

**PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF ELK GROVE
AND REDFLEX TRAFFIC SYSTEMS, INC. FOR
PHOTO RED LIGHT ENFORCEMENT PROGRAM**

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This Professional Services Agreement (this "Agreement") is made as of this 23rd day of May, 2007 by and between Redflex Traffic Systems, Inc. with offices at 6076 Bristol Parkway, Suite 106, Culver City, California 90230 ("Contractor"), and The City of Elk Grove a municipal corporation, with offices at 8380 Laguna Palms Way, Elk Grove, CA 95758 (the "City").

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RECITALS

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

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WHEREAS, the City desires to engage the services of Contractor to provide certain
equipment, processes and back office services so that sworn peace officers of the City are
able to monitor, identify and enforce red light running violations; and

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WHEREAS, it is a mutual objective of both Contractor and the City to reduce the
incidence of vehicle collisions at the traffic intersections and city streets that will be
monitored pursuant to the terms of this Agreement.

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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 as follows:

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AGREEMENT

30 **1.0 DEFINITIONS.** In this Agreement, the words and phrases below shall have the
31 following meanings:

32 1.1 "Authorized Officer" means the Police Project Manager or such other
33 individual(s) as the City shall designate to review Potential Violations and to
34 authorize the Issuance of Citations in respect thereto, and in any event, a
35 sworn peace officer or a qualified employee of the Police Department.

36 1.2 "Authorized Violation" means each Potential Violation in the Violation Data
37 for which authorization to issue a citation in the form of an Electronic
38 Signature is given by the Authorized Officer by using the Redflex System.

39 1.3 "Citation" means the notice of a Violation, which is mailed or otherwise
40 delivered by Contractor to the violator on the appropriate Enforcement
41 Documentation in respect of each Authorized Violation.

42 1.4 "Confidential Information" means, with respect to any Person, any
43 information, matter or thing of a secret, confidential or private nature, whether
44 or not so labeled, which is connected with such Person's business or methods

- 1 of operation or concerning any of such Person's suppliers, licensors, licensees,
2 customers or others with whom such Person has a business relationship, and
3 which has current or potential value to such Person or the unauthorized
4 disclosure of which could be detrimental to such Person, including but not
5 limited to:
- 6 1.4.1 Matters of a business nature, including but not limited to information
7 relating to development plans, costs, finances, marketing plans, data,
8 procedures, business opportunities, marketing methods, plans and
9 strategies, the costs of construction, installation, materials or
10 components, the prices such Person obtains or has obtained from its
11 clients or customers, or at which such Person sells or has sold its
12 services; and
- 13 1.4.2 Matters of a technical nature, including but not limited to product
14 information, trade secrets, know-how, formulae, innovations,
15 inventions, devices, discoveries, techniques, formats, processes,
16 methods, specifications, designs, patterns, schematics, data, access or
17 security codes, compilations of information, test results and research
18 and development projects. For purposes of this Agreement, the term
19 "trade secrets" shall mean the broadest and most inclusive
20 interpretation of trade secrets.
- 21 1.4.3 Notwithstanding the foregoing, Confidential Information will not
22 include information that: (i) was generally available to the public or
23 otherwise part of the public domain at the time of its disclosure,
24 (ii) became generally available to the public or otherwise part of the
25 public domain after its disclosure and other than through any act or
26 omission by any party hereto in breach of this Agreement, (iii) was
27 subsequently lawfully disclosed to the disclosing party by a person
28 other than a party hereto, (iv) was required by a court of competent
29 jurisdiction to be described, or (v) was required by applicable state law
30 to be described.
- 31 1.5 "Designated Intersection Approach" means the Intersection Approach(s) set
32 forth on Exhibit A attached hereto, and such additional intersection
33 approaches as Contractor and the City shall mutually agree from time to time
34 and installed under the auspices of a written Notice to Proceed issued by the
35 City to Contractor.
- 36 1.6 "Electronic Signature" means the method through which the Authorized
37 Officer indicates his or her approval of the issuance of a Citation in respect of
38 a Potential Violation using the Redflex System.
- 39 1.7 "Enforcement Documentation" means the necessary and appropriate
40 documentation related to the Photo Red Light Enforcement Program,
41 including but not limited to warning letters, citation notices (using the
42 specifications of the Judicial Council and the City, a numbering sequence for
43 use on all citation notices (in accordance with applicable court rules),
44 instructions to accompany each issued Citation (including in such instructions

- 1 a description of basic court procedures, payment options and information
2 regarding the viewing of images and data collected by the Redflex System),
3 chain of custody records, criteria regarding operational policies for processing
4 Citations (including with respect to coordinating with the Department of
5 Motor Vehicles), and technical support documentation for applicable court
6 and judicial officers .
- 7 1.8 “Equipment” means any and all cameras, sensors, equipment, components,
8 products, software and other tangible and intangible property relating to the
9 Redflex System(s), including but not limited to all camera systems, housings,
10 radar units, severs and poles.
- 11 1.9 “Fine” means a monetary sum assessed for Citation, including but not limited
12 to bail forfeitures, but excluding suspended fines.
- 13 1.10 “Governmental Authority” means any domestic or foreign government,
14 governmental authority, court, tribunal, agency or other regulatory,
15 administrative or judicial agency, commission or organization, and any
16 subdivision, branch or department of any of the foregoing.
- 17 1.11 “Installation Date” means the date on which Contractor successfully
18 completes the construction and installation of each Redflex System at each
19 Designated Intersection Approach in accordance with the terms of this
20 Agreement so that such Intersection Approach is successfully and fully
21 operational for the purposes of functioning with the Red Light Photo
22 Enforcement Program and in full compliance with the requirements of this
23 Agreement.
- 24 1.12 “Intellectual Property” means, with respect to any Person, any and all now
25 known or hereafter known tangible and intangible (a) rights associated with
26 works of authorship throughout the world, including but not limited to
27 copyrights, moral rights and mask-works, (b) trademark and trade name rights
28 and similar rights, (c) trade secrets rights, (d) patents, designs, algorithms and
29 other industrial property rights, (e) all other intellectual and industrial property
30 rights (of every kind and nature throughout the universe and however
31 designated), whether arising by operation of law, contract, license, or
32 otherwise, and (f) all registrations, initial applications, renewals, extensions,
33 continuations, divisions or reissues hereof now or hereafter in force (including
34 any rights in any of the foregoing), of such Person.
- 35 1.13 “Intersection Approach” means a conduit of travel with a minimum of four (4)
36 contiguous lanes from the curb (e.g., northbound, southbound, eastbound or
37 westbound) on which at least one (1) system has been installed by Contractor
38 for the purposes of facilitating Redlight Photo Enforcement by the City.
- 39 1.14 “Operational Period” means the period of time during the Term, commencing
40 on the Installation Date, during which the Photo Red Light Enforcement
41 Program is functional in order to permit the identification and prosecution of
42 Violations at the Designated Intersection Approach by a sworn peace officer

- 1 of the City and the issuance of Citations for such approved Violations using
2 the Redflex System.
- 3 1.15 “Person” means a natural individual, company, Governmental Authority,
4 partnership, firm, corporation, legal entity or other business association.
- 5 1.16 “Police Project Manager” means the project manager appointed by the City in
6 accordance with this Agreement, which shall be a sworn peace officer and
7 shall be responsible for overseeing the installation of the Intersection
8 Approaches and the implementation of the Redflex System, and which
9 manager shall have the power and authority to make management decisions
10 relating to the City’s obligations pursuant to this Agreement, including but not
11 limited to change order authorizations, subject to any limitations set forth in
12 the City’s charter or other organizational documents of the City or by the city
13 counsel or other governing body of the City.
- 14 1.17 “Potential Violation” means, with respect to any motor vehicle passing
15 through a Designated Intersection Approach, the data collected by the Redflex
16 System with respect to such motor vehicle, which data shall be processed by
17 the Redflex System for the purposes of allowing the Authorized Officer to
18 review such data and determine whether a Red Light Violation has occurred.
- 19 1.18 “Proprietary Property” means, with respect to any Person, any written or
20 tangible property owned or used by such Person in connection with such
21 Person’s business, whether or not such property is copyrightable or also
22 qualifies as Confidential Information, including without limitation products,
23 samples, equipment, files, lists, books, notebooks, records, documents,
24 memoranda, reports, patterns, schematics, compilations, designs, drawings,
25 data, test results, contracts, agreements, literature, correspondence, spread
26 sheets, computer programs and software, computer print outs, other written
27 and graphic records and the like, whether originals, copies, duplicates or
28 summaries thereof, affecting or relating to the business of such Person,
29 financial statements, budgets, projections and invoices.
- 30 1.19 “Redflex Marks” means all trademarks registered in the name of Redflex or
31 any of its affiliates, such other trademarks as are used by Redflex or any of its
32 affiliates on or in relation to Photo Red Light Enforcement at any time during
33 the Term this Agreement, service marks, trade names, logos, brands and other
34 marks owned by Redflex, and all modifications or adaptations of any of the
35 foregoing.
- 36 1.20 “Redflex Project Manager” means the project manager appointed by
37 Contractor in accordance with this Agreement, which project manager shall
38 initially be _____ or such person as Contractor shall designate by
39 providing written notice thereof to the City from time to time, who shall be
40 responsible for overseeing the construction and installation of each
41 Designated Intersection Approach and the implementation the Redflex
42 System, and who shall have the power and authority to make management
43 decisions relating to Contractor’s obligations pursuant to this Agreement,
44 including but not limited to change-order authorizations.

- 1 1.21 “Redflex System” means, collectively, the SmartCam™ System, the Smart
2 Scene™ System the SmartOps™ System, the Redlight Photo Enforcement
3 Program, and all of the other equipment, applications, back office processes
4 and digital red light traffic enforcement cameras, sensors, components,
5 products, software and other tangible and intangible property relating thereto
6 installed at each Designated Intersection Approach as required by this
7 Agreement.
- 8 1.22 “Red Light Photo Enforcement Program” means the process by which the
9 monitoring, identification and enforcement of Violations is facilitated by the
10 use of certain equipment, applications and back office processes of
11 Contractor, including but not limited to cameras, flashes, central processing
12 units, signal controller interfaces and detectors (whether radar, lidar, or traffic
13 loop) which, collectively, are capable of measuring Violations and recording
14 such Violation data in the form of photographic images of motor vehicles.
- 15 1.23 “Photo Red Light Violation Criteria” means the standards and criteria by
16 which Potential Violations will be evaluated by sworn peace officers of the
17 City, which standards and criteria shall include, but are not limited to, the
18 duration of time that a traffic light shall remain red prior to a Violation being
19 deemed to have occurred, and the location(s) in an intersection which a motor
20 vehicle shall pass during a red light signal prior to being deemed to have
21 committed a Violation, all of which shall be in compliance with all applicable
22 laws, rules and regulations of Governmental Authorities.
- 23 1.24 “SmartCam™ System” means the proprietary digital redlight photo
24 enforcement system of Contractor relating to the Photo Red Light
25 Enforcement Program.
- 26 1.25 “SmartOps™ System” means the proprietary back-office processes of
27 Contractor relating to the Photo Red Light Enforcement Program.
- 28 1.26 “SmartScene™ System” means the proprietary digital video camera unit,
29 hardware and software required for providing supplemental violation data.
- 30 1.27 “Traffic Signal Controller Boxes” means the signal controller interface and
31 detector, including but not limited to the traffic loop, radar, lidar, or video
32 loop, as the case may be.
- 33 1.28 “Violation” means any traffic violation contrary to the terms of the Vehicle
34 Code or any applicable rule, regulation or law of any other Governmental
35 Authority, including but not limited to operating a motor vehicle contrary to
36 traffic signals.
- 37 1.29 “Violations Data” means the images and other Violations data gathered by the
38 Redflex System at each Designated Intersection Approach.
- 39 1.30 “Warning Period” means the period of thirty (30) days after the Installation
40 Date of the first Designated Intersection Approach.
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1 **2.0** **TERM.** The term of this Agreement shall commence on the date this Agreement
2 is executed by the City and shall continue for a period of five (5) years (the "Initial
3 Term"). The City shall have the right, but not the obligation, to extend the term of this
4 Agreement on a year by year basis following the expiration of the Initial Term. The City
5 may exercise the right to extend the term of this Agreement on an annual basis by
6 providing written notice to Contractor not less than thirty (30) days prior to the
7 termination date.

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9 **3.0** **EXHIBITS AND ORDER OF PRECEDENCE.**

10 3.1 The following Exhibits are incorporated into this Agreement:

11 2 Exhibit A – Designated Intersection Approach

12 3 Exhibit B - Construction and Installation Obligations

13 4 Exhibit C - Maintenance

14 5 Exhibit D – Compensation and Pricing

15 6 Exhibit E – Additional Rights and Obligations

16 7 Exhibit F – Project Plan

17 8 Exhibit G – Implementation Plan

18 9 Exhibit H – Form of Acknowledgement and Consent

19 10 Exhibit I – Contractor’s Proposal dated January 4, 2007. (Provided
20 previously to City under separate cover).

21 11 Exhibit J – The City’s Request for Proposal dated November 14, 2006.
22 (Provided previously to Contractor under separate cover).

23 In the event of any inconsistency between the various documents that comprise this
24 Agreement, the order of precedence shall be as follows: (i) the Agreement; (ii) the
25 Exhibits to the Agreement in the order in which they appear in this Section 3.1.

26 **4.0** **SERVICES.** Contractor shall provide the Redflex System to the City, in
27 accordance with the terms and provisions set forth in this Agreement.

28 4.1 Installation. With respect to the construction and installation of the
29 Designated Intersection Approaches and the installation of the Redflex System
30 at such Designated Intersection Approaches, the City and Contractor shall
31 have the respective rights and obligations set forth in this Agreement.

32 4.1.1 Contractor shall install non-obtrusive Redflex Systems, including traffic
33 loop detectors at Designated Approaches identified in this Agreement or by
34 change order to this Agreement. The Redflex System to be installed shall
35 include the following features: automatically self-tuning and diagnostics,
36 sensitivity control, automatic recover for opens, shorts and power failures,
37 presence of pulse modes of operation, and support multi-channel outputs.

