

EXCLUSIVE AGREEMENT BETWEEN THE CITY OF CULVER CITY, CALIFORNIA  
AND  
REDFLEX TRAFFIC SYSTEMS, INC.  
FOR AN AUTOMATED ENFORCEMENT (RED LIGHT CAMERA) PROGRAM

This Agreement ("Agreement") is made as of this <sup>23</sup> day of July, 2019 ("Effective Date") by and between the City of Culver City, California, a municipal corporation (the "City"), and Redflex Traffic Systems, Inc., a Delaware Corporation ("Redflex" or "Vendor").

**RECITALS**

- A. Culver City, through its Police Department, has operated an automated enforcement (red light camera) program in the City since 1998, and has contracted with Redflex since at least 2002 for equipment and support services;
- B. Redflex has special knowledge, possession and ownership of certain equipment, licenses, applications, and violation processing related to the Automated Enforcement (Red Light) Program ("Program");
- C. The City desires to continue to engage Redflex to furnish all equipment, licenses, applications and back office processing related to the Redflex System, including Upgrades as defined herein;
- D. At its City Council meeting on May 18, 2019, the City Council of Culver City authorized a contract with Redflex as the City's red light camera vendor;
- E. Redflex is qualified to provide such services to the City;
- F. It is a mutual objective of both Redflex and the City to reduce the incidents of vehicle collisions at the traffic intersections and City streets that will be monitored by automated enforcement equipment pursuant to the terms of this Agreement; and
- G. Violations of California Vehicle Code Sections 21453(a) and 21453(c), failing to stop for a red light or failing to stop for a red arrow, and 22101(d), disobeying the direction of an official traffic control device, have been shown to pose a significant risk to life and property.

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 Project Manager or such other sworn individual(s) of the Culver City Police Department ("CCPD") who review Incidents and authorize the issuance of Citations in respect thereto.
  - 1.2. "Authorized Violation" means each incident 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. "Automated Enforcement (Red Light) Program" and the "Program" are interchangeable and synonymous and mean the City's program, as managed and operated by the CCPD, where the monitoring, identification and enforcement of traffic

Violations is facilitated by the use of certain automated equipment, applications and back office processes of Redflex, including but not limited to cameras, flashes, central processing units, signal controller interfaces, radar technology detection equipment, and sensor arrays which, collectively, are capable of detecting Incidents and recording Violation Data in the form of photographic images of motor vehicles.

- 1.4. "Citation" means the Notice of a Violation or Notice to Appear, which is mailed or otherwise delivered to the violator on the appropriate Enforcement Documentation in respect to each Authorized Violation. The Citations shall be in a form approved by the Los Angeles Superior Court and the California Judicial Council. The Citation shall include the information required by California Vehicle Code § 40518, the Los Angeles Superior Court and the California Judicial Council.
- 1.5. "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:
  - 1.5.1. 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
  - 1.5.2. 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.
  - 1.5.3. 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.
- 1.6. "Designated Intersection Approaches" means the City Intersection Approaches reasonably selected by the City to be monitored with Equipment for purposes of facilitating the Program and includes the Existing Approaches, Discontinued Approaches, and New Approaches as further described on Exhibit A.
- 1.7. "Electronic Signature" means the method through which the Authorized Officer indicates his or her approval of the issuance of a Citation in respect to an Incident, using the Redflex System.
- 1.8. "Enforcement Documentation" means the necessary and appropriate documentation related to the Program, including but not limited to warning letters, where applicable, Citations (using the specifications of the Superior Court, the Judicial Council and the City), a numbering sequence for use on all Citations (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 coordinating with the applicable vehicle registry), and technical support documentation for applicable court and judicial officers.
- 1.9. **"Equipment"** means any and all approach cameras, sensors, radar detection equipment, components, products, software and other tangible and intangible property relating to the Program, including any installed Upgrades.
  - 1.10. **"Fine"** means a monetary sum assessed for each Citation, including but not limited to bail forfeitures, but excluding suspended fines.
  - 1.11. **"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.
  - 1.12. **"Incident"** means a motor vehicle passing through a Designated Intersection Approach after the amber signal has turned to red, captured through and by 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 the Authorized Officer reviewing such data and determining whether a traffic Violation has occurred.
  - 1.13. **"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.
  - 1.14. **"Intersection Approach"** means a conduit of travel with up to six (6) contiguous lanes from the curb (e.g., northbound, southbound, eastbound or westbound) on which Equipment has been installed by Redflex for the purposes of facilitating the Program.
  - 1.15. **"Person"** means a natural individual, company, Governmental Authority, partnership, firm, corporation, legal entity or other business association,
  - 1.16. **"Project Manager"** means the project manager appointed by the City in accordance with this Agreement, who shall be responsible for overseeing the installation of the Upgrades, and any new Equipment at New Approaches approved by the City Council, if any, and the ongoing management and operation of the Program, and who has the ability to make or obtain management decisions relating to the City's obligations pursuant to this Agreement, including but not limited to change order authorizations, subject to any limitations set forth in the City's Charter, Municipal Code or other organizational documents of the City or by the City Council or other governing body of the City.
  - 1.17. **"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.
  - 1.18. **"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 the Program 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.
  - 1.19. **"Redflex Project Manager"** means the project manager appointed by Redflex in accordance

with this Agreement, who shall be responsible for overseeing the construction and installation of the Upgrades, and any new Equipment at New Approaches approved by City Council, if any, and the ongoing Redflex services to the City pursuant to this Agreement, and who shall have the power and authority to make day-to-day management decisions relating to Redflex's obligations pursuant to this Agreement; provided, however, the Redflex Project Manager does not have authority to authorize change orders without additional Redflex approvals.

