs and coordinates all activities related to technology implementation, including project plan development, timelines and goal specification, staffing and scheduling, contingency plan development, and resource allocation. Mr. Bernard holds a Bachelor of Arts degree and is currently pursuing a master's degree in project management.



**Redflex Photo Enforcement Profile:**

- Helped implement over 100 municipal photo enforcement programs
- Supervised operations for a staff of more than 20 Redflex employees
- Acted as project manager for cities across 17 states

**Construction Director**

Ensures all required planning, engineering, and construction activities are approved and managed for each applicable intersection. Working closely with Public Works and other pertinent City Departments, this individual is responsible for equipment implementation and installation activities, including management of sub-contractors. The Construction Manger is responsible for site plan, drawing and specification preparation, the sub-contractor bid process and overall inspection and compliance to customer specifications of construction activities

Redflex will utilize the expertise of Mr. Hossein Sabbagh, Director of Construction, and his staff to ensure that we deliver a program that exceeds the City of Yucaipa's expectations and timelines. Mr. Sabbagh who is located in our Los Angeles County office, has seventeen years of domestic and international experience in project and construction management, design, negotiation and execution of projects ranging in size from \$5 M to \$200 M. In his role, Mr. Sabbagh will oversee your project from the design through commissioning phases.

The following references can speak to the capabilities of Mr. Sabbagh and his Construction and Project Management Team:

- |  |   |
|--|---|
| City of Loma Linda<br>Mr. Jarb Thaipiejr<br>(909) 799-4401 | City of Baldwin Park<br>Mr. David Lopez<br>626-960-4011, ext. 458 |
| City of Poway<br>Mr. Zoubir Ouadah<br>(658) 668-4640       | City of Oxnard<br>Ms. Soher Abdelmalik<br>(805) 385-7873          |

Supporting the efforts of Hossein Sabbagh will be the services and expertise of Mr. John Babek, Construction Manager.

**Construction Manager**

In moving forward with Redflex, the City of Yucaipa will benefit from the skills of Mr. John Babek, Construction Manager. In this role, Mr. Babek will be responsible for design, city engineering approvals and oversight of the construction process, including the supervision of outside contractors. Mr. Babek is a skilled construction manager, with a strong educational background and over 15 years management experience in which he has exhibited excellent planning, organizational and communication skills. He will serve as the primary contact with the City of Yucaipa during the construction process.



**Program Director**

This individual is dedicated to servicing the City and will be in continuous contact with the various City Project Managers and Agencies that are required for the successful operation of the program. Additionally, this individual will act as the "single-point" of contact for the City, be responsible to promptly address all inquiries, monitor program operations and ensure a successful remedy of any reported issues.

**Program Director** - The Program Director for the City of Yucaipa will be Seth Fogel. In this role, Mr. Fogel is responsible for the overall management of the company's automated enforcement systems in California. His responsibilities include system start-up, program efficiency, contract management and legal compliance. Prior to joining Redflex, Mr. Fogel was employed by the Downey Police Department for six years and the Culver City Police Department for 19 years, having retired with the rank of Lieutenant. During his tenure with the Culver City Police Department, Mr. Fogel was responsible for the development and overall administration of the department's Red Light Camera Program.

While managing the Culver City Photo Enforcement Program, Mr. Fogel was instrumental in testifying in Sacramento at legislative hearings regarding red light cameras. He is recognized in the industry as one of the "founding fathers" that knows every nuance about the California Vehicle Code and how to operate a successful program and how to protect a City from legal risk.

**Customer Service Representative** - Due to the scope, magnitude and importance of working with the City of Yucaipa, Caltrans and the complex intersection geometries, Redflex will allocate the services of Mr. Jim Newsome for this important role. Mr. Newsome has been employed as a Customer Service Representative for Redflex since 2001. In this role, Mr. Newsome is responsible for supporting the photo enforcement programs that we have in place in Southern California. Prior to working for Redflex, Mr. Newsome had an extensive military and law enforcement background. Following service in the United States Army, Mr. Newsome was employed by the Pomona Police Department for eight years. In 1980, Mr. Newsome joined the San Bernardino Sheriff's Department where he served in various capacities over a 12 year time frame. The responsibilities that he will fill in support of the City of Yucaipa include the coordination and monitoring of the internal/external progress of construction projects to ensure that all milestones are met, ensuring that Redflex delivers your project as agreed.

**Additional Resources**



Tony Parrino served over 20 years in the United States Air Force where he received training in the field of communications maintenance of electronics systems. Mr. Parrino holds an associate's degree in electronic systems technology from the Community College of the Air Force; a bachelor's degree in industrial technology from Southern Illinois University; and a master's degree in post-secondary education from the University of Nevada, Las Vegas.

During his five years with Redflex, Mr. Parrino served as an installation and maintenance technician and supervisor before assuming his current position as Technical Training Manager. His experience with Redflex includes managing a Chicago pilot program and the Loop 101 project.

Mr. Parrino is recognized as an Expert Witness in photo enforcement system installation, operation and maintenance in the states of Arizona, California, Colorado, Ohio and South Dakota.



**Database Administration & LAN Specialist**

This individual assists in the installation, configuration, troubleshooting of LANs, networks, hardware, software, as well as the monitoring and maintenance of the network stability and administration. The DBA dedicated to the City will be Sandra Hughes. Ms. Hughes has over 30 years of experience in all phases of software production and support with 10 years of experience in database programming and support. Ms. Hughes currently manages and maintains the current 91 production database which supports over 100 client cities in a demanding 24x7 environment, as well as development of staging environments.

Once the Program has been installed and tested, Redflex will provide a dedicated City based Operations and Support team to ensure optimum performance.

**Operations Director**

This individual directs and coordinates all the activities relating to the production and processing of violation transaction and will act as the liaison between violation processing, image transfer and the field technicians. Specific responsibilities include the monitoring of the production process for adherence to quality standards and compliance, the ongoing planning and monitoring of production schedules and workflow demands and the establishment of processes that ensure compliance with customer specifications. The Operations Manager dedicated to the City will be Jennifer Dwiggins.

Ms. Dwiggins has been with the Redflex Traffic Processing Center since 2003, and has been involved in the National Focus on Safety project and over a dozen programs nationwide. Prior to joining Redflex, she held leadership roles at Verizon Information Technologies (formerly GTE) and CES (formerly Wellmark, Inc.). Ms. Dwiggins holds a Bachelor's degree from Georgia State University in Computer Information Systems.

As we have demonstrated, each Redflex Project Team member is an experienced professional, who has successfully implemented and maintained Red Light Enforcement programs and has been rigorously trained on Redflex's proven methodology and implementation tools that provide rapid, reliable results. The Redflex Program Implementation Methodology allows for systematic and integrated implementation processes. On the basis of our deep implementation experience, Redflex proposes achieving Full Program operation within the City's specified timelines.

**Director of Technology**



Charlie Carpinteri, Director of Technology, is responsible Redflex Engineering, Software Development and Information Technology for the North American operations. Carpinteri holds a Bachelor degree in Electronic and Electrical Engineering from Swinburne Institute of Technology, Australia and has pursued other courses specifically in the software development fields. He was has been with the Redflex for more than 8 years.

Over the years he has worked on the company's first digital camera and digital mobile speed enforcement vehicle, as well as other high profile projects in Australia and the US such as the first freeway based automated speed enforcement system established in the US.

Redflex Photo Enforcement Profile:

- Industry first integrated Digital Camera
- Industry first Digital Mobile Speed Enforcement system in US (NASCOF)
- Live Streaming Video Interface
- Toll camera system on Sydney Harbor Bridge



- First US Freeway Speed Camera System

**Local Customer Service & Technical Support**

In addition to the resources outlined above, Redflex has a substantial local presence, which will be responsible to citizen support & outreach and will be the central location for our dedicated technical team, processing team and project management resources.

Redflex makes our resources available to our business partners, and the City will not only have direct access to our Program Manager and Director, Construction Manager, CSR, Help Desk, Operations Manager, and Technicians, but will also find that the City will have access all the way up through our Executive Management Levels, including our President & CEO Karen Finley.

**8. Statement of Qualifications and Experience**

As the largest-vendor in the USA, Redflex supports over 830 "fully operational" all digital systems; which equal approximately 60% of the entire "digital" market.

Redflex also supports approximately 7 of the top 10 largest digital photo enforcement programs across the USA. When defining large-scale, it is important to not just evaluate the population of the City, but rather, the number of systems actually supported.

Redflex has over 230 USA based employees and currently supports over 130 municipal contracts from coast-to-coast.

We are very proud of our success and heritage in this industry. With more than 130 programs in the United States, we are the longest-established vendor in the industry. We currently support the very first, inaugural programs in nine states, including:

- State of California, City of Oxnard\*
- State of Washington, City of Lakewood
- State of Illinois, City of Chicago
- State of Arizona, City of Paradise Valley
- State of South Dakota, City of Sioux Falls
- State of Ohio, City of Toledo
- State of Oregon, City of Beaverton\*
- State of Minnesota, City of Minneapolis
- State of New Mexico, City of Albuquerque

\*Denotes programs that converted technologies and vendors and replaced incumbent vendors, thereby also transitioning back offices

Redflex has the capacity to process in excess of six million citations annually. In numerous jurisdictions, Redflex processes in excess of 100,000 red light citations on an annual basis. Our programs are truly full service and turnkey.

Our technologies provide the most tried, tested, and proven configurations in the industry, highlights include:

- More than 130 municipal programs across 18 states



- More than 830 systems fully operational
- Climate-tested in extreme conditions
- Remote access
- 24x7x365 "live" video with recording and replay options
- The smallest and most aesthetically appealing auxiliary camera housing options
- The proven ability to implement a full-service program in 30 days from the program kick-off

In addition, a fully staffed "customer help desk" is available to assist with any day-to-day operational questions or issues. This help desk is staffed with highly trained and experienced business analysts who are familiar with all facets of California programs, including the court interface and the procedures and rules of process service.

Redflex is proud to provide references, as the City has requested, specifically demonstrating our experience on projects of a similar nature...for which the firm has provided the same or similar services and technologies. Each of the references below has been fully operational in excess of 12 months with no less than 5 monitored intersection approaches.

REFERENCE #1	
1. Name	Santa Ana Police Department - Commander Ron Stires
Street	60 Civic Center Plaza
City, State, Zip Code	Santa Ana, CA 92702
Telephone No.:	(714) 245 - 8213
Length of Service:	Since 2/2003
Describe Services	Full Turnkey Red Light Photo Enforcement System - 20 approaches with combined video and stills
REFERENCE #2	
2. Name	San Bernardino Sheriff-Loma Linda - Lt. Hector Guerra
Street	655 3 <sup>rd</sup> Street
City, State, Zip Code	San Bernardino, CA
Telephone No.:	(909) 387-3505
Length of Service:	Since 10/2005
Describe Services	Full Turnkey Red Light Photo Enforcement System - 7 approaches with combined video and stills
REFERENCE #3	
3. Name	City of Culver City Police Department - Sgt. Allen Azran
City, State, Zip Code	Culver City, CA 90232
Telephone No.:	(310) 253-6268
Fax No.:	(310) 253-6276
Length of Service:	Since 4/2002
Describe Services	Full Turnkey Red Light Photo Enforcement System - 26 approaches with combined video and stills
Additional References (less than 12 months)	
4. Name	City of Riverside -Steve Libring, Traffic Engineer
Street	3900 Main Street
City, State, Zip Code	Riverside, CA 92522



Telephone No.:	(951) 826-5368
Length of Service:	Since 1/2007
Describe Services	Full Turnkey Red Light Photo Enforcement System - 19 approaches

## 9. Financial Strength

This industry has experienced vendors going bankrupt, insolvent and into receivership, it is very important to scrutinize each vendor's financial statements.

Over the past 12 months, one vendor was removed from the NASDAQ Global listing due to shrinking market capital. Another recently had two top executives resign due to financial mishandling. Redflex is the only vendor fully dedicated to the photo enforcement industry which has a long history of profitability, and does not need any form of outside funding to support the City. Redflex currently has access to a \$19,000,000 revolving line of credit with Harris Bank.

In an industry which has experienced a high degree of vendors going bankrupt, insolvent and into receivership, it is very important to scrutinize each vendor's financial statements. Please refer to Exhibit F for copies of our most recent audited financial report.

In addition, Redflex has not been the subject of any censure and past or pending litigation related to services. We have not had any ownership changes in the last three years.

## 10. Sample Agreement/Contract

We often incorporate a professional services contract as the basis for an agreement with our municipal clients. To this point please refer to Exhibit G for a sample standard agreement for the City's review.

In instances in the past where we have used similar contract formats, Redflex has come to an agreement with our client to supplement a standard professional services contract to address the unique requirements of the photo enforcement program. The categories that are commonly used in a photo enforcement contract include the following: Recitals, Definition of Terms, Contract Term, Definition of Services Provided, Licensing, Representations/Warranties, Termination for Cause/Convenience (including reimbursable equipment related expenses in the event of termination for convenience), Confidentiality, Indemnification/Liability, Notices, Dispute Resolution, Miscellaneous, Designated Equipment Locations, Construction/Installation Obligations, Equipment Maintenance, Compensation and Additional Rights.

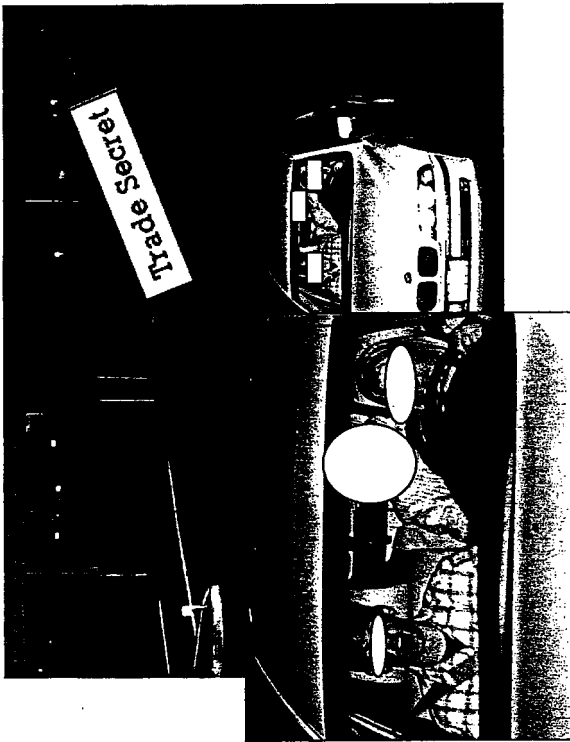
In summary, with over 130 + municipal contracts in force, including some 50 alone in California, we are confident that if we are selected that an agreement can be reached with the City using your standard professional services contract as a basis for our contract.

## 11. Prosecutable Image Capture Rates

The Redflex Solution generates the highest prosecutable image capture rate, which results in our proposed system exceeding the minimum and preferred qualification as requested in the RFP. For instance, in the City of Chicago, we are held to a high standard and the system must achieve an 85% prosecutable image rate. If we do not reach 85% then we are required to pay the City liquidated damages. To this point, we are proud to state that over the two (2) years that have supported this great City, we have never fallen below an 85% capture rate. In Chicago, we average approximately 96% citation capture rate.



To demonstrate the high resolution and absolute clarity of our latest camera releases and set-up, enclosed is a sample face (frontal) image from an actual nighttime violation. Included are the raw and zoomed images.



Redflex is able to have a high prosecutable capture rate because we use a 3 or 4 camera configuration, a single integrated time source and the highest resolution digital cameras. This is the only way any vendor can achieve the cleanest, crispest and most comprehensive evidence.

All vendors are now attempting to match Redflex with promises of 12+ megapixel cameras. Unfortunately, when these vendors actually deploy such a system, they will face terrible constraints, including:

- The use of "off-the-shelf" consumer cameras. These cameras are fine for the recreational photographer, but component and engineering analyses have demonstrated that "off-the-shelf" cameras are inadequate for industrial applications like photo enforcement
- The (other) vendors are legally restricted from using more than one camera. This will impede their systems ability to capture clear images across broad intersections.

Redflex holds a patent that enables our systems to utilize multiple cameras, with all of the cameras integrated and synchronized to a single time source. This means only Redflex can capture clear images across 5 to 6 lanes of traffic without running the risk of issuing a ticket to the wrong driver



because the plate image was too blurry. This is what has happened in numerous programs across the Country.