38 4.1.2 City shall have the right, independent of any tests and repairs conducted
39 by Contractor, to request impartial testing by a mutually-approved

- 1 independent laboratory. If results of the test(s) demonstrate a need to repair,
2 upgrade or replace equipment in order to comply with legal requirements
3 placed on the City, Contractor shall, within five (5) days of receipt of test
4 results, repair, upgrade or replace equipment at Contractor's expense. The cost
5 of any test performed at the sole request of the City under this Section 4.1.2
6 shall be at the expense of the City.
- 7 4.2 Maintenance. With respect to the maintenance of the Redflex System at the
8 Designated Intersection Approaches the City and Contractor shall have the
9 respective rights and obligations set forth on Exhibit C attached hereto.
- 10 4.3 Violation Processing. During the Operational Period, Violations shall be
11 processed as follows:
- 12 4.3.1 All Violations Data shall be stored on the Redflex System;
- 13 4.3.2 The Redflex System shall process Violations Data gathered from the
14 Designated Intersection Approaches into a format capable of review by the
15 Authorized Officer via the Redflex System;
- 16 4.3.3 The Redflex System shall be accessible by the Authorized Officer through
17 a virtual private network in encrypted format by use of a confidential
18 password on any computer equipped with a high-speed internet connection
19 and a web browser;
- 20 4.3.4 Contractor shall provide the Authorized Officer with access to the Redflex
21 System for the purposes of reviewing the pre-processed Violations Data
22 within five (5) days of the gathering of the Violation Data from the
23 applicable Designated Intersection Approaches
- 24 4.3.5 The City shall cause the Authorized Officer to review the
25 Violations Data and to determine whether a citation shall be issued with
26 respect to each Potential Violation captured within such Violation Data,
27 and transmit each such determination in the form of an Electronic
28 Signature to Contractor using the software or other applications or
29 procedures provided by Contractor on the Redflex System for such
30 purpose, and CONTRACTOR HEREBY ACKNOWLEDGES AND
31 AGREES THAT THE DECISION TO ISSUE A CITATION SHALL BE
32 THE SOLE, UNILATERAL AND EXCLUSIVE DECISION OF THE
33 CITY'S AUTHORIZED OFFICER AND SHALL BE MADE IN SUCH
34 AUTHORIZED OFFICER'S SOLE DISCRETION (A "CITATION
35 DECISION") AND IN NO EVENT SHALL CONTRACTOR HAVE
36 THE ABILITY OR AUTHORIZATION TO MAKE A CITATION
37 DECISION.
- 38 CONTRACTOR SHALL ONLY CONTACT PRESUMED RED LIGHT
39 VIOLATORS OF CVC 21455 FOR THOSE VIOLATIONS THAT
40 HAVE FIRST BEEN APPROVED BY THE ELK GROVE POLICE
41 DEPARTMENT. ANY CONTACT WITH A VIOLATOR WILL BE IN
42 STRICT CONFORMANCE WITH THE BUSINESS RULES
43 DOCUMENT AGREED TO BY THE CONTRACTOR AND CITY.

1 CONTRACTOR SHALL FULLY COMPLY WITH VC 210 40518
2 WHICH REQUIRES THAT ALL CITIES MUST HAVE AN
3 AFFIDAVIT OF MAILING ON ALL CITATIONS MAILED TO
4 PRESUMED RED LIGHT VIOLATORS. FAILURE TO COMPLY
5 WITH THIS REQUIREMENT SHALL BE A MATERIAL BREACH OF
6 THIS AGREEMENT.

7 CONTRACTOR SHALL MAKE NO MODIFICATIONS TO ANY
8 DESIGNATED INTERSECTION WITHOUT THE EXPRESS
9 WRITTEN PERMISSION FROM AN AUTHORIZED
10 REPRESENTATIVE OF THE CITY. FAILURE TO COMPLY WITH
11 THIS REQUIREMENT SHALL BE A MATERIAL BREACH OF THIS
12 AGREEMENT.

13 4.3.6 With respect to each Authorized Violation received from the City,
14 Contractor shall print and mail a Citation within six (6) days after
15 Contractor's receipt of such authorization; provided, however, during the
16 Warning Period, warning violation notices shall be issued in respect of all
17 Authorized Violations.

18 4.3.6.1 Any information or documents that may be required by state law,
19 shall accompany Authorized Violations mailed to violators of CVC 21455,
20 including but not limited to:

21 4.3.6.1.1 A certificate of mailing as required by Vehicle Code
22 section 40518 subdivision (a);

23 4.3.6.1.2 An Affidavit of non-liability and information as to
24 what constitutes non-liability, information as to the effect of executing the
25 affidavit, and instructions for returning as required by Vehicle Code
26 section 40520.

27 4.3.7 Contractor shall provide a toll-free telephone number for the purposes of
28 answering citizen inquiries for the Term of this Agreement. Contractor
29 will work with City to develop any scripts or recordings, if used, to
30 facilitate addressing citizen inquiries through telephonic means.

31 4.3.8 Contractor shall permit the Authorized Officer to generate monthly reports
32 using the Redflex Standard Report System.

33 4.3.9 Contractor shall provide custom reports, as may be reasonably requested
34 by the City, at no additional cost. Custom reports will be prepared and
35 submitted to the City within five (5) days of receipt of written request.
36 Contractor shall provide to the City access to standard reports and
37 adequate training on the use thereof for the purpose of querying data
38 related to the City's Red Light Photo Enforcement Program at no cost to
39 the City.

40 4.3.10 Upon the City's receipt of a written request from Contractor, the City shall
41 provide to Contractor, reports regarding the prosecution of Citations and
42 the collection of fines, fees and other monies in respect thereof in such
43 format and for such periods as Contractor may reasonably request.

- 1 4.3.11 Upon Contractor's receipt of a written request from the City at least
2 fourteen (14) calendar days in advance of court proceeding, Contractor
3 shall provide expert witnesses at no additional cost to the City for use by
4 the City in prosecuting Violations for the Term of this Agreement;
5 provided, however, the City shall use reasonable best efforts to seek
6 judicial notice in lieu of requiring Contractor to provide such expert
7 witnesses; and
- 8 4.3.12 During the term of this Agreement, Contractor shall provide at no
9 additional cost to the City, such training to City's law enforcement
10 personnel as shall be reasonably necessary in order to allow such
11 personnel to act as expert witnesses on behalf of the City with respect to
12 the Redflex System.
- 13 4.4 Prosecution and Collection. The City shall diligently prosecute Citations and
14 the collection of all Fines in respect thereof.
- 15 4.5 Public Education Campaign.
- 16 4.5.1 Public Awareness Program. Redflex shall assist the City with a Public
17 Awareness Program as specified in the Proposal beginning at least thirty
18 (30) days prior to the issuance of citations, and no more than thirty (30)
19 days after "go live" date of first installation. Such assistance shall include
20 the services described below.
- 21 4.5.2 Press Releases and Press Conferences. At the City's option, Contractor
22 shall prepare a series of press releases informing the local media and the
23 public about the installation of the red light cameras, the benefits of red
24 light cameras, and the results of the installation. In coordination with the
25 City, Contractor shall also arrange at least two press conferences featuring
26 key Contractor personnel and Municipal officers.
- 27 4.5.3 Training of City's Staff. Contractor shall provide presentation materials
28 (Power Point presentations) and training to City's staff on giving public
29 presentations regarding the System to the community as set forth in the
30 Proposal.
- 31 4.5.4 Informational Videos. Contractor shall provide the City with general
32 informational videos relating to the System and the problems associated
33 with the running of red lights.
- 34 4.6 Roadway Signage. Contractor shall be solely responsible for installing such
35 Signage. Contractor shall be solely responsible for the fabrication of any
36 signage, notices or other postings required pursuant to any law, rule or
37 regulation of any Governmental Authority ("Signage"), including but not
38 limited to the Vehicle Code, and shall assist in determining the placement of
39 such Signage.
- 40 4.7 Violation Review Station. Contractor will provide one (1) laptop workstation,
41 printer, and connectivity (which shall remain the property of Contractor) to be
42 used by the City for citation approval, Violation Video viewing appointments,
43 and court hearings.

1 Contractor shall further provide the software licenses and install the software
2 necessary for law enforcement personnel to access the System for citation
3 approval and/or Violation Video viewing appointments from at least five
4 computer desktops owned and provided by the City's Police Department;
5 provided, however, that the City shall provide such access and interface to
6 such desktops and its networks for such installation.

7 4.8 Monthly Report. Within thirty (30) days of the end of each calendar month,
8 Contractor shall submit to the City a Status Performance Report, Completed
9 Citation Summary Report, Non-issued Violations Summary Report, and
10 Violations Supported by Time Report as specified in the Proposal. The data
11 collection includes, but is not limited to, tracking the following relevant
12 information for each violation recorded by the System. The reports shall
13 include the following mandatory items:

- 14 a. Number of violations recorded
- 15 b. Number of non-issued violations
- 16 c. Breakdown of reasons for non-issuance
- 17 d. Number of citations issued
- 18 e. Citation data purged

19 Nothing in this section shall preclude the Parties from mutually agreeing to an
20 alternative reporting arrangement.

21 4.9 Compensation. Contractor shall have the right to receive, and the City shall be
22 obligated to pay, the compensation set forth on Exhibit D attached hereto in
23 accordance with the terms and conditions of this Agreement.

24 4.10 Other Rights and Obligations. During the Term, in addition to all of the other
25 rights and obligations set forth in this Agreement, Contractor and the City
26 shall have the respective rights and obligations set forth on Exhibit E attached
27 hereto.

28 4.11 Change Orders. The City may from time to time request changes to the work
29 required to be performed or the addition of products or services to those
30 required pursuant to the terms of this Agreement by providing written notice
31 thereof to Contractor, setting forth in reasonable detail the proposed changes
32 (a "Change Order Notice"). Upon Contractor's receipt of a Change Order
33 Notice, Contractor shall deliver a written statement describing the effect, if
34 any, the proposed changes would have on the pricing terms set forth in Exhibit
35 D (the "Change Order Proposal"), which Change Order Proposal shall include
36 (i) a detailed breakdown of the charge and schedule effects, (ii) a description
37 of any resulting changes to the specifications and obligations of the parties,
38 (iii) a schedule for the delivery and other performance obligations, and (iv)
39 any other information relating to the proposed changes reasonably requested
40 by the City. Following the City's receipt of the Change Order Proposal, the
41 parties shall negotiate in good faith and agree to a plan and schedule for
42 implementation of the proposed changes, the time, manner and amount of

1 payment or price increases or decreases, as the case may be, and any other
2 matters relating to the proposed changes; provided, however, in the event that
3 any proposed change involves only the addition of equipment or services to
4 the existing Designated Intersection Approaches, or the addition of
5 Intersection Approaches to be covered by the terms of this Agreement, to the
6 maximum extent applicable, the pricing terms set forth in Exhibit D shall
7 govern. Any failure of the parties to reach agreement with respect to any of
8 the foregoing as a result of any proposed changes shall not be deemed to be a
9 breach of this Agreement.

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11 **5.0 LICENSE; RESERVATION OF RIGHTS.**

12 5.1 License. Subject to the terms and conditions of this Agreement and during the
13 Term as described herein, Contractor hereby grants the City, and the City
14 hereby accepts from Contractor, a non-exclusive, non-transferable license
15 during the Term of this Agreement to: (a) solely within the City of Elk Grove,
16 access and use the Redflex System for the purpose of reviewing Potential
17 Violations and authorizing the issuance of Citations pursuant to the terms of
18 this Agreement, and to produce reports and print copies of any content posted
19 on the Redflex System in connection therewith, (b) disclose to the public
20 (including outside of the City of Elk Grove that Contractor is providing
21 services to the City in connection with the Redflex System pursuant to the
22 terms of this Agreement, and (c) use and display the Redflex Marks on or in
23 marketing, public awareness or education, or other publications or materials
24 relating to the Redflex System, so long as any and all such publications or
25 materials are approved in advance by Contractor.

26 5.2 Reservation of Rights. The City hereby acknowledges and agrees that: (a)
27 Contractor is the sole and exclusive owner of the Redflex System, the Redflex
28 Marks, all Intellectual Property arising from or relating to the Redflex System,
29 and any and all related Equipment, (b) the City neither has nor makes any
30 claim to any right, title or interest in any of the foregoing, except as
31 specifically granted or authorized under this Agreement, and (c) by reason of
32 the exercise of any such rights or interests of City pursuant to this Agreement,
33 the City shall gain no additional right, title or interest therein.

34 5.3 Restricted Use. The City hereby covenants and agrees that it shall not (a)
35 make any modifications to the Redflex System, including but not limited to
36 any Equipment, (b) alter, remove or tamper with any Redflex Marks, (c) use
37 any of the Redflex Marks in any way which might prejudice their
38 distinctiveness, validity or the goodwill of Contractor therein, (d) use any
39 trademarks or other marks other than the Redflex Marks in connection with
40 the City's use of the Redflex System pursuant to the terms of this Agreement
41 without first obtaining the prior consent of Contractor, or (e) disassemble, de-
42 compile or otherwise perform any type of reverse engineering to the Redflex
43 System, the Redflex System, including but not limited to any Equipment, or to

- 1 any, Intellectual Property or Proprietary Property of Contractor, or cause any
2 other Person to do any of the foregoing.
- 3 5.4 Protection of Rights. Contractor shall have the right to take whatever action it
4 deems necessary or desirable to remedy or prevent the infringement of any
5 Intellectual Property of Contractor, including without limitation the filing of
6 applications to register as trademarks in any jurisdiction any of the Redflex
7 Marks, the filing of patent application for any of the Intellectual Property of
8 Contractor, and making any other applications or filings with appropriate
9 Governmental Authorities. The City shall not take any action to remedy or
10 prevent such infringing activities, and shall not in its own name make any
11 registrations or filings with respect to any of the Redflex Marks or the
12 Intellectual Property of Contractor without the prior written consent of
13 Contractor.
- 14 5.5 Infringement. The City shall use its reasonable best efforts to give Contractor
15 prompt notice of any activities or threatened activities of any Person of which
16 it becomes aware that infringes or violates the Redflex Marks or any of
17 Contractor's Intellectual Property or that constitute a misappropriation of
18 trade secrets or act of unfair competition that might dilute, damage or destroy
19 any of the Redflex Marks or any other Intellectual Property of Contractor.
20 Contractor shall have the exclusive right, but not the obligation, to take action
21 to enforce such rights and to make settlements with respect thereto. In the
22 event that Contractor commences any enforcement action under this Section
23 4.5, then the City shall render to Contractor such reasonable cooperation and
24 assistance as is reasonably requested by Contractor, and Contractor shall be
25 entitled to any damages or other monetary amount that might be awarded after
26 deduction of actual costs; provided, that Contractor shall reimburse the City
27 for any reasonable costs incurred in providing such cooperation and
28 assistance.
- 29 5.6 Infringing Use. The City shall give Contractor prompt written notice of any
30 action or claim action or claim, whether threatened or pending, against the
31 City alleging that the Redflex Marks, or any other Intellectual Property of
32 Redflex, infringes or violates any patent, trademark, copyright, trade secret or
33 other Intellectual Property of any other Person, and the City shall render to
34 Contractor such reasonable cooperation and assistance as is reasonably
35 requested by Contractor in the defense thereof; provided, that Contractor shall
36 reimburse the City for any reasonable costs incurred in providing such
37 cooperation and assistance. If such a claim is made and Contractor
38 determines, in the exercise of its sole discretion, that an infringement may
39 exist, Contractor shall have the right, but not the obligation, to procure for the
40 City the right to keep using the allegedly infringing items, modify them to
41 avoid the alleged infringement or replace them with non-infringing items.

42

43 **6.0 REPRESENTATIONS AND WARRANTIES.**

- 44 6.1 Contractor Representations and Warranties.