- 1.20. "Redflex System" means, collectively, the Salus® System, SMARTcam® System, the SMARTscene® System, REDFLEXred® System, SMARTops® System, Alcyon® System, Halo Camera System, REDFLEXradar® System and all of the other equipment, applications, software, hardware, back office processes, servers, off-site backup systems, cameras, sensors, components, motor vehicles and other tangible and intangible property relating thereto, to enable the City to enforce a minimum of one lane of travel at a designated location. The Redflex System shall be capable of processing Incidents for all red light running Violations at any given threshold set by the City.
- 1.21. "Violation Criteria" means the standards and criteria by which Incidents will be evaluated by Authorized Officers of the CCPD, which standards and criteria shall include, but are not limited to, the City's Uniform Guidelines, the duration of time after a traffic light turns red prior to an Incident being detected, and the position of a motor vehicle within an intersection where the cameras will take a photograph, all of which shall be in compliance with all applicable laws, rules and regulations of Governmental Authorities. After initial installations of the Upgrades, if the criteria changes for a violation of California Vehicle Code § 21453 or § 22101, or any related California statute, and such changes would require additional modification to the System or its detection Equipment in order for the Program to comply with those changes, then any costs incurred as a result are the responsibility of the City.
- 1.22. "Records Retention" means the period of time that the City requires Redflex to retain confidential information in compliance with all laws, including photographic evidence and data associated with the Program.
- 1.23. "REDFLEXradar®" means the detection and tracking system of Redflex relating to the Program.
- 1.24. "REDFLEXred® System" or "Halo Camera System" means the proprietary digital red light photo enforcement system of Redflex.
- 1.25. "Salus® System" means the proprietary software that controls the systems of Redflex relating to automated enforcement.
- 1.26. "SMARTcam® System" means the proprietary software system that controls the systems of Redflex relating to automated enforcement.
- 1.27. "SMARTops® System" and "Alcyon® System" means the proprietary back-office processes of Redflex relating to automated enforcement.
- 1.28. "SMARTscene® System" means the proprietary digital video camera unit, hardware and software required for providing supplemental violation data relating to the Program.
- 1.29. "Traffic Signal Controller Boxes" means the signal controller interface and vehicle detection owned and operated by the City. This includes, but not limited to, the City's traffic controller, City's vehicle detection equipment, City's communication equipment, City's controller cabinet, etc.
- 1.30. "Upgrade" means the technological improvements, as expressly outlined in this Agreement, to the Equipment installed at the Existing Approaches, or Discontinued Approaches if applicable. Such technological improvements include new rear Halo Camera Systems with 45MP cameras and LED flash integrated with the City's existing front camera systems, high definition streaming video, Alcyon® back office software and mutually agreed upon alternative solutions..
- 1.31. "Violation" means any traffic violation authorized in the California Vehicle Code for automated enforcement, including but not limited to violations of Vehicle Code §§ 21453 and 22101(d).

- 1.32. "Violations Data" means the images and other data gathered by the Redflex System at the Designated Intersection Approaches.
- 1.33. "Warning Period" means a period after the Installation Date of any New Approach, or reactivation of a Discontinued Approach, wherein only warning notices shall be issued for a minimum of 30 days, commencing within 3 days after the system has been installed.

2. **TERM.**

- 2.1. The term of this Agreement is for a period commencing as of the Effective Date of this Agreement and continuing for a period of three (3) calendar years from August 29, 2019 (the "Initial Term"), unless terminated earlier as set forth herein. Thereafter, the City, at the discretion of the Police Chief and City Manager, shall have the option to extend the Initial Term of this Agreement for up to two (2) additional consecutive one (1) calendar year time periods (each a "Renewal Term") following the expiration of the Initial Term which will run successively. The Initial Term together with each exercised Renewal Term is herein called the "Term." Each Renewal Term shall be exercised by the City providing written notice of the City's desire to extend to Redflex, 60 days prior to the expiration of the Initial Term or the applicable Renewal Term.
- 2.2. The Parties agree that the Exclusive Agreement Between the City of Culver City, California and Redflex Traffic Systems, Inc. for Automated Enforcement (Red Light) Program dated August 29, 2014, together with any amendments thereto ("2014 Agreement"), shall terminate upon the Effective Date of this Agreement without any further notice or obligation of either Party. Notwithstanding, all Incidents captured by the Redflex System pursuant to the 2014 Agreement, including the Enforcement Documentation related thereto, shall be processed according to the terms and conditions of this Agreement.

3. **SERVICES.** Redflex shall provide services and Equipment to the City in accordance with the terms and provisions set forth in this Agreement.

- 3.1. **INSTALLATION.** With respect to the installation of the Upgrades, or the construction and installation of Equipment at any New Approaches reasonably selected by the City and the installation of the Redflex System at such New 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 all 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 Term, Incidents and 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 will be accessible by Authorized Officers through a secure and encrypted connection by use of a confidential user account on a computer equipped with a high-speed Internet connection and an approved web browser.
  - 3.3.4. Redflex shall provide the Authorized Officers with access to the Redflex System for the purposes of reviewing the pre-processed Violations Data within four (4) days of the gathering of the Violation Data from the applicable Designated Intersection Approaches.
  - 3.3.5. The Issuance Rate for each Designated Intersection Approach shall meet or exceed eighty percent (80%) for each month during the Operational Period. Issuance Rate is defined for the purpose of this Agreement as the percentage reflecting the number of Incidents available for prosecution minus the Incidents rejected by CCPD for controllable factors, as reflected on the Approved

Violations line of the Customer Management Report. Each Designated Intersection Approach will be evaluated for performance on a monthly basis. If the monthly Issuance Rate for a Designated Intersection Approach remains under 80 percent (80%) for three (3) consecutive months, the City may consider it a material breach under paragraph 6.1 of this Agreement. For the purposes of this section "controllable factors" shall mean those factors causing an Incident to be rejected by CCPD for reasons within Redflex's reasonable control.

- 3.3.6. The Authorized Officers shall review the Violations Data via a secure website and determine whether a citation shall be issued with respect to each Incident 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. REDFLEX HEREBY ACKNOWLEDGES AND AGREES THAT THE DECISION TO ISSUE A CITATION SHALL BE THE SOLE, UNILATERAL, AND EXCLUSIVE DECISION OF THE CCPD 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.
- 3.3.7. With respect to each Authorized Violation, Redflex's Culver City Office shall print and mail a Citation within eleven (11) days after the violation date, assuming Redflex has received authorization of the Violation, to the current address of the registered owner of the vehicle on file with the Department of Motor Vehicles ("DMV"), with a Certificate of Mailing obtained as evidence of service; provided, however, during any applicable Warning Period for new Designated Intersection Approaches, warning violation notices shall be issued in respect to all Authorized Violations;
- 3.3.8. The separate United States Post Office Certificate of Mailing form shall be obtained and included in all court packages processed by the Redflex Culver City Office for the City;
- 3.3.9. Redflex shall provide a toll-free telephone number with an intelligent voice response system for the purposes of answering citizen inquiries.
- 3.3.10. Redflex shall provide a website that provides the ability for alleged violators to review Citations and color photographs while ensuring confidentiality, general information for the alleged violators regarding the Redflex System, and information regarding the status of the alleged violator's specific Citation. The alleged violator must have the ability to view the Citation, the photographs and video of the Violation on the website 24 hours a day, 7 days a week (California Vehicle Code § 21455.5(1)). The website shall also provide alleged violators with a link to the Los Angeles County Superior Court website to make online payments of the Fine associated with their Citations.
- 3.3.11. Redflex shall provide access to the Authorized Officers to generate reports using the Redflex Standard Report System.
- 3.3.12. Upon Redflex's receipt of a request from the City and in addition to the Standard Reports, Redflex shall provide, without cost to the City, reports regarding the processing and Authorized Officer's 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 mutually agreed upon.
- 3.3.13. During the six (6) month period following the Implementation Period (Defined on Exhibit B) and upon Redflex's receipt of a written request from the City at least fourteen (14) calendar days in advance of court proceeding, Redflex shall provide expert witnesses for use by the City in prosecuting Violations. After the six (6) month period, Redflex shall provide expert witnesses on a reasonable

basis upon written request from the City at least fourteen (14) calendar days in advance of court proceeding.