The following data highlights the "real" citation issuance rate over a six month period for the City of Santa Ana, CA. The community of Santa Ana has similar geographical location and weather patterns as the City of Yucaipa. The following data is reflective of what our system can achieve for the City of Yucaipa:

- Violation Available for Prosecution = 1486
- Notices Printed = 1045
- **Adjusted Issuance Rate = 92%**

We have also included data highlights for Yuba City, CA that will further illustrate what our system can achieve for the City:

- Violation Available for Prosecution = 1148
- Notices Printed = 1044
- **Adjusted Issuance Rate = 92%**

**Non-Adjusted Statistics (Raw)**

- Total Events = 1701
- Total Gross Events = 1281
- This is calculated by eliminating totally non-controllable and non-technical factors like:
  - o Bad DMV
  - o No Plates
  - o Safe Right Turn on Red
  - o Emergency Vehicle
  - o Plate Obstruction
  - o Duckers

- Notices Printed = 1044
- **Raw (Non-Adjusted Issuance Rate) = 82%**



**12. Pricing**

To address the California Vehicle Code requirements to provide fixed monthly fees for the red light enforcement services as a turnkey program we would like to propose the following assurances and pricing models.

**Cost Neutrality Guarantee Assurance:** Reflex contractual guarantees the program to remain cost neutral for the lifetime of the contract. This will be determined by a monthly reconciliation of the revenue from citations and the monthly program fees. Should citation revenue fall short of the cost of the fees, Reflex will absorb and carryover the difference in cost.

- \$ 5,000 – 6,000 per system, per month
- Exact Price for each system will be based on the complexity of each intersection approach (i.e. the number of lanes of traffic, geometry of intersection approach, etc.)

**There is absolutely no financial risk to the City and our contract is all inclusive of all services, equipment and training – no additional or hidden charges will be imposed. The \$3,000 Court imposed interface fee is paid by Reflex and will not be invoiced to the City.**

**Cost to Add Systems**

Due to the modular nature of our system, we are able to add unlimited systems at the same pricing structure as described above.

**Inflation Adjustment**

Each year the pricing will increase in accordance to the Consumer Price Index (CPI). The CPI will be derived from the publication of the U.S. Department of Labor Consumer Price Index for U.S. City average. The index to be used is the "West A" (1,500,000 residents or more).

**Public Outreach - Samples**

Reflex will work with the City to develop a comprehensive Public Awareness/Education Campaign commencing prior to the Installation Date, followed by continuing activities throughout the life of the contract. At no additional cost, Reflex working in cooperation with the City, will deliver and implement a Public Relations Program that consists of at least the following:

- Planning:
  - Develop timelines for public meetings and surveys, program implementation, evaluation and follow-up
  - Develop community implementation strategies, objectives and timelines
  - Identify and engage community activities and events
  - Create a community partners' coalition from and with existing community groups and stakeholders
  - Work to secure endorsements from credible and convincing sources
  - Enlist support of other local and national complementary organizations (public and private) and interested parties to build broad-based support.
- Implementation:
  - Generate community awareness
  - Educate and engage the news media
  - Provide sample copy for website development
  - Launch official campaign in cooperation with the City
  - Provide ongoing information flow, education, community dialogue and media relations support
  - Complete one public opinion research study of up to 400 registered voters with up to 10 questions.
  - Provide sample copy and graphics for a public education pamphlet
  - Produce Power Point slide show for use by the Mayor, City Council Members, the Police Chief, and other City personnel for presentations and speaking engagements
  - Provide sample copy and images for
    - Press Releases
    - Media Advisories
    - Background on City's photo enforcement program
    - Project fact sheet
    - Research summary confirming effectiveness of program in other markets
    - Graphics (How a Red Light Camera Works, Sample Traffic Citation)
    - Five 10-second radio spots and one 30-second video spot; air-time to be provided by the City
- Evaluation:
  - Work with the City to monitor public opinion to measure public support for the program and the effective of the campaign elements
  - Analyze implementation of program and provide feedback
  - Produce summary report and recommendations of stakeholders

Reflex is committed to ensuring that the City has a successful campaign that is built from the Reflex Public Awareness Services Department that provides a "blitz" of public information commencing prior to program "go-live" and followed by continuing education activities throughout the life of the contract, ensuring the continued support of the community. Based



on our experience, Redflex is aware of the critical need to communicate effectively with the public when new programs and services are introduced. The support of the public is critical. Various independent public polling has shown that a clear majority of citizens across the USA approve of the concept of photo enforcement. Public awareness serves as a means to continue and build upon the support already developed. One of the most critical messages that need to disseminate to the public are the tangible safety benefits that accrue to every member of the community.

Redflex will support the City with a robust Public Awareness Campaign that will be based on research and public polling to ensure tailored messaging for the community.

Redflex will work with the City in the coordination of a major Kick-Off event designed to educate the community about the objective of the photo enforcement program and its applicability as a means to improve traffic safety. Redflex will organize the press conference at the project's commencement and coordinate all logistics, including preparing a sample media packet which may include:

- ✓ A press release
- ✓ An overview of the City's Red Light Camera Enforcement program
- ✓ A project "Fact" sheet
- ✓ A project question and answer sheet
- ✓ A photo enforcement "Facts vs. Myths" handout
- ✓ A map showing photo enforcement intersections and thoroughfares
- ✓ Background on similar successful projects elsewhere
- ✓ A straightforward explanation of photo enforcement technology
- ✓ A profile on Redflex (if desired by the City program manager)
- ✓ Biographical data on principal program administrators
- ✓ An explanation of how the program will be administered
- ✓ A spokesperson contact list

**The Kick-Off Press Conference**

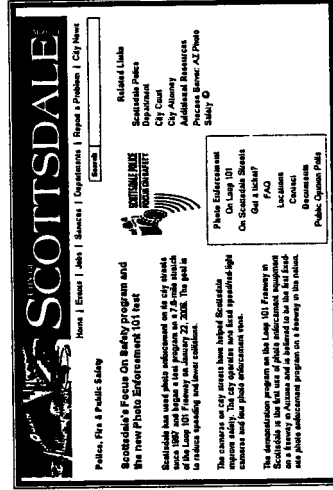
Redflex will work with the City to ensure that the program receives significant fanfare and publicity which establish a tangible awareness around the commencement of the program. The Redflex System can provide the City with violation images that can be immediately extracted from the system "live" at any designated City streets or school zone. One way to spread the word is to have an elected official safely run the light and in "real-time" to show the images with the press. We have found is powerful way to educate the press as to how the system operates.

**Press Conference**



**Web Site Development**

It is important to utilize this increasingly popular medium for communicating with the public regarding the City's program. Redflex can provide the City with sample web pages that can be utilized to convey information about the program. We will work with the City to provide copy which will highlight the program and address many frequently asked questions.



Also, as outlined, we propose utilizing the web to allow defendants to access and view violation images and video and ultimately pay their fine.

Redflex will also work with the City to develop a plan to utilize mainstream media to disseminate critical program information. As part of this plan, Redflex proposes the periodic publication and dissemination of photo enforcement in the news and in community newsletters. It will contain cumulative statistical data on the program, clear up any misnomers regarding photo red light

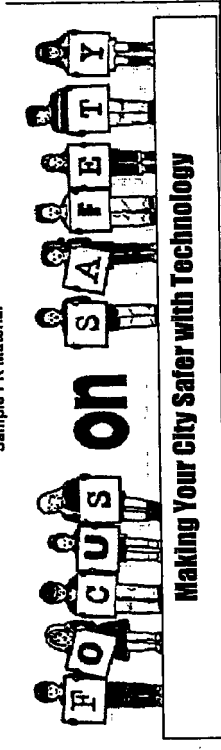


enforcement, and explain how photo enforcement technologies and systems work to save lives. Some possible activities may include:

- ✓ Public Service Announcements (PSAs)
- ✓ Direct Mailings & Informational Postcards
- ✓ Informational Handouts including flyers, billboards, bumper stickers, plastic cards, balloons and community newsletters
- ✓ Street Signs in addition to the intersection specific signs
- ✓ Developing copy for guest columns in local newspapers
- ✓ Coordinating with local newspapers for endorsements on editorial boards
- ✓ Coordinating local columnists in order to brief them on the project and solicit their interest and support
- ✓ Identifying and contacting key electronic (radio and television) media public affairs and news programs to encourage coverage
- ✓ Developing copy for distribution to the media, issue papers that address pertinent public policy issues raised by photo enforcement, as well as answer specific anticipated criticisms of photo enforcement
- ✓ Organizing supplemental news conferences to announce significant project milestones that will regularly identify and position positive messages regarding the photo enforcement program to electronic and print media that support the program's public safety goals
- ✓ Public Opinion Surveys to assess the resident's support of the program
  - o Minimum of three discreet surveys
  - o Utilize random sampling techniques
  - o Sample sizes of a minimum of 400 citizens



Sample PR Material



**Making Your City Safer with Technology**

**Paradise Valley Website: Program Information**

**Paradise Valley Police Dept.**  
10000 N. 10th Street, Phoenix, AZ 85020

**Photo Enforcement Program**

Paradise Valley Police Department is pleased to announce the implementation of a new program designed to reduce traffic fatalities and injuries. The program is a photo enforcement system that captures images of vehicles that are in violation of traffic laws. The program is a photo enforcement system that captures images of vehicles that are in violation of traffic laws. The program is a photo enforcement system that captures images of vehicles that are in violation of traffic laws.

For more information, please contact the Paradise Valley Police Department at (602) 998-3333.

Sample Website: Richardson, Texas

**City of Richardson, Texas**

**Photo Enforcement**

Richardson, Texas, is pleased to announce the implementation of a new program designed to reduce traffic fatalities and injuries. The program is a photo enforcement system that captures images of vehicles that are in violation of traffic laws. The program is a photo enforcement system that captures images of vehicles that are in violation of traffic laws. The program is a photo enforcement system that captures images of vehicles that are in violation of traffic laws.

For more information, please contact the Richardson Police Department at (972) 502-3333.



**Press Release (Sample): Richardson, Texas  
Richardson Police Department  
Press Release**

January 14, 2004 8:30 AM  
Richardson, TX



**Red Light Cameras to go Live in Richardson**

Alexis, Richardson's community public safety enhancement officer, the City will begin to use the first Red Light Camera on January 14, 2004. This new camera is designed to capture red light violations and provide the Richardson Police Department with the information needed to take appropriate enforcement action. The camera will be located at the intersection of the City Road and Campbell Road. The camera will be used to capture red light violations and provide the Richardson Police Department with the information needed to take appropriate enforcement action. The camera will be used to capture red light violations and provide the Richardson Police Department with the information needed to take appropriate enforcement action.

Richardson Police Chief Jerry Schuchman said, "The new use of the Richardson Police Department's red light cameras is a major step in our effort to enhance public safety. Richardson officers are committed to ensuring the safety of our citizens and we are pleased to have this new technology in Richardson. The camera will be used to capture red light violations and provide the Richardson Police Department with the information needed to take appropriate enforcement action. The camera will be used to capture red light violations and provide the Richardson Police Department with the information needed to take appropriate enforcement action."

Sample Campaign Branding

Sample Bi-Lingual Website

City of Minneapolis

Home Community Business City Hall Liaison

**Pare en Rojo-Las Preguntas más Frecuentes**

**¿Qué es Pare en Rojo?**

Pare en Rojo es un programa innovador de seguridad de tráfico en el cual la policía de Minneapolis utiliza tecnología para disminuir el número de personas que violan el semáforo. El programa utiliza cámaras de video para capturar imágenes de las transacciones en las que se violan las reglas de tránsito para capturar a los que violan el semáforo rojo en el rojo.

**¿Cómo funciona?**

Cuando un vehículo viola el semáforo rojo en una intersección controlada, una cámara instalada en la calle activa una cámara de cámara. Las cámaras toman tres fotos digitales y graban datos asociados de su placa de identificación y hora de la transacción. Las imágenes se almacenan en un sistema de almacenamiento electrónico por violaciones del semáforo rojo.

**¿Qué es cuando se viola el semáforo rojo?**

Redflex actively sits on the Board and supports advocacy groups, including the festivities of National Stop on Red Week.



Sample Public Polling Survey

**City of Albany Red Light Photo Enforcement Workgroup**

**Public Survey**

In 2003 there were an estimated 250+ vehicle collisions and light violations in Albany, Oregon. The Albany City Council approved a workgroup to study the problem of Red Light Photo Enforcement. The workgroup is currently holding focus and light photo enforcement options to address the safety of the citizens in Albany, Oregon. The workgroup is currently holding focus and light photo enforcement options to address the safety of the citizens in Albany, Oregon. The workgroup is currently holding focus and light photo enforcement options to address the safety of the citizens in Albany, Oregon.

**Trade Secret!**

Please check off your responses

1. Do you think there is a safety risk as a result of people running red lights?  
 No  Somewhat  Yes

2. How would you describe your opinion of the Red Light Photo Enforcement program?  
 Oppose  Neutral  Support

3. How do you feel about the safety of the Red Light Photo Enforcement program?  
 Oppose  Neutral  Support

4. How would you describe your opinion of the Red Light Photo Enforcement program in Albany?  
 Oppose  Neutral  Support

5. Please provide your comments:

ITEM # OF SURVEY COPIES ON OPPOSITE SIDE



Monthly reports will provide detailed enforcement program data, including the following:

- ✓ Violation records: the number of violations detected (by site); the number of violations imaged; the number of images processed; violation types
- ✓ Citations issued
- ✓ Rejected violations processed by reason including:
  - o Unit malfunction
  - o Illegible plate
  - o Missing plate(s)
  - o Third party obstruction (by common type)
  - o Marred/dirty plate
  - o Bad DMV record
  - o And other categories as practical
- ✓ The number of vehicles monitored
- ✓ Maintenance, bug & downtime logs
- ✓ Date/time ranges (including turnaround between violation and ticketing)
- ✓ Citation status/dispositions
- ✓ Hours of operation

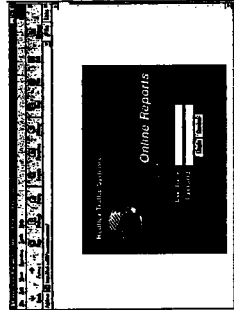
Reports may be displayed on a monitor via secure internet access or printed and supplied to the City. With the web-based reports, selected City management can create reports to assist with management or policy decisions. Redflex maintains database reporting systems and statistics modules that are capable of providing detailed information regarding every component of the programs performance.

The Redflex Program includes very robust querying and reporting capabilities.

Utilizing web-based interface and robust user management protocols, as various City agencies will be accessing mission critical information.

**Online Management Reporting**

Users have access to suite of Online Reports via the web. The users' name and password will determine what level of access and which reports are accessible.



Once logged-in, the user will have the ability to run nearly a dozen different reports. Standard reports are identified and configured by the unique needs and requirements of the partner City.

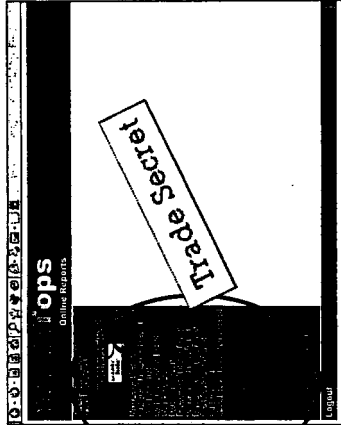
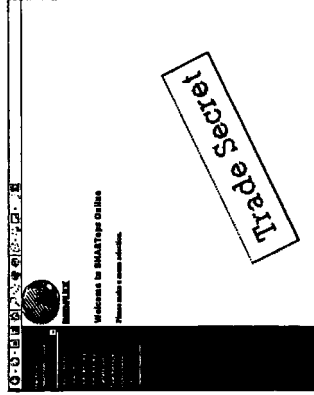
Reports may include:

- Management Reports
- Violation Reports
- WIP Reports
- Dismissal Reports
- Deployment Statistical Reports
- Operations Summary Reports
- Incident Lookup Reports

In addition to the reports outlined above, users can access a variety of additional program related information. These reports are also accessible via the web.

Additional Reports Include:

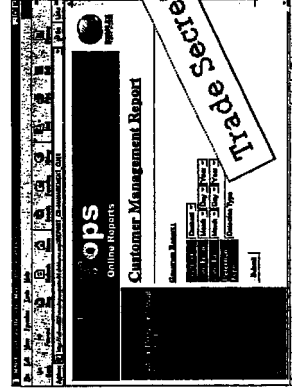
- Nomination Statistics & Summaries
- Court Packages Statistics
- Mailing Reports
- Adjudication Reports



**Customer Management Report**

The majority of the information requested by the City is captured in the Redflex Customer Management Report.

In entering the parameters of the desired, such as the "Date From" and "Date To" parameters are the range of dates and times that the violations occurred. If you want to know the numbers for a given day, the "Date From" and "Date To" will be identical. The "Detection Type" parameter is used to determine which type of





violation you want. Redflex Traffic Systems provides customers with the capability of capturing red-light violations, fixed-speed violations, and/or speed-van violations.