- 1 6.1.1 Authority. Contractor hereby warrants and represents that it has all right,
2 power and authority to execute and deliver this Agreement and perform its
3 obligations hereunder.
- 4 6.1.2 Professional Services. Contractor hereby warrants that any and all
5 services provided by Contractor pursuant to this Agreement shall be
6 performed in a professional and workmanlike manner and, with respect to
7 the installation of the Redflex System, subject to applicable law, in
8 compliance with all specifications provided to Contractor by the City.
- 9 6.1.3 Contractor warrants it is professionally skilled in the services necessary to
10 perform the duties agreed to hereunder by Contractor and City relies upon
11 the skills and knowledge of Contractor. Contractor shall perform such
12 duties consistent with the professional standards generally recognized as
13 being employed by agencies or contractors performing similar service in
14 the State of California.
- 15 6.1.4 Redflex System Warranty. Contractor warrants that the Redflex System
16 will meet all requirements as defined in this Agreement. Contractor further
17 warrants that the Redflex System will operate fully and correctly and will
18 remain in good working order throughout the Term of this Agreement. In
19 the event the Redflex System does not meet these warranties, Contractor
20 shall provide, at no charge to the City, the necessary services required to
21 attain the levels of standards contained in these warranties.
- 22 6.1.5 Redflex System Documentation Warranty. Contractor warrants that, for
23 the Term of this Agreement, the Documentation for the Redflex Systems
24 installed will be complete and accurate in all material respects. All
25 revisions to the documentation will be of equal quality to the initial
26 documentation provided to the City and will be delivered to the City thirty
27 (30) days prior to the installation of any future upgrade, or such other time
28 period mutually agreed upon.
- 29 6.1.6 Maintenance and Support Warranty. Contractor warrants that for the Term
30 of this Agreement, Contractor will provide ongoing support and product
31 enhancements at the same or greater level than the previous year on all
32 Redflex System components. If it is mutually agreed that available
33 upgrades will materially increase the issuance rates of violations generated
34 by the program, or if any requirements are placed on the City by any local,
35 county, state or federal law, regulation, ordinance or statute that requires
36 equipment to be modified, upgraded or replaced, Contractor will perform
37 said modification, upgrade or replacement and install those components
38 within sixty (60) days of such decision or notice at no additional cost to
39 the City.

- 1 6.2 City Representations and Warranties.
- 2 6.2.1 Authority. The City hereby warrants and represents that it has all right,
3 power and authority to execute and deliver this Agreement and perform its
4 obligations hereunder.
- 5 6.2.2 Professional Services. The City hereby warrants and represents that any
6 and all services provided by the City pursuant to this Agreement shall be
7 performed in a professional and workmanlike manner. 6.2.3
- 8 6.3 LIMITED WARRANTIES. EXCEPT AS OTHERWISE PROVIDED IN
9 THIS AGREEMENT, CONTRACTOR MAKES NO WARRANTIES OF
10 ANY KIND, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED
11 TO, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A
12 PARTICULAR PURPOSE, WITH RESPECT TO THE REDFLEX SYSTEM
13 OR ANY RELATED EQUIPMENT OR WITH RESPECT TO THE
14 RESULTS OF THE CITY'S USE OF ANY OF THE FOREGOING.
- 15 6.3.1 Credit for Malfunctioning or Non-operating Designated Intersection
16 Approaches.
- 17 6.3.1.1 For each malfunctioning Redflex System at any Designated Approach,
18 Contractor's compensation under Exhibit D, shall be reduced and
19 Contractor shall credit the current monthly invoice for each affected
20 malfunctioning Designated Approach immediately following 48 hours
21 of said malfunction based on the following formula:
- 22 50% monthly malfunction rate = 50% base credit
- 23 6.3.1.2 An additional 1% credit for each percentage of malfunction rate above
24 50%, up to and including 100% malfunction rate, shall be added to the
25 base credit.
- 26 The rate of malfunctioning shall be determined from the Contractor online
27 City management report but excluding rejections for driver obstruction,
28 motor cycle helmet; plate obstruction; vehicle obstruction; extended
29 vehicle; out of country and paper plates; wrong/no DMV; emergency
30 vehicles, and safe right turn on red.
- 31 6.3.2 Any Redflex System that is determined to be down or offline for a period
32 of two (2) consecutive hours in any given month shall be responded to and
33 fully operational within 24 hours of notification from Contractor or City.
34 This does not include a System that is down or offline due to power
35 outage. In the event that a Redflex System is not fully operational within
36 twenty-four (24) hours of reporting the incident, Contractor shall credit the
37 monthly invoice in the amount of 1/30th of the fixed monthly fee for the
38 downed approach for each day the approach is down, including the initial
39 day of nonoperation.

40

41 **7.0 TERMINATION.**

1 7.1 Termination With Cause. Either party may immediately initiate termination of
2 this Agreement by providing written notice pursuant to section 11 if:

3 7.1.1 state statutes are amended to prohibit the operation of red light photo
4 enforcement systems;

5 7.1.2 any court having jurisdiction over City rules, or California or federal
6 statute declares, that results from the Redflex System or red light photo
7 enforcement are inadmissible in evidence; or

8 7.1.3 the other party commits any material breach of any of the provisions of
9 this Agreement which breach is not remedied within thirty (30) calendar
10 days (or within such other time period as the City and Contractor shall
11 mutually agree in writing, after written notice from the non-breaching
12 party setting forth in a reasonable detail the events which caused the
13 breach. The rights to terminate this Agreement given under this
14 subsection shall be without prejudice to any other right or remedy or
15 either party in respect of the breach concerned (if any) or any other
16 breach of this Agreement.

17 7.1.4 the parties are unable to come to agreement on the written business rules
18 that will be developed by the parties subsequent to execution of this
19 Agreement and prior to any equipment being installed. The initial set of
20 business rules shall be completed and agreed to by the parties in writing
21 as a prerequisite to the ordering and installation of any equipment.

22 7.2 Termination Without Cause. The City may initiate termination of this
23 Agreement without cause at any time by giving thirty (30) days written notice
24 of termination to Contractor. If the City exercises its right to terminate this
25 Agreement in accordance with this paragraph, the City shall be obligated to
26 pay Contractor for all services deemed by the City to have been satisfactorily
27 performed in accordance with this Agreement, through and including the
28 initiation of termination date, but not to exceed the payment according to the
29 rates specified in Exhibit D. In the event the City exercises its right to
30 Termination Without Cause during the first thirty-six months after execution
31 of this Agreement, the Customer shall reimburse Contractor an amount equal
32 to the Unamortized Value, as hereinafter defined, of reasonable direct labor
33 costs and reasonable direct material costs (not including Equipment costs and
34 salvageable material costs) solely associated with the installation of the
35 Redflex Photo Red Light System at all Intersection Approaches where such
36 system(s) have been installed prior to the effective date of Termination for
37 Convenience (the "Reimbursable Costs"). Contractor shall provide an
38 itemization of the Reimbursable Costs, with supporting invoices and labor
39 expense documentation, to the City within thirty (30) days of the completion
40 of installation of the Redflex Photo Red Light System at each designated
41 Intersection Approach. Said Reimbursable Costs are currently estimated to
42 equal approximately \$50,000 to \$80,000 per Intersection Approach but, in no
43 event, shall said amount exceed \$80,000 per Intersection Approach. For the
44 purpose of this section, the Unamortized Value for each Intersection

1 Approach shall be derived as follows: first, by multiplying the Reimbursable
2 Costs by the number of complete months remaining between the effective
3 Termination for Convenience date and the date that is five years after the
4 execution of the Agreement, and, then, by dividing said product by the
5 number of complete months between the date of the completion of installation
6 of the Redflex Photo Red Light System at said Intersection Approach and the
7 date that is five years after the execution of the Agreement.
8

9 7.3 Procedures Upon Termination.

10 7.3.1 Upon the expiration of the Term of this Agreement and any extension
11 agreed upon by the Parties under Section 4.11 or upon initiation of termination
12 as provided in Section 7.0 (the "Termination Initiation Date"):

13 7.3.1.1 Contractor shall immediately stop capturing and collecting new
14 Violation Data for the Designated Intersection Approaches and invoice
15 the City for the monthly fee, pro rated to the date of Termination
16 Initiation. Contractor shall continue to provide violation processing
17 services at no additional cost to the City until all Citations issued
18 before the Termination Initiation Date are adjudicate (the "Final
19 Termination Date").

20 7.3.1.2 The City shall immediately cease using the Red Light Photo
21 Enforcement Program, accessing the Redflex System and using other
22 intellectual Property of Contractor, except as necessary to prosecute
23 Citations issued before the initiation of termination date.

24 7.3.2 Unless the City and Contractor have agreed to enter into a new
25 agreement relating to the Redflex System or have agreed to extend the Term of
26 this Agreement, Contractor shall remove any and all Equipment or other
27 materials of Contractor installed in connection with Contractor's performance of
28 its obligation under this Agreement, including but not limited to housing, poles
29 and camera systems, and Contractor shall restore the Designated Intersection
30 Approaches to the same condition such Designated Intersection Approaches
31 were in immediately prior to the installation of the equipment including by not
32 limited to pavement stripes and concrete flatwork including, but not limited to,
33 curb, gutter and sidewalk refurbishment as required by City standards, if
34 damaged or altered by the installation or removal of the Redflex System.
35 Contractor shall begin removal and restoration of the Designated Intersection
36 Approaches within thirty (30) days after the Final Termination Date. Contractor
37 shall successfully complete removal and intersection restoration no later than
38 ninety (90) days after the Final Termination Date. All removal and restoration
39 costs shall be at no cost to the City and shall be the sole and exclusive
40 responsibility of Contractor.

41 7.3.3 Contractor shall promptly deliver to the City (i) Confidential
42 Information required to be returned under Section 8, (ii) a final invoice stating
43 all outstanding fees and charges properly owed by the City to Contractor, if any,
44 for work performed under this Agreement, and (iii) a final report regarding the

1 collection of data and the issuance of Citations in such a format and for such
2 periods as the City may reasonable request, and which final report Contractor
3 shall update or supplement from time to time when and if additional data or
4 information becomes available.

5 7.3.4 City shall deliver to Contractor Confidential Information required to be
6 returned under Section 8. Upon receipt of the final invoice from Contractor,
7 City shall pay any and all undisputed fees, charges and amounts, properly owed
8 by City to Contractor for work performed under the Agreement as per the terms
9 in Exhibit D.

10

11 **8.0 CONFIDENTIALITY.** During the term of this Agreement and for a period of
12 three (3) years thereafter, neither party shall disclose to any third person, or use for itself
13 in any way for pecuniary gain, any Confidential Information learned from the other party
14 during the course of the negotiations for this Agreement or during the Term of this
15 Agreement. Upon termination of this Agreement, each party shall return to the other all
16 tangible Confidential Information of such party. Each party shall retain in confidence
17 and not disclose to any third party any Confidential Information without the other party's
18 express written consent, except (a) to its employees who are reasonably required to have
19 the Confidential Information, (b) to its agents, representatives, attorneys and other
20 professional advisors that have a need to know such Confidential Information, provided
21 that such parties undertake in writing (or are otherwise bound by rules of professional
22 conduct) to keep such information strictly confidential, and (c) pursuant to, and to the
23 extent of, a request or order by any Governmental Authority, including laws relating to
24 public records.

25

26 **9.0 INDEMNITY AND LITIGATION COSTS.**

27 9.1 Contractor Shall Indemnify. Contractor is an independent contractor and shall
28 have no authority to bind City nor to create or incur any obligation on behalf of
29 or liability against City. City and their elected and appointed officials, officers,
30 agents, employees, and authorized volunteers (individually and collectively,
31 "Indemnities") shall have no liability to Contractor or to any other person for,
32 and Contractor shall indemnify, defend, protect, and hold harmless the
33 Indemnities from and against, any and all liabilities, claims, actions, causes of
34 action, proceedings, suits, damages, judgments, liens, levies, costs, and
35 expenses of whatever nature, including reasonable attorneys' fees and
36 disbursement, including without limitation expert's fees and disbursements
37 (collectively "Claims"), which the Indemnities may suffer or incur or to which
38 the Indemnities may become subject by reason of or arising out of any failure to
39 comply with applicable law, any injury to or death of any person(s), damage to
40 property, loss of use of property, economic loss or otherwise arising out of the
41 performance of the work described herein, to the extent caused by a negligent
42 act or omission of the Contractor, any subcontractor, anyone directly or
43 indirectly employed by any of them or anyone for whose acts any of them may
44 be liable, occurring as a result of or allegedly caused by the performance or

1 failure to perform by Contractor of Contractor's service under this Contract or
2 the negligent or willful acts or omissions of Contractor, its agents, officers,
3 directors, or employees, in performing any of the services under this Contract,
4 except such loss or damage which was caused by the sole negligence or willful
5 misconduct of the City.

6 9.2 Limits of Insurance Not Limiting Indemnification. If any action or proceeding
7 is brought against the Indemnities by reason of any of the matters against which
8 Contractor has agreed to indemnify the Indemnities as provided in this Contract,
9 Contractor, upon notice from the City, shall defend the Indemnities at
10 Contractor's expense. The Indemnities need not have first paid any of the
11 matters as to which the Indemnities are entitled in order to be indemnified. The
12 Contractor should assure that the insurance required to be maintained by
13 Contractor under this Contract shall ensure Contractor's obligations under this
14 paragraph, but the limits of such insurance shall not limit the liability of
15 Contractor hereunder. The provisions of Sections 16(A), 16(B) and 16(C) shall
16 survive the expiration or early termination of this Contract.

17

18 **10.0 CONTRACTOR TO PROVIDE INSURANCE.**

19 10.1 Contractor Shall Maintain Insurance. Contractor shall not commence any
20 work before obtaining, and shall maintain in force at all times during the
21 duration and performance of this Contract the policies of insurance specified
22 in this Section. Such insurance shall have the approval of the City as to limit,
23 form, and amount, and shall be placed with insurers with a current A.M.
24 Best's rating of no less than A:VII (or, in the case of Worker's Compensation
25 insurance, with the State Compensation Insurance Fund of California or other
26 City-approved worker's compensation insurer).