- 3.3.14. During the Implementation Period, Redflex shall provide such training to City 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 Equipment.
- 3.3.15. The registered owner of the motor vehicle captured in the Designated Intersection Approach during an Incident shall have the ability to nominate another driver by completing and returning the Affidavit of Non-Liability included with the Notice to Appear (California Vehicle Code § 40520(a)). Redflex must receive the Affidavit of Non-Liability, process and update the information, and send it, via the secure website, to the Authorized Officers for approval of the new Citation. If an incomplete Affidavit of Non-Liability is received, the form shall be forwarded to the Authorized Officers for further research. Once the new Citation is approved, the original Citation shall be dismissed by the City.
- 3.3.16. Citations returned to Redflex with a forwarding address shall be re-addressed and mailed to the new address by Redflex. The citation shall not be altered or amended. Returned readdressed mail shall be sent to CCPD for further research.
- 3.3.17. Redflex shall block all images of passengers in violation photographs printed on the Citations. However, images of passengers shall be made available to view by members of CCPD.
- 3.3.18. Redflex shall submit all required reports electronically to the Superior Court within five (5) business days after mailing each signed Citation.
- 3.3.19. Redflex shall comply with California Vehicle Code § 21455.5(h)(3)(i), requiring the submission of annual reports to the California Judicial Council.
- 3.4. RECORDS RETENTION. Redflex shall retain confidential information to include photographic evidence and data associated with the City's Program consistent with the laws of the State of California. Redflex shall retain confidential photographic records made by the automated enforcement system and confidential information obtained from DMV for administration or enforcement up to six (6) months from the date the information was first obtained, or until final disposition of the Citation, whichever date is later, after which time the information shall be destroyed in a manner that will preserve the confidentiality of any person included in the record or information (California Vehicle Code § 21455.5(e)(3)). Redflex shall retain records documenting the issuance of citations for traffic signal violations exclusive of confidential records and information per California Vehicle Code § 21455.5(e)(3) for two years or final disposition of citation, whichever is longer, per Government Code § 34090.
- 3.5. DISCOVERY/PUBLIC RECORDS REQUESTS. Redflex shall coordinate and cooperate with CCPD and the City Attorney/City Prosecutor on any and all discovery and/or public records requests pursuant to Penal Code §§ 1054 and 1054.1, and Government Code § 6250 *et seq.*, as well as all other applicable laws related to such requests.
- 3.6. REPORTS AND STATISTICS PACKAGES. Redflex shall provide the City with the reports and statistics as mutually agreed upon.
- 3.7. MONTHLY MEETING. The City may schedule monthly (or as needed) meetings at a City facility to exchange information on administration of the Program and discuss Redflex's performance. These meetings shall be scheduled at the City's request any time during the Term of the Agreement.
- 3.8. COMPENSATION. Redflex shall have the right to receive, and the City shall be obligated to pay, the compensation set forth on Exhibit D attached hereto.
- 3.9. TAXES. Where required by state or local statute, ordinance or regulation, Redflex shall pay for and maintain in current status all taxes that are necessary for its performance under this Agreement. Unless otherwise indicated, City agrees to pay any applicable

taxes, including but not limited to use, property or sales taxes required at the municipal, county, state or any other taxing authority level on all applicable consumer services and materials purchased and/or leased. No charge by the City shall be made for federal excise taxes and City agrees to furnish Redflex with an exemption certificate where appropriate for any applicable sales and/or use taxes. For the avoidance of doubt, it is the Parties' intent that this Agreement does not alter the tax liability of either Party under the applicable law.

- 3.10. 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.
- 3.11. 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 cost, if any (the "Change Order Proposal"). The 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 the "Dispute Resolution" provision of this Agreement.
- 3.12. ROAD REPAIRS AND CONSTRUCTION PROJECTS. The Fixed Monthly Fee per Designated Intersection Approach shall be reduced by thirty-seven percent (37%) for any Designated Intersection Approach during the period of time that specific Designated Intersection Approach is inoperable as a result of any City-authorized road repairs, street improvements or stop work order that interrupts, impedes, obstructs or interferes with the successful performance of the installed camera(s) for a period of fourteen (14) or more calendar days within a calendar month. For the avoidance of doubt, the fee reduction set forth in this Section shall only apply to the affected Designated Intersection Approach, and the full Fixed Monthly Fee shall continue for all other Designated Intersection Approaches.
- 3.13. PROHIBITED INTERESTS.
- 3.13.1. Redflex warrants that it has not employed or retained any company or person, other than a bonafide employee working solely for Redflex, to solicit or secure this contract, and that it has not paid or agreed to pay any company or person, other than a bonafide employee working solely for Redflex, any fee, percentage, brokerage fee, gifts or any other consideration, contingent upon or resulting from the award or making of this contract. For violation of this warranty, the City shall have the right to annul this Agreement without liability.
- 3.13.2. Redflex agrees that, for the Term of this Agreement, no member, officer, or employee of the City, or of a local public body during his/her employment for one (1) year thereafter, shall have any interest, direct or indirect, in this Agreement, or to any benefit arising thereof;



3.13.3. The employment by Redflex of personnel currently on the City's payroll will not be permitted in the execution of this contract, even though such employment may be outside of the employee's regular working hours or on Saturdays, holidays, or vacation time. Furthermore, the employment by Redflex of personnel who have been on the City's payroll within one (1) year prior to the date of contract award, where such employment is caused by and/or dependent upon Redflex securing this or related contract with the City, is also prohibited.

3.14 ANTI-LOBBYING PROVISION.

3.14.1. Redflex represents that it and its agents and representatives did not directly discuss or promote its proposal with any member of the City of Culver City Council or City staff except in the course of City-Sponsored inquiries, briefings, interviews, or presentations, unless requested by the City, during the period between the proposal submission date and the publishing of the staff report and award recommendation.