After you have selected the parameters to generate the report, enter the "Submit" button to view the report.

The system will generate a report similar to the one seen below. The report will show various locations currently on-line, including citation volume and a breakout of controllable and not-controllable factors.

Use the printer icon above the "Preview" tab to print the entire report. Use the envelope icon to export the information on the report to an Excel spreadsheet or Word document.

The SmartOps application also allows the Police to quickly query the system for violations based on a variety of search parameters, including Name, Citation Number, Date, Address, Plate Number and Incident Number.

**Traffic Statistics**

These reports include real-time statistics on the following:

- Traffic Counts by Lane
- Speed of Vehicles by Lane
- Total Traffic Volume by Intersection (ADT)
- Type of Traffic by Vehicle Axel Count



Each of these reports can be queried by setting the specific timeframe of interest, by day, week, month or year.

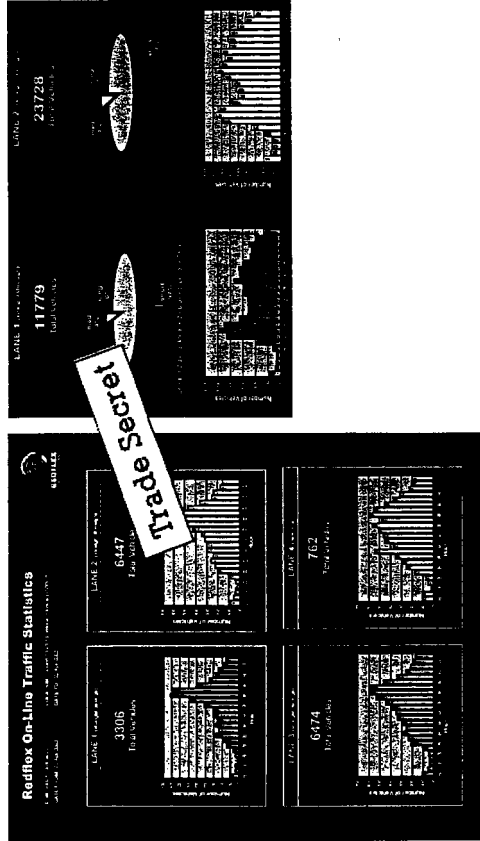
**Violation Statistics**

- These reports include real-time statistics on the following:
- Violation Volume by Lane
- Violation Volume by Time of Day and Day of Week
- Violation Egregiousness (How Late Into the Red Phase)

Each of these reports can be queried by setting the specific timeframe of interest, by day, week, month or year.

**Sample Traffic Volume Statistical Graph**

The Redflex Program provides "real-time" intersection and traffic statistics. The table below provides information about vehicle volume by lane of traffic and time of day.





**Preemptive Maintenance** - Regular maintenance inspections are performed to ensure potential problems are identified before a malfunction occurs. Preemptive maintenance is executed each time a technician responds to perform any maintenance function during on-site visits. These maintenance functions will be performed only after Redflex notifies the City of its intent to do work at the site.

Pre-emptive maintenance includes but is not limited to:

- ✓ Cleaning the camera enclosure glass
  - ✓ Inspect the cabinet for signs of leakage, wear and/or damage and clean as necessary
  - ✓ Inspecting cables, connectors and hardware for signs of wear or damage
  - ✓ Inspecting poles, bases and enclosures for signs of damage and to ensure proper alignment
  - ✓ Inspecting detection devices
  - ✓ Testing safety devices for proper operation to ensure safe working conditions for maintenance personnel and the general public in the case of an accident that could expose the public to operating voltages
- Each site will be visited on a routine basis to perform preemptive maintenance at a minimum. Preemptive maintenance tasks will be documented in the intersection maintenance log for every inspection being performed. Entries will include:
- ✓ Date and time inspection performed
  - ✓ Technician performing inspection
  - ✓ Results of the inspection
  - ✓ The next scheduled maintenance inspection due date
  - ✓ Reason for inspection (i.e. scheduled or as a result of other maintenance)

Preemptive maintenance inspections will be performed on a rotational basis to ensure each site is visited within a specified time. This will be accomplished by scheduling the next minimum maintenance period based on the last date an inspection was performed. If a technician responds to an outage he will conduct the periodic inspection during this visit and the next scheduled inspection would be revised based on specifications. This preemptive maintenance program will be monitored and scheduled by the Lead Technician; Redflex Maintenance Technicians and trained local support teams authorized to perform maintenance in accordance with established maintenance agreements.



**Remote Status Checks** - Remote status checks consist of two distinct segments; daily operational and quality checks, which together provide positive, near real time, and hourly operational feedback that the system is functioning properly and producing the desired results.

**Physical Inspection** - Scheduled Maintenance will be performed on each intersection on a routine basis. The schedule depicted is developed to ensure each location is visited at a minimum of once a month. If a site has been recently visited, due to other required activities resulting in a technician performing on-site maintenance, the scheduled visit for the month may be eliminated. These scheduled maintenance activities will be duly documented in the approaches maintenance records and will have satisfied the required monthly visit, provided all checks were satisfactorily performed. Monthly scheduled developed for the purpose of performing recurring site inspections. Monthly scheduled as additional locations are added to the list of active approaches. The schedule illustrated below depicts the schedule for the approaches active and operational at the time this document was created.

**Visual Inspection** - While onsite the technician will perform a visual inspection of the area looking for any potential image blocking objects. If an object is found the tech will photo and bring to the attention of the City. If possible the tech will use the camera from the enclosure to show how the object impedes the image quality. The visual inspection will also include the surrounding public and City property, making sure we inform the City of any damage or destruction of their property. We would keep an up to date notification list of phone numbers within the cabinet. The technician will have a digital camera available to document anything they may find out of order.

**Wipe Down the Enclosure** - An inherent problem that arises with the program is the enclosures getting dirty. This issue should only be handled by Redflex technicians due to the potential for cameras to move while cleaning. The only way to ensure that all cameras are in correct alignment is with images being taken after the cleaning is complete. At minimum the enclosures will be wiped down and touched up once a month.

**Incoming AC Voltage** - With each onsite visit we record the AC power being supplied to the cabinet. The technician will use a DVM (Digital Volt Meter) to take a reading each time onsite. Will maintain this record and notify the City of any changes that occur beyond a +/- 10% range.

**12Vdc Power Supply Check** - Using the DVM, the technician will ensure we have a good 12 volts coming from the power supply. Any fluctuation of 10% or greater the technician will replace the power supply. Assuming the incoming cabinet power has remained constant. The 12 volts is power supply for the loop detection devices. Also, this power supply maintains serial communication between the cabinet and enclosure.

**Check Grounding** - The technician will check each of the ground rods assuring all connections are tight; this includes the cabinet, flash and enclosure pole.



Clean Enclosure Glass - Assuring the best environment is available for prosecution rate; the technician will use a high grade glass cleaner. After this the technician will perform tests to check that the image quality has been maintained. The only way to ensure that all cameras are in correct alignment is with images being taken after the cleaning is complete.

Confirm Heating/Cooling Units are Operational - During the cold/hot months the technician will check to see thermostat units are functioning properly.

ADAM Unit Communications - Each ADAM unit, serial communication device, has a status LED. The technician will monitor the status and assure they maintain an open communication channel in both directions. There are 4 possible status conditions; green, orange, red or no indication (out). A status LED showing green is the only true open communications. All other status conditions will be investigated and confirmed in working order.

Sensor Tests - Using a DVM the technician will test the continuity of the sensors. If the technician finds an inconsistent reading he will investigate further, if no problem is located internal to the camera housing the technician will contact union representation/local technician for further assistance.

Street Inspection:- While onsite the technician will perform a visual inspection looking for the condition of the sensor array alignment and verifying the violation line is in place. If either appears to have an issue the technician will notify the City to have the problem fixed.

Communications to Each Computer- The technician will use his laptop to verify communications are in working order to each computer at the intersection. He will access each enclosure and perform system operations test. The details of those checks are as follows:

System Operation Checks

Live View Images - Smartcam allows the technician a couple utilities that allow the Redflex technician to take images. The first is "Live Views". Live Views takes an image without a car committing a violation. Live View images can be taken with any of the high resolution digital still cameras in the enclosure. This process allows the technician to verify image quality along with confirmation that the flashes are firing.

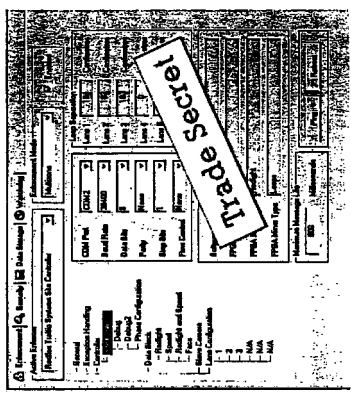


Next Vehicles: The other image utility available to the Redflex technician is Next Vehicles. Next Vehicles not only confirms image quality but also test various aspects of the system. Next Vehicles takes all high resolution still images that would occur with a true violation without having the red light. This shows the technician that placement of each camera is correct for each still image and that all cameras are working correctly.

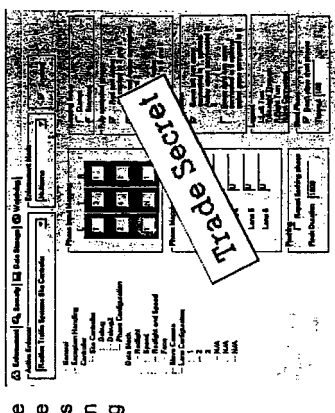


Confirm SDCM Communications:

Smartcam has a confirmation that each detection device (SDCM) has communications working in both directions. The SDCM detects any car riding through the detection zones and allows the software to recognize the phase sequence of the approach. If a technician finds that a SDCM is not reporting properly they can attempt to REBOOT or PING the SDCM.



Phase Configuration: As mentioned the SDCM allows the software to recognize the phasing sequence of the approach. There is a mapping screen that allows the technician to confirm communications are working properly and the system is wired correctly.



**Violation Video Check:** With each violation a 12 second video clip is attached. The technician can check this feed via Broadway Software. This software looks at the direct input video feed from the enclosure. The alignment and quality of the video is shown through the Broadway Software GUI.

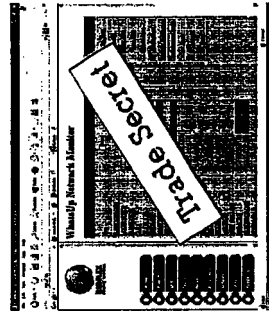
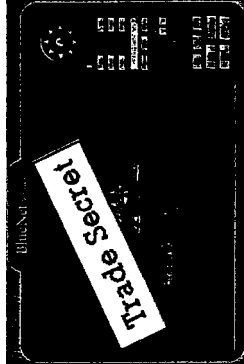
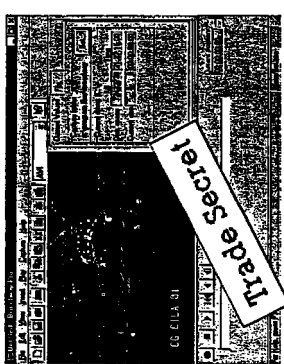
**Streaming Video Check:** Every approach will be set up with a streaming video server. This streaming video feed will also be checked and confirmed to be in good working order. This feed can be accessed at the intersection via Explorer. The technician can set up frame rate, color and other various broadcast settings.

**Communications to Processing:** The technician will confirm communications are working from each enclosure to the Reflex processing center. This can be done by "pinging" the specific IP address from the approach computer. Also, the technician can contact local technicians to confirm the approach IP is showing up good on the "What's Up" utility.

**Valid Certificate:** Each enclosure computer has a certificate which must be updated. While onsite the technician will confirm the certificate is not within a 30 day window of renewal.

Remote Inspection

**Communications check:** A network utility allows the City dedicated technicians to view the network status of all intersections. The start page of the What's Up Utility allows the user to identify the number of devices specific to the City. Looking below, Chicago has 100 devices at 60 intersections that have been assigned an IP address. This includes streaming video routers, enclosure computers and Cisco routers stationed in the cabinets.

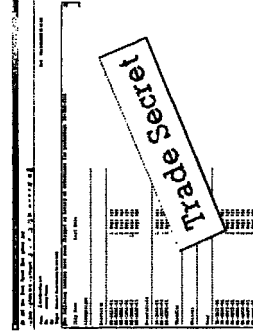
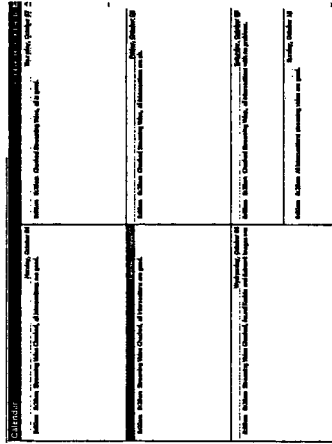


A second screen within the utility gives the user a color coded activity chart of each devices communications. There are three color indications for every device assigned to an independent IP Address. Green, (all communications are reporting properly and within a specific time parameter), yellow (the devices is working but is either outside the time parameter or periodically dropping out), red (the device is not responding at all).

"What's Up" is a tool that allows the user to attempt establishing a communications tunnel if they find a device not responding. There is a PING button which will attempt to open up communications to any specific device mapped out on the color coded page.

**Streaming Video Checks:** The City streaming video feed will be check at a minimum of once per day. This allows the technician an easy view of the enclosure and approach environment. These checks have lead to quick response times in dealing with the enclosure glass being marked or smeared by things such as eggs. The streaming video is logged daily with any problems being noted.

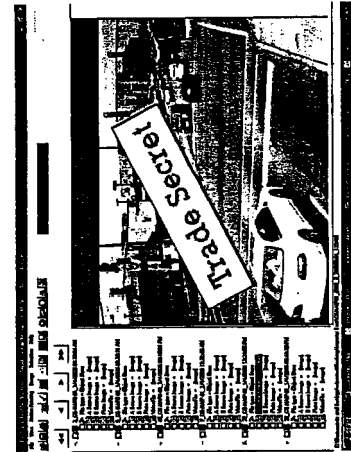
**Importer Activity Checks: Detection Count Report:** Daily a report is automatically processed and emailed to each technician in regard to detection variance. The report will notify the technician if an approach has not produced a violation that day. The email also contains information letting the technician know if detections have dropped off significantly, as opposed to not showing up at all. The report gives the technician data





pertaining to each approach and if there has been a change of 15% or greater. If an approach has not reported a violation the day prior the technician will remotely dial into the computer to run checks. These steps include confirming the cameras are operational by taking Live View shots and Next Vehicles. Also, the video is confirmed to be working along with the phase configuration reporting properly. Finally the technician will check the Downloads folder to determine if violations have been generated not just transmitted. If any of these checks do not come back 100% the technician will visit the approach that day to investigate.

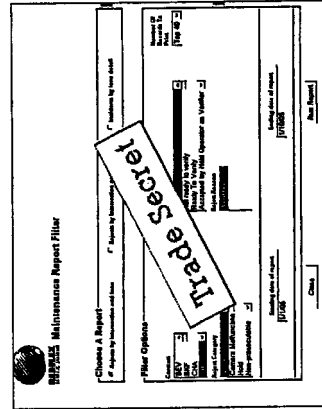
**Image Quality checks**



**Importer Images:** Local technicians will remotely download 100s of images daily. Every camera from each enclosure is viewed by the technician daily. Most cameras are viewed ensure image quality. The downloaded file contains both the still images and the attached video. Once the violation files are downloaded the technician uses Redflex licensed software, Smartview to view the images. The software allows the technician to view each still image individually. Smartview also enables the technician to ensure the data bar information is correct on each approach. If any camera does not produce a quality image the technician will remotely access the computer and take test shots. Depending on the image quality the technician will take steps remotely to remedy the problem or go onsite to fix any pending issue.

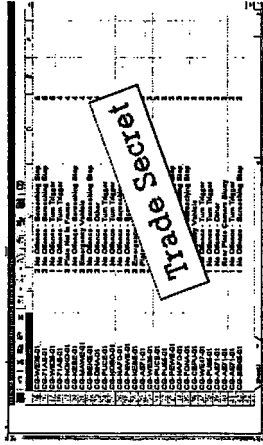
**Reject Verification/Fault Isolation**

**Maintenance Filter:** Every local Redflex technician has a program available that allows them to search out image quality issues. The maintenance filter allows the technician to identify problems with images from the prior day. There are several fields the technician can use to search for problems. They include reject reason, date and intersection. Every day a dedicated technician runs a report from



the prior day to determine any course of action required to maintain our goal of 85% prosecution rate. The maintenance filter allows the operations department to review the images and keep an accurate account of any reason it might not meet the high standards held by Redflex.