27 10.2 Contractor to Provide Evidence of Insurance. Prior to execution of this
28 Contract and prior to commencement of any work, Contractor shall furnish to
29 the City, and the City shall approve, original certificates of insurance and
30 endorsements effecting coverage for all policies required by the Contract. The
31 certificates and endorsements shall be signed by a person authorized by the
32 insurer, or insurers, to bind coverage on its behalf. Certificates of insurance
33 and endorsements shall be on standard Accord, Department of Insurance, and
34 Insurance Services Office approved forms or on forms approved by the City.
35 As an alternative to providing the City with approved forms of certificates of
36 insurance and endorsements, the Contractor may provide complete, certified
37 copies of all required insurance policies, including endorsements, affecting the
38 coverage required by this Section. At anytime at the written request of the
39 City, Contractor agrees to furnish one or more copies of each required policy
40 including the declaration pages, conditions, provisions, endorsements, and
41 exclusions. An authorized representative of each insurer shall certify such
42 copies. Approval of the insurance by the City shall not relieve or decrease
43 any liability of Contractor. In the case of the professional liability insurance

- 1 required by this Section, Contractor's insurer shall provide a complete,
2 certified copy of the policy.
- 3 10.3 City May Obtain Insurance at Contractor's Expense. In addition to any other
4 remedy the City may have, if Contractor fails to maintain the insurance
5 coverage as required in Section 17, the City may obtain such insurance
6 coverage as is not being maintained, in form and amount substantially the
7 same as is required herein, and the City may deduct the cost of such insurance
8 from any amounts due or which may become due Contractor under this
9 Contract.
- 10 10.4 No Suspension of Insurance. Each insurance policy required by this Contract
11 shall be endorsed to state that coverage shall not be suspended, voided,
12 canceled, terminated by either party, reduced in coverage or in limits except
13 after thirty (30) days' prior written notice by certified mail, return receipt
14 requested, has been given to the City.
- 15 10.5 Deductibles. Any deductibles, aggregate limits, pending claims or lawsuits
16 that may diminish the aggregate limits, or self-insured retention(s), shall be
17 declared to, and approved by, the City.
- 18 10.6 Aggregate Limits/Impairment. If any of the insurance coverage required by
19 Section 17 contains annual aggregate limits, Contractor shall give the City
20 notice of any pending claim or lawsuit that may diminish the aggregate.
21 Contractor shall take steps to restore the impaired aggregates or provide
22 replacement insurance protection. The City has the option to specify the
23 minimum acceptable aggregate limit for each line of coverage required. No
24 substantial reductions in scope of coverage that may affect City's protection
25 are allowed without City's prior written consent.
- 26 10.7 Coverage Shall Not Limit Obligations. The requirement as to types, limits,
27 and the City's approval of insurance coverage to be maintained by Contractor
28 are not intended to, and shall not in any manner, limit or qualify the liabilities
29 and obligations assumed by Contractor under the Contract.
- 30 10.8 Required Limits. The Contractor and Contractor's Personnel, whether
31 contractors or subcontractors shall, at their expense, maintain in effect at all
32 times during the performance of work under the Contract not less than the
33 following coverage and limits of insurance, which shall be maintained with
34 insurers and under forms of policy satisfactory to the City. The maintenance
35 by Contractor and Contractor's Personnel, whether contractors or
36 subcontractors, of the following coverage and limits of insurance is a material
37 element of this Contract. The failure of Contractor or of any of Contractor's
38 Personnel, whether contractors or subcontractors, to maintain or renew
39 coverage or to provide evidence of renewal may be treated by the City as a
40 material breach of this Contract.
- 41 10.8.1 Workers' Compensation and Employer's Liability Insurance. Contractor
42 shall maintain Workers' Compensation insurance as required by Labor
43 Code Section 3700 of the State of California and Employer's Liability

1 Act's, including Longshoremen's and Harbor Workers' Act ("Acts"), if
2 applicable. Such coverage shall be maintained, in type and amount, in
3 strict compliance with all applicable state and Federal statutes and
4 regulation. The Contractor shall execute a certificate in compliance with
5 Labor Code Section 1861, on the form provided in the Contract
6 Documents.

7 If an injury occurs to any employee of the Contractor for which the
8 employee or his dependents, in the event of his death, may be entitled to
9 compensation from the City under the provisions of the Acts, for which
10 compensation is claimed from the City, there will be retained out of the
11 sums due the Contractor under this Contract, an amount sufficient to
12 cover such compensation as fixed by the Acts, until such compensation
13 is paid or it is determined that no compensation is due. If the City is
14 required to pay such compensation, the amount so paid will be deducted
15 and retained from such sums due, or to become due to the Contractor.
16 The insurer shall agree to waive all rights of subrogation against the
17 City, its officers, officials, and employees for losses arising from work
18 performed by the Contractor.

19 10.8.2 Commercial General and Automobile Liability Insurance. The
20 insurance shall include, but shall not be limited to, protection against
21 claims arising from death, bodily or personal injury, or damage to
22 property resulting from actions, failures to act, or operations of the
23 insured, or by its employees or agents, or by anyone directly or
24 indirectly employed by the insured. The amount of insurance coverage
25 shall not be less than \$1,000,000.00 per occurrence/five thousand dollars
26 (\$5,000) medical per occurrence, and two million dollars (\$2,000,000)
27 per policy aggregate. As an alternative to the per policy aggregate the
28 Contractor may have an aggregate limit of one million dollars
29 (\$1,000,000) per project apply. Coverage shall be at least as broad as
30 Insurance Services Office "occurrence form CG 00 01 (ed. 10/03)"
31 covering commercial general liability or its equivalent, and Insurance
32 Services Office "form CA 00 01 (ed. 06/92) covering automobile
33 liability, Code 1 "Any Auto".

34 Contractor shall include all of Contractor's Personnel, including, but not
35 limited to, subcontractors, as insureds under its policies or shall furnish
36 separate Certificates for each subcontractor. All coverage for
37 subcontractors shall be subject to all of the insurance requirements stated
38 herein. Commercial general liability coverage shall include independent
39 contractor's coverage, and the Contractor shall be responsible for
40 assuring that all subcontractors are properly insured.

41 The commercial general and automobile liability insurance coverage
42 shall also include, or be endorsed to include, the following:

43 10.8.2.1 Provision or endorsement naming the City and each of its
44 officers, officials, employees, agents, and authorized volunteers

1 as additional insureds in regards to: liability arising out of the
2 performance of any work under the Contract; liability arising out
3 of activities performed by or on behalf of the Contractor;
4 premises owned, occupied or used by the Contractor; or
5 automobiles owned, leased, hired or borrowed by the Contractor.
6 The coverage shall contain no special limitations on the scope of
7 protection afforded to the City, its officers, officials, employees
8 or authorized volunteers.

9 10.8.2.2 Provision or endorsement stating that for any claims related to
10 this project, the Contractor's insurance coverage shall be primary
11 insurance as respects the City and each of its officers, officials,
12 employees, agents and authorized volunteers to the extent the
13 City is an additional insured. Any insurance or self-insurance
14 maintained by the City and each of its officers, officials,
15 employees, agents, or authorized volunteers shall be in excess of
16 the Contractor's insurance and shall not contribute with it, to the
17 payment or satisfaction of any defense expenses, loss or
18 judgment.

19 10.8.2.3 Provision or endorsement stating that any failure to comply with
20 reporting or other provisions of the policies including breaches of
21 representations shall not affect coverage provided to the City, its
22 officers, officials, employees, or authorized volunteers.

23 10.8.2.4 Provision or endorsement stating that the Contractor's insurance
24 shall apply separately to each insured against whom claim is
25 made or suit is brought, except with respect to the limits of the
26 insurer's liability.

27 10.8.2.5 Provision or endorsement stating that such insurance, subject to
28 all of its other terms and conditions, applies to the liability
29 assumed by the Contractor under the Contract, including, without
30 limitation, that set forth in Section 16, Indemnity and Litigation
31 Costs.

32 10.8.3 Professional Liability. The Contractor and its contractors and
33 subcontractors shall secure and maintain in full force, during the term of
34 this Contract professional liability insurance policies (errors and
35 omissions) appropriate to the respective professions and the work to be
36 performed as specified in this Contract. The limits of such professional
37 liability insurance coverage shall not be less than one million dollars
38 (\$1,000,000) per claim and two million dollars (\$2,000,000) aggregate.
39 As an alternative there may be a limit of not less than one million dollars
40 (\$1,000,000) per claim and one million dollars (\$1,000,000) per project
41 aggregate. If any professional liability policy is written on a "claims
42 made" basis, such policy, and any succeeding policy shall be specifically
43 endorsed to show that "prior acts" occurring at anytime after the
44 inception date of this Contract will be covered. Upon termination of the

1 Contract with the City, the same professional liability insurance
2 requirements will apply for a three (3) year period following such
3 termination. A "tail" policy may be purchased as an alternative to
4 satisfy this requirement.

5

6 **11.0 NOTICES.** Any notices to be given hereunder shall be in writing, and shall be
7 deemed to have been given (a) upon delivery, if delivered by hand, (b) three (3) days
8 after being mailed first class, certified mail, return receipt requested, postage and registry
9 fees prepaid, or (c) one Business Day after being delivered to a reputable overnight
10 courier service, excluding the U.S. Postal Service, prepaid, marked for next day delivery,
11 if the courier service obtains a signature acknowledging receipt, in each case addressed or
12 sent to such party as follows:

13 Notices to Contractor:

14 Redflex Traffic Systems, Inc.
15 15020 North 74th Street
16 Scottsdale, AZ 85260
17 Attention: Ms. Karen Finley
18 Facsimile: (480) 607-5552

19

20 Notices to the City:

21 City of Elk Grove
22 8380 Laguna Palms Way, Ste. 200
23 Elk Grove, CA 95758
24 Attention: John H. Danielson, City Manager
25 Facsimile: (916) 691-2001

26

27 **12.0 DISPUTE RESOLUTION.** Upon the occurrence of any dispute or disagreement
28 between the parties hereto arising out of or in connection with any term or provision of
29 this Agreement, the subject matter hereof, or the interpretation or enforcement hereof (the
30 "Dispute"), the parties shall engage in informal, good faith discussions and attempt to
31 resolve the Dispute. In connection therewith, upon written notice of either party, each of
32 the parties will appoint a designated officer whose task it shall be to meet for the purpose
33 of attempting to resolve such Dispute. The designated officers shall meet as often as the
34 parties shall deem to be reasonably necessary. Such officers will discuss the Dispute. If
35 the parties are unable to resolve the Dispute in accordance with this Section 12, and in the
36 event that either of the parties concludes in good faith that amicable resolution through
37 continued negotiation with respect to the Dispute is not reasonably likely, then the parties
38 may mutually agree to submit to binding or nonbinding arbitration or mediation.

39

40 **13.0 MISCELLANEOUS.**

41 13.1 Assignment. Neither party shall assign or transfer this Agreement nor any
42 rights or obligations there under without the express written consent of the
43 other party. Any assignment attempted without the written consent of the

1 other party shall be void. For purposes of this Agreement, the term
2 “assignment” includes any transfer of rights or obligations under this
3 Agreement to a successor by merger or consolidation or to any person or
4 entity that acquires all or substantially all of Contractor’s capital stock or
5 assets, and includes Contractor’s assignment of this Agreement to any
6 person or entity to which Contractor transfers any of its rights in the
7 Software.

8 13.2 Changes in Control of Company. In the event of a change in Control of
9 Contractor, the City shall have the option of terminating this Agreement
10 by written notice to Contractor. Contractor shall notify the City within ten
11 (10) days of the occurrence of a change in Control. As used in this
12 Section, “Control” means the possession, direct or indirect, of either:

13 (a) the ownership or ability to direct the voting of fifty-one percent
14 (51%) or more of the equity interests, value, or voting power in
15 Contractor; or

16 (b) the power to direct or cause the direction of the management and
17 policies of Contractor, whether through ownership of voting securities,
18 by contract, or otherwise.

19 13.3 Relationship between Contractor and the City. Nothing in this Agreement
20 shall create, or be deemed to create, a partnership, joint venture or the
21 relationship of principal and agent or employer and employee between the
22 parties. The relationship between the parties shall be that of independent
23 contractors, and nothing contained in this Agreement shall create the
24 relationship of principal and agent or otherwise permit either party to incur
25 any debts or liabilities or obligations on behalf of the other party (except as
26 specifically provided herein).

27 13.4 Audit Rights. City shall have the right to periodically audit the products
28 and services provided by Contractor to verify continual compliance with
29 all laws, regulations and legal requirements pertaining to the use of the
30 Redflex System. City shall also have the right to audit the calibration of
31 equipment installed by Contractor to verify ongoing compliance with the
32 requirements of this Agreement.

33 Each of parties hereto shall have the right to audit the books and records of
34 the other party hereto (the “Audited Party”) solely for the purpose of
35 verifying the payments, if any, payable pursuant to this Agreement. Any
36 such audit shall be conducted upon not less than forty-eight (48) hours’
37 prior notice to the Audited Party, at mutually convenient times and during
38 the Audited Party’s normal business hours. Except as otherwise provided
39 in this Agreement, the cost of any such audit shall be borne by the non-
40 Audited Party. In the event any such audit establishes any underpayment
41 of any payment payable by the Audited Party to the non-Audited Party
42 pursuant to this Agreement, the Audited Party shall promptly pay the
43 amount of the shortfall, and in the event that any such audit establishes
44 that the Audited Party has underpaid any payment by more than twenty

- 1 five percent (25%) of the amount of actually owing, the cost of such audit
2 shall be borne by the Audited Party. In the event any such audit
3 establishes any overpayment by the Audited Party of any payment made
4 pursuant to this Agreement, non-Audited Party shall promptly refund to
5 the Audited Party the amount of the excess.
- 6 13.5 Force Majeure. Neither party will be liable to the other or be deemed to
7 be in breach of this Agreement for any failure or delay in rendering
8 performance arising out of causes beyond its reasonable control and
9 without its fault or negligence. Such causes may include but are not
10 limited to, acts of God or the public enemy, terrorism, significant fires,
11 floods, earthquakes, epidemics, quarantine restrictions, strikes, freight
12 embargoes, or Governmental Authorities approval delays which are not
13 caused by any act or omission by Contractor, and unusually severe
14 weather. The party whose performance is affected agrees to notify the
15 other promptly of the existence and nature of any delay.
- 16 13.6 Entire Agreement. This Agreement represents the entire Agreement
17 between the parties, and there are no other agreements (other than invoices
18 and purchase orders), whether written or oral, which affect its terms. This
19 Agreement may be amended only by a subsequent written agreement
20 signed by both parties.
- 21 13.7 Severability. If any provision of this Agreement is held by any court or
22 other competent authority to be void or unenforceable in whole or part,
23 this Agreement shall continue to be valid as to the other provisions thereof
24 and the remainder of the affected provision.
- 25 13.8 Waiver. Any waiver by either party of a breach of any provision of this
26 Agreement shall not be considered as a waiver of any subsequent breach
27 of the same or any other provision thereof.
- 28 13.9 Construction. Except as expressly otherwise provided in this Agreement,
29 this Agreement shall be construed as having been fully and completely
30 negotiated and neither the Agreement nor any provision thereof shall be
31 construed more strictly against either party.
- 32 13.10 Headings. The headings of the sections contained in this Agreement are
33 included herein for reference purposes only, solely for the convenience of
34 the parties hereto, and shall not in any way be deemed to affect the
35 meaning, interpretation or applicability of this Agreement or any term,
36 condition or provision hereof.
- 37 13.11 Execution and Counterparts. This Agreement may be executed in any
38 number of counterparts, each of which when so executed and delivered
39 shall be deemed an original, and such counterparts together shall
40 constitute only one instrument. Any one of such counterparts shall be
41 sufficient for the purpose of proving the existence and terms of this
42 Agreement and no party shall be required to produce an original or all of
43 such counterparts in making such proof.