**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, access and use the Redflex System for the sole purpose of reviewing Incidents 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) that Redflex is providing services to the City in connection with the City's 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 Program, so long as any and all such use of Redflex Marks are approved in advance by Redflex.

4.2. RESERVATION OF RIGHTS. The City 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 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 the 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 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 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 System, the Redflex Program, 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. INFRINGEMENT. The City 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, the City 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 City for any reasonable costs, including any attorneys' fees, incurred in providing such cooperation and assistance.

4.6. 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 including any attorneys' fees 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.

4.7. UNAUTHORIZED REFERENCES TO REDFLEX. City shall not utilize, make use of and/or make any reference to Redflex, its name or likeness, its affiliated, parent or subsidiary companies or corporations, its logos, insignias, trademarks, trade names, brand, websites, property, assets, products or services, including, but not limited to, the "SMARTcam® System", "Salus® System", "REDFLEXred® System", "REDFLEXspeed® System", "REDFLEXrail® System", "REDFLEXstop® System", "REDFLEXslimline® System", "REDFLEXradar® System", "SMARTops® System", "Alcyon® System", "SMARTscene® System", "PLATESCAN® System", Halo Camera System and/or any and all combinations, variants and derivatives thereof, in, on or about, City marketing, publicity, media, public relations, advertising, education or training materials, information, data, papers and/or documents, for any reason or purpose, whatsoever, except as required by law, including but not limited to in court proceedings and responses to discovery requests and/or Public Records requests, without the prior written approval of Redflex which may be withheld, denied, delayed, rejected and/or refused, by Redflex in its sole, absolute and unilateral discretion.

## 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 EXPRESSLY 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 SOFTWARE OR WITH RESPECT TO THE RESULTS OF THE PROGRAM. THE CUSTOMER ACKNOWLEDGES THAT AT TIMES THE REDFLEX SYSTEM MAY MALFUNCTION OR OTHERWISE NOT OPERATE AS ANTICIPATED. 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 by written notice to the other if (i) state statutes are amended to prohibit or substantially change the operation of the Program; (ii) the highest appellate court for the State of California rules that the Citations from the Program are inadmissible in evidence; (iii) the other party commits any material breach of any of the provisions of this Agreement.

6.1.1. The City shall have the right to terminate this Agreement by written notice to Redflex if Redflex is indicted, or a criminal complaint is filed, for a felony or misdemeanor in connection with any of its business related conduct; or if Redflex is found by a court of competent jurisdiction to have engaged in conduct involving the City in material violation of any laws or regulations governing or relating to Redflex's business practices; provided, that at the time of this Agreement the City was not on notice of the Redflex conduct.

6.1.2. Either party shall have the right to remedy or cure the cause for termination or breach within forty-five (45) calendar days (or within such other time period as the City and Redflex shall mutually agree, which agreement shall not be unreasonably withheld or delayed) after written notice from the appropriate party setting forth in reasonable detail the events of the cause for termination or breach. Termination of this Agreement shall not be enforceable or effective unless the terminating party mails written notice of termination to the non-terminating party not less than forty-five (45) calendar days prior to the Agreement termination date and provides to the non-terminating party the opportunity to remedy or cure the cause of the termination or breach within the forty-five (45) calendar day time period provided herein.

6.2. TERMINATION FOR CONVENIENCE. The City reserves the right to terminate this Agreement without cause with thirty (30) days' written notice. If the City exercises its right to terminate this Agreement in accordance with this paragraph, the City shall be obligated to pay Redflex for all services satisfactorily performed in accordance with this Agreement, through and including the initial termination date, but not to exceed the payment according to the rates specified in Exhibit D; The City shall pay Redflex the amount of Equitable Cost Recovery, if any, as set forth in Exhibit D, or pay the remaining monthly payments under this Agreement, whichever is less.

6.3. RIGHTS AND REMEDIES. In collection with any breach and/or termination of this Agreement, the Parties shall have and hereby reserve, in full, all rights and remedies available in law and/or in equity. The rights to terminate this Agreement as stated in Section 6.1 shall be without prejudice to any other right or remedy of either party with respect to the breach concerned (if any) or any other breach of this Agreement.

6.4. 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 6.5, upon the termination of this Agreement, all of the provisions of this

Agreement shall terminate and:

- 6.4.1. 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 Program; (ii) promptly deliver to the City any and all Proprietary Property of the City provided to Redflex pursuant to this Agreement; (iii) promptly deliver to the City a final report to the City regarding the collection of data and the issuance of Citations in such format and for such periods as the City 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 City a final invoice stating all fees and charges properly owed by City to Redflex for work performed prior to the termination; and, (v) provide such assistance as the City may reasonably request from time to time in connection with prosecuting and enforcing Citations issued prior to the termination of this Agreement. Prior to termination, at the City's request, Redflex will work with the City to transfer any data the City wishes conveyed at the time of termination. Redflex will transfer the data and relevant information to the City by a mutually agreed upon method. The City will assume the burden for all costs associated with this task including but not limited to administrative, storage media, storage media authoring devices, and internet bandwidth used for transferring data.
  - 6.4.2. The City shall (i) immediately cease using the system, 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 City pursuant to this Agreement; and (iii) promptly pay any and all fees, charges and amounts properly owed by City to Redflex for work performed prior to the termination.
  - 6.4.3. Unless the City and Redflex have agreed otherwise, Redflex shall remove any and all above-ground Equipment 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 grade; provided, however, that Redflex's financial obligation under this provision shall not exceed \$5,000 in the aggregate for any intersection regardless of the number of Intersection Approaches per intersection.
  - 6.5. SURVIVAL. Notwithstanding the foregoing, the definitions and each of the following shall survive the termination of this Agreement: (i) Sections 4.2 (Reservation of Rights), 5.1 (Redflex Representations and Warranties), 5.2 (City Representations and Warranties), 5.3 (Limited Warranties), 7 (Confidentiality), 8 (Indemnification and Liability), 9 (Notices), 10 (Dispute Resolution), 11.1 (Assignment), 11.15 (Injunctive Relief; Specific Performance), 11.16 (Applicable Law)), 11.17 (Jurisdiction and Venue) and 11.18 (Attorney's Fees) and (ii) 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.
- 7.1. During the Term of this Agreement and for a period of three (3) years thereafter, neither party shall disclose to any third person, or use for itself in any way for pecuniary gain, any Confidential Information learned from the other party during the course of the negotiations for this Agreement or during the Term of this Agreement. Upon termination of this Agreement, each party shall return to the other all tangible Confidential Information of such party. Each party shall retain in confidence and not disclose to any third party any Confidential Information without the other party's express written consent, except (a) to its employees who are reasonably required to have the Confidential Information, (b) to its agents, representatives, attorneys and other professional advisors that have a need to know such Confidential Information, provided that such parties undertake in writing (or are

otherwise bound by rules of professional conduct) to keep such information strictly confidential, and (c) pursuant to, and to the extent of, a request or order by any Governmental Authority, including laws relating to public records and subpoenas.