After the technician determines the field in which they will search potential problems a report is generated. This report contains an incident number that is specific to each individual violation. The violation can now be viewed thru Smart Ops.



**Daily Operational Checks:** The central server automatically downloads digital violation images from the camera locations in the City to designated Redflex servers. From this automated reports are generated by the system and reported to the System Engineer, the Production Support Administrator, the Camera Systems Analyst and the Technician Supervisor. These key individuals evaluate the daily activity of the intersection cameras and the central server to determine if there are any anomalies in the data provided.

The daily operational system checks are performed on each individual camera and are accessed remotely via the system's computers through the secure, high-speed communication connection. The systems checks as described below include verifying that the system parameters are properly configured, verifying that software settings are accurate, confirming that the download folder is properly configured, authenticating that the detection system is exhibiting proper activity and signaling sequencing, and completing a real life offense simulation (usually triggered during a green phase) to validate it is capturing images successfully.

System parameters that are verified include:

- ✓ The camera has a valid certificate to ensure it is authorized to process encrypted information
- ✓ The enforcement mode is enabled and in the correct mode
- ✓ The enforcement mode is set to the proper application
- ✓ The amnesty period (time in the red phase at which point the cameras can capture offenders) is properly configured
- ✓ The detection device that interfaces to the external input signals at the intersection is configured and functioning correctly



## Service and Maintenance Procedures

- ✓ Each lane enforced has the appropriate image capture settings configured to capture the offending vehicle at the appropriate time during the violation, and that it is set to the correct enforcement mode

The software settings are checked for accuracy. These settings include:

- ✓ The speed limit is selected to be imprinted on the violation
- ✓ The data block has accurate information identifying the proper location, machine identification and software version used
- ✓ The individual aperture, focus, zoom and exposure are properly configured for each individual camera

The download folder is the place in the camera system where offense files are stored locally until the import server housed at the Redflex Operations Center successfully downloads them. The Download folder acts as a temporary storage facility at the intersection that can handle thousands of offense files. This folder is checked to ensure proper connectivity to the importer server at the Redflex Operations Center by verifying:

- ✓ The software is configured to place the offense files in the proper file folder location
- ✓ The file folder location has the correct security access and is accessible to the import server

The detection systems are checked for proper activity and signaling sequencing:

- ✓ Ensure the detection device is communicating with the main camera system
- ✓ Ensure red and green phase indications are represented for each signal phase change. Still images can be captured in real time remotely to verify that the phase message received from the detection device corresponds to the phase shown in the live still image taken

- ✓ Ensure each lane being monitored by the detection device has the appropriate number of messages to capture an offending vehicle

A Real Time offense simulation system check is performed during the "green phase" of the signaling to verify proper operation and sequencing of image sets. This final check simulates an offense to verify all system parameters, including image capture and encryption packaging is functioning properly.

### Daily Quality Checks & Issue Tracking

Images are viewed by the Violation Processing Department as they are downloaded by the system, processed and forwarded to the City for authorization. If a Processing

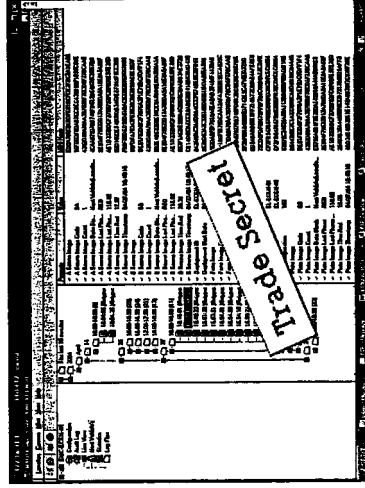


## Service and Maintenance Procedures

Associate discovers a quality problem such as an image being blurry, incorrect camera alignment or the video is not functioning properly, they log the malfunction on an internal website, which is monitored by the Technical Services Department. The Camera Systems Analyst (CSA) monitors the website during the day to accept inputs from the Processing Associates, performing initial evaluations on the validity of the submitted reports, and logs them as discrepancies in the maintenance log as needed. This helps to ensure timely repair by a member of the Technical Services Staff.

Once the discrepancies are logged, the CSA develops a work order to be assigned to the Technician responsible for handling the City's system issues. The work order provides a means for tracking open and resolved issues as well as providing a means to track on-going system issues and to identify opportunities for system enhancements.

When the Maintenance Technician is assigned the work order, they perform any remote repair activities as previously discussed to remedy the problem. If at any time the problem cannot be resolved via the remote capabilities previously described, the work order is turned over to the local repair facility to repair the problem at the intersection or the Technician is deployed to the site to resolve issues that may be outside the scope of services performed by the local facility.



As part of our diagnostic procedures and protocols, simulated incident capturing is performed to further test system operation during the "normal" traffic phase allowing vehicle movement.

**REDFLEXred Intelligent Collision Preemption System**

The Intelligent Collision Preemption System developed by Redflex Traffic Systems, Inc is designed to reduce collisions at an intersection that is currently deployed with Redflex traffic enforcement technologies.

The system reduces the possibility of a collision caused by a person running the Red light by extending the "All Red" time. That is, the time that two opposing lane/s of traffic has/have a Red light at the same time. The Redflex Intelligent Collision Preemption System effectively holds the traffic lights in the all red time when it has detected a Red light violation during the all red period. The system is configurable using these three options:

- Cumulative Maximum Delay Control
  - This is the maximum amount of time that the Intelligent Collision Preemption System is allowed to hold the system in an All Red state. If this feature is set to 5 seconds, regardless of multiple violators, the system will release and allow the phase sequence to continue as normal.
- Stop Time Control
  - This is the amount of time that the system will effectively stop the phase sequence and hold the two opposing lane/s in the all red state.
- Vehicle Threshold Speed
  - This is the speed at which the system will enforce the Collision avoidance. If this was set to 20MPH, the system will enforce vehicles entering the intersection 20MPH and higher.

The system interfaces directly to the Traffic Controller, applying a "Stop Time" signal according to the vehicles speed, Stop Time Control length and Maximum Delay control.

**1. Without Collision Avoidance**



Figure 1: Shows cars traveling through on a green phase (Green Cars) and stopped cars at a red phase (Red Cars)

Figure 2: Shows green cars clearing on an amber phase, and a violator in progress (Yellow Car)

Figure 3: Shows the yellow vehicle behind the stop bar when the light changed red, and the violator is behind the stop bar

Figure 4: Stationary cars begin to travel on their green light, and is struck by the violator.

**2: With Collision Avoidance**



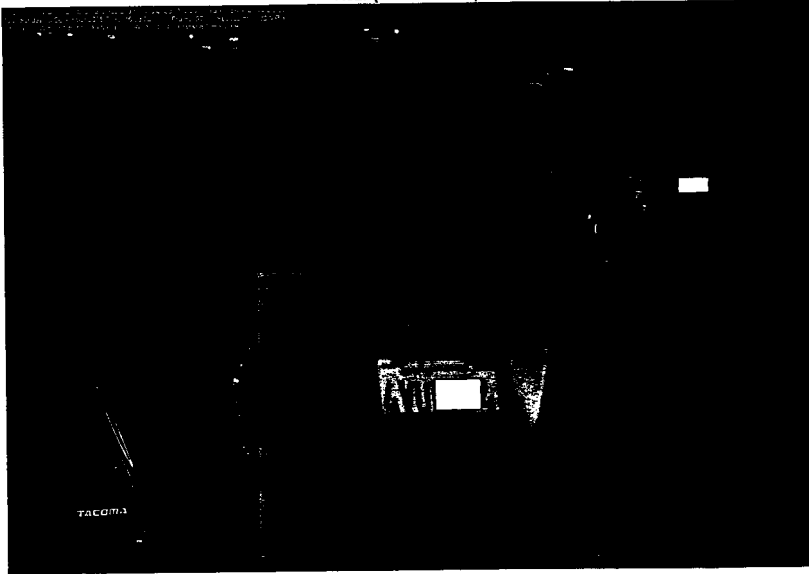
Figure 5: Same situation as Figure 3, yellow car is about to violate the red light.

Figure 6: Shows the intelligent Collision Preemption System holding the intersection in All Red mode for a period of time, allowing the violator to clear without striking innocent vehicles

Figure 7: Shows the violator has cleared the intersection safely.



Rear (Vehicle Plate)



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**Multiple Red Light Violations**

The Redflex Solution records event-specific evidence to substantiate multiple, simultaneous and/or concurrent violations occurring during any red signal phase. The following images demonstrate two concurrent violations on occurred at 15:26:05 on lane 2 and the second violation occurred at 15:26:06 on lane 3.

Scene A - First Violation



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Sample Violation Images



Sample Image – Straight Through (Daytime)  
Scene "A"



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Sample Violation Images



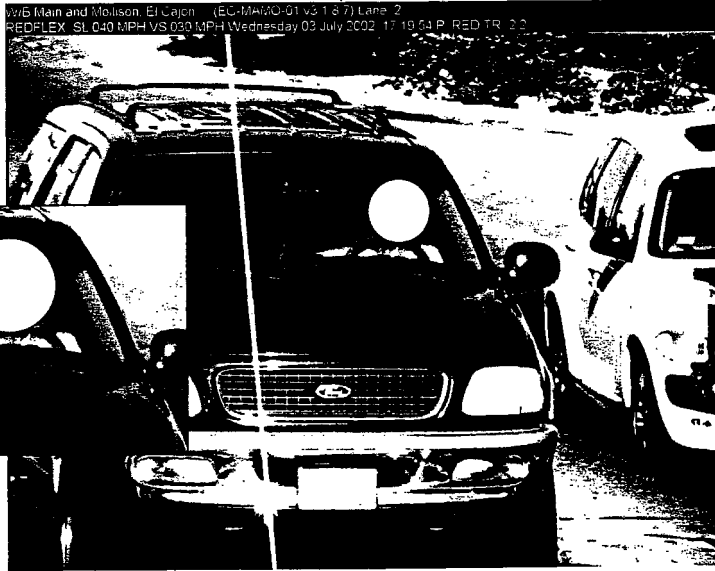
Scene "B"



Sample Violation Images



Frontal (Violator Face)

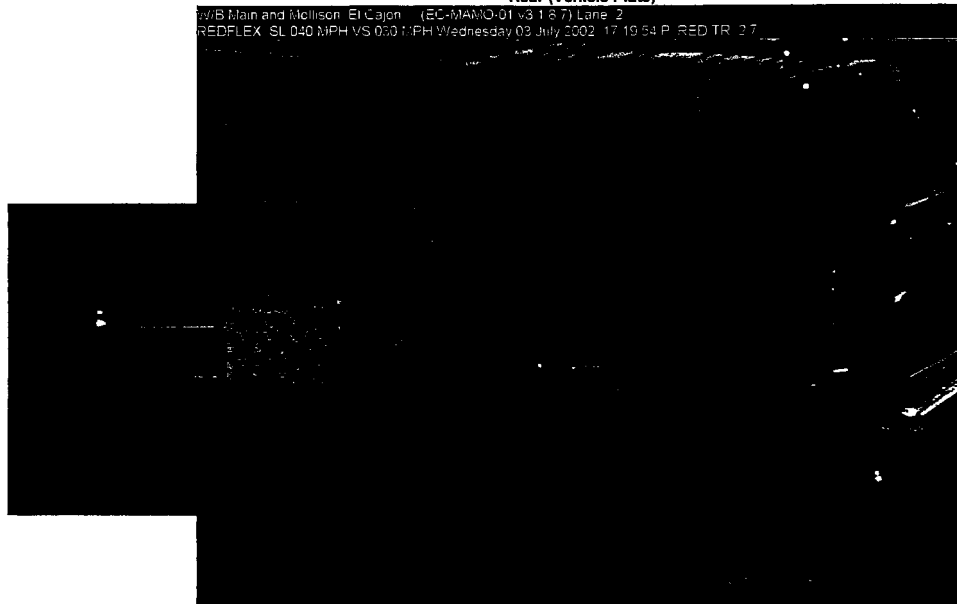


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Sample Violation Images



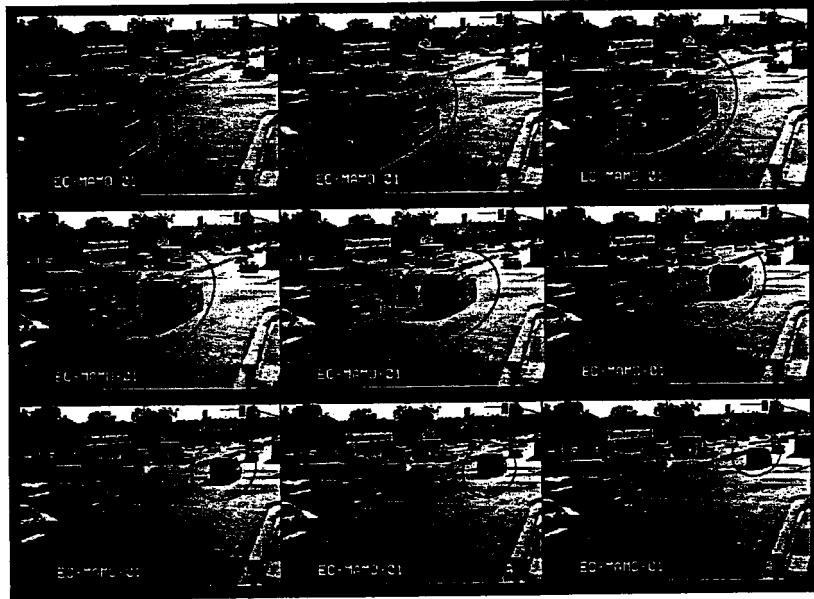
Rear (Vehicle Plate)



Sample Violation Images



Full Motion Video (12-Second Clip – 300+ Individual Frames)



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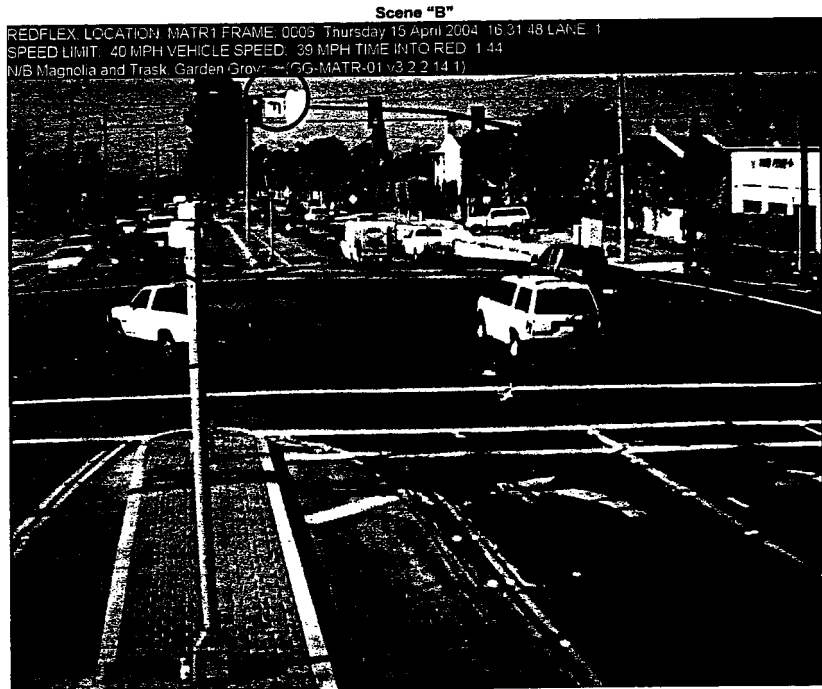
Sample Violation Images



Sample Image – Left-Turn (Daytime)  
Scene "A"