- 1 13.12 Covenant of Further Assurances. All parties to this Agreement shall, upon
2 request, perform any and all acts and execute and deliver any and all
3 certificates, instruments and other documents that may be necessary or
4 appropriate to carry out any of the terms, conditions and provisions hereof
5 or to carry out the intent of this Agreement.
- 6 13.13 Remedies Cumulative. Each and all of the several rights and remedies
7 provided for in this Agreement shall be construed as being cumulative and
8 no one of them shall be deemed to be exclusive of the others or of any
9 right or remedy allowed by law or equity, and pursuit of any one remedy
10 shall not be deemed to be an election of such remedy, or a waiver of any
11 other remedy.
- 12 13.14 Binding Effect. This Agreement shall inure to the benefit of and be
13 binding upon all of the parties hereto and their respective executors,
14 administrators, successors and permitted assigns.
- 15 13.15 Compliance with Laws. Nothing contained in this Agreement shall be
16 construed to require the commission of any act contrary to law, and
17 whenever there is a conflict between any term, condition or provision of
18 this Agreement and any present or future statute, law, ordinance or
19 regulation contrary to which the parties have no legal right to contract, the
20 latter shall prevail, but in such event the term, condition or provision of
21 this Agreement affected shall be curtailed and limited only to the extent
22 necessary to bring it within the requirement of the law, provided that such
23 construction is consistent with the intent of the Parties as expressed in this
24 Agreement.
- 25 13.16 No Third Party Benefit. Nothing contained in this Agreement shall be
26 deemed to confer any right or benefit on any Person who is not a party to
27 this Agreement.
- 28 13.17 Survival. Notwithstanding the foregoing, the definitions and each of the
29 following shall survive the termination of this Agreement: Sections 5.0
30 (Reservation of Rights), 6.1 (Contractor Representations and Warranties),
31 6.2 (City Representations and Warranties), 8.0 (Confidentiality), 9.0
32 (Indemnification and Liability), 11.0 (Notices), 12.0 (Dispute Resolution),
33 13.1 (Assignment), 13.17 (Applicable Law), and 13.18 (Jurisdiction and
34 Venue), and (y) those provisions, and the rights and obligations therein,
35 set forth in this Agreement which either by their terms state, or evidence
36 the intent of the parties, that the provisions survive the expiration or
37 termination of the Agreement, or shall survive to give effect to the
38 provisions of this Agreement.
- 39 13.18 Applicable Law. This Agreement shall be governed by and construed in
40 all respects solely in accordance with the laws of the State of California,
41 United States.
- 42 13.19 Jurisdiction and Venue. Any dispute arising out of or in connection with
43 this Agreement shall be submitted to the exclusive jurisdiction and venue

1 of the courts located in the County of Sacramento, State of California and
2 both parties specifically agree to be bound by the jurisdiction and venue
3 thereof.

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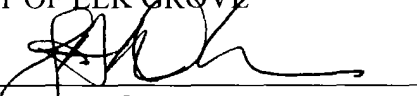
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first set forth above.


“City”

“Contractor”

CITY OF ELK GROVE

REDFLEX TRAFFIC SYSTEMS, INC.,

By: 
Name: John Danielson
Title: City Manager

By: 
Name: Karen Finley
Title: President & CEO

Approved as to form by City

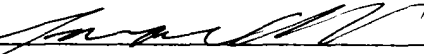
By: 
Name: JONATHAN HOBBS
Title: CITY ATTORNEY

EXHIBIT "A"

Designated Intersection Approaches

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4 The contract is for the implementation of not less than two (2) nor more than fifteen (15)
5 Designated Intersections. The Implementation Plan, Exhibit G, includes the results of an
6 engineering study of intersections under consideration at the time of contract execution.
7 Contractor agrees that during the term of this Agreement, additional intersections selected
8 by the City for installation of the Redflex System will be installed for the prices and
9 under the terms and conditions as stated in this Agreement. The decision to implement a
10 Redflex System at any Designated Intersection will be based on input from both the City
11 and the Contractor and where feasible shall be determined by mutual agreement. Both
12 parties shall be reasonable in their discussions and negotiations on Designated
13 Intersection locations. In the event mutual agreement cannot be reached by the parties,
14 the City shall have the sole and exclusive right to make the final determination.
15 Contractor agrees to comply with the decision made by the City and thereafter begin
16 installation of the selected Designated Intersection without further delay. Contractor
17 shall not begin the installation of any equipment at any intersection until Contractor is in
18 receipt of a written "Notice to Proceed" issued by the City.

EXHIBIT "B"

Construction and Installation ObligationsTimeframe for Installation

Contractor will have each specified Designated Intersection Approach installed and activated in phases in accordance with a written Notice to Proceed from the City as noted above and an implementation plan for each respective intersection to be mutually agreed to by Contractor and the City.

Contractor will use reasonable commercial efforts to install the system in accordance with the schedule set forth in the Project Plan, Exhibit F and the Implementation Plan, Exhibit G

Contractor will use reasonable commercial efforts to install and activate the first specified Designated Intersection within sixty (60) to ninety (90) days subsequent to formal project kick-off meeting and receipt of a written Notice to Proceed with installation of the first Designated Intersection Approach. Contractor shall not be held responsible for project delays caused by events outside the direct control of Contractor.

1. Contractor Obligations. Contractor shall do or cause to be done each of the following (in each case, unless otherwise stated below, at Contractor's sole expense):

1.1. Appoint the Contractor Project Manager and a project implementation team consisting of between one (1) and four (4) people to assist the Contractor Project Manager;

1.2. Request current "as-built" electronic engineering drawings for each City-authorized Designated Intersection Approach (the "Drawings") from the city traffic engineer;

1.3. Develop and submit to the City for approval construction and installation specifications in reasonable detail for each Designated Intersection Approach, including but not limited to specifications for all radar sensors, traffic loop, electrical connections and traffic controller connections, as required; and

1.4. Seek approval from the relevant Governmental Authorities having authority or jurisdiction over the construction and installation specifications for each Designated Intersection Approach (collectively, the "Approvals"), which will include compliance with City permit applications.

1.5. Finalize the acquisition of the Approvals;

1.6. Submit to the City a public awareness strategy for the City's consideration and approval, which strategy shall include media and educational materials for the City's approval or amendment (the "Awareness Strategy");

1.7. Develop the Redlight Violation Criteria in consultation with the City;

1.8. Develop the Enforcement Documentation for approval by the City, which approval shall not be unreasonably withheld;

- 1 1.9. Successfully complete the installation and testing of all necessary Equipment,
2 including hardware and software, at each Designated Intersection Approach
3 (authorized by a written Notice to Proceed and installed under the supervision
4 of the City);
- 5 1.10. Cause an electrical sub-contractor to complete all reasonably necessary
6 electrical work at each Designated Intersection Approach, including but not
7 limited to the installation of all related Equipment and other detection sensors,
8 poles, cabling, telecommunications equipment and wiring, which work shall be
9 performed in compliance with all applicable local, state and federal laws and
10 regulations;
- 11 1.11. Install and test the functionality of each Designated Intersection Approach with
12 the Redflex System and establish fully operational Violation processing
13 capability with the Redflex System;
- 14 1.12. Implement the use of the Redflex System at each Designated Intersection
15 Approach;
- 16 1.13. Deliver the Materials to the City; and
- 17 1.14. Issue citation notices for Authorized Violations;
- 18 1.15. Contractor shall, at its own expense, provide training (i) for up to fifteen (15)
19 personnel of the City, including but not limited to the persons who City shall
20 appoint as Authorized Officers and other persons involved in the administration
21 of the Redflex System, (ii) for at least sixteen (16) hours in the aggregate or as
22 may be required in order to successfully complete this task to the satisfaction of
23 the City, (iii) regarding the operation of the Redflex System and the Redlight
24 Photo Enforcement Program, which training shall include training with respect
25 to the Redflex System and its operations, strategies for presenting Violations
26 Data in court and judicial proceedings and a review of the Enforcement
27 Documentation;
- 28 1.16. Contractor shall not conduct any form of “public launch” or notification of the
29 Redflex System to be installed without the express written permission of the
30 City. This includes notification of the use of the Redflex System in the City of
31 Elk Grove to any entity without the express written permission of the City to do
32 so.
- 33 1.17. Interact with court and judicial personnel to address issues regarding the
34 implementation of the Redflex System, the development of a subpoena
35 processing timeline that will permit the offering of Violations Data in court and
36 judicial proceedings, and coordination between Contractor, the City and
37 juvenile court personnel; and
- 38 1.18. Citation processing and citation re-issuance
- 39 1.19. Provide current manuals, user guides and other software, hardware and system
40 user documentation to the City as required throughout the term of the
41 Agreement immediately upon their commercial availability at no additional cost
42 to the City.

- 1 2. City Obligations. The City shall do or cause to be done each of the following (in each
2 case, unless otherwise stated below, at City's sole expense):
- 3 2.1 Appoint the Police Project Manager;
- 4 2.2 Assist Contractor in obtaining the Drawings from the relevant Governmental
5 Authorities;
- 6 2.3 Use their best efforts to notify Contractor of any specific requirements relating
7 to the construction and installation of any Intersection Approaches or the
8 implementation of the Redflex System;
- 9 2.4 Provide assistance to Contractor in obtaining access to the records data of the
10 Department of Motor Vehicles in Contractor's capacity as an independent
11 contractor to the City
- 12 2.5 Provide reasonable assistance to Contractor in seeking the approvals necessary
13 for Redflex System installation
- 14 2.6 Provide reasonable access to the City's properties and facilities in order to
15 permit Contractor to install and test the functionality of each Designated
16 Intersection Approach and the Redlight Photo Enforcement Program;
- 17 2.7 Provide reasonable access to the personnel of the City and reasonable
18 information about the specific operational requirements of such personnel for
19 the purposes of performing training;
- 20 2.8 Seek approval or amendment of Awareness Strategy and provide written notice
21 to Contractor with respect to the quantity of media and program materials (the
22 "Materials") that the City will require in order to implement the Awareness
23 Strategy during the period commencing on the date on which Contractor begins
24 the installation of any Designated Intersection Approach.
- 25 2.9 Assist Contractor in developing the Redlight Violation Criteria; and
- 26 2.10 Review all Redflex System documentation provided by Contractor, notify
27 Contractor of any problems or deficiencies in the documentation.

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EXHIBIT "C"

Maintenance

1. All repair and maintenance and upgrades of the Redflex System and related equipment in accordance with the requirements of this Agreement will be the sole responsibility of Contractor, including but not limited to maintaining the casings of the cameras included in the Redflex System and keeping all equipment in reasonably clean and graffiti-free condition.
2. Contractor shall not open the Traffic Signal Controller Boxes without a representative of city Traffic Engineering present.
3. The provision of all necessary communication, broadband, electrical services and telephone services to each Designated Intersection Approach will be the sole responsibility of the Contractor.
4. In the event that images of a quality suitable for the Authorized Officer to identify Violations cannot be reasonably obtained without the use of flash units, Contractor shall provide and install such flash units. If it is mutually agreed that available upgrades will materially increase the issuance rates of violations generated by the program, or if any requirements are placed on the City by any local, county, state or federal law, regulation, ordinance or statute that requires equipment to be modified, upgraded or replaced Contractor will perform said modification, upgrade or replacement and install those components within sixty (60) days of such decision or notice at no additional cost to the City.
5. The Redflex Project Manager (or his designee) shall be available to the Police Project Manager each day, on a reasonable best efforts basis throughout the Term of this Agreement.

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EXHIBIT "D"

Compensation and Pricing

Commencing on the expiration of the Warning Period for each Designated Intersection Approach, City shall pay Contractor a "fixed price not to exceed" fee per month for each Designated Intersection Approach. The fixed price not to exceed for each Designated Intersection will be Five Thousand, Eight Hundred and Seventy dollars (\$5870.00) payable monthly per the terms and conditions as stated in this Agreement.

BUSINESS ASSUMPTIONS FOR ALL PRICING OPTIONS:

1. Additional conduit and/or construction costs that are necessary in order to accommodate installation of the Redflex System(s) and each Designated Intersection installed under the terms of this Agreement shall be at Contractor's sole and exclusive expense.
2. Each year the monthly fee noted above will increase up to but not greater than the Consumer Price Index (CPI) for the previous year. The CPI will be the national average CPI as stated in authorized publication by the U.S. Department of Labor.
3. City agrees to pay Contractor within forty-five (45) days after the invoice is received for all undisputed invoices.

EXHIBIT "E"

Additional Rights and Obligations

Contractor and the City shall respectively have the additional rights and obligations set forth below:

1. Contractor shall assist the City in public information and education efforts, including but not limited to the development of artwork for utility bill inserts, press releases and schedules for any public launch of the Redlight Photo Enforcement Program (actual print and production costs are the sole responsibility of the City).
2. The Redflex Project Manager and the Police Project Manager shall meet on a weekly basis during the period commencing as of the date of execution hereof and ending on the Installation Date, and on a monthly basis for the remainder of the Term, at such times and places as the Redflex Manager and the City Manager shall mutually agree.
3. The City shall not access the Redflex System or use the Redlight Photo Enforcement Program in any manner other than prescribed by law and which restricts or inhibits any other Person from using the Redflex System or the Redflex Photo Enforcement Program with respect to any Intersection Approaches constructed or maintained by Contractor for such Person, or which could damage, disable, impair or overburden the Redflex System or the Redflex Photo Enforcement Program, and the City shall not attempt to gain unauthorized access to (i) any account of any other Person, (ii) any computer systems or networks connected to the Redflex System, or (iii) any materials or information not intentionally made available by Contractor to the City by means of hacking, password mining or any other method whatsoever, nor shall the City cause any other Person to do any of the foregoing.
4. The City shall maintain the confidentiality of any username, password or other process or device for accessing the Redflex System or using the Redlight Photo Enforcement Program.
5. Each of Contractor and the City shall advise each other in writing with respect to any applicable rules or regulations governing the conduct of the other on or with respect to the property of such other party, including but not limited to rules and regulations relating to the safeguarding of confidential or proprietary information, and when so advised, each of Contractor and the City shall obey any and all such rules and regulations.
6. The City shall reimburse Contractor for the cost of repairing or replacing any portion of the Redflex System, or any property or equipment related thereto, damaged directly or indirectly by the City, or any of its employees, contractors or agents per the terms of Exhibit D.