- 7.2. Redflex acknowledges that the City is a governmental agency and may be required to retain records, and to release certain information under requests made according to provisions of the California Public Records Act. In the event City receives a request for public records related to Confidential Information, City shall immediately notify Redflex so that Redflex may, at its sole expense, take any and all measures necessary to prevent or limit the disclosure of Redflex's Confidential Information. Nothing in this section shall be construed to prevent City from complying with disclosure requirements imposed by the California Public Records Act, California Government Code § 6250 *et seq*, including applicable time limits for responding to record requests. Redflex agrees to indemnify, defend and hold harmless the City from any and all losses and attorney's fees that may be incurred by the City arising out of any and all efforts to limit or prevent disclosure of Redflex's Confidential information.

8. INDEMNIFICATION AND LIABILITY.

- 8.1. Indemnification by Redflex. Subject to Section 8.2, Redflex hereby agrees to defend and indemnify the City of Culver City, its elected and appointed officials, 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, or (b) the negligence or willful misconduct of Redflex, its employees or agents which result in death or personal 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 or sole negligence of any City Party.
- 8.2. 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.

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.  
Attention: Legal Department  
5651 W. Talavi Blvd., Suite 200  
Glendale, Arizona 85306  
Facsimile: (623) 207-2050  
E-mail: legaldepartment@redflex.com

9.2. Notices to the City:

Culver City Police Department  
4040 Duquesne Avenue  
Culver City, CA 90232  
Attention: Chief of Police  
Facsimile: (310) 253-6127  
E-mail: chief.police@culvercity.org

Copy to:

City of Culver City  
9770 Culver Boulevard  
Culver City, CA 90232  
Attention: City Attorney  
Facsimile: (310) 253-5664  
E-mail city.attorney@culvercity.org

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 designate an individual or individuals whose task it shall be to meet for the purpose of attempting to resolve such Dispute. The designated persons shall meet as often as the parties shall deem to be reasonably necessary. Such persons 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 mediation prior to any court action.

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.

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. 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, including but not limited to earthquakes, typhoons, flash flooding, etc. The party whose performance is affected agrees to notify the other promptly of the existence and nature of any delay.
- 11.4. 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.
- 11.5. 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.
- 11.6. 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.
- 11.7. 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.
- 11.8. 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.
- 11.9. 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.
- 11.10. 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.
- 11.11. 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.
- 11.12. 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.
- 11.13. 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.
- 11.14. 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.
- 11.15. 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.
- 11.16. APPLICABLE LAW. This Agreement shall be governed only by and construed, in all respects, solely in accordance with the laws of the State of California.
- 11.17. JURISDICTION AND VENUE. Any conflict, claim or dispute between Redflex and the City affecting, arising out of or relating to the subject matter of this Agreement shall be filed in the Superior Court of Los Angeles County or the United States District Court for the Central District of California.
- 11.18. ATTORNEYS' FEES. In the event any legal action is commenced to enforce or interpret this Agreement, the prevailing party is entitled to reasonable attorney's fees, costs, and expenses incurred.
- 11.19. TIME FOR PERFORMANCE. Time is of the essence in the performance of the services and obligations under this Agreement and the timing requirements set forth herein shall be strictly adhered to unless otherwise modified in writing in accordance with this Agreement.
- 11.20. CONFLICTS OF INTEREST PROHIBITED. Redflex (including its employees, agents, and subcontractors) shall not maintain or acquire any direct or indirect interest that conflicts with the performance of this Agreement. Redflex shall comply with all requirements of the Political Reform Act (California Government Code Sections 81000, et seq.) and other laws relating to conflicts of interest, including: (a) Redflex shall not make or participate in a decision made by the City if it is reasonably foreseeable that the decision may have a material effect on Redflex's economic interest, and (b) if required by law, Redflex shall file financial disclosure forms with the City Clerk If Redflex maintains or acquires a conflicting interest, any contract with the City (including this Agreement) involving Contractor's conflicting interest may be terminated by the City.
- 11.21. NONDISCRIMINATION. Redflex shall not discriminate against any person related to the performance under this Agreement (including any employee or applicant) because of age, race, color, religious creed, national origin, immigration status, physical disability, mental disability, medical condition, marital status, gender expression, gender identification, sexual orientation, or sex.

[SIGNATURES TO FOLLOW ON NEXT PAGE]



IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

The "City":

"Redflex":

**CITY OF CULVER CITY, CALIFORNIA**

**REDFLEX TRAFFIC SYSTEMS, INC.**



\_\_\_\_\_  
John Nachbar  
City Manager



\_\_\_\_\_  
Mark Talbot  
President

**Approved as to Content:**



\_\_\_\_\_  
Scott Bixby  
Chief of Police

**Approved as to Form:**



\_\_\_\_\_  
Carol Schwab  
City Attorney

EXHIBIT "A"  
Designated Intersection Approaches

The Agreement is for the following Designated Intersection Approaches:

1. **Existing Approaches.** As of the Effective Date, the Designated Intersection Approaches set forth in the table below have been installed and are operational for the purposes of the Program ("Existing Approaches"). Redflex will Upgrade these Existing Designated Intersection approaches as set forth in Exhibit B.

Redflex Identifier	Location
CC-CEWA-01	Centinela Ave. & Washington Place (NB)
CC-CIWA-01	La Cienega Blvd. & Washington Blvd. (NB)
CC-JECO-01	Jefferson Blvd. & Cota St. (WB)
CC-JEDU-01	Jefferson Blvd. & Duquesne Ave. (WB)
CC-JEDU-03	Jefferson Blvd. & Duquesne Ave. (EB)
CC-JEOV-03	Jefferson Blvd. & Overland Ave. (NB)
CC-NAWA-01	National Blvd. & W. Washington Blvd. (SB)
CC-NAWA-03	National Blvd. & W. Washington Blvd. (NB)
CC-OVWA-01	Overland Ave. & W. Washington Blvd. (SB)
CC-OVWA-03	Overland Ave. & W. Washington Blvd. (NB)
CC-SEGV-01	Sepulveda Blvd. & Green Valley Cir. (SB)
CC-SEGV-03	Sepulveda Blvd. & Green Valley Cir. (NB)
CC-SESL-01	Sepulveda Blvd. & Slauson Ave. (NB)
CC-SESL-03	Sepulveda Blvd. & Slauson Ave. (SB)
CC-SEWA-01	Sepulveda Blvd. & W. Washington Blvd. (SB)
CC-SEWA-03	Sepulveda Blvd. & W. Washington Blvd. (NB)
CC-SLBU-01	Slauson Ave. & Buckingham Pkwy (WB)
CC-SLBU-03	Slauson Ave. & Buckingham Pkwy (EB)
CC-WABE-01	W. Washington Blvd. & Beethoven St. (WB)
CC-WABE-03	W. Washington Blvd. & Beethoven St. (EB)

2. **Discontinued Approaches.** As of the Effective Date, the Designated Intersection Approaches set forth in the table below have been installed but are not operational for the purposes of the Program ("Discontinued Approaches"). If the City decides to activate these Discontinued Approaches, Redflex will, subject to the general parameters included in Exhibit B, Upgrade these Discontinued approaches according to a plan mutually agreed to between the Parties. Upon reactivation, a Discontinued Approach shall be considered an Existing Approach.