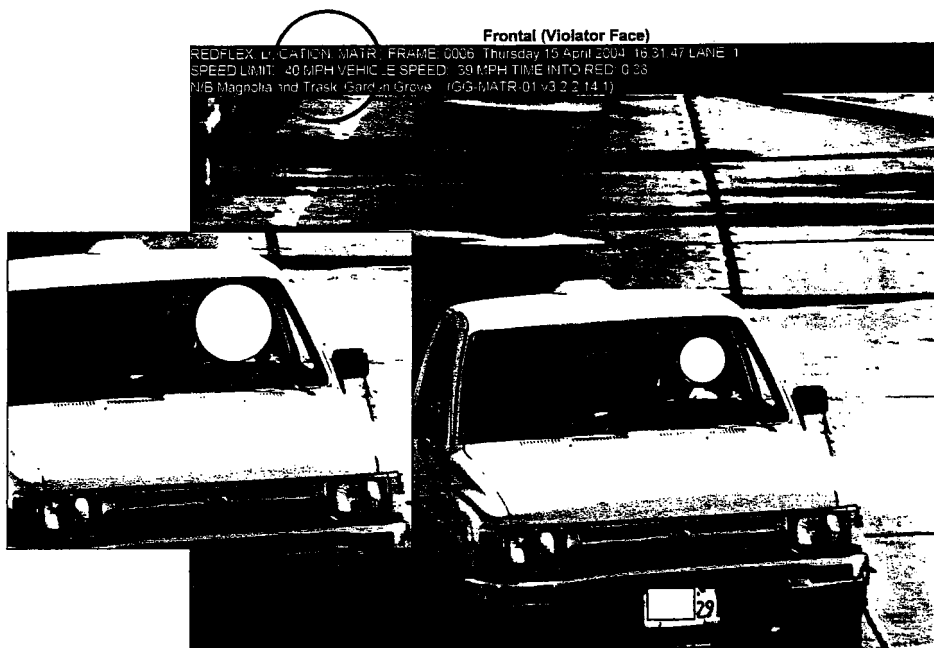


Sample Violation Images



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Sample Violation Images



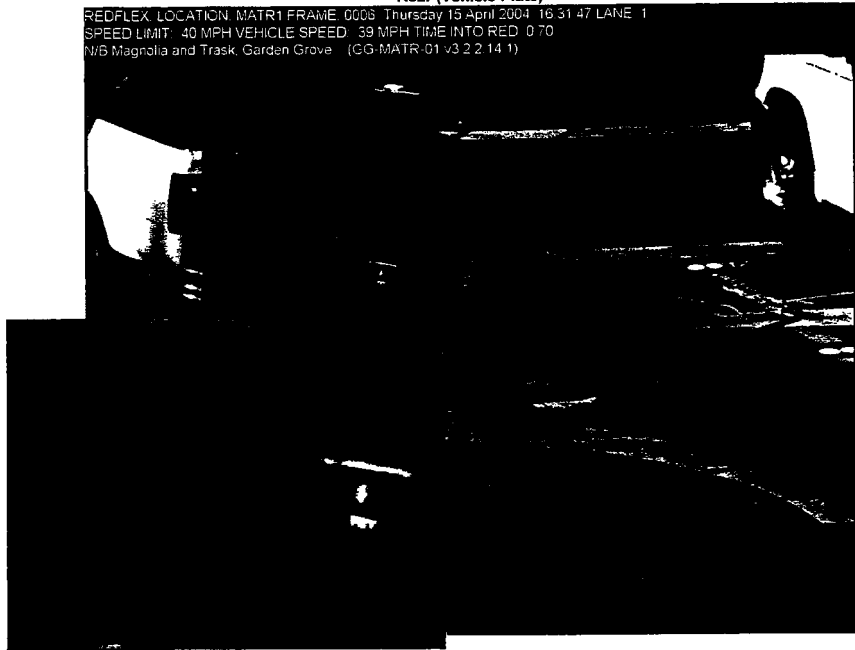


Sample Violation Images



Rear (Vehicle Plate)

REDFLEX LOCATION MATR1 FRAME 0008 Thursday 15 April 2004 16:31:47 LANE 1  
SPEED LIMIT: 40 MPH VEHICLE SPEED: 39 MPH TIME INTO RED: 0.70  
N/B Magnolia and Trask, Garden Grove (CG-MATR-01 v3 2.2.14.1)

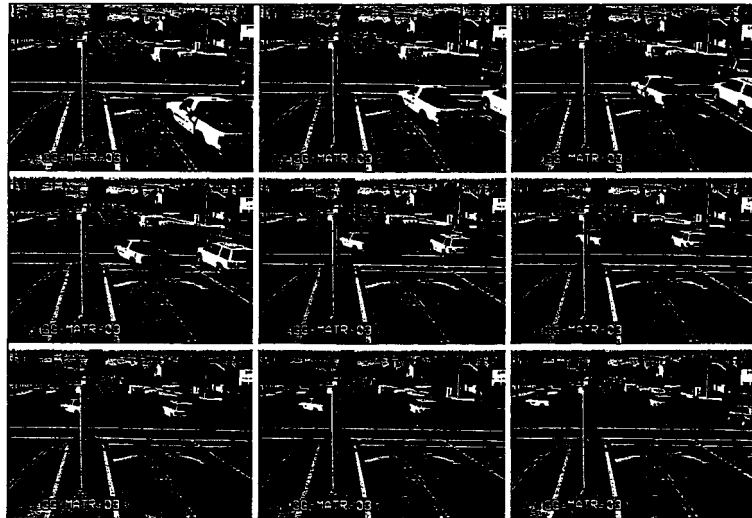


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Sample Violation Images



Full Motion Video (12 Seconds – 300+ Individual Frames)





Sample Image – Straight Through – 107 MPH (Daytime)  
Scene "A"



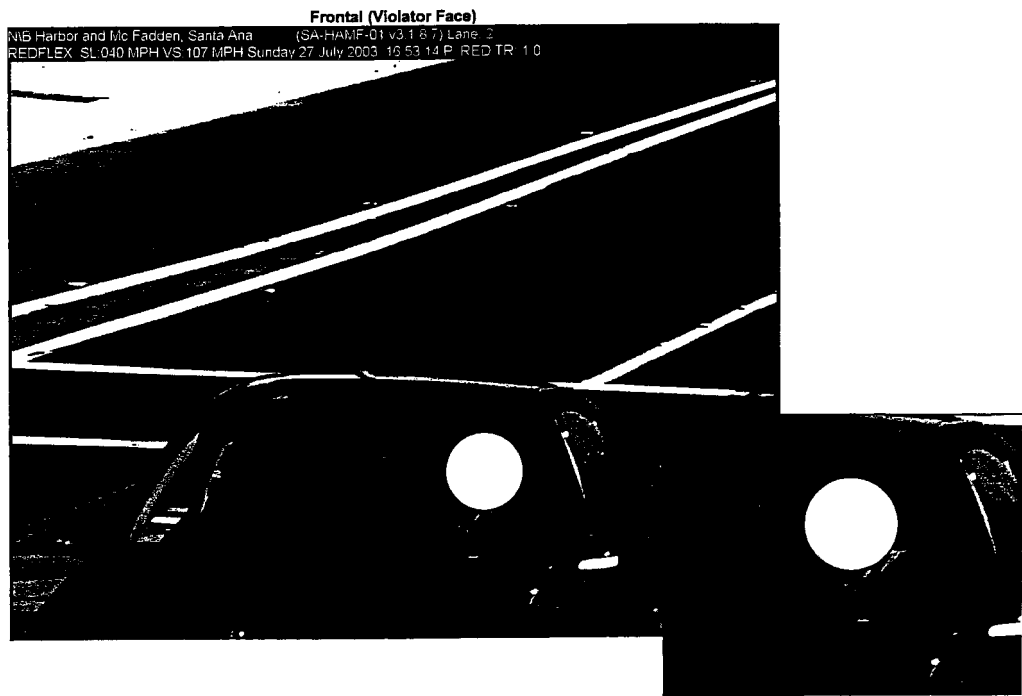
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Scene "B"

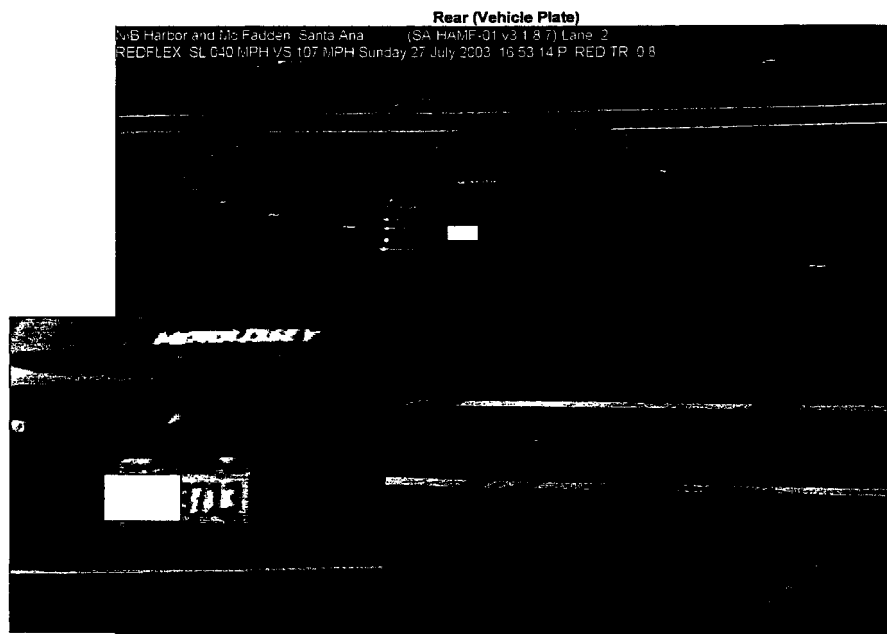


Sample Violation Images



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Sample Violation Images

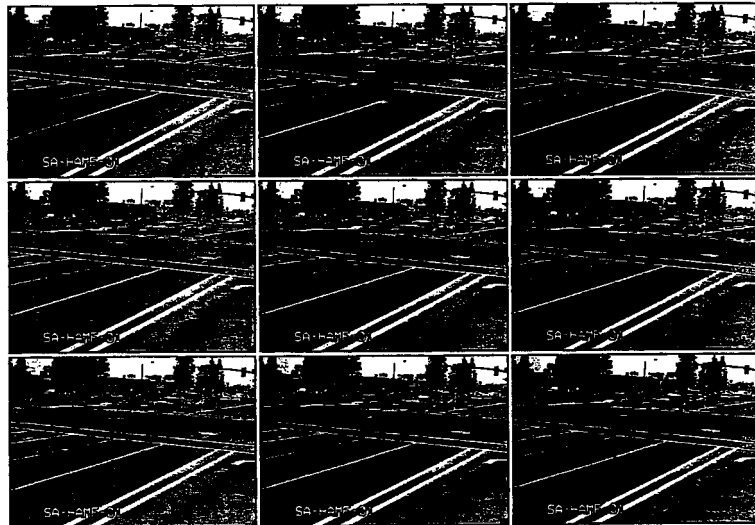


Vehicle traveling at 107 MPH

Sample Violation Images



Full Motion Video (300+ Individual Frames)



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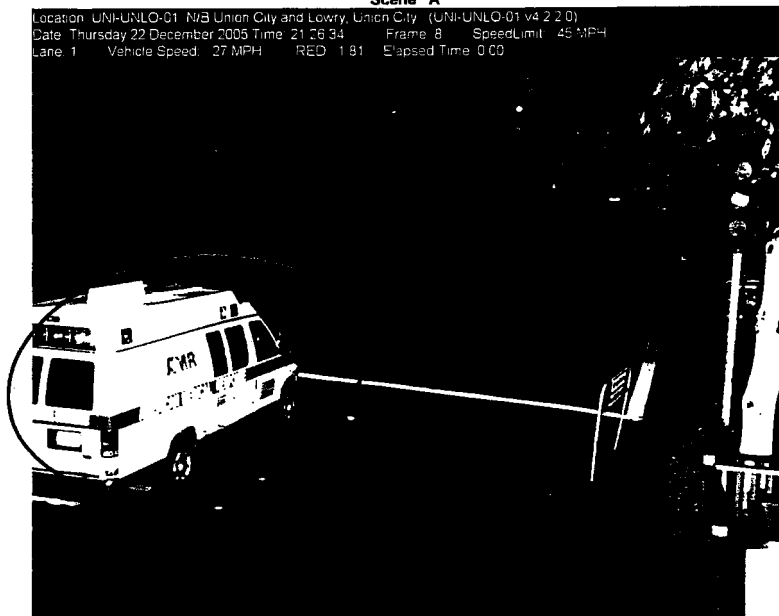
Sample Violation Images



Sample Image – Straight Through – (Nighttime)

Scene "A"

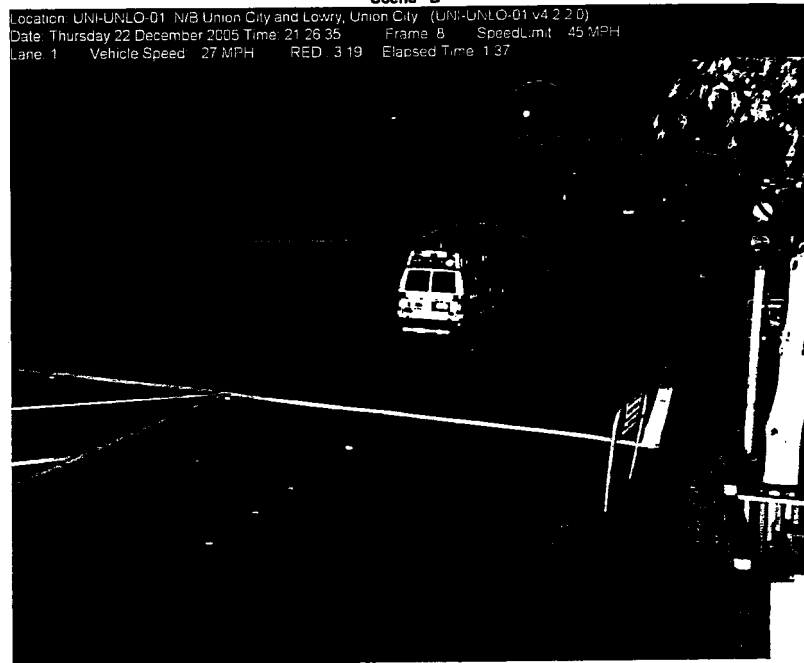
Location: UNI-UNLO-01 N/B Union City and Lowry, Union City (UNI-UNLO-01 v4 2 2 0)  
Date: Thursday 22 December 2005 Time: 21:26:34 Frame: 8 SpeedLimit: 45 MPH  
Lane: 1 Vehicle Speed: 27 MPH RED: 1.81 Elapsed Time: 0.60



Sample Violation Images



Scene "B"

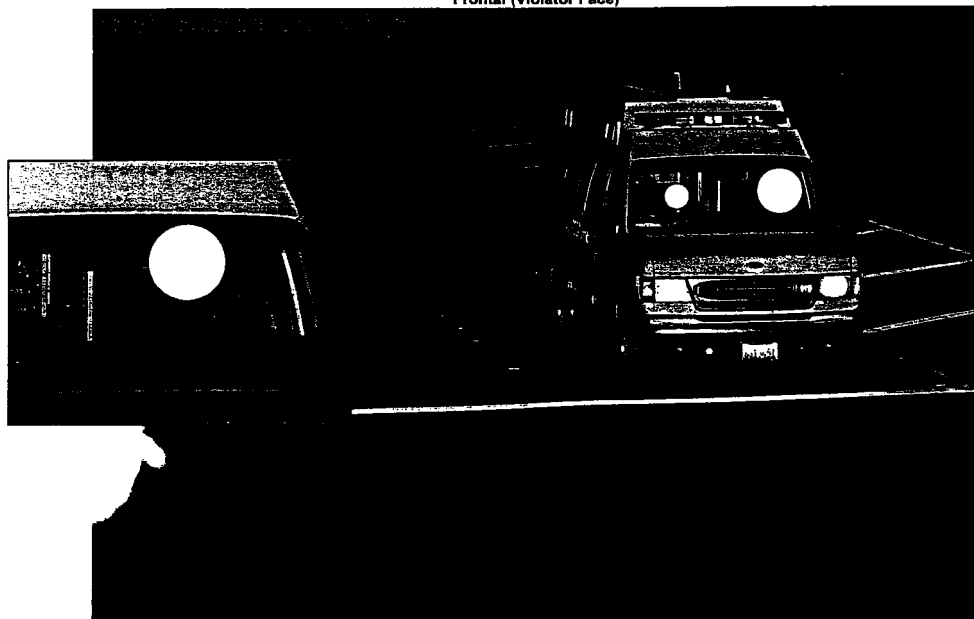


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Sample Violation Images



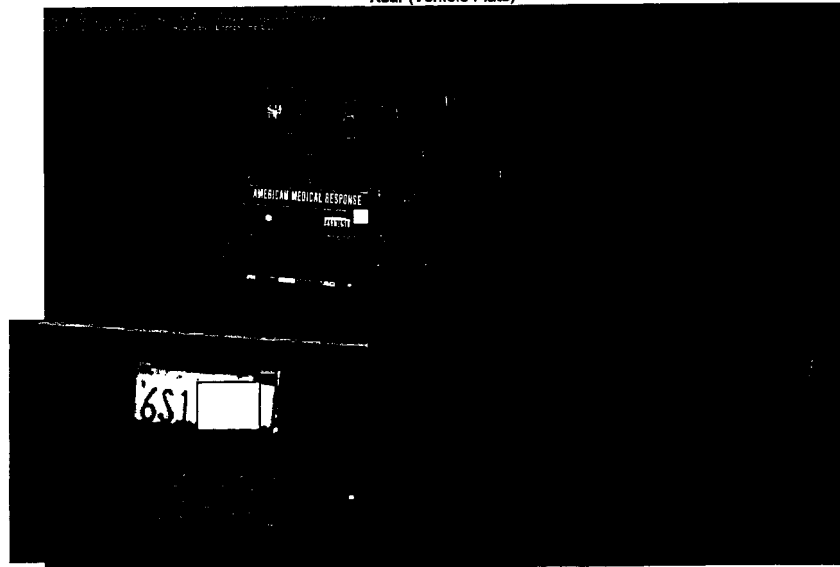
Frontal (Violator Face)



