



City of Del Mar

recd 11.16.10 by USPS



December 11, 2008

Redflex Traffic System, Inc.
15020 North 74th Street
Scottsdale, AZ 85260
Attn: Ms. Karen Finley
Via Fax: 480-607-0752

RE: Contract for Red Light Cameras, City of Del Mar

Dear Ms. Finley:

This letter replaces the prior notice letter dated November 26, 2008. According to the terms of our December 30, 2003 contract with Redflex Traffic Systems, the initial term was five years from the installation date as referenced as follows:

1.1 This Agreement shall be effective on the date it is executed by the last Party to sign the Agreement, and it shall be effective for a period of five (5) years from the program's installation date. (Initial Term). Upon expiration of the Initial Term, the City shall have the right, but not the obligation, to extend the term of this Agreement for up to two (2) additional consecutive one (1) year periods (each a "Renewal Term" and collectively with the Initial Term, the "Term").

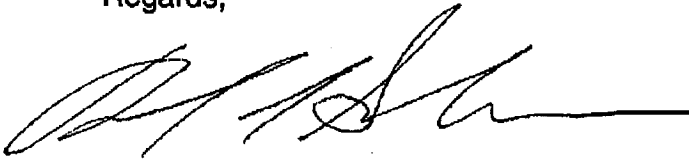
June 28th was the date warning tickets began being issued for the 30 day warning ticket period per Section 3.1.13. The City concurs that Section 1.1 establishes the contract termination date as June 28, 2009.

Section 1.1 permits the contract to be extended for up to two (2) additional consecutive one (1) year periods. The Assistant City Manager Mark Delin will coordinate renewal of the contract as indicated in Section 7.4 upon receipt of your written approval. Renegotiation of the contract must occur in a timely manner and be completed prior to February 1, 2009. The purpose of the negotiations is to extend the term of the contract and reform the contract to ensure all provisions are consistent with existing state law. Failure to agree on terms mutually acceptable to Redflex and the City by February 1, 2009 will result in the City issuing a Request for Proposals for a new contract for red light enforcement cameras.



The City has been pleased with the quality of your service and we look forward to our continued relationship.

Regards,

A handwritten signature in black ink, appearing to read 'David Scherer', written over a horizontal line.

David Scherer, Public Works Director

CC: Aaron M. Rosenberg via Email

Alschuler Grossman Stein & Kahn LLP
2049 Century Park East, 39th Floor
Los Angeles, CA 90067
Via Fax: 310-552-6077

Karen Brust, City Manager
Mark Delin, Assistant City Manager
Kimberly Johnson, City Attorney
Mercedes Martin, City Clerk
Pat Vergne, Community Services Director
San Diego County Sherriff, Encinitas Station

FIRST AMENDMENT TO AGREEMENT BETWEEN THE CITY OF DEL MAR AND
REDFLEX TRAFFIC SYSTEMS, INC. FOR
PHOTO ENFORCEMENT SERVICES

This First Amendment (the "Amendment") is executed this 22nd day of June, 2009 by and between Redflex Traffic Systems, Inc. with offices at 27351 N. 23rd Avenue, Phoenix, Arizona 85085 ("Redflex"), and the City of Del Mar, a municipal corporation, with offices at 1050 Camino Del Mar Del Mar, Del Mar, California 92014 (the "Customer").

RECITALS

WHEREAS, Redflex and the Customer previously entered into a certain agreement dated December 30th, 2003, to provide automated red light photo enforcement in the City of Del Mar;

WHEREAS, Redflex and the Customer mutually agree that the terms of the Agreement require modification in order to reflect the realities of automated red light enforcement in the City of Del Mar and to comply with state law;

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

WHEREAS, the Customer desires to engage the services of Redflex to provide certain equipment, processes and back office services so that authorized employees of the Customer are able to monitor, identify and enforce red light running violations;

WHEREAS, it is a mutual objective of both Redflex and the Customer to reduce the incidence of vehicle collisions at the traffic intersections pursuant to the terms of the Agreement.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for other valuable consideration received, the receipt and sufficiency of which are hereby acknowledged, the parties agree that the Agreement should be amended as follows:

AGREEMENT

1. Paragraph 2 of the Agreement, entitled "TERM," is amended in its entirety to read as follows:

"From the executed date of the First Amendment, the term of this agreement will continue for a period of seven (7) years (the "Initial Term"). The Customer shall have the right, but not the obligation, to extend the term of this Agreement for up to three (3) additional,

consecutive one (1) year periods following the expiration of the Initial Term (each, a "Renewal Term" and collectively with the Initial Term, the ("Term"). The Customer may exercise the right to extend the term of this agreement for a Renewal Term by providing written notice to Redflex not less than thirty (30) days prior to the last day of the Initial term or the Renewal Term, as the case may be."