Redflex Identifier	Location
CC-WACE-01	Washington Place & Centinela Ave. (EB)
CC-WAHE-01	Washington Blvd. & Helms Ave. (EB)
CC-WAHE-03	Washington Blvd. & Helms Ave. (WB)

3. **New Approaches.** Any new Designated Intersection Approaches approved by the City Council and installed after the Effective Date (“New Approaches”), will be based on the City's guidelines in compliance with the Vehicle Code and, subject to the general parameters included in Exhibit B, shall be installed according to a plan to be mutually agreed to between the Parties.

## EXHIBIT "B"

### Construction and Installation Obligations

#### 1. Installation of the Upgrades:

During the period of time commencing on the Effective Date of this Agreement and ending four (4) months thereafter ("Implementation Period"), Redflex will use commercially reasonable efforts to complete the Upgrades. Within (10) days of the Effective Date, Redflex and City will meet to finalize the implementation plan ("Implementation Plan"). The City agrees that the estimated timeframes for performing the Upgrades are subject to conditions beyond Redflex's control and are not guaranteed.

In order to provide the City with timely completion of the Upgrades as set forth in the Implementation Plan, the City agrees to assist Redflex with obtaining timely approval of any needed City permit.

#### 2. General Installation Guidelines. The following general guidelines shall apply to the installation of Upgrades and the installation of the Equipment at New Approaches, as applicable:

##### 2.1. REDFLEX OBLIGATIONS. Redflex shall do, or cause to be done, the following, if applicable (in each case, unless otherwise stated below, at Redflex's sole expense):

- 2.1.1. Appoint the Redflex Project Manager and a project implementation team;
- 2.1.2. If needed, request current "as-built" electronic engineering drawings for the existing Designated Intersection Approaches (the "Drawings") from the City traffic engineer;
- 2.1.3. Conduct a site review for the Designated Intersection Approaches;
- 2.1.4. 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;
- 2.1.5. Seek approval from the City or other 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;
- 2.1.6. If required, Redflex shall apply for an encroachment permit with the respective surrounding agencies (City, County and/or State) for, and prior to, installing any equipment or hardware within the right-of-way, modifying any City, County or State owned facility, or performing any sidewalk, shoulder or lane closure. All equipment, such as pole type, foundation, pull boxes, conduit and wiring, shall be designed and constructed per the respective agency's standard specifications and standard details;
- 2.1.7. All Construction Design Plans shall be prepared by a California Registered Civil or Electrical Engineer, and shall be subject to the City's plan check, permitting, and inspection procedures;
- 2.1.8. All As-Built plans shall be prepared and approved by a California Registered Civil or Electrical Engineer for all intersections. It shall be the Redflex's responsibility to ensure that each As-Built plan for each intersection is properly prepared and maintained to accurately reflect any and all subsequent modifications, Upgrades or adjustments;
- 2.1.9. Up to date As-Built plans shall be maintained at both Redflex's office and at the office of the California Department of Transportation, if required by law;
- 2.1.10. Finalize the acquisition of the Approvals;
- 2.1.11. Apply for and pay the business tax certificate fee and any other applicable fees

- for a business tax certificate, in accordance with Culver City Municipal Code;
- 2.1.12. Abide by the requirements of the Immigration Reform and Control Act and the Immigration and Nationality Act pertaining to assuring that all newly-hired employees of Redflex performing any services under this Agreement have a legal right to work in the United States of America, that all required documentation of such right to work is inspected, and that INS Form I-9 and Employment Eligibility Verification Form (I-9) (as they may be amended from time to time) are completed and on file for each employee. Contractor shall make the required documentation available upon request to City for inspection;
  - 2.1.13. Assist the City in developing a public awareness strategy, which may include media and educational materials, including, but not limited to, collateral material available for use in press releases, brochures, public service announcements;
  - 2.1.14. Work with the City to ensure that the Violation Criteria is in accordance with the City's Uniform Guidelines;
  - 2.1.15. Complete the installation and testing of all necessary Equipment, including hardware and software, at the Designated Intersection Approaches;
  - 2.1.16. 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;
  - 2.1.17. Test the functionality of the Designated Intersection Approaches and the Upgrades with the Redflex System;
  - 2.1.18. Implement the use of the Redflex System at each of the Designated Intersection Approaches;
  - 2.1.19. Provide training for up to ten (10) personnel of the City, including but not limited to the Authorized Officers and other persons involved in the administration of the Program with respect to the Redflex System and its operations;
  - 2.1.20. Continue to interact with court and judicial personnel to address issues regarding the Redflex System, the subpoena processing timeline that will permit the offering of Violations Data in court and judicial proceedings, and coordination between Redflex, and the City;
  - 2.1.21. The Redflex Project Manager (or a reasonable alternate) shall be available to the Authorized Officers or other City staff each day, on a reasonable best efforts basis;
  - 2.1.22. Redflex shall provide access to the Authorized Officers to view Incidents and Violations Data via a secure website. The website shall be compliant with current generations and future projected generations of Microsoft Windows Internet Explorer, Apple Safari, Google Chrome, or Mozilla Firefox web browsers and related operating systems. The website will be compliant with current generation and, if requested, future projected generations of mobile/handheld devices, including, but not limited to, Apple iPads, Google Android and other similar devices;
  - 2.1.23. Redflex shall have the capability to record and download streaming video, which the City can access 24 hours a day, 7 days a week from a custom portal. The video is typically available for up to thirty (30) days;
  - 2.1.24. Redflex will continue to work with the Los Angeles County Superior Court regarding all computer hardware and software system components required to process the Citations. Redflex shall be responsible for all costs required to provide such system, including but not limited to the procurement of the system, internet connection fees, and fees imposed by the Superior Court;
  - 2.1.25. The Redflex System shall have the following technical capabilities: 24 MP or higher cameras unless another solution is mutually agreed upon, HD video, and 3D HD Radar detection, and mutually agreed upon alternative solutions. Such agreement shall not be unreasonably withheld by either party;
  - 2.1.26. Redflex shall obtain access to the DMV database to provide information regarding

the registered vehicle owner and possible matches of Driver's Licenses for comparison to vehicle owner. Confidential information obtained from DMV shall be held confidential, and may not be used for any other purpose (California Vehicle Code § 21455.5(e)(2)). Redflex shall make best efforts to obtain California Driver's License information and dates of birth of the driver, per court requirements, through alternative resources if necessary.