Sample Violation Images



Rear (Vehicle Plate)

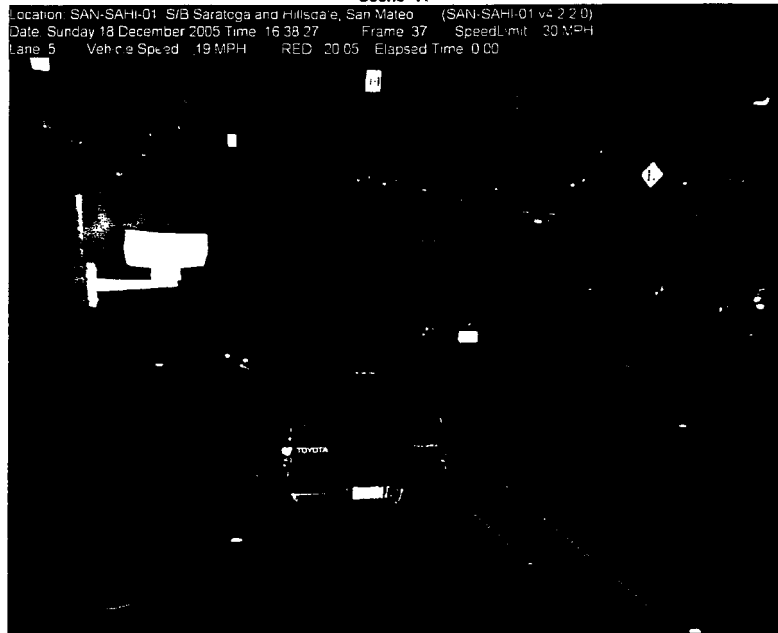


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Sample Violation Images



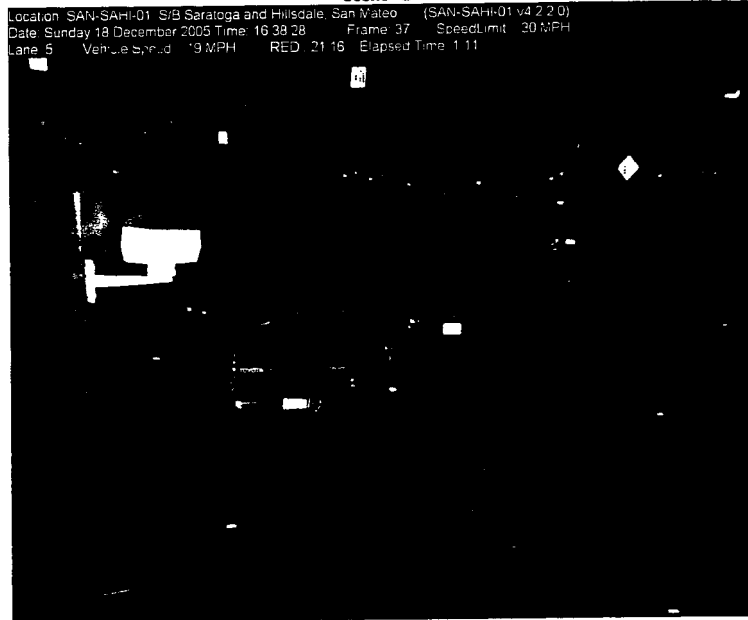
Sample Image – Right-Turn – Across 5-Lanes - Rain – (Nighttime)  
Scene "A"



Sample Violation Images



Scene "B"



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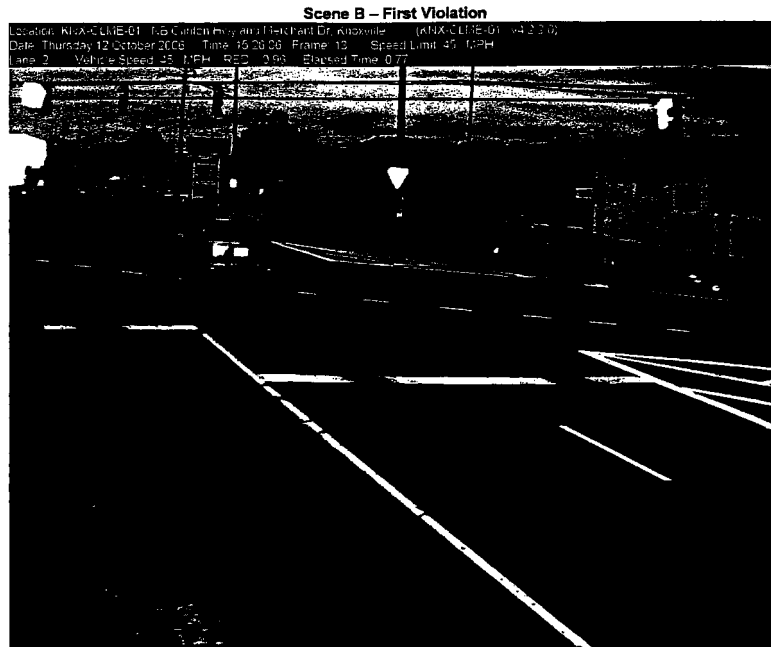
Sample Violation Images



Frontal (Violator Face)



Sample Violation Images

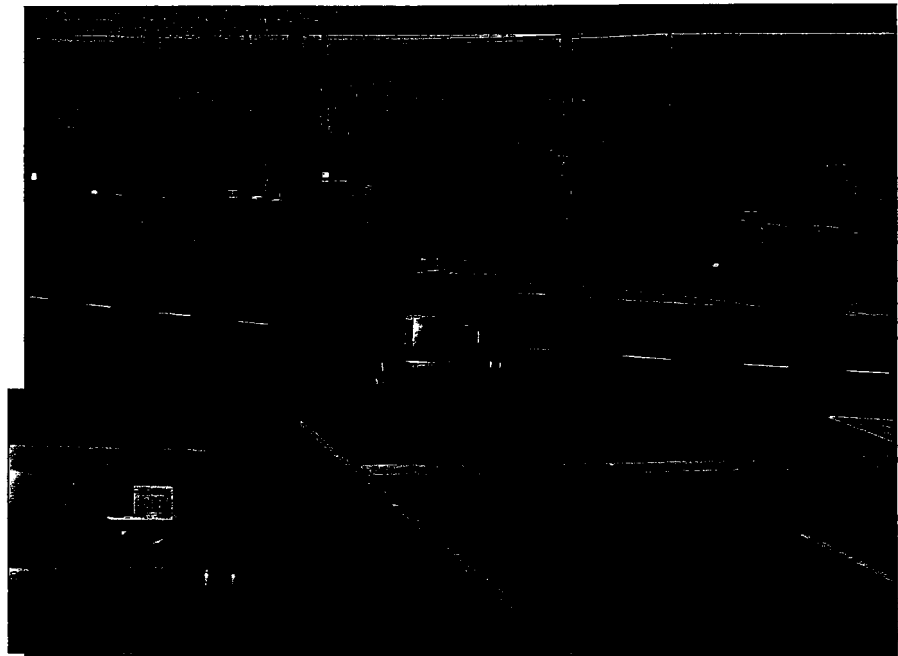


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Sample Violation Images



First Violation



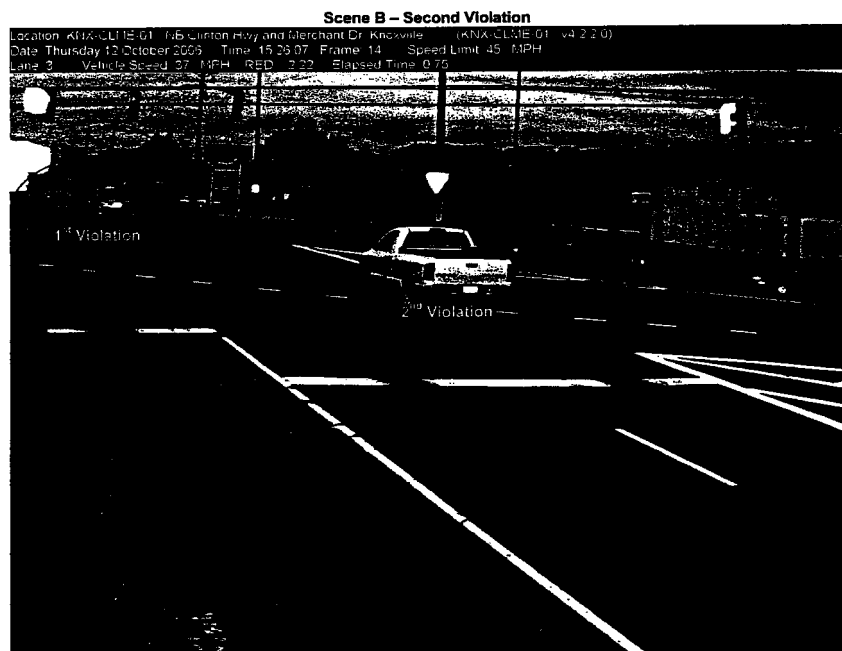


Sample Violation Images



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Sample Violation Images



EXCLUSIVE AGREEMENT BETWEEN THE CITY OF (Insert Name)  
AND REDFLEX TRAFFIC SYSTEMS, INC. FOR  
PHOTO RED LIGHT ENFORCEMENT PROGRAM

This Agreement (this "Agreement") is made as of this \_\_\_ day of (insert month), 2005 by and between Redflex Traffic Systems, Inc. with offices at 6047 Buisto Parkway 1<sup>st</sup> Floor, Culver City, California 90230 ("Redflex") and The City of (Insert Name) a municipal corporation, with offices at (Insert Address) (the "Customer").

**RECITALS**

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

WHEREAS, the Customer desires to engage the services of Redflex to provide certain equipment, processes and back office services so that 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 of 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.

*[Handwritten signatures]*

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 UNLITIGATED 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 citation 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;

3.3.1.1. 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

3.3.1.2. 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

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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,

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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

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

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

9. NOTICES. Any notices to be given hereunder shall be in writing, and shall be deemed to have been given: (a) upon delivery, if delivered by hand, (b) three (3) days after being mailed first class, certified mail, return receipt requested, postage and 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.  
 13020 North 74<sup>th</sup> Street  
 Scottsdale, AZ 85260  
 Attention: Ms. Karen Finley  
 Facsimile: (+80) 607-5552

9.2. Notices to the Customer:  
 City of (insert name)

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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

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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 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"

CITY OF (insert name)

"Reflex"

REFLEX TRAFFIC SYSTEMS, INC..

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
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;

- 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.

- 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

## 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 effort 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 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.

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. The Customer shall not attempt to gain unauthorized access to 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.

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**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.

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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 change 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:
    - a. 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;
    - b. 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;
    - c. 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.

8. 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.
9. 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 03/15/07, 2005, is entered into by and between the City of Yucalapa (the "City") and Redflex Traffic Systems, Inc. ("Redflex"), with reference to the Agreement between the City of Yucalapa and Redflex Traffic Systems, Inc. for Photo red light enforcement program, dated as of 03/15/07, 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 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.

The City: \_\_\_\_\_ Redflex: \_\_\_\_\_  
 [Name of City] REDFLEX TRAFFIC SYSTEMS, INC.,  
 a Delaware Corporation  
 By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

ACORD CERTIFICATE OF LIABILITY INSURANCE

PRODUCER: Crist Elliott Machette Ins. License #0817224  
 201 Broadway, Suite 725  
 Oakland CA 94612  
 Phone: 510-832-8000 Fax: 510-832-5054

INSURER A: Continental Casualty Company  
 INSURER B: Continental Insurance  
 INSURER C: Valley Forge Insurance Co  
 INSURER D: Lloyds of London Insurance  
 INSURER E: Essex Casualty & Surety Co

Redflex Traffic Systems, Inc.  
 15020 N. 74th St.  
 Scottsdale AZ 85260

DATE (MM/DD/YYYY): 05/04/07  
 CERT NO: RDTL-1  
 THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS. IT DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW

INSURERS AFFORDING COVERAGE: \_\_\_\_\_ MAC # \_\_\_\_\_

TYPE OF INSURANCE	POLICY NUMBER	DATE (MM/DD/YYYY)	DATE EXPIRES (MM/DD/YYYY)	LIMITS
<b>A</b> GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input checked="" type="checkbox"/> CLAMS MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Empl Benefits Lim GENL AGGREGATE LIMIT APPLIES PER POLICY <input type="checkbox"/> PER <input checked="" type="checkbox"/> LOC	2092673062	03/15/07	03/15/08	\$1,000,000 \$1,000,000 \$1,000,000 \$5,000 \$1,000,000 \$2,000,000 \$2,000,000 \$1,000,000
<b>B</b> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input checked="" type="checkbox"/> Comp- \$1000 ded <input checked="" type="checkbox"/> Coll- \$1000 dmd	2092673059	03/15/07	03/15/08	\$1,000,000 \$
<b>C</b> DAMAGE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OTHER THAN EA ACCIDENT <input type="checkbox"/> EA ACC <input type="checkbox"/> AUTO ONLY				\$
<b>A</b> BUSINESS/RENTAL LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE	2092673045	03/15/07	03/15/08	\$19,000,000 \$
<b>C</b> WORKERS COMPENSATION AND EMPLOYERS LIABILITY <input type="checkbox"/> RETROACTIVE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> EXCLUDED <input type="checkbox"/> SPECIAL PROVISIONS below	(CA) 2082598038 2082598038 (MAX. ORDER #28)	05/01/07 05/01/07	05/01/08 05/01/08	\$1000000 \$1000000 \$1000000
<b>D</b> ERRORS/OMISSIONS Cyberliability (DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS)	8P000320B	03/15/07	03/15/08	\$40 Deductible \$35,000

CERTIFICATE HOLDER: YUCALAPA  
 City of Yucalapa  
 Attn: Mr Raymond A. Casey, P.E.  
 Dir. of Public Works/City Eng.  
 34272 Yucalapa Blvd.  
 Yucalapa CA 92399

AUTHORIZED REPRESENTATIVE: Robert Offman  
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ACORD 25 (2007/06)





artifacts holder is also included as an insured on a primary basis as respects auto liability coverage per policy wording.

Company A) 2092673062 3/15/07 to 03/15/08

Installation Floater: \$1,000,000 limit Per Occurrence  
\$250,000 limit Per Jobsite  
\$10,000 Deductible

Valuable Papers & Records including Cost of Research: Included in Blanket Business Personal Property limit of \$940,000. Deductible: \$5,000

Company E) 104861759 12/22/06 to 12/22/07  
Third Party Fidelity: \$300,000 limit per claim  
\$ 5,000 deductible/claim

**IMPORTANT: THIS ENDORSEMENT CONTAINS DUTIES THAT APPLY TO THE ADDITIONAL INSURED IN THE EVENT OF OCCURRENCE, OFFENSE, CLAIM OR SUIT. SEE PARAGRAPH C.1. OF THIS ENDORSEMENT FOR THESE DUTIES.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.  
CONTRACTOR'S SCHEDULED AND BLANKET ADDITIONAL INSURED  
ENDORSEMENT WITH PRODUCTS-COMPLETED OPERATIONS COVERAGE**

This endorsement modifies Insurance provided under the following:  
COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name of Person or Organization: Designated Project: Per contract

**CITY OF YUCAIPA, CA**

(Coverage under this endorsement is not affected by an entry or lack of entry in the Schedule above.)