1 EXHIBIT F
2 Project Plan

Task	Duration
City of Elk Grove Project Plan	30 days
Contract Signing (Estimated contract execution)	1 day
Kick-Off Meeting	1 day
Introduce Redflex Project Manager	1 day
Identify City Project Manager	1 day
Field Technology Component	25 days
Obtain Proposed Intersection List From Client	1 day
Preliminary Field Inspection of Proposed Locations: The field inspection consists of walking each proposed intersection for constructability. Redflex will invite the City traffic engineering Dept or public works to walk the intersections for discussion on City preference with regards to infrastructure deployment, engineering drawing requirements, and any other special considerations	
Video Survey of Intersection: Surveys will be conducted at intersection approaches identified by the Customer. Redflex will temporarily mount a video camera at the subject intersection approaches and record violations over a 12 hour time frame. A summary of the infractions will be provided to the Customer following the viewing of the video recordings.	5 days
Conduct Violation Counts: Redflex staff will view contents of video medium and provide the Customer with a summary of the infractions. Infractions will be broken down by time of day (three time segments) and type of motion (left turn, straight through and right turn).	7 days
Request As Built Drawings from Client: Redflex will utilize Customer supplied As Built Drawings for each intersection approach where a system will be constructed. The drawings will be used as the basis for preparing Construction Drawings for the proposed Redflex system.	1 day
Received Drawings from Client	3 days
Prep Drawings for Red Lining: The Redflex Construction Manager will arrange a pre-design meeting with the Elk Grove traffic engineering Dept to assure all proposed designs meet City specifications and needs. This information will be transferred to the red line as built. Upon agreement of design RTS will draft and submit to the City a full complement of Engineering drawings.	3 days
Red Line Drawings Showing Camera Equipment	5 days
Submit Redflex Drawing to Client for Approval	2 days
Client Review Drawings & Provides Comments (estimated)	7 days
Client Return Drawing with Comments	2 days

Second Submittal of Drawing to Client for Approval	4 days
Client Approval of Redflex Drawing	2 days
Submit Bid Packets to Contractor: Bid packets will contain specifications (C.S.I. formatted specifications and drawings) for required site work (i.e. installation of conduit, wiring, etc).	3 days
Review Quotation and Make Decision	1 day
Submit PEV to Construction Director to Authorize Work: Redflex approves the internal funding and assures proper insurance certificates prior to proceeding with field construction.	1 day
Submit Signed PEV to Accounting	1 day
Fax Letter of Intent to Contractor	1 day
Submit Subcontract Agreement to Contractor	1 day
File PEV, Subcontract Agreement & Insurance Certificates	1 day
Return Signed Fully Executed Copy of Subcontract Agreement to Contractor	2 days
On-Site Construction Equipment in Elk Grove: Decisions will be made jointly with Elk Grove Traffic Engineering/Public Works regarding site work and equipment deployment	3 days
Camera Enclosures (Cabinet-less)	3 days
Flash Enclosures: In working jointly with City staff decisions will be made regarding how flash enclosures will be mounted (existing city pole or Redflex installed pole).	3 days
Pelco Pole Bases: If the City opts for a free-standing installation, Redflex will install Pelco bases in concrete foundations per manufacturer's specifications.	3 days
Cat 5 Cable	3 days
Pre Construction Meeting/Mark Equipment Locations	1 day
Subcontractor Commence Construction	14 days
Underground Work: Underground work includes, but is not limited to the placement of conduit to bring power, comms, and signalization to RTS equipment. Boring method is used and 4' by 4' pits are the only intrusion. All grounds will be restored to better than condition.	7 days
Poles & Wiring	5 days
Equipment Installation: If the construction design requires, Redflex will install/erect cabinet/enclosures.	5 days
Photo Enforcement Advisory Sign Installation: In keeping with the C.V.C., signs will be installed at 1) each intersection where the system will be installed (all approaches) or 2) at the main entrance points into the City.	2 days
Finalization: In this stage, the Construction manager will review completed work.	1 day
Post Construction Check: All equipment installation will be quality checked per pre-prescribed Redflex checklists and final authorization to pay for	1 day

construction work completed will be authorized.	
Ship Redflex Camera Equipment	3 days
Installation of Redflex Camera Equipment	5 days
Test Equipment Operability	3 days
High Speed Internet Connection: Redflex will handle the application for and coordination of cable modem or DSL level of connectivity (784Mb or better upload speed is the minimum)	7 days
Order DSL Service -	1 day
DSL Service Provider Assigns Address and Account Number	1 day
POTS Line Installation: This step is typically not required or with some carriers as they install first to condition for DSL service.	4 days
Communications Install - DSL Upgrade	2 days
Test Connectivity: On site field technicians will test the data line throughput with our Scottsdale office IT personnel to assure the bandwidth required before acceptance from the service provider. Minimum upload speed is required.	2 days
Requirements Analysis & Ancillary Documents	25 days
Prepare Kick-Off Meeting Presentation	2 days
Prepare Business Rules (Violation Criteria) & Ancillary Documents: Business rules are defined by approximately 50 questions that the City is asked in order for RTS to build back-office software for citation issuance, court interface, financial interface, collections, etc. This is a collaborative effort between Redflex and the City	2 days
Business Rules	2 days
Warning Letter	2 days
Citation - Notice to Liability (Front): Redflex presents sample layouts to the city for their perusal and decision. Once a layout is agreed upon, the city "signs off" that the agreed layout will be used.	2 days
Citation - Notice to Liability (Back) Redflex presents sample layouts to the city for their perusal and decision. Once a layout is agreed upon, the city "signs off" that the agreed layout will be used	2 days
Instructions Page: This is additional information to the violator on how to handle payment or challenge the citation. The instruction page can include a Spanish translation.	2 days
Options Page: This is tear-off design options. 1. Pay and fill out the information. 2. Request a hearing and so on.	2 days
Mailing Page: This also is for placing in the envelope with the address already typed on the page along with their completed option	2 days
Default Letters	1 day
Police Authorization On-Line Access Form	2 days
Public Awareness Material: Redflex provides documents to the city for their use in the public awareness campaign; these include mailers and	1 day

additional information for the city to send in the mail Generally cities send these out with common place notices (electricity bills or similar)	
Client Kick-Off Meeting/Present Documents	1 day
Client Follow-Up Meeting to Finalize Requirements	1 day
Signoff of Bus Rules & Ancillary Documents by Client	7 days
Submit Application to Request Access to DMV for Plate Inquiry: Redflex requires that the City approve our use of a requestor code, enables Redflex to request registration and owner information from California DMV. The city will approve our request and Redflex will submit to DMV. Once approved, and only when approved can Redflex obtain the DMV information.	1 day
Client Submits Letter to DMV to Request Access for Redflex (RTS Agent of PD)	1 day
DMV Authorizes Access to Redflex: Request is submitted by the City to the DMV for Redflex to access DMV files. DMV issues Requestor Code authorizing the City of Elk Grove to allow Redflex to conduct DMV inquiries on behalf of the City.	7 days
Software & Back Office Customization: Approval of all citations is handled through the Redflex, Smartops, and citation authorization module. The application is available for assigned City and/or Law Enforcement personnel and is accessed using user management and Internet security protocols. Once an officer is logged-in to the application, he/she is able to access all violations waiting for review. Each citation notice includes all required information and authorized police personnel will utilize SmartOps to review each notice and indicate violation acceptance or rejection. When violations are accepted, the application utilizes digital signatures confirming City authorization of the notice. Typically, the officer's assigned duty to the Red Light Camera Program will receive incoming violation incidences, via the Redflex WebOps program. When reviewing these incidences, officers will apply violation screening and citation development guidelines that have been developed in cooperation with Redflex. The guidelines that have been developed will be documented in the Business Rules.	25 days
Schedule Meeting with Software Developer to Submit Requirements	1 day
Requirements Submitted to Software Developer	1 day
Notices Submitted to Software Developer	1 day
Obtain Sign-Off From Software Developer	1 day
Advise Developer of Forecasted Go Live Date	1 day
Develop, Test & Implement Back Office: Once the business rules are developed and approved by the city, Redflex creates the webpage and tests that all functions of the web application work for the city, this includes rejection codes and any other	20 days

requirements particular to the city.

Print Sample Notices	2 days
Generate Reports from WebOps: Reports are web generated, date specific and include violators recorded, violations that have been rejected (non-issued) and issued citations.	2 days
Provide Access to Police, Court and City Personnel to WebOps: The City is not required to obtain a license as this is our own web-based application. The City will identify a specific staff person to manage access authorization. Redflex will provide log in and passwords for each person. Access can full access (authorized to approve citations) or be read only.	1 day
Implement into Production: Once testing is completed, any alterations to the software program are made and the program is handed over to production.	1 day

Project Hand-Over to Production 1 day

Schedule Meeting With Ops Manager & PSA	1 day
Submit Processing Requirements for Production: Processing requirements are developed based upon the set of Business Rules that are signed off by the City. For example, these business rules might direct Redflex to reject any incident that a vehicle screeches to a halt just forward of the stop bar.	1 day
Obtain Sign-Off From Ops Manager	1 day

Police Personnel Training 5 days

Prepare Training Agenda and Documentation	2 days
Conduct Training: Redflex will provide a comprehensive two-day training program. Specific modules have been developed to meet the unique requirements of the Courts, Law Enforcement and other relevant City personnel. Specific training modules include information on:	2 days

- Camera equipment orientation
- WebOps (Redflex web-based citation authorization module)
- Camera maintenance, support & certification
- Court documentation, review & defense protocols

We will also provide specific training modules and instruction for parties that will be interfacing and impacted by the implementation of a Photo Enforcement Program, including specific training for Court and Law Enforcement personnel. This training will consist of topics on adjudication/court implementation and training, and will specifically include:

- Court administration of the program, including introduction & familiarization
- Subpoena processing timelines for evidence development

- Development and coordination of hearing schedules

Evidence introduction and familiarization

Submit Training Certificates: Training Certificates will be issued to the city for any person who undergoes Redflex training in the use of the Red Light Camera Program, and is authorized to issue citations. 1 day

Warning Period 30 days

Warning Letter Period Commences 30 days

Ticket Issuance 1 day

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EXHIBIT "G"
Implementation Plan

*This exhibit is to be built upon completion of the engineering study, due later this month.
It will identify two Designated Intersections to be built out by Redflex as the initial
deliverables for this project. Text in this exhibit will also stated the City has the option,
for the price quoted herein, to have Redflex install up to an additional thirteen (13)
Designated Intersections during the term of this Agreement.*

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Exhibit H

FORM OF ACKNOWLEDGMENT AND CONSENT

This Acknowledgement and Consent, dated as of _____, 2007, is entered into by and between the City of _____ (the "City") and Redflex Traffic Systems, Inc., ("Redflex"), with reference to the Agreement between the city of _____ and Redflex Traffic Systems, inc. for Photo red light enforcement program, dated as of _____, by and between the City and Redflex (the "Agreement").

1. Redflex has entered into a Credit Agreement, dated as of August 3, 2003 (the "Harris-Redflex Credit Agreement"), with Harris Trust and Savings Bank (the "Bank"), pursuant to which the Bank has provided certain working capital credit facilities to Redflex. Such credit facilities will provide Redflex the working capital that it needs to perform its obligations to the City under the Agreement.

2. Pursuant to the Harris-Redflex Credit Agreement, Redflex has granted Harris a security interest in all of Redflex's personal property as collateral for the payment and performance of Redflex's obligations to the Bank under the Harris-Redflex Credit Agreement. Such security interest applies to and covers all of Redflex's contract rights, including, without limitation, all of Redflex's rights and interests under the Agreement.

3. Redflex will not, by virtue of the Harris-Redflex Credit Agreement, be relieved of any liability or obligation under the Agreement, and the Bank has not assumed any liability or obligation of Redflex under the Agreement.

4. The City hereby acknowledges notice of, and consents to, Redflex's grant of such security interest in favor of the Bank in all of Redflex's rights and interests under the Agreement pursuant to the Harris-Redflex Credit Agreement.

5. The City further acknowledges and agrees that this Acknowledgement and Consent shall be binding upon the City and shall inure to the benefit of the successors and assigns of the Bank and to any replacement lender which refinances Redflex's obligations to the Bank under the Harris-Redflex Credit Agreement.


IN WITNESS WHEREOF, the City and Redflex have caused this Acknowledgement and Consent to be executed by their respective duly authorized and elected officers as of the date first above written.

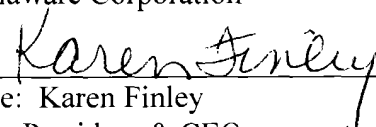
The City:

Redflex:

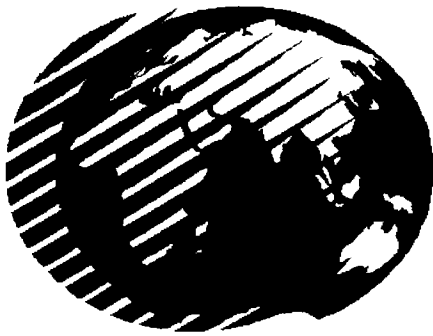
CITY OF ELK GROVE

REFLEX TRAFFIC SYSTEMS, INC.,
a Delaware Corporation

By: 
Name: John Danielson
Title: City Manager

By: 
Name: Karen Finley
Title: President & CEO

**BUSINESS RULES
FOR
THE CITY OF ELK GROVE, CA**



REDFLEX
TRAFFIC SYSTEMS



**RED LIGHT PHOTO
ENFORCEMENT PROGRAM**



CITY OF ELK GROVE, CALIFORNIA REDFLEX TRAFFIC SYSTEMS BUSINESS RULES

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Change History Log

A Change History Log is especially useful when changes are made to the document after all stakeholders have approved it. Any changes should be noted in this log so that the readers clearly understand what information was changed between versions.

Date	Version #	Change Description	Author(s)
07.11.07	1.0	Initial draft of business rules	Joe Bernard
07.26.07	1.1	Return to City for review	Ray Torrez & Troy Brown
09.17.07	1.5	Amended section 21	Ray Torrez

Purpose of Business Rules

The intent of this document is to provide guidelines, structure and methods of operation for the various functions that comprise a red light camera program. The rules encompass an array of

procedures that direct the work of Redflex Traffic Systems (RTS) employees. Though the contract is the controlling document outlining various obligations of RTS and the city, these rules define specific operational components of the program. These rules may be amended from time to time at the direction of the city, when legislative changes occur, or when RTS updates or changes a procedure. When it is necessary to modify a function defined herein, that change will be noted in the revision history. It is also encouraged to review these rules on no less than an annual basis. A copy of the rules will be retained by RTS and the city. Any change to the rules will require notice to the other party.

Citation Information/ Court Procedures

1. The following minimum information shall be included on all citations (CVC 40518 (b)):
 - a. Registered owner name and address
 - b. License plate of vehicle
 - c. Violation and description
 - d. Date, time and location of offense
 - e. Specify whether a driver's license is commercial
 - f. Date, time and location of court appearance
 - g. Issuing officer's name, rank and ID number
 - h. The description of the offense as appears on the citation will be "Failure to Stop at Red Light."
 - i. The statute for red light running in California is: **CVC 21453 (a)**. This statute applies to a driver facing a steady circular red signal regardless of the movement the driver makes in violation of the provisions of this section. The statute for violating a steady red arrow is **CVC 21453 (c)**.
 - j. DOB or CDL (if known, not required by statute) - Court requires either DOB or CDL on RLC filings.
 - k. Physical description (if known, not required by statute)
2. The registered owner's name on the citation will read first, middle and last name with no commas.
3. Redflex will use the Notice to Appear template approved by the California Judicial Council.

4. The date of issue on the citation is the date Redflex printed and mailed the citation. This is different from the date of violation. Both dates are included on the citation.
5. Citation numbering format will be: 1234567EGA.
6. Affidavit of Non-Liability citation numbering format will be: 1234567EGB.
7. A courtesy notice will be mailed by the court.
8. Bail amounts will not be printed on the back of the citation.
9. The bail amount for a red light violation is \$371.00. (traffic school is \$31 more)
10. The "respond-by" or appearance date will be 45 calendar days from the date of issue, excluding holidays.
11. All defendants (adult and juvenile) will be cited into the listed court:

Carol Miller Justice Center

301 Bicentennial Circle

Sacramento, CA 95826

Traffic - (916) 875-7800

Business Hours: 8:30 a.m. to 4:30 p.m.,

Monday through Friday (excluding court holidays)

<http://www.saccourt.com/geninfo/location/cmjc.asp>

12. Redflex will email an electronic file, in a .pdf or .tif format containing printed original and nominated citation information to Sacramento Courts each day. In the event the electronic file format no longer meets the needs of the court, Redflex will print citations individually from file format and deliver them to the courts. Hardcopies of the citations, which must include images captured through the Redflex system should be mailed to:

Brenda Bower

Carol Miller Justice Center

301 Bicentennial Circle

Sacramento, CA 95826

Traffic - (916) 875-7800

Business Hours: 8:30 a.m. to 4:30 p.m.,

Monday through Friday (excluding court holidays)

<http://www.saccourt.com/traffic>

13. Redflex will receive a hard copy each month from the court listing court dispositions.

14. Redflex programmers will contact the following court representative to obtain sample file layout, establish file transfer protocol, and set up a test environment.

