

FOURTH AMENDMENT TO AGREEMENT BETWEEN THE CITY OF SAN
BUENAVENTURA AND REDFLEX TRAFFIC SYSTEMS, INC. FOR
PHOTO ENFORCEMENT SERVICES

This fourth amendment (the "Amendment") is executed this 24 day of November, 2008 by and between Redflex Traffic Systems, Inc. with offices at 6047 Bristol Parkway, Culver City, California 90230 ("Redflex"), and the City of San Buenaventura a municipal corporation and chartered city, with offices at 501 Poli Street, Ventura, California 93002 (the "Customer").

RECITALS

WHEREAS, Redflex and the Customer previously entered into a certain agreement dated May 15, 2000, to provide automated red light photo enforcement in the City of San Buenaventura, which agreement was amended on May 21, 2001;

WHEREAS, the agreement was again amended and restated in full on January 6, 2003;

WHEREAS, the agreement was again amended and restated on May 22, 2006 ("Agreement");

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 San Buenaventura, 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, speed and rail crossing 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 and city streets that will be monitored 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:

CERTIFIED COPY
RECORD ON FILE
CITY OF SAN BUENAVENTURA

Stephanie Houllis
CITY CLERK, Deputy

AGREEMENT

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

"From the executed date of the Fourth Amendment, the term of this agreement will continue for a period of five (5) years (the "Initial Term"). The Customer shall have the right, but not the obligation, to extend the term of this Agreement for up to two (2) additional, consecutive two (2) 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. Exhibit "D" is replaced in it's entirety with the attached revised Exhibit "D" signed by Redflex and Customer attesting to the agreed changes. Revised Exhibit "D" shall become operative upon the executed date of this Amendment.

3. Redflex understands and agrees that the Agreement is subject to the provisions of Chapter 2.525 of the San Buenaventura Municipal Code, entitled "Living Wages and Benefits for City Services", a copy of which has been provided to Redflex. By reason thereof, during the term of this Agreement, Redflex will pay and/or provide the wages and/or benefits required therein to all of its employees engaged in whole or in part in performing the services provided for by this Agreement. Moreover, Redflex will require any of it's successors, assigns and subcontractors who receive any compensation or other emoluments arising out the performance of the services provided for by this Agreement to similarly pay and/or provide such wages and/or benefits to all of their employees engaged in whole or in part in performing the such services. In addition, Redflex and any of its successors, assigns and sub-consultants who received any compensation or other emoluments arising out of the performance of the services provided for by this Agreement will post the "Notice to Employees" and provide the other information required by Section 2.525.170 of Chapter 2.525 at the time in the manner provided for by that section.

Redflex also understands and agrees that any violation of Chapter 2.525 of the San Buenaventura Municipal Code will be deemed to be a material breach of this Agreement entitling City to suspend or terminate this Agreement and/or impose the civil penalties provided for by Section 2.525.400 of Chapter 2.525.

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 SAN BUENAVENTURA

By: *Rick Cole*
Name:
Title:

"Redflex"

REFLEX TRAFFIC SYSTEMS, INC.,

By: *Cristina Weekes*
Name: *Cristina Weekes*
Title: *Executive Vice President*

APPROVED AS TO FORM:

By: *Christopher G. Norman*
Christopher G. Norman
Deputy City Attorney

EXHIBIT "D"
COMPENSATION & PRICING

TERMS

Fixed Fee

Commencing on the execution of the fourth amendment to the agreement Customer shall be obligated to pay Redflex a fixed fee for each Existing Designated Intersection:

Tier 1: Fixed Fee of \$1,800 per month for each of the following eighteen (18) approaches:

Johnson and Bristol, Westbound
Main and Lemon Grove, Eastbound
Main and Mills, Southbound
Mills and Dean, Southbound
Mills and Telegraph, Northbound
Thompson and Seaward, Northbound
Victoria and Moon, Southbound
Victoria and Olivas Park, Northbound
Victoria and Ralston, Northbound
Victoria and Telegraph, Northbound
Victoria and Telephone, Southbound
Victoria and Valentine, Northbound
California Street and Thompson Blvd, Northbound
Victoria and Telephone, Eastbound
Telegraph and Day, Westbound
Main and 101, Westbound
Johnson and Northbank, Southbound
Foothill and Victoria, Westbound

Note: Where improvements or additional lanes (right turns) are added the intersection will automatically revert to Tier 2 Fixed Fee.