- 2.1.27. The color image sets produced by the Redflex System shall include the following information:
    - 2.1.27.1. Sequential numbering of events;
    - 2.1.27.2. Data information gathered at the same time as the photo and video;
    - 2.1.27.3. Location information;
    - 2.1.27.4. The day, month and year of the Incident;
    - 2.1.27.5. The time of the Incident in hours, minutes and seconds;
    - 2.1.27.6. The amount of time that the traffic signal had been red and the elapsed time since the light turned red, measurable in hundredths of a second (to be displayed in a series of images);
    - 2.1.27.7. Imprint of all the data information along the top edge of the image (such data shall not obstruct the violation image); and
    - 2.1.27.8. The system shall not round times up or down, but shall truncate to the hundredths of a second;
  - 2.1.28. From point of data capture, all photos and accompanying video sequences shall be capable of secure storage and transmission. Redflex shall maintain a secure chain of evidence that have been accepted as reliable and credible in California courts;
  - 2.1.29. At the City's request, Redflex shall ship one (1) set of colored copy court evidence packages within 5 days of request to the City. The court evidence package shall consist of all photographic and video evidence of the citation. Redflex will provide all media storage devices for said evidence. Redflex's obligation to send court evidence packages to the City or applicable court shall cease at the termination of this Agreement;
  - 2.1.30. Camera enclosures shall be tamperproof and waterproof to ensure 100% clear images. Camera enclosures shall be as small as possible and use as little power as possible. Self-contained systems not requiring a separate roadside enclosure are preferred. Camera enclosures shall be designed in such a fashion that maintenance, and other operations can be accomplished easily and quickly without creating a public safety hazard; and
  - 2.1.31. Redflex shall utilize existing structures and install minimally obtrusive new poles to minimize impacts to curbside and landscapes. Redflex shall make use of existing infrastructure where feasible and limit the extent of digging/trenching and/or construction.
- 2.2. 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):
- 2.2.1. Appoint a Project Manager;
  - 2.2.2. Assist Redflex in obtaining the Drawings from the relevant Governmental Authorities;
  - 2.2.3. Notify Redflex of any specific requirements relating to the construction and installation of any Intersection Approaches or the implementation of the Program;
  - 2.2.4. Provide ongoing 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;
  - 2.2.5. Assist Redflex in seeking the Approvals;
  - 2.2.6. 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;
  - 2.2.7. 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;
- 2.2.8. Seek approval or amendment of any Public 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 any Public Awareness Strategy, as agreed to between the Parties;
  - 2.2.9. Define the Violation Criteria;
  - 2.2.10. Yellow Light Timing Review: The City is responsible to ensure that the yellow or amber light phase timing at all intersections equipped with automated enforcement cameras are in compliance with the California Vehicle Code;
  - 2.2.11. Provide on-going adequate electrical power in order to operate the systems;
  - 2.2.12. The City will allow Redflex to use existing conduit space as available;
  - 2.2.13. The City shall be responsible to provide and install LED traffic signal lights (yellow and red) at all enforced locations;
  - 2.2.14. The City is responsible for all computer hardware, web browsers and high speed Internet access necessary to access the video and other data and information provided by Redflex in order to review Incidents and Violations; and
  - 2.2.15. The City is responsible for installing required signage. The City shall be solely responsible for the fabrication, installation and maintenance 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 California Vehicle Code.

## EXHIBIT "C"

### Maintenance

1. All repair and maintenance of the 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 acknowledges and agrees that it has no authority to alter or change the signal light timing and any attempt to do so shall be a material breach of this Agreement.
3. 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.
4. Redflex may assign specific personnel to provide follow up assistance to the City in the form of the HELPDESK, a designated Customer Service Representative and a Director of Accounts.
5. Redflex shall be responsible for daily verification of each site's functional status and will immediately notify the City upon detection of any camera or system malfunction. Redflex will initially respond to any camera or system malfunction within twenty-four (24) hours of detection, and the system will be fully functional within seventy-two (72) hours. In the event that a Redflex System is not fully functional within three (3) days of reporting the incident, Redflex shall credit the monthly invoice in the amount of the prorated fixed monthly fee for the downed approach for each day the approach is down, including the initial twenty-four (24) hours. In the event that any Redflex System at a Designated Intersection Approach is determined to be down or off for a period of more than two (2) cumulative days in any given month, Redflex shall credit the monthly invoice in the amount of the prorated Designated Intersection Approach fee for the downed Designated Intersection Approach for each day the Designated Intersection Approach is down, including the initial two (2) cumulative days.
6. A Redflex System shall be deemed to be down or off when the Redflex System is incapable of processing Incidents to be screened by the Authorized Officer. This does not include a Redflex System that is down or off due to power outage or other uncontrollable factors, including, but not limited to, those outlined in the Force Majeure clause.
7. Redflex must promptly make available, within 90 days of availability, to the City any and all Upgrades and technology modifications, including but not limited to software, hardware, camera systems, violation detection systems upon the produces general availability (GA release readiness and not in alpha, beta and testing phases) as Redflex and the City mutually agree, and as provided in Redflex's RFP response dated February 14, 2019. The Upgrades and enhancements must be provided to the City at no cost and installed within thirty (30) days of City's acceptance of the upgrade or enhancement.
8. In the event a camera system is knocked down, the City will secure the camera system by removing the system from the scene and storing it in a secure location. Redflex must pay the City for the cost of a City maintenance team to secure their camera system when an after-hours callout is required. Redflex is not required to reimburse the City when a City maintenance team secures a camera system during regular business hours.
9. The City shall notify Redflex as soon as possible if any camera system is knocked down or subject to vandalism.
10. Redflex will provide Quality Assurance, On-Site Maintenance and other maintenance checks on the Redflex System, including monthly preventative maintenance and repairs within the time frame outlined in Section 5 of this Exhibit C.
11. Redflex shall provide written monthly maintenance logs to the City detailing the maintenance performed on the Equipment.
12. The maintenance technician shall give 24-hour notice to the Project Manager or his/her designee via email or telephone, as agreed to by the parties, of each regular or routine maintenance check on the Equipment.



