

FIRST AMENDMENT TO
EXCLUSIVE AGREEMENT BETWEEN THE CITY OF LOS ALAMITOS
AND REDFLEX TRAFFIC SYSTEMS, INC. FOR
TRAFFIC CAMERA SAFETY IMPROVEMENT PROGRAM

This First Amendment (the "First Amendment") to Exclusive Agreement between the City of Los Alamitos and Redflex Traffic Systems Inc. for Traffic Camera Safety Improvement Program is made by and between Redflex Traffic Systems, Inc. ("Redflex") and the City of Los Alamitos, CA (the "City" or the "Customer") (individually the "Party" and collectively referred to as the "Parties"). The Effective Date of this First Amendment is 8/24, 2015 ("Effective Date").

RECITALS

1. The Parties executed the Exclusive Agreement between the City of Los Alamitos and Redflex Traffic Systems Inc. for Traffic Camera Safety Improvement Program on September 1, 2010 (the "Agreement");
2. The Parties desire to extend the Term of the Agreement and modify the Agreement to reflect changes to the Program.

The Parties amend the Agreement as follows:

TERMS AND CONDITIONS

- A. Term. As provided in Section 2 of the Agreement, the Parties agree to extend the Camera Term for an additional two (2) years commencing on the Effective Date (the "Extended Term").
- B. Termination for Convenience. Section 6.1 is amended in its entirety and shall provide the following:

6.1 TERMINATION

6.1.1 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 Supreme Court for the State of California rules that the Citations from the Program are inadmissible in evidence; or (iii) the other Party commits any material breach of any of the provisions of this Agreement. Upon entry of an order restraining or enjoining the operation of the Program by a court of competent jurisdiction, or an order that substantially diminishes the financial value of the program to either party, the Camera Term of the Agreement shall be suspended until the later of the dissolution of the restraint, injunction, or order or the date the restraint, injunction, or order becomes final and not subject to any appeal. Either Party may elect to restart the operation of the Program if the restraint, injunction, or order is dissolved or otherwise rendered unenforceable. The Camera Term of the Agreement shall be extended by the period of time for which the Program was suspended. 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 Customer 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 for cause 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.

6.1.2 Termination for Convenience. The Parties may terminate this Agreement without cause upon the following conditions:

6.1.2.1 The City reserves the right to terminate this Agreement without cause upon 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 notice of termination date, but not to exceed the payment according to the rates specified in Exhibit D.

6.1.2.2 Redflex reserves the right to terminate this Agreement without cause upon ninety (90) days written notice to the City.

C. Redflex Ethics Section 3.10 is added and shall provide the following:

3.10. Redflex Ethics. Redflex agrees that it will comply with all applicable laws relating to its performance under this Agreement, including any applicable federal, state, or local law governing or relating to: a) conflicts of interest; b) providing of gifts or hospitality to government officials or government employees; and c) providing political and charitable contributions, or governing or relating to the ethical conduct of business with government agencies.

3.10.1 Redflex represents and warrants that its performance in connection with this Agreement will be in compliance with Redflex's internal Anti-Bribery and Anti-Corruption Policy and Procedures, a copy of which is available at <http://www.redflex.com/index.php/en/compliance-corner/policy-and-procedures>. Failure by Reflex to comply with the Anti-Bribery and Anti-Corruption Policy and Procedures shall permit to the City, in its sole discretion, to immediately terminate this Agreement.

3.7.2. From time to time, Redflex may choose to modify its own internal Anti-Bribery and Anti-Corruption Policy and Procedures. In each case where the Redflex Anti-Bribery and Anti-Corruption Policy and Procedures are modified, Redflex shall cause a copy of the revised Anti-Bribery and Anti-Corruption Policy and Procedures to be delivered to the City's Project Manager within ten (10) business days, and shall obtain a receipt in writing with the date and time of delivery. The City, in its sole discretion, may elect to reject any and all modifications, other than modifications required by changes in applicable law, made within thirty (30) business days, and shall notify Redflex in writing specifying all modifications rejected. The affected specific provisions in the current Anti-Bribery and Anti-Corruption Policy, or in a successor Anti-Bribery and Anti-Corruption Policy and Procedures document that has not been rejected by the City, shall remain in effect. However, Redflex and the City may negotiate in a timely manner and mutually approve in writing a joint document with alternate language of the specific provision which the City has rejected.

D. Enforceability of Non-Amended Terms and Conditions. Except as expressly amended in this First Amendment, the Terms and Conditions of the Agreement shall remain in full force and effect. To the extent that this First Amendment conflicts with the terms of the Agreement, this First Amendment shall control.

Approved as to form, content and legality:

CITY OF LOS ALAMITOS, CALIFORNIA

REFLEX TRAFFIC SYSTEMS, INC.

By: [Signature]
Name: Bret M. Plumlee, City Manager
Date: 8-24-15

By: [Signature]
Name: Michael R. Finn
Title: CEO and President
Date: 10/1/15

Attest:
By: [Signature]
Windmera Quintanar, CMC, City Clerk

Approved as to Form:

By: [Signature]
Lisa Kranitz, Assistant City Attorney