2. Attachement "B" is replaced in it's entirety with the attached revised Attachement "B" signed by Redflex and Customer attesting to the agreed changes. Revised Attachement "B" shall become operative upon the executed date of this Amendment.

3. Section 7.1 of the agreement is replaced in its entirety with as follows:

7.1 (a) Termination for Failure of the Provider to Perform. This agreement may be terminated by the City for cause by providing written notice to Provider. City may terminate this agreement for cause based upon Provider's failure to prosecute, deliver, or perform the Professional Services described herein. The City Manager shall determine any final payment due to Provider based upon the services rendered. Termination of the Agreement shall be effective upon receipt of the written termination notice.

b) Termination for Other Causes. If the City deems that this agreement is no longer in the best interest of the City, City will provide Provider with written "Notice of Intent to Terminate Agreement" and provide a reason for the cause for termination. Provider shall have the right to remedy the cause for termination to the satisfaction of the City within forty-five calendar days (or within such other time period as the City and Provider shall mutually agree) after written notice from the City. If a mutually satisfactory agreement between City and Provider is not reached within this period, City shall provide written "Notice of Termination" to Provider indicating its intent to terminate the agreement at the end of 12 months from the date of the Notice of Termination."

4. All other provisions of the Agreement shall remain in effect.

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

"Customer"

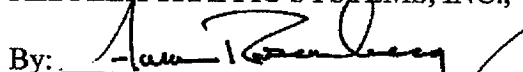
CITY OF DEL MAR

By: 

Name: Karen P. Brust
Title: City Manager

"Redflex"

REDFLEX TRAFFIC SYSTEMS, INC.,

By: 

Name: Aaron Rosenberg, PhD
Title: Executive Vice President

ATTACHMENT "B"
COMPENSATION & PRICING

Fixed Monthly Fee

Commencing on the execution of this Agreement, Customer shall be obligated to pay Redflex a fixed fee of \$1,500 per system, per month for operation of the following approaches:

Camino Del Mar and Del Mar Heights, Northbound
Camino Del Mar and Via de la Valle, Southbound
Camino Del Mar and Via de la Valle, Northbound

BUSINESS ASSUMPTIONS FOR ALL PRICING OPTIONS:

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. Each year, on the anniversary date of the contract, the pricing will increase by the CPI. CPI will be derived from the publication of the U.S. Department of Labor Consumer Price Index for U.S. City average.
3. Except where a balance remains unpaid due to a deficit in the gross cash received as described herein, Customer agrees to pay Redflex within thirty (30) days after the invoice is received. A monthly late fee of 1.5% is payable for amounts remaining unpaid 60 days from date of invoice.
4. The provision of all necessary communication, broadband and telephone services to the Designated Intersection Approaches will be the sole responsibility of Redflex. Redflex is responsible for the monthly fees of communications to the Designated Intersection Approaches.
5. The on-going provision of any and all necessary electrical power to the Designated Intersection Approaches will be the sole responsibility of the Customer.
6. Roadway/Intersection improvement projects: Customer shall reimburse Redflex the costs of replacing and or modification of operational system approaches.
7. If a system is deactivated at the Customer's request due to roadway construction, the monthly fee will continue.

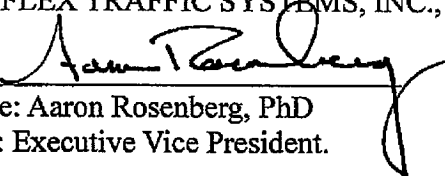
"Customer"

CITY OF Del Mar

By: 
Name: Karen P. Brust
Title: City Manager

"Redflex"

REFLEX TRAFFIC SYSTEMS, INC.,

By: 
Name: Aaron Rosenberg, PhD
Title: Executive Vice President.