Primary court IT contact:

Name: Josh Salesky

Title: Project Manager ICMS

Mailing Address: 720 9th street
Sacramento 95826

Work Phone: (916) 874-4936

E-mail: joshua.salesky@saccourt.com

17. The primary Redflex contact for programming is:

Name: Mike Schmidt

Title: Manager Software Development

Work Phone: (480) 998-8115

Mailing Address: 15020 N. 74th Street
Scottsdale, AZ 85260

E-mail: mschmidt@redflex.com

18. Failure to appear on a photo enforced citation will result in a civil sanction, e.g., declaration of judgment, referral to a collections agency, suspension of driver's license or license plates, lien on motor vehicle title or whatever other sanctions are authorized by the presiding court.

Contract Details/ Summary

19. The contract details are for:

- a. Per Exhibit B, section 2.1 the city has assigned a project manager: That person is:

Name: Troy Brown
Title: Administrative Manager
Work Phone: (916) 478-8122
Mailing Address: 8380 Laguna Palms Way, Ste. 100 Elk Grove, CA,
95758
E-mail: tbrown@elkgrovecity.org

c. The individual responsible for invoices and other financial matters:

Name: Troy Brown
Title: Administrative Manager
Mailing Address: 8380 Laguna Palms Way, Ste. 100
Elk Grove, CA 95758
Wok Phone: (916) 478-8122
E-mail: tbrown@elkgrovecity.org
Note: Invoices are to be mailed to: Troy Brown

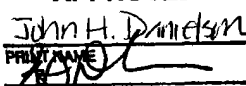
- a. Per section 4.6 of the contract, Redflex will be responsible for the fabrication, installation, and maintenance of all required Advisory Signs in compliance with the Department of Transportation's Traffic Manual. To be placed at the intersections only.
- b. Redflex will not be responsible for the installation of LEDs.

Warning Period/ Enforcement Procedures

20. Prior to issuing citations a 30-day warning period must commence (CVC 21455.5 (a)(2)(b)).

21. *The City shall be solely responsible for assuring that the yellow signal light intervals conform to state and federal law, including California Vehicle Code section 21455.7:*

- (a) At an intersection at which there is an automated enforcement system in operation, the minimum yellow light change interval shall be established in accordance with the Traffic Manual of the Department of Transportation.
- (b) For purposes of subdivision (a), the minimum yellow light change intervals relating to designated approach speeds provided in the Traffic Manual of the Department of Transportation are mandatory minimum yellow light intervals.

APPROVED	
John H. Danielson	
PRINT NAME	
	
SIGNATURE	
Sept 11, 2007	
DATE	

es

(c) A yellow light change interval may exceed the minimum interval established pursuant to subdivision (a).

See Appendix A, Cal Trans phasing interval chart and timing verification document.

23. Passengers' faces shall be masked on the citation.

24. Where only partial driver information is available or no DMV information is available, Redflex will process the incident with "dummy" information, check the "Incomplete Details" Box and place it in the police authorization queue. The name field will read "NOF", the address line will read "123 Any Street" and Redflex will mark the incident as "Incomplete Details".

a. If the Elk Grove Police Department is able to obtain full details, they will uncheck the "Incomplete Details" box and Redflex will mail of **Notice to Appear**.

b. If the Elk Grove Police Department is unable to obtain full details, they will leave the "Incomplete Details Box" checked in police authorization and Redflex will mail a **Notice of Violation** (Corporate Notice). Case by case – city will likely do a search on each NOF – nomination process will occur on case by case situation.

25. Redflex will reject violations for obvious mitigating events (i.e., funeral procession, officer-controlled intersection, parade, etc.) and for camera malfunctions.

26. In a manner consistent with section 4.3.4 of the contract, incidents where the driver's gender appears to be different than the registered owner's name will be placed in police authorization for disposition by the Elk Grove Police Department. The production department at Redflex will check the "Incomplete Details" Box. If the police determine that a gender mismatch has not occurred they will uncheck the "Incomplete Details" Box and Redflex will mail a Notice to Appear. If the police believe a gender mismatch exists, the Incomplete Details box will remain checked and Redflex will issue a Notice of Violation.

27. Incidents involving traffic accidents will be placed in police authorization for disposition by the police department.

28. A Notice to Appear issued pursuant to CVC §40518 for an alleged violation recorded by an automated enforcement system shall contain, or be accompanied by, an Affidavit of Non-Liability and information as to what constitutes non-liability, information as to the

effect of executing the affidavit, and instructions for returning the affidavit to the issuing agency.

29. Redflex will receive the Affidavit of Non-Liability, update the information, process the new citation and send it to the Elk Grove Police Department for approval. Once approved, the original citation will be placed on the Dismissal Report. The Elk Grove Police Department also has the option of updating citation information from an Affidavit of Non-Liability by accessing the appropriate web-site.

a. Incomplete Affidavit of Non-Liability and/or other correspondence concerning a violation received by Redflex will be forwarded to the Elk Grove Police Department for disposition.

b. It will be the responsibility of the Elk Grove Police Department to retrieve the dismissal list from the online reports link and deliver this to the court for final disposition.

30. Citations returned to Redflex with a forwarding address will be re-addressed and mailed to the new address. The citation will not be amended.

31. Citations returned to Redflex with no forwarding address will be forwarded to the Elk Grove Police Department to research a new address. If successful, the police will place the citation in a new envelope and mail the citation to the new address. The citation will not be amended. If the police are unsuccessful in their search for a new address, the police will update the status of the record to "**Bad Address**" in Redflex SmartOps Online application. Updating the record to this status will place the record on the Dismissal Report. Redflex will send the dismissal report to the Elk Grove Police Department and Sacramento Court in electronic (soft copy) format (see Attachment B). Reports will be emailed to: joshua.salesky@saccourt.com and redlight@elkgrovecity.org. The court will dismiss these citations.

32. The Elk Grove Police Department will authorize violations within **4** days of receipt from Redflex.

33. Redflex will mail the citation on or before the **15th** day from the date of violation in order to meet proof of service requirements (CVC §40518 (a)).

A Certificate of Mailing will accompany each citation (CCP 1013 a).

Trial and Evidence Information

35. Per section 4.3.11 of the contract, the Elk Grove Police Department will notify Redflex of upcoming trials by e-mail in advance to allow sufficient time to prepare court evidence packages. E-mails will be sent to: courtpacks@redflex.com.

36. Redflex will mail court packages to:

Name: Red Light Enforcement Officer
Title: _____
Mailing Address: 8400 Laguna Palms Way
Elk Grove, CA 95758
Work Phone: (916) 478-8161
E-mail: redlight@elkgrovecity.org

37. The court evidence package will consist of the following and will comply with the Civil Code of Procedure §2015.5:

- Evidence package checklist
- Color copy of citation
- Four enlarged color photos of violation images
- Image log
- Maintenance log
- Certificate of Correct Functioning
- Nominations (if applicable)

Photo Viewing

38. Pursuant to CVC §21455.5 (f) the registered owner or any individual identified by the registered owner as the driver of the vehicle at the time of the alleged violation shall be permitted to review the photographic evidence of the alleged violation.

39. Please provide the following information regarding photo viewing:

- Phone number to call to request viewing: (916) 478-8161
- Address where the viewing will be held: 8400 Laguna Palms Way, Elk Grove, CA 95758
- Days and times viewing available: 8:00 am to 5:00 pm Monday through Friday
- Viewing will not be by appointment only

40. Redflex will host a website whereby the notice recipient may view the violation video online at <http://www.photonotice.com> (city code: **ELKGCA**). Citizens may use public computers to access the website.

Records Retention/ Confidentiality

41. Any and all photographic records made by Redflex Traffic Systems automated enforcement system and any confidential information obtained from the Department of Motor Vehicles will be retained for a minimum of six months from the date the information was first obtained, except as follows:

- Any individual incident captured by a red light camera system may be retained beyond the original six-month period provided Redflex Traffic Systems is notified by a law enforcement officer or qualified person who is authorized to access the SmartOps system and has a legal reason to request the evidence be retained.
- Except for court records described in Section 68152 of the Government Code, the confidential records and information described in paragraphs (1) and (2) may be retained for up to six months from the date the information was first obtained or until final disposition of the citation, whichever date is later, after which time the information shall be destroyed in a manner that will preserve the confidentiality of any person included in the record or information (CVC §21455.5 (e) (3)).
- If your jurisdiction is part of a court system that provides this data electronically to RTS, the purge process is set to purge data 45 days from the date notification is given that the case has been disposed of. This will allow ample time for the 30-day period to file an appeal of a guilty verdict. If a defendant requests an appearance following a guilty verdict, the Elk Grove Police Department must use the "HOLD" flag in police authorization to notify RTS to hold the evidence for this citation until the appeal has been heard and a final disposition rendered. All other citation data without a final disposition will be retained by statute. Sacramento Superior Court does provide final disposition information three months after disposition. **However, if the court stops providing required data we will purge all confidential information obtained through DMV six months from its receipt.**

- Notwithstanding Section 6253 of the Government Code, any other provision of law, photographic records made by an automated enforcement system shall be confidential, and shall be made available only to governmental agencies and law enforcement agencies and only for the purposes of this article. Confidential information obtained from the Department of Motor Vehicles for the administration or enforcement of this article shall be held confidential, and may not be used for any other purpose (CVC §21455.5 (e) (1) and (2)).

Recommended System Requirements

42. The following hardware and software specifications are minimum requirements:

Computer

Intel Pentium 4 2.0 GHz / AMD Athlon XP 2400+ or better

32 MB Graphics card or better

256MB RAM or better

40 GB Hard drive space or better

Monitor

17" screen size or better

1024 x 768 resolution or better

Operating System

Microsoft Windows XP SP1 or better

Microsoft Internet Explorer 6.0 or better

Microsoft Windows Media Player 9.0 or better

ISP

512kb/s download speed or better

Knockdown Procedures

43. In the event any RTS equipment is damaged and/or becomes non-functional due to a traffic collision or other similar cause it will be the responsibility of the law enforcement agency to take the following steps:

(a) Notify the Customer Representative by phone

If unable to make personal notification, notify the Help Desk by phone or e-mail

(b) Document the incident on an official police report

CHP 555 or other appropriate form

(c) Secure the damaged poles, enclosures, or other RTS equipment

(d) Forward all appropriate reports of the incident to RTS

Miscellaneous

44. Lane numbering will be in accordance with state DOT standards, if applicable. Otherwise, lane numbering will be as follows: all lanes to be numbered sequentially from left to right, from median to curb, i.e., 1, 2, 3, 4, 5, etc. A lane that provides for either a straight through or a turn will be numbered as a straight through lane.
45. A password will be issued to each person who is authorized to access SmartOps.
46. Redflex will provide a toll free Help Desk number for **customer** inquiries from 6:00am to 6:00pm (MST). The Help Desk can be reached at **(800) 568-8405** or helpdesk@redflex.com.
47. Per section 4.3.7 of the contract, Redflex will provide a toll free Call Center number for **citizen** inquiries from 9:00am to 4:00pm (MST). The Call Center number is **(877) 847-2338**.
48. Per section 1.15 of exhibit B of the contract, a training program of up to twenty-four hours will be provided to as many attendees as deemed necessary by the City. The session will be held either at Redflex Corporate Offices in Scottsdale, Arizona or within the local area, whichever is most feasible. Travel, lodging and per diem, if required, is the responsibility of the City. Mutually agreeable dates and times will be arranged at a later date. Generally, training occurs once per month at the Arizona location.
49. The State Auditor's Report of July 2002 encourages law enforcement personnel involved with automated enforcement programs to visit the physical plant where back office operations are performed at least once a year.

Forms for Approval/ Completion

50. The forms listed below need to be reviewed and/or completed:
- Warning Letter
 - Notice to Appear (front)

- Notice to Appear (back)
- Juvenile Notice to Appear (front)
- Juvenile Notice to Appear (back)
- Affidavit of Non-Liability
- Instructions Page(s)
- **Note:** If a Spanish instructions page is required, this should be verified by the court.
- DMV Requestor Code Forms (2)

Both parties agree that the business rules are a guide and that from time to time changes will need to be made. Both parties agree that when changes are required Redflex Traffic Systems and the City of Elk Grove will discuss the changes and initiate them within a reasonable amount of time and at the most economical cost possible.

Attachment A

Cal Trans Yellow Change Interval Chart

Yellow Change Intervals

The purpose of the yellow signal indication is to warn traffic approaching the signal that the related green movement is ending or that a red indication will be exhibited immediately thereafter and traffic will be required to stop when the red signal is exhibited. The length of the yellow change interval is dependent upon the speed of approaching traffic. Suggested yellow intervals are shown below are calculated by using the formula as shown in Table 9-1:

Approach Speed	Yellow Interval mph (km/h)	(seconds)
25 or less (40 or less)	3.0
30 (48)	3.2
35 (56)	3.6
40 (64)	3.9
45 (72)	4.3
50 (80)	4.7
55 (89)	5.0
60 (97)	5.4
65 (105)	5.8

Taken from the California Department of Transportation, Traffic Manual, Chapter 9-04.5 Yellow Change Intervals

<http://www.dot.ca.gov/hq/traffops/signtech/signdel/trafficmanual.htm>

Attachment B

Electronic (soft copy) Dismissal List

If the court so chooses they may elect to receive the dismissal report in an e-mail. The format is as follows:

Dismissal Request Report

Citation#	Corp License#	State	Viol Date	Last Name, First Name	Address
Nominations					
005357540	N		23-Sep-2005	SPIVIE, PHILLIP	1246 15TH, DES MOINES, IA 50314
005366591	Y	B230115497782 MN	29-Sep-2005	BEST, CHRISTOPHER	499 NE GLENCOE ST , FRIDLEY, MN 55432
005439510	Y		15-Dec-2005	BRADY, AISHIA	1671 GOSHEN RD B4, AUGUSTA, GA 30906
006219530	N	E005058135805 MN	19-Jan-2006	AL-SAWALHAH, AVELINA	3109 3RD AVE S, MPLS, MN 55408
006220810	N	R240282730851 MN	21-Jan-2006	RUSSELL, GLENN	1030 MAGNOLIA LN, PLYMOUTH, MN 55441

CALIFORNIA PRELIMINARY NOTICE

C-07-188

THIS NOTICE IS GIVEN PURSUANT TO SECTIONS 3097 AND 3098, CALIFORNIA CIVIL CODE

THIS IS NOT A LIEN. THIS IS NOT A REFLECTION ON THE INTEGRITY OF ANY CONTRACTOR OR SUBCONTRACTOR.

YOU ARE HEREBY NOTIFIED THAT:

DATE: March 11, 2009

THE NAME AND ADDRESS OF THE PERSON OR FIRM WHO HAS FURNISHED OR WILL FURNISH LABOR, SERVICES, EQUIPMENT OR MATERIAL OF THE FOLLOWING GENERAL DESCRIPTION IS:

N F COLUMBIA ELECTRIC, INC.
D O I 1980 DAVIS STREET
I R R SAN LEANDRO, CA 94577-1209
V M

Description of labor, services, equipment and/or material.
Traffic Signal Loops

CEI# 1466

Job Name and Location:
Laguna Blvd. Redlight Enforce
Elk Grove, CA

RECEIVED
MAR 16 2009
The name and address of the person who contracted for the purchase of (private works) or who will be furnished (public works) such labor, services, equipment or materials is.