- A. WHO IS AN INSURED (Section II) is amended to include as an insured any person or organization, including any person or organization shown in the schedule above, (called additional insured) whom you are required to add as an additional insured on this policy under a written contract or written agreement; but the written contract or written agreement must be:
  1. Currently in effect or becoming effective during the term of this policy; and
  2. Executed prior to the "bodily injury," "property damage," or "personal and advertising injury."
- B. The insurance provided to the additional insured is limited as follows:
  1. That person or organization is an additional insured solely for liability due to your negligence specifically resulting from "your work" for the additional insured which is the subject of the written contract or written agreement. No coverage applies to liability resulting from the sole negligence of the additional insured.
  2. The Limits of insurance applicable to the additional insured are those specified in the written contract or written agreement or in the Declarations of this policy, whichever is less. These Limits of insurance are inclusive of, and
- C. As respects the coverage provided under this endorsement, SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS are amended as follows:
  3. The coverage provided to the additional insured by this endorsement and paragraph 1. of the definition of "insured contract" under DEFINITIONS (Section V) do not apply to "bodily injury" or "property damage" arising out of the "products-completed operations hazard" unless required by the written contract or written agreement.
  4. The insurance provided to the additional insured does not apply to "bodily injury," "property damage," or "personal and advertising injury" arising out of an architect's, engineer's, or surveyor's rendering of or failure to render any professional services including:
    - a. The preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; and
    - b. Supervisory, or inspection activities performed as part of any related architectural or engineering activities.

1. The following is added to the Duties In The Event of Occurrence, Offense, Claim or Suit Condition:
  - e. An additional insured under this endorsement will as soon as practicable:
    - (1) Give written notice of an occurrence or an offense to us which may result in a claim or "suit" under this insurance;
    - (2) Tender the defense and indemnity of any claim or "suit" to any other insurer which also has insurance for a loss we cover under this Coverage Part; and
    - (3) Agree to make available any other insurance which the additional insured has for a loss we cover under this Coverage Part.

1. We have no duty to defend or indemnify an additional insured under this endorsement until we receive written notice of a claim or "suit" from the additional insured.
2. Paragraph 4.b. of the Other Insurance Condition is deleted and replaced with the following:
  4. Other Insurance
    - b. Excess Insurance  
This insurance is excess over any other insurance naming the additional insured as an insured whether primary, excess, contingent or on any other basis unless a written contract or written agreement specifically requires that this insurance be either primary or primary and noncontributing.

**Project Timeline**

The following work plan schedule will outline the scope of services required and the tasks associated with completed the necessary services.

Task	Duration
City of Yuccaipa Project Plan	30 days
Contract Signing (Estimated contract execution)	1 day
Kick-Off Meeting	1 day
Introduce Redflex Project Manager	1 day
Identify City Project Manager	1 day
Field Technology Component	25 days
Obtain Proposed Intersection List From Client	1 day
Preliminary Field Inspection of Proposed Locations: The field inspection consists of walking each proposed intersection for constructability. Redflex will invite the City traffic engineering Dept or public works to walk the intersections for discussion on City preference with regards to infrastructure deployment, engineering drawing requirements, and any other special considerations.	1 day
Video Survey of Intersection: Surveys will be conducted at intersection approaches identified by the Customer. Redflex will temporarily mount a video camera at the subject intersection approaches and record violations over a 12 hour time frame. A summary of the infractions will be provided to the Customer following the viewing of the video recordings.	5 days
Conduct Violation Counts: Redflex staff will view contents of video medium and provide the Customer with a summary of the infractions. Infractions will be broken down by time of day (three time segments) and type of motion (left turn, straight through and right turn).	7 days
Request As Built Drawings from Client: Redflex will utilize Customer supplied As Built Drawings for each intersection approach where a system will be constructed. The drawings will be used as the basis for preparing Construction Drawings for the proposed Redflex system.	1 day
Received Drawings from Client	3 days
Prep Drawings for Red Lining: The Redflex Construction Manager will arrange a pre-design meeting with the Yuccaipa traffic engineering Dept to assure all proposed designs meet City specifications and needs. This information will be transferred to the red line as built. Upon agreement of design RTS will draft and submit to the City a full complement of Engineering drawings.	3 days
Red Line Drawings Showing Camera Equipment	5 days
Submit Redflex Drawing to Client for Approval	2 days
Client Review Drawings & Provides Comments (estimated)	7 days
Client Return Drawing with Comments	2 days
Second Submittal of Drawing to Client for Approval	4 days
Client Approval of Redflex Drawing	2 days
Submit Bid Packets to Contractor: Bid packets will contain specifications (C.S.I. formatted specifications and drawings) for required site work (i.e. installation of conduit, wiring, etc).	3 days
Review Quotation and Make Decision	1 day
Submit PEV to Construction Director to Authorize Work: Redflex approves the internal funding and assures proper insurance certificates prior to proceeding with field construction.	1 day
Submit Signed PEV to Accounting	1 day
Fax Letter of Intent to Contractor	1 day
Submit Subcontract Agreement to Contractor	1 day
File PEV, Subcontract Agreement & Insurance Certificates	1 day
Return Signed Fully Executed Copy of Subcontract Agreement to Contractor	2 days

Project Timeline

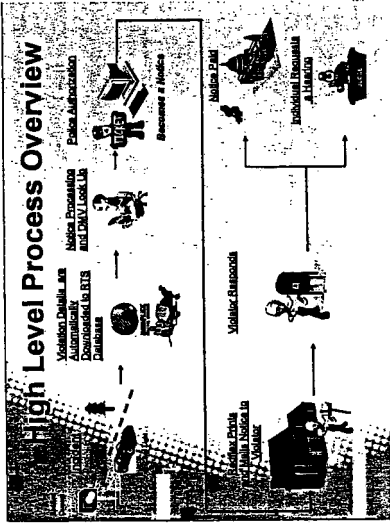
Task	Duration
Citation - Notice to Liability (Back) Redflex presents sample layouts to the city for their perusal and decision. Once a layout is agreed upon, the city "signs off" that the agreed layout will be used.	2 days
Instructions Page: This is additional information to the violator on how to handle payment or challenge the citation. The instruction page can include a Spanish translation.	2 days
Options Page: This is tear-off design options. 1. Pay and fill out the information. 2. Request a hearing and so on.	2 days
Mailing Page: This also is for placing in the envelope with the address already typed on the page along with their completed option	2 days
Default Letters	1 day
Police Authorization On-Line Access Form	2 days
Public Awareness Material: Redflex provides documents to the city for their use in the public awareness campaign; these include mailers and additional information for the city to send in the mail. Generally cities send these out with common place notices (electricity bills or similar)	1 day
Client Kick-Off Meeting/Present Documents	1 day
Client Follow-Up Meeting to Finalize Requirements	1 day
Signoff of Bus Rules & Ancillary Documents by Client	7 days
Submit Application to Request Access to DMV for Plate Inquiry: Redflex requires that the City approve our use of a requestor code, enables Redflex to request registration and owner information from California DMV. The city will approve our request and Redflex will submit to DMV. Once approved, and only when approved can Redflex obtain the DMV information.	1 day
Client Submits Letter to DMV to Request Access for Redflex (RTS Agent of PD)	1 day
DMV Authorizes Access to Redflex: Request is submitted by the City to the DMV for Redflex to access DMV files. DMV issues Requestor Code authorizing the City of Yucaipa to allow Redflex to conduct DMV inquiries on behalf of the City.	1 day
Software & Back Office Customization: Approval of all citations is handled through the Redflex, Smartops, and citation authorization module. The application is available for assigned City and/or Law Enforcement personnel and is accessed using user management and internet security protocols. Once an officer is logged-in to the application, he/she is able to access all violations waiting for review. Each citation notice includes all required information and authorized police personnel will utilize SmartOps to review each notice and indicate violation acceptance or rejection. When violations are accepted, the application utilizes digital signatures confirming City authorization of the notice. Typically, the officer's assigned duty to the Red Light Camera Program will receive incoming violation incidences, via the Redflex WebOps program. When reviewing these incidences, officers will apply violation screening and citation development guidelines that have been developed in cooperation with Redflex. The guidelines that have been developed will be documented in the Business Rules.	25 days
Schedule Meeting with Software Developer to Submit Requirements	1 day
Requirements Submitted to Software Developer	1 day
Notices Submitted to Software Developer	1 day
Obtain Sign-Off From Software Developer	1 day
Advise Developer of Forecasted Go Live Date	1 day
Develop, Test & Implement Back Office: Once the business rules are developed and approved by the city, Redflex creates the webpage and tests that all functions of the web application work for the city, this includes rejection codes and any other requirements particular to the city.	20 days
Print Sample Notices	2 days

Project Timeline

Task	Duration
On-Site Construction Equipment in Yucaipa: Decisions will be made jointly with Yucaipa Traffic Engineering/Public Works regarding site work and equipment deployment.	3 days
Camera Enclosures (Cabinet-less) Flash Enclosures: In working jointly with City staff decisions will be made regarding how flash enclosures will be mounted (existing city pole or Redflex installed pole).	3 days
Peico Pole Bases: If the City opts for a free-standing installation, Redflex will install Peico bases in concrete foundations per manufacturer's specifications.	3 days
Cat 5 Cable	3 days
Pre Construction Meeting/Mark Equipment Locations	1 day
Subcontractor Commence Construction	14 days
Underground Work: Underground work includes, but is not limited to the placement of conduit to bring power, comms, and signalization to RTS equipment. Boring method is used and 4' by 4' pits are the only intrusion. All grounds will be restored to better than condition.	7 days
Poles & Wiring	5 days
Equipment Installation: If the construction design requires, Redflex will install/retract cabinet/enclosures.	5 days
Photo Enforcement Advisory Sign Installation: In keeping with the C.V.C., signs will be installed at 1) each intersection where the system will be installed (all approaches) or 2) at the main entrance points into the City.	2 days
Finalization: In this stage, the Construction manager will review completed work.	1 day
Post Construction Check: All equipment installation will be quality checked per pre-prescribed Redflex checklists and final authorization to pay for construction work completed will be authorized.	1 day
Ship Redflex Camera Equipment	3 days
Installation of Redflex Camera Equipment	5 days
Test Equipment Operability	3 days
High Speed Internet Connection: Redflex will handle the application for and coordination of cable modem or DSL level of connectivity (784Mb or better upload speed is the minimum).	7 days
Order DSL Service -	1 day
DSL Service Provider Assigns Address and Account Number	1 day
POTS Line Installation: This step is typically not required or with some carriers as they install first to condition for DSL service.	4 days
Communications Install - DSL Upgrade	2 days
Test Connectivity: On site field technicians will test the data line throughput with our Scottsdale office IT personnel to assure the bandwidth required before acceptance from the service provider. Minimum upload speed is required.	2 days
Requirements Analysis & Ancillary Documents	25 days
Prepare Kick-Off Meeting Presentation	2 days
Prepare Business Rules (Violation Criteria) & Ancillary Documents: Business rules are defined by approximately 50 questions that the City is asked in order for RTS to build back-office software for citation issuance, court interface, financial interface, collections, etc. This is a collaborative effort between Redflex and the City.	2 days
Business Rules	2 days
Warning Letter	2 days
Citation - Notice to Liability (Front): Redflex presents sample layouts to the city for their perusal and decision. Once a layout is agreed upon, the city "signs off" that the agreed layout will be used.	2 days

**Violation Processing**

The Redflex Solution is accessible 24 x 7 for authorized users. The following graphic visually represents the violation processing system.



Redflex will provide the City with the most comprehensive Violation Processing System. Each back office function including violation processing/MVD lookups, quality assurance review, printing/mailing, new driver identification data entry, violator phone calls, court package preparation, etc. have been timed to create sophisticated staff planning formulas. Using these formulas, and the new construction build-out projections, Redflex is able to determine exactly when to hire Operations Associates, Maintenance Technicians and Customer Service Representatives to ensure all customer service level commitments are met.

In 2006, Redflex met our processing timeline service level commitments over 99.6% of the time.

Redflex will accurately capture and store images, establish chain of custody for images and process and issue citations for red light violations in accordance with City policy. To effectively meet this specification Redflex will work closely with the Police Department to develop, establish and document business rules between the City and Redflex Traffic Systems, which will be used as standard guidelines by officers viewing and issuing red light camera citations. This will help maintain the consistency and effectiveness of the program.

The Redflex Solution has an integrated web-based on-line application called WebOps. WebOps is designed for the Police Department to remotely review violations and either accept or reject a violation.

This application is completely web-enabled and can be accessed by assigned users through any computer that has internet access. The application is available for assigned Law Enforcement personnel and is completely secure using robust user management and internet security protocols. The application was developed in conjunction with various law enforcement agencies to ensure ease-of-use and intuitive navigation. Once an officer is logged-in to the application, he/she will be able to see all violations waiting for review. Each citation notice includes all required information and authorized police personnel review each notice and indicate violation acceptance or rejection. When violations are accepted, the application utilizes digital signatures confirming City authorization of the notice.

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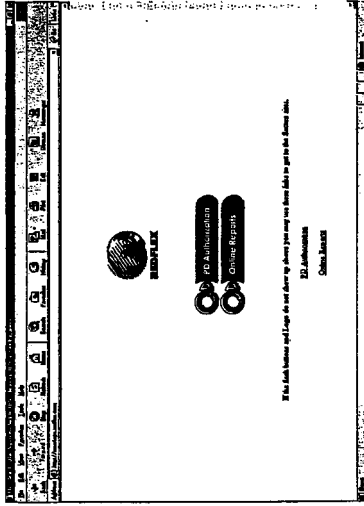
**Project Timeline**

Task	Duration
Generate Reports from WebOps: Reports are web generated, date specific and include violators recorded, violations that have been rejected (non-issued) and issued citations.	2 days
Provide Access to Police, Court and City Personnel to WebOps: The City is not required to obtain a license as this is our own web-based application. The City will identify a specific staff person to manage access authorization. Redflex will provide log in and passwords for each person. Access can full access (authorized to approve citations) or be read only.	1 day
Implement into Production: Once testing is completed, any alterations to the software program are made and the program is handed over to production.	1 day
Project Hand-Over to Production	1 day
Schedule Meeting With Ops Manager & PSA	1 day
Submit Processing Requirements for Production: Processing requirements are developed based upon the set of Business Rules that are signed off by the City. For example, these business rules might direct Redflex to reject any incident that a vehicle screeches to a halt just forward of the stop bar.	1 day
Obtain Sign-Off From Ops Manager	1 day
Police Personnel Training	5 days
Prepare Training Agenda and Documentation	2 days
Conduct Training: Redflex will provide a comprehensive two-day training program. Specific modules have been developed to meet the unique requirements of the Courts, Law Enforcement and other relevant City personnel. Specific training modules include information on: <ul style="list-style-type: none"> <li>Camera equipment orientation</li> <li>WebOps (Redflex web-based citation authorization module)</li> <li>Camera maintenance, support &amp; certification</li> <li>Court documentation, review &amp; defense protocols</li> </ul> We will also provide specific training modules and instruction for parties that will be: <ul style="list-style-type: none"> <li>Interfacing and impacted by the implementation of a Photo Enforcement Program,</li> <li>Including specific training for Court and Law Enforcement personnel.</li> </ul> This training will consist of topics on adjudication/court implementation and training, and will specifically include: <ul style="list-style-type: none"> <li>Court administration of the program, including introduction &amp; familiarization</li> <li>Subpoena processing timelines for evidence development</li> <li>Development and coordination of hearing schedules</li> <li>Evidence introduction and familiarization</li> </ul> Submit Training Certificates: Training Certificates will be issued to the city for any person who undergoes Redflex training in the use of the Red Light Camera Program, and is authorized to issue citations.	2 days
Warning Period	1 day
Warning Letter Period Commences	30 days
Ticket Issuance	30 days
	1 day



The following pages will demonstrate the exact process the City will utilize when reviewing and authorizing citations using the WebOps web-based application. The WebOps application requires no special software or databases; it is completely accessed through the Internet and only requires that a user has Internet access.

When accessing WebOps, the following screen should be displayed:

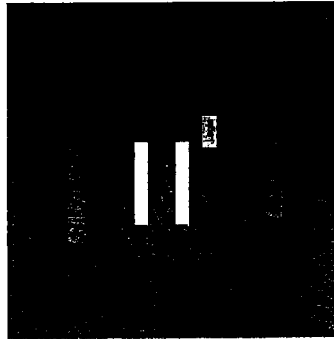


The PD Authorization module is the tool that is used to retrieve, view, and authorize traffic incidents and information.

The Online Reports module is the tool used to obtain the intersection history and program statistical reports.