Tier 2: New Approaches:

At the expiration of the Warning Period for each Designated Intersection Approach, Customer shall be obligated to pay Redflex a fixed fee of \$6500.00 per month for each Designated Intersection Approach ("Fixed Fee") as full remuneration for performing all of the services contemplated in this Agreement.

Customer Operating Costs

Any gross cash receipts received by the Customer from Ventura County through the collection of red light citations shall first be applied to the Customer's monthly program operating costs ("Customer Operating Costs") which has been established at \$17,500 per month. In order to ensure cost neutrality to the Customer, Customer will only be obliged to pay Redflex from the gross cash receipts received from Ventura County after first deducting Customer Operating Costs. In the event that balance remains unpaid due to a deficit in gross cash received by the Customer compared to the invoiced amount, Customer will provide Redflex, with payments, an accounting of such amounts supporting non payment of full invoiced amount and balance remaining.

Example:

Month 1

Gross Revenue to City for month	\$44,500
Less Operating Cost	\$17,500
Balance	\$27,000
Redflex Invoice for month	\$32,400
Payment to Redflex	\$27,000

Check to Redflex for \$27,000 with accounting as above. Remaining balance of \$5,400 carried forward under Cost Neutrality provisions

Month 2

Gross Revenue to City for month	\$56,000
Less Customer Operating Cost	\$17,500
Balance	\$38,500
Redflex Invoice month 2	\$32,400
Balance unpaid month 1	\$5,400
Total Outstanding	\$37,800
Payment to Redflex	\$37,800

Check to Redflex for \$37,800 with accounting as above. No Remaining balance of to carry forward this month under Cost Neutrality provisions.

Cost Neutrality

1. Cost neutrality is assured to Customer - Customer will never be required to pay Redflex more than actual cash received from automated red light violations.
2. The Customer agrees to pay Redflex within thirty (30) days after the invoice is received. Customer shall be obligated to pay the cumulative balance invoiced by Redflex, in accordance with terms set forth above, to the extent of gross cash

received by the Customer from automated red light violations. In the event that a balance remains unpaid due to a deficit in gross cash received by the Customer compared to invoiced amounts, Customer will provide to Redflex with each monthly payment, an accounting of such gross receipts supporting the amount withheld.

3. Payment will only be made by Customer up to the amount of cash received by Customer through the collection of red light citations (from automated red light violations) up to the amount currently due.

4. Cost neutrality will be reconciled and any necessary adjustments made at the end of the contract. In the event that the contract ends or is terminated and an invoiced balance is still owed to Redflex, all subsequent receipts from automated red light violations for a period of 12 months from date of termination will be applied to such balance and paid to Redflex, which shall fully satisfy Customer's payment obligations under the contract.

5. Cost neutrality is guaranteed except as follows:

- If police fail to approve violations by the due date, in good faith and due diligence.
- If systems are de-activated due to Customer requirement.
- If collections are not reasonably pursued, unless despite attempts by the city to encourage collections by the courts the courts fail to pursue collections.
- The city fails to enforce right turn violations (from automated red light violations), in good faith and due diligence, if and when systems are configured for this purpose as mutually agreed between Redflex and the City.

BUSINESS ASSUMPTIONS FOR ALL PRICING OPTIONS:

1. Redflex construction will be able to utilize existing conduit for installation where space is available. Cost for additional conduit shall be the sole responsibility of Redflex.
2. Each year, commencing May 1, 2009, and every year thereafter, the Fixed Fee and customer's Operating Cost will increase by the Consumer price Index ("CPI") as published by the Bureau of Labor Statistics for the United States Department of Labor, or 4%, whichever is greater. If the PI is discontinued or revised during the term, such other government intends or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the CPI had not be discontinued or revised. Any increase in the Fixed Fee and Customer Operating Cost shall be limited by this paragraph.
3. Redflex will not charge the customer for any time the system is not operational (defined as a material malfunction causing no violations to be captured) in excess of

forty-eight (48) hours. The down time will be measured in daily increments and shall be prorated on the monthly fee as held in this Agreement.

4. 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.
5. Roadway/Intersection improvement projects: Customer shall reimburse Redflex the costs of replacing and or modification of operational system approaches.
6. If a system is deactivated at the Customer's request due to roadway construction, the monthly fee will continue.

"Customer"

CITY OF SAN BUENAVENTURA

By: *Luiz Cole*

Name:

Title:

"Redflex"

REDFLEX TRAFFIC SYSTEMS, INC.,

By: *Cristina Weekes*

Name: *Cristina Weekes*

Title: *Executive Vice President*