EXHIBIT "D"  
COMPENSATION & PRICING

1. **FIXED MONTHLY FEE.** Notwithstanding the termination of the 2014 Agreement as set forth in Section 2 of this Agreement, the City agrees to pay Redflex the Fixed Monthly Fee for all Designated Intersection Approaches as set forth in the 2014 Agreement, until August 28, 2019. Effective August 29, 2019, the City agrees to pay Redflex a Fixed Monthly Fee per Designated Intersection Approach in the following manner:
  - 1.1. **Pricing for Existing Approaches.** The City shall pay Redflex \$3,795 per Existing Approach per month.
  - 1.2. **Pricing for Suspended Approaches.** No Fixed Monthly Fee is payable to Redflex while the Suspended Approach remains inactive for purposes of the Program. If the City decides to activate a Suspended Approach, the re-activated Suspended Approach shall have the same pricing as an Existing Approach, \$3,795 per reactivated Suspended Approach per month.
  - 1.3. **Pricing for New Approaches.** Depending on the date notice to proceed with the installation of a New Approach is received by Redflex, the City shall pay Redflex the following fee for New Approaches:
    - 1.3.1. \$3,795 per New Approach per month if notice to proceed for a New Approach is received by Redflex before August 29, 2020.
    - 1.3.2. \$4,250 per New Approach per month if notice to proceed for a New Approach is received by Redflex on or after August 29, 2020.
2. **BUSINESS ASSUMPTIONS FOR ALL PRICING OPTIONS:**
  - 2.1. Redflex construction will be able to utilize existing conduit for installation where space is available. If it is determined that new conduit must be installed the cost of the installation of the same shall be borne by Redflex.
  - 2.2. 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.
  - 2.3. The provision of all necessary communication, broadband and telephone services to the Designated Intersection Approaches will be the sole responsibility of Redflex.
  - 2.4. The on-going provision of any and all necessary electrical power to the Designated Intersection Approaches will be the sole responsibility of the City.
  - 2.5. Roadway/Intersection improvement projects: The Fixed Monthly Fee per Designated Intersection Approach shall be reduced by thirty-seven percent (37%) during the period of time that a Designated Intersection Approach is inoperable as a result of any City-authorized road repairs, street improvements or stop work order that interrupts, impedes, obstructs or interferes with the successful performance of the installed camera for a period of fourteen (14) or more calendar days within a calendar month. For the avoidance of doubt, the fee reduction set forth in this Section shall only apply to the affected Designated Intersection Approach, and the full Fixed Monthly Fee shall continue for all other Designated Intersection Approaches.
  - 2.6. **Equitable Cost Recovery by Redflex Upon Termination For Convenience By the City:** In the event the City exercises its right to terminate this Agreement under Section 6.2,

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's 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 Upgrades and the Redflex System at each New Approach. The City shall have the right to audit the Reimbursable Costs. The City shall also have the option to pay the monthly payments remaining under the Agreement, or the Reimbursable Costs, whichever is less.

For the purpose of this Section, the cancellation fee shall be derived in accordance with the following formula:

The cancellation fee shall be derived in accordance with the following formula:

X = the number of months remaining in the Agreement

Y = the number of months of the Agreement

$X/Y$  = the percentage of remaining Agreement

Z = the Reimbursable Costs per Installed Approach  $(X/Y)*Z$  = amount to be paid as cancellation fee

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 press releases and schedules for any public launch of the Program (actual print and production costs are the responsibility of Redflex). All discussions with media outlets regarding the operation of the Program shall be approved by the City.
2. The City shall not access the Redflex System in any manner other than prescribed by law and which restricts or inhibits any other Person from using the Redflex System 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, 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.
3. The City shall maintain the confidentiality of any username, password or other process or device for accessing the Redflex System.
4. 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, Redflex and the City shall obey any and all such rules and regulations.
5. 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 by the City or any of its employees,.

## EXHIBIT "F"

### Insurance

1. Redflex shall procure and maintain at Redflex's sole cost and expense the following insurance coverage 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:
  - Commercial General Liability Insurance. Commercial General Liability Insurance with coverage limits of not less than One Million Dollars (\$1,000,000) combined single limit per occurrence for bodily injury and property damage, Two Million Dollars (\$2,000,000) Products-Completed Operations Aggregate and Two Million Dollars (\$2,000,000) General Aggregate, such limits of coverage may be met through any combination of primary and excess liability policies;
  - Business Automobile Liability Insurance. Business 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, non-owned and hired by Redflex, such limits of coverage may be met through any combination of primary and excess liability policies;
  - 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 Two Million Dollars (\$2,000,000) each and every claim and in the Aggregate; and
  - 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:
    - \$1,000,000 Bodily Injury by Accident - Each Accident
    - \$1,000,000 Bodily Injury by Disease-Policy Limit
    - \$1,000,000 Bodily Injury by Disease - Each Employee
2. With respect to the Commercial General Liability Insurance the following additional provisions shall apply:
  - The City and its employees shall be named as additional insureds with respect to the Commercial General Liability insurance; and
  - The Commercial General Liability insurance shall be the primary insurance with respect to the City in connection with this Agreement, and any insurance or self-insurance maintained by the City shall be in excess, and not in contribution to, such insurance; and
  - The Commercial General Liability insurance shall include "Separation of Insureds" wording which states that such insurance coverage shall apply separately with respect to each insured against whom claim is made or suit is brought, except with respect to the limits of insurance or any rights or duties specifically assigned to Redflex in such insurance policies.
  - The Commercial General Liability insurance shall be issued by companies licensed to do business in the State of California, with a claims paying ability rating of "BBB" or better by S&P (and the equivalent by any other Rating Agency) and rating of A:VII or better in the current Best's Insurance Reports.
3. With respect to the insurance described above, Redflex shall not cancel or materially reduce the coverage without providing the City thirty (30) days prior written notice by certified mail.
4. With respect to the insurance described above, if any of the Redflex Parties are notified by any insurer that such coverage will be materially reduced or cancelled, Redflex shall provide written notice within ten (10) business days of receipt of such notice 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/their 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.

5. Redflex shall provide certificates of insurance along with the required policy endorsements, 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.
6. The City may increase the scope or dollar amount of coverage required under any of the policies described above, or may require different or additional coverage, upon prior written notice to Redflex.
7. If Redflex's insurance carrier charges an additional fee, Redflex will include that amount in its project cost.