Police Authorization

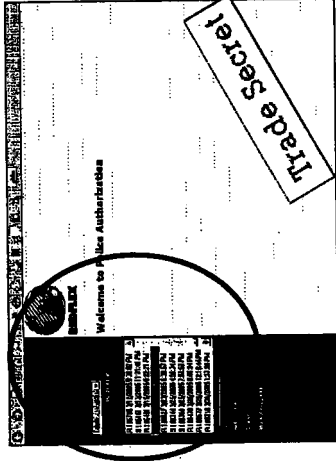
Selecting "PD Authorization" from the Redflex Traffic Systems Main Menu to bring up the following screen:



SMARTOPS Sample Log on Screen  
A user ID and password are required. Typically, individuals that do not require the ability to accept and reject traffic incidents are given read-only access. Individuals that require the ability to accept and reject traffic incidents must have a secure password meeting a number of criteria.

Police Authorization - Accept/Reject Access

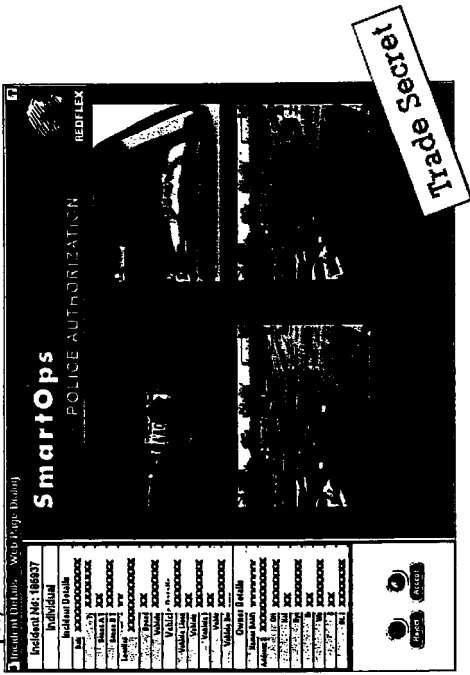
After logging into the system the screen with the list of incidents will appear. The authorized officer will have the option to select an incident from the already processed and verified incidents. All the pre-processed citations that are awaiting final approval are listed in a time-based hierarchy, so each citation can be accessed and reviewed by date of violation.



## Violation Processing

The officer selects a violation for review and the following screen is launched.

(Red Light Sample)

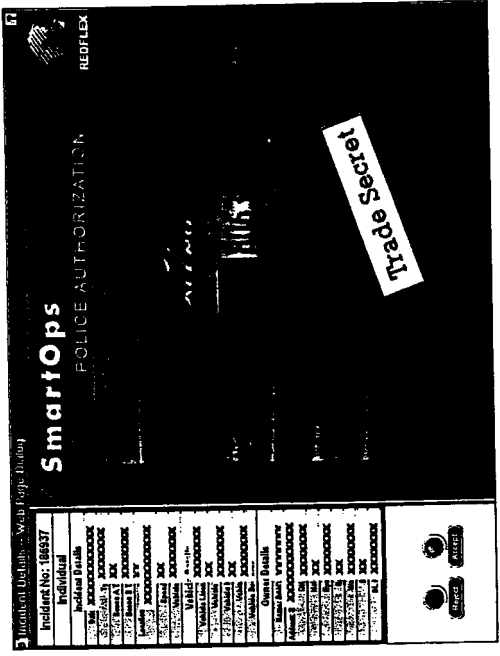


The screen as shown above has been designed to provide the tools to help the officer make a determination on for approval or rejection of the incident. The tools that can be accessed from this screen and the following:

- ✓ The ability to enlarge digital images
- ✓ Information about the incident and the registered owner
- ✓ Information about the registered owner of the offending vehicle
- ✓ The ability to view a 12-second video clip of the incident (6 second prior to the incident and 6 seconds after)

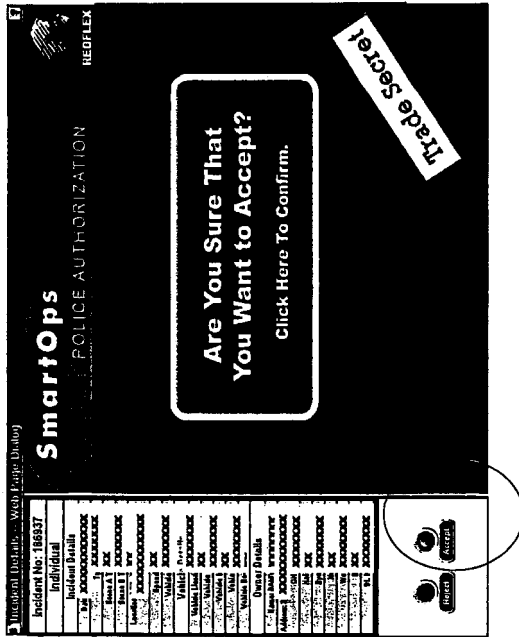
## Violation Processing

To determine if the license plate given in the "Incident Details" matches the license plate in the digital image of the plate, select this digital image. An enlarged digital image similar to the following is displayed:



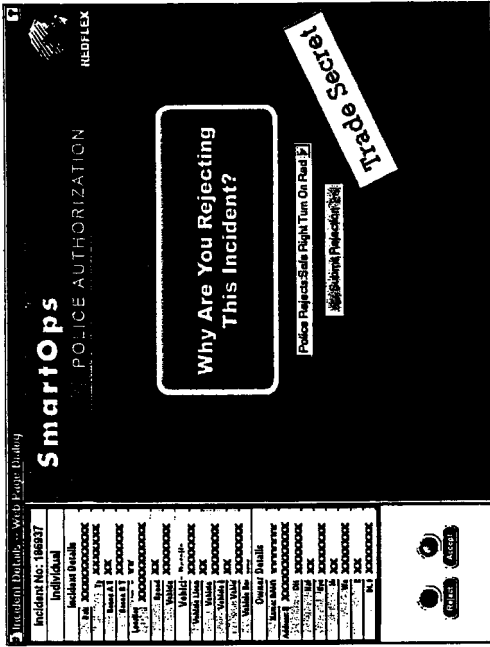
Using the on-line tools that Redflex Traffic Systems provides, each customer determines their own policies and procedures for accepting traffic incidents for citation processing. In addition, each customer determines their own policies and procedures for rejecting incidents.

If the officer reviewing the traffic incident determines that it is a valid offense, the next step is to select the "Accept" button in the lower left-hand corner of the screen. Doing so triggers the following screen to be displayed:



If the officer does not click on the green icon in the center of the screen, the incident will not be approved and will remain in the "Incident List."

If the officer reviewing the traffic incident determines that it is not a valid offense, the next step is to select the "Reject" button in the lower left-hand corner of the screen. Doing so triggers the following screen to be displayed:



Rejecting a traffic incident ensures that a citation is not generated. Incidents can be rejected for a number of reasons. Redflex provides a customized list of reject reasons as designated by each customer. The number of incidents rejected and the reason for rejection are included in the Customer Management Report.

If it is the determination of the reviewing officer that the incident is not prosecutable, one of the following sample reject reasons can be selected:

- ✓ Safe Right Turn on Red
- ✓ Invalid Offense
- ✓ Incorrect Details
- ✓ Expired Time

Once the authorizing party completes the process and chooses to "accept" the violation, the Redflex System automatically queues the information and violation images for citation notice generation and printing. Each citation notice will enclose a digital signature from the individual that authorized the citation, which is physically printed on each citation. Other citation highlights typically includes:

- Unique Sequencing & Numbering





**Sample: Bi-Lingual Affidavit of Non-Liability**

**PHOTO ENFORCEMENT PROGRAM** **RED MEANS STOP**  
**PROGRAMA DE CUMPLIMIENTO CON LA LEY CON FOTOS** **ROJO QUIERE DECIR ALTO**

**CITY OF EL PASO** **Ciudad de El Paso**

1. Information: DMV records indicate that you are the registered owner of the vehicle depicted in the citation images committing a traffic violation in the City of El Paso. You must complete all the information in the bottom section and return the completed form. This information is required even if you were the driver of the vehicle.

2. If you have sold the vehicle, or were not the driver at the time of the violation, please check the appropriate box below.

3. If you are encouraged to view the video of this violation prior to your court appearance date by calling the El Paso Police Department at (900) XXX-XXXX to schedule an appointment.

4. DO NOT CALL THE COURT REGARDING THIS NOTICE.

1. Información: Los registros de Departamento de Vehículos Motorizados (DMV) indican que usted es el dueño del vehículo representado en las imágenes de la infracción. Usted debe completar toda la información en la sección inferior y volver la forma completada. Esta información se requiere incluso si usted es el conductor.

2. Si usted vendió el vehículo o no estaba conduciendo cuando se cometió la infracción, por favor marque el cuadro apropiado (indicado abajo).

3. Si usted alienta a ver el video de esta infracción antes de la fecha de comparecencia ante el tribunal, pida un momento con el Departamento de Policía de El Paso al (900) XXX-XXXX.

4. NO LLAME AL TRIBUNAL CON RESPECTO A ESTA NOTIFICACIÓN.

**Trade Secret**

Fill Out Completely and Mail to: Complete la forma en su totalidad y envíelo por correo:  
 Traffic Enforcement Office P.O. Box El Paso, TX

VIOLATION NUMBER / NUMERO DE VIOLACION: \_\_\_\_\_

PLEASE CHECK THE APPROPRIATE BOX BELOW. SIGN AND MAIL THIS COMPLETED FORM WITH A COPY OF YOUR DRIVER'S LICENSE.

POR FAVOR MARQUE EL CUADRO APROPIADO ABAJO. FIRMEN Y ENVÍEN ESTA FORMA CON UNA FOTOCOPIA DE SU LICENCIA DE CONDUCIR.

CHECK ONE/MARQUE UNO:  I sold the vehicle prior to the violation date to the person named below.   
 Vendí el vehículo antes de la fecha de la infracción a la persona nombrada abajo.

The person named below was the driver of the vehicle.   
 La persona nombrada abajo era el conductor del vehículo.

I was the driver of the vehicle (Not an admission of guilt). You must fill out the form completely!   
 Yo era el conductor del vehículo (esto no es una admisión de culpabilidad). Usado deberá llenar la forma en su totalidad.

Print Actual Driver's Name: \_\_\_\_\_ Driver's License / ID No: \_\_\_\_\_  
 Escriba el nombre del conductor en letras de molde No. de licencia de conducir/ID de identificación

Address: \_\_\_\_\_ Issued in the State Of: \_\_\_\_\_  
 Domicilio Expedido en el estado de \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_ Date of Birth: \_\_\_\_\_  
 Ciudad, Estado, Código postal Fecha de nacimiento

Sex: \_\_\_\_\_ Hair: \_\_\_\_\_ Eyes: \_\_\_\_\_ Weight: \_\_\_\_\_  
 Sexo Cabello Ojos Peso

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 Firma Escriba su nombre completo en letras de molde

Your Phone Number: \_\_\_\_\_  
 Su número de teléfono \_\_\_\_\_

Toll Free information Line/Línea Telefónica Gratis de Información: (1-877-468-AFET) hours de 9 AM-4 PM (MST).  
 • You may call (1-877-468-AFET) between the hours of 9 AM-4 PM (MST) for information regarding this notice and red light camera enforcement.

**STATEMENT OF SMARTCAMERED RED LIGHT CAMERA TECHNOLOGY**

Digital SMARTCAMERED Camera Systems ONLY trigger during the red light signal phase.

The Camera Systems record:

- Four separate images for each red light violation, and
- The date, time, time into the red cycle, location, detected vehicle speed and posted speed limit for each violation.

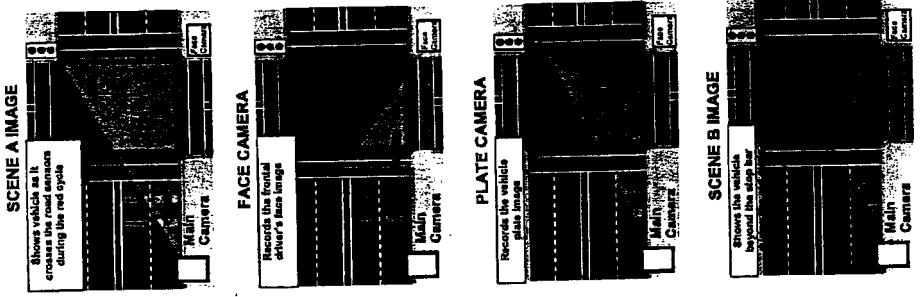
Each Camera System consists of a Main Camera (to provide rear-view images of the vehicle, a Plate Camera (to provide a zoomed image of its rear license plate) and a Face Camera (to capture images of the driver's face).

The Camera System is connected to the traffic signal controller and detection sensors. During the green and amber signal phases the camera is not active. It ONLY becomes active AFTER a delay period from the start of the red signal phase.

When the sensors detect a violation, the Main Camera triggers. The Scene A image shows the vehicle just behind the stop bar with the traffic signal already red. The Plate and Scene B image is activated when the vehicle has proceeded through the intersection during the red phase (therefore displaying a red light violation).

The Face Camera placed across the intersection is triggered by the Main Camera during each suspected violation.

The System uses encryption to safeguard the image evidence against alteration. At the scene, the System gives each image and its data a unique signature to confirm its authentic status. Public key cryptography and additional encryption processes secure the transmission process.





## Violation Processing

### Citation Numbering Sequencing

In accordance with the City, each Citation can have a unique citation numbering sequence to enable the Courts and the City to distinguish between photo enforcement citations and conventional citations. Redflex develops a unique numbering sequence that is applied to both original citations and citations that have been reissued to a nominated driver per the Affidavit of Non-liability process.

### Instruction Sheet

In addition to providing an approved citation including an Affidavit of Non-liability (Nomination), Redflex will provide the City with an instruction sheet that will accompany each citation. This instruction sheet will include all pertinent information regarding Court procedures, payment processing, photo viewing scheduling, background information regarding the program and the technology and additional information as specified by the City.

### Fleet & Rental Vehicles

The ability to nominate a driver enables an effective means for issuing citations to fleet and rental vehicles. Specifically, when a citation is mailed to the fleet owner, the vehicle can be traced to the driver who was assigned and renting the vehicle during the violation date/time. Once the fleet owner sends the affidavit of non-liability and nominates the actual driver, the first citation is dismissed and a new citation with the same sequencing with an additional character is promptly issued. Ultimately, depending on the type of violation, the registered owner may be responsible for the violation fine, if a nominated driver is not identified. Redflex works closely with rental car agencies and in many situations, rental agreements now outline that the renting party will be automatically charged should this type of infraction come to pass.

### Processing Center: Printing, Folding, Mailing

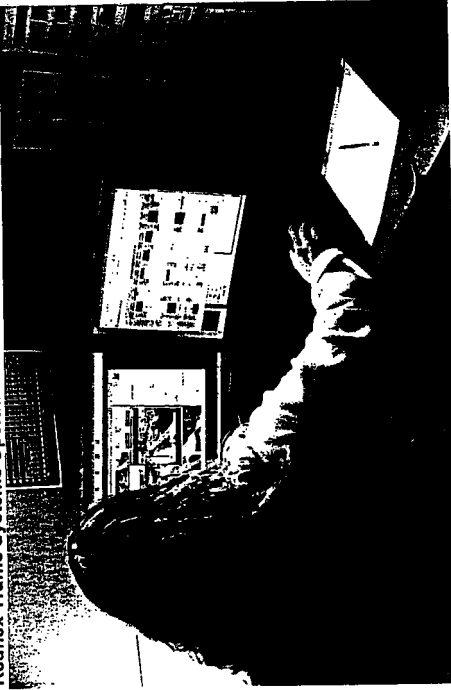


## Violation Processing

### Processing Center - Verification Processing of Violations



### A Redflex Traffic Systems Operations Associate Processing a Violation



### Citation Processing (Continued)

As outlined above, Redflex is fully staffed and prepared to format, organize, print and mail notices, including 2<sup>nd</sup> notices and providing the City full collection services. As outlined, Redflex will also provide additional services to increase voluntary compliance for all aged, unpaid violations.

## Violation Processing

All of the Redflex Websites utilize https links which are enforced by SSL certificates. The Web Servers are also protected by McAfee Enterprise Intrusion Prevention System, and Patchlink patch management software, Symantec Antivirus. Third Party Testing is performed by Qualys at various intervals as well as external testing utilizing Nessus.

Redflex has a multi-tier storage environment for the storage of incident data and images. At the time of incident import the incident images and video are written to a nearline storage array for use in processing, adjudication, and violation creation. Data is retained on the nearline storage until deletion is required by business rules, law, or the time frame as required by the City. The original incident file is archived to an EMC Centera that is a content addressable storage system see <http://www.emc.com> for detailed information on the compliance of the storage system. This is also replicated to an off site Center at Redflex's Co-location facility. Archives are kept in compliance with contract business rules, State and Local violation retention statutes, or until contract termination.