

ORIGINAL

AMENDMENT NO.1 TO AGREEMENT FOR PHOTO RED LIGHT ENFORCEMENT SERVICES Redflex Traffic Systems, Inc.

This Amendment No.1 is entered into and effective as of the 13 day of December, 2010, amending the agreement dated April 23, 2007 (the "Agreement") by and between the City of Redwood City, a charter city and municipal corporation ("City" or "Customer"), and Redflex Traffic Systems ("Redflex") (collectively, the "Parties") for photo red light enforcement services.

RECITALS

A. On April 23, 2007, the Parties executed an Agreement under which Redflex provides services and equipment for City's Photo Red Light Enforcement Program; and

B. The Parties desire to modify and amend certain portions of the Agreement.

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, the Parties agree as follows:

1. Deletion of Cost Neutrality Provision, Section 6.5. Section 6.5 of the Agreement, "Cost Neutrality," is hereby deleted from the Agreement in its entirety.

2. Deletion of Cost Neutrality Related Terms and Conditions, Exhibit D. All language pertaining to Cost Neutrality in Exhibit D is hereby fully removed and deleted. Exhibit D of the Agreement, "Compensation and Pricing," is hereby amended to read as follows:

"Commencing on the date of execution of this Agreement, Customer shall be obligated to pay Redflex a fixed fee of \$6,200 per month for each Designated Intersection Approach ("Fixed Fee") as full remuneration for performing all of the services contemplated in this Agreement.

All newly constructed red light camera systems beyond the existing 2 systems will be charged at \$6,200 per monitored approach.

Business Assumptions for all Pricing Options:

1. Redflex construction will be able to utilize existing conduit for installation where space is available.
2. Each year the pricing will increase by the CPI. CPI will be derived from the publication of the U.S. Department of Labor Consumer Price Index for U.S. City average.
3. Customer agrees to pay Redflex within thirty (30) days after the invoice is received. A monthly late fee of 1.5% is payable for the amounts remaining unpaid 60 days from the date of the invoice."

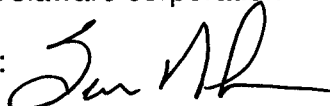
3. All other provisions of the Agreement, as may have been amended from time to time, will remain in full force and effect.

4. All requisite insurance policies to be maintained by Consultant pursuant to the Agreement, as may have been amended from time to time, will include coverage for this Amendment.

5. The individuals executing this Amendment and the instruments referenced in it on behalf of Consultant each represent and warrant that they have the legal power, right and actual authority to bind Consultant to the terms and conditions of this Amendment.

Redflex Traffic Systems, Inc.,
a Delaware corporation

By:



Karen Flintay *Jean Nolen*
President and CEO
Chief Financial Officer
10-22-10

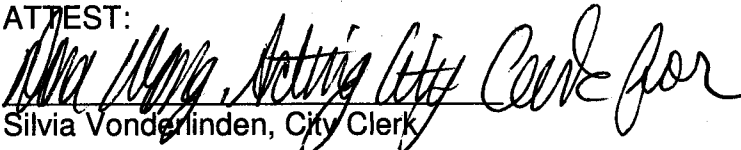
CITY OF REDWOOD CITY, a charter
city and municipal corporation of the
State of California

By:



Peter Ingram *Robert Bell*
City Manager *interim city manager*

ATTEST:



Silvia Vonderlinden, City Clerk