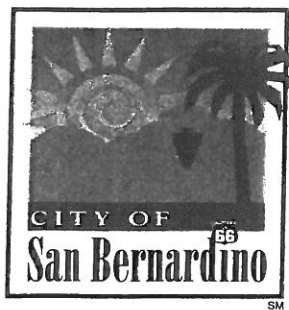


made of
4/13/11



POLICE DEPARTMENT
KEITH L. KILMER - CHIEF OF POLICE

P.O. Box 1559 • San Bernardino • CA 92402-1559
909.384.5742
www.sbcity.org

April 11, 2011

James Tuton, Chief Executive Officer
American Traffic Solutions, Inc.
7681 E. Gray Road
Scottsdale, AZ 85260

Re: Termination of Red Light Camera Agreement

Dear Mr. Tuton:

This letter shall serve as notice that the City of San Bernardino will terminate the Red Light Camera Agreement, originally entered into with Nestor Traffic Systems, Inc. and assumed by American Traffic Solutions, Inc., effective June 30, 2011.

Pursuant to Section 4.4 of said agreement, the termination and cancellation fee for each installed approach shall equal the product of (a) \$975.00 multiplied by (b) the remaining term. The city has calculated the termination and cancellation fee as of June 30, 2011 as follows:

- 40th/Waterman has 5 months remaining for a total of \$4,875.00
- Highland/Arden has 6 months remaining for a total of \$5,850.00
- 30th/Waterman has 18 months remaining for a total of \$17,550.00
- 9th/Mt. Vernon has 26 months remaining for a total of \$25,350.00
- Kendall/University has 29 months remaining for a total of \$28,275.00
- Highland/Waterman has 36 months remaining for a total of \$35,100.00

The total amount of the termination and cancellation fee is \$117,000.00. Please send an invoice to the City of San Bernardino for this amount so that a check may be issued. If you have any questions, please contact my department.

Very truly yours,

Keith L. Kilmer
Chief of Police