An estimate of the total price of the labor, services, equipment or materials to be furnished is:
\$13,200.00

***** NOTICE TO PROPERTY OWNER *****

If bills are not paid in full for the labor, services, equipment, or materials furnished or to be furnished, a mechanic's lien leading to the loss, through court foreclosure proceedings, of all or part of your property being so improved may be placed against the property even though you have paid your contractor in full. You may wish to protect yourself against this consequence by (1) requiring your contractor to furnish a signed release by the person or firm giving you this notice before making payment to your contractor or (2) any other method or device that is appropriate under the circumstances. Other than residential homeowners of dwellings containing fewer than five units, private project owners must notify the original contractor and any lien claimant who has provided the owner with a preliminary 20-day lien notice in accordance with Section 3097 of the Civil Code that a notice of completion or notice of cessation has been recorded within 10 days of its recordation. Notice shall be by registered mail, certified mail, or first-class mail, evidenced by a certificate of mailing. Failure to notify will extend the deadlines to record a lien.

Radar Excavating Inc.
9689 Swede Creek Rd,
Palo Cedro, CA 96073

TO: OWNER or Reputed Owner (on private work) or PUBLIC ENTITY (on public work)
Elk Grove City Hall
8380 Laguna Palms Way
Elk Grove, CA 95758

TO: ORIGINAL CONTRACTOR or Reputed Contractor, if any
Redflex Traffic Systems Inc.
28751 N. 23rd Avenue, Ste. 150
Phoenix, AZ 85085-1854

TO: CONSTRUCTION LENDER or Reputed Construction Lender, if any
N/A

TO: SUBCONTRACTOR
Radar Excavating Inc.
9689 Swede Creek Rd,
Palo Cedro, CA 96073

Dated: March 11, 2009
signature: Maria Hernandez
Admin. Assistant
Telephone Number: 510.430.9505

***** Attention: Subcontractors *****

Section 3097 requires that you give this notice and you have failed to pay all compensation due to your laborers on the job, this notice shall also contain the identity and address of any laborer and any express trust fund to whom employer payments are due

TRUST FUNDS TO WHICH SUPPLEMENTAL FRINGE BENEFITS ARE PAYABLE:

Electrical Workers Local 595 3055 Triad Drive; 2nd Floor Livermore, CA 94550
Laborers Union Local 304 220 Campus Lane Fairfield, CA 94534
Operating Engineers Local 3 1640 So. Loop Road Alameda, CA 94502

(MATERIAL MEN NOT REQUIRED TO FURNISH THE ABOVE)

PROOF OF SERVICE AFFIDAVIT - (SECTION 3097.1, CALIFORNIA CIVIL CODE)

I, Maria Hernandez, declare that I served copies of the above PRELIMINARY NOTICE (check appropriate box).

(a) [] By personally delivering copies to (name(s) and title(s) of persons served) at

On (date), (year), at (time) .m.

(b) [X] By First Class Certified or Registered Mail service, postage prepaid, addressed to each of the parties at the address shown above on March 11, 2009

I declare under penalty of perjury that the foregoing is true and correct.

Signed at San Leandro, CA on March 11, 2009

Signature of person making service:

(ATTACH RECEIPTS OF CERTIFIED OR REGISTERED MAIL WHEN RETURNED)

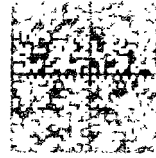
CERTIFIED MAIL

C-07-188

FOLSOM READY MIX INC.
3401 FITZGERALD ROAD
RANCHO CORDOVA, CA 95742

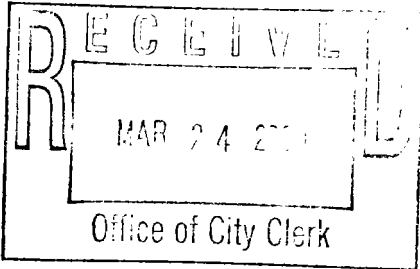


7100 6309 2640 5933 5744



POSTAGE
\$ 005 32

RETURN RECEIPT REQUESTED



ELK GROVE CITY HALL
8380 LAGUNA PALMS WAY
ELK GROVE, CA 95758
USA

95758+8064 R028



PRELIMINARY 20-DAY NOTICE (PUBLIC WORK)

(California Civil Code Sections 3098, 3111, 3241 3252 et Seq.)

*****GENERAL CONTRACTOR*****
REDFLEX TRAFFIC SYSTEMS INC
23751 N. 23RD AVENUE, STE 150
PHOENIX, AZ 85085

*****LENDER/SURETY*****
ELK GROVE CITY HALL
8380 LAGUNA PALMS WAY
ELK GROVE, CA 95758

*****CUSTOMER*****
RADER EXCAVATING INC
9689 SWEDE CREEK ROAD
PALO CEDRO, CA 96073
Job#: LAGUNA PALMS

*****OWNER/REPUTED OWNER*****
ELK GROVE CITY HALL
8380 LAGUNA PALMS WAY
ELK GROVE, CA 95758

* You are hereby notified that FOLSOM READY MIX INC. has furnished or will furnish labor, service, equipment or material of the following general description: SUPPLY OF CONCRETE for the building structure or other work of improvement known as ELK GROVE CITY HALL project, located at 8380 LAGUNA PALMS WAY, ELK GROVE, CA 95758, County of SACRAMENTO.

* The name of the person or firm who contracted for the purchase of such labor, services, or material is RADER EXCAVATING INC, 9689 SWEDE CREEK ROAD, PALO CEDRO, CA 96073.

*An estimate of the total price of the labor, services, equipment or material is \$2,000.00.

REQUEST FOR COPY OF PAYMENT BOND AND NAME OF SURETY COMPANY

To Contracting Party: ELK GROVE CITY HALL or State Comptroller

The undersigned claimant hereby declares that he has supplied or will supply labor or materials as described above, that the payment has not yet been made therefor, and that he hereby requests that the contracting body furnish a certified copy of the payment bond, if any, to the claimant, at the address listed above.

NOTICE TO PRIME OR GENERAL CONTRACTOR

This is not a lien. This is not a reflection on the integrity of any contractor or subcontractor. The undersigned has entered into a contract to perform labor or furnish materials for the above-described public project, and will look to you and your sureties for payment if the person ordering such materials and labor fails to pay for them.

Prepared for FOLSOM READY MIX INC., 3401 FITZGERALD ROAD, RANCHO CORDOVA, CA 95742.

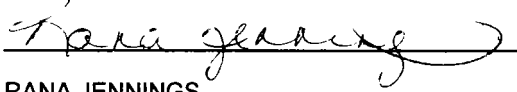
RANA JENNINGS
CREDIT ADMINISTRATOR

Date Prepared: 03/20/2009
Telephone: (916) 851-8300

(Continued From Front Page)

PROOF OF SERVICE BY MAIL AFFIDAVIT

I declare that I served a copy of the above document, and any related documents, by certified or registered mail, postage prepaid, or other certified delivery, addressed to the above named parties, at the addresses listed above, on 03/20/2009. I declare under penalty of perjury that the foregoing is true and correct. Executed at RANCHO CORDOVA, California on 03/20/2009.

A handwritten signature in cursive script, appearing to read "Rana Jennings", is written over a horizontal line.

RANA JENNINGS
CREDIT ADMINISTRATOR



Interoffice Memorandum

DATE: 7/18/07
 TO: Taphne McAlwee, Administrative Assistant to City Clerk
 FROM: Bonnie Etcheson, Contracts Administrator
 SUBJECT: Checklist of Insurance Requirements

The following information is for your files:

Department/Contract Administrator: _____

New Contract **or** Existing Contract # C-07-188 **or** MOU

Contract With: Redflex Traffic Systems, Inc. Project: Photo Red Light Enforcement Agreement

Expiration: 5/23/12 **or** Open-ended, review yearly on this date: _____

Tail policy - professional only **New tail Expiration Date:** _____

Please check the insurance coverage required for this contract and enter date of insurance expiration.

None required

Contract Requirements:

Yes No General liability Expiration date: 3/15/09

Yes No Automobile Expiration date: 3/15/08

Yes No Workers' Comp Expiration date: 3/15/08

Yes No Professional Expiration date: 3/15/08

Yes No Excess Expiration date: 9/9/9999

Yes No Other: _____ Expiration date: 9/9/9999

Attachment: Certificate of Insurance

Increased Deductible Form and approval memo

ACORD CERTIFICATE OF LIABILITY INSURANCE

CSR KM
REDFL-1

DATE (MM/DD/YYYY)
05/18/07

PRODUCER
Crist Elliott Machette Ins.
License #OB17224
2201 Broadway, Suite 725
Oakland CA 94612
Phone: 510-832-8000 Fax: 510-832-5054

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED

Redflex Traffic Systems, Inc.
15020 N. 74th St.
Scottsdale AZ 85260

INSURERS AFFORDING COVERAGE		NAIC #
INSURER A	Continental Casualty Company <i>A15</i>	
INSURER B	Continental Insurance	
INSURER C	Valley Forge Insurance Co	
INSURER D	Lloyds of London Insurance	
INSURER E	Travelers Casualty & Surety Co	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	X	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Empl Benefits Lia GEN'L AGGREGATE LIMIT APPLIES PER <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC	2092673062	03/15/07	03/15/08	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/OP AGG \$ 2,000,000 Emp Ben. 1,000,000
B		AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input checked="" type="checkbox"/> Comp-\$1000 ded <input checked="" type="checkbox"/> Coll- \$1000 ded	2092673059	03/15/07	03/15/08	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC AGG \$
A		EXCESS/UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$ 10,000	2092673045	03/15/07	03/15/08	EACH OCCURRENCE \$ 19,000,000 AGGREGATE \$ 19,000,000
C		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	(CA) 2082598038 2082598275 (ALL OTHER STS)	05/01/07 05/01/07	05/01/08 05/01/08	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E L EACH ACCIDENT \$ 1000000 E L DISEASE - EA EMPLOYEE \$ 1000000 E L DISEASE - POLICY LIMIT \$ 1000000
D		Errors&Omissions& Cyberliability	SP000320B	03/15/07	03/15/08	E&O 2,000,000 Deductibl 35,000

Approved by Risk Management
Date 7/18/07

BE

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
 Certificate holder, its appointed and elected officials, officers, employees & agents are additional insured as respects work performed on their behalf by the named insured. Coverage is primary with respect to any insurance or self insurance programs maintained by the City. Policy contains standard cross liability provisions.

CERTIFICATE HOLDER	CANCELLATION
City of Elk Grove Attn: John H. Danielson, City Manager 8380 Laguna Palms Way Ste 200 Elk Grove CA 95758	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES AUTHORIZED REPRESENTATIVE <i>Robert M. Manone</i>

6-1-08

NOTEPAD

Certificate holder is also included as an insured on a primary basis as respects auto liability coverage per policy wording.

(Company A) 2092673062 3/15/07 to 03/15/08

Installation Floater: \$1,000,000 Limit Per Occurrence
\$250,000 Limit Per Jobsite
\$10,000 Deductible

Valuable Papers & Records including Cost of Research: Included in Blanket
Business Personal Property limit of \$940,000. Deductible: \$5,000

(Company E) 104861759 12/22/06 to 12/22/07
Third Party Fidelity: \$300,000 limit per claim
\$ 5,000 deductible/claim



IMPORTANT: THIS ENDORSEMENT CONTAINS DUTIES THAT APPLY TO THE ADDITIONAL INSURED IN THE EVENT OF OCCURRENCE, OFFENSE, CLAIM OR SUIT. SEE PARAGRAPH C.1. OF THIS ENDORSEMENT FOR THESE DUTIES.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CONTRACTOR'S SCHEDULED AND BLANKET ADDITIONAL INSURED
ENDORSEMENT WITH PRODUCTS-COMPLETED OPERATIONS COVERAGE**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization: **Designated Project:** Per contract

CITY OF ELK GROVE, CA

(Coverage under this endorsement is not affected by an entry or lack of entry in the Schedule above.)

- A. WHO IS AN INSURED (Section II)** is amended to include as an insured any person or organization, including any person or organization shown in the schedule above, (called additional insured) whom you are required to add as an additional insured on this policy under a written contract or written agreement; but the written contract or written agreement must be:
1. Currently in effect or becoming effective during the term of this policy; and
 2. Executed prior to the "bodily injury," "property damage," or "personal and advertising injury".
- B.** The insurance provided to the additional insured is limited as follows:
1. That person or organization is an additional insured solely for liability due to your negligence specifically resulting from "your work" for the additional insured which is the subject of the written contract or written agreement. No coverage applies to liability resulting from the sole negligence of the additional insured.
 2. The Limits of Insurance applicable to the additional insured are those specified in the written contract or written agreement or in the Declarations of this policy, whichever is less. These Limits of Insurance are inclusive of, and not in addition to, the Limits of Insurance shown in the Declarations.
- 3.** The coverage provided to the additional insured by this endorsement and paragraph f. of the definition of "insured contract" under DEFINITIONS (Section V) do not apply to "bodily injury" or "property damage" arising out of the "products-completed operations hazard" unless required by the written contract or written agreement.
- 4.** The insurance provided to the additional insured does not apply to "bodily injury," "property damage," or "personal and advertising injury" arising out of an architect's, engineer's, or surveyor's rendering of or failure to render any professional services including:
- a. The preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; and
 - b. Supervisory, or inspection activities performed as part of any related architectural or engineering activities.
- C.** As respects the coverage provided under this endorsement, **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS** are amended as follows:



1. The following is added to the Duties In The Event of Occurrence, Offense, Claim or Suit Condition:
 - e. An additional insured under this endorsement will as soon as practicable:
 - (1) Give written notice of an occurrence or an offense to us which may result in a claim or "suit" under this insurance;
 - (2) Tender the defense and indemnity of any claim or "suit" to any other insurer which also has insurance for a loss we cover under this Coverage Part; and
 - (3) Agree to make available any other insurance which the additional insured has for a loss we cover under this Coverage Part.
 - f. We have no duty to defend or indemnify an additional insured under this endorsement until we receive written notice of a claim or "suit" from the additional insured.
2. Paragraph 4.b. of the Other Insurance Condition is deleted and replaced with the following:
 4. **Other Insurance**
 - b. **Excess Insurance**

This insurance is excess over any other insurance naming the additional insured as an insured whether primary, excess, contingent or on any other basis unless a written contract or written agreement specifically requires that this insurance be either primary or primary and noncontributing.

ACORD CERTIFICATE OF LIABILITY INSURANCE

OP ID SA
REDFL-1

DATE (MM/DD/YYYY)
04/07/08

PRODUCER
California Insurance Center
CA Lic. # 0423393
3697 Mt. Diablo Blvd., #300
Lafayette CA 94549
Phone: 925-299-1112 Fax: 925-299-0328

INSURED
Redflex Traffic Systems, Inc.
15020 N. 74th St.
Scottsdale AZ 85260

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE		NAIC #
INSURER A	National Fire Ins of Hartford	
INSURER B	Valley Forge Insurance Co.	20508
INSURER C	Continental Insurance	
INSURER D	Lloyds of London	
INSURER E		


COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	X	GENERAL LIABILITY	2088537791	03/15/08	03/15/09	EACH OCCURRENCE	\$ 1,000,000
		<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 1,000,000
		<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person)	\$ 5,000
						PERSONAL & ADV INJURY	\$ 1,000,000
						GENERAL AGGREGATE	\$ 2,000,000
						PRODUCTS - COMP/OP AGG	\$ 2,000,000
						Emp Ben.	1,000,000
C	X	AUTOMOBILE LIABILITY	2088537757	03/15/08	03/15/09	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
		<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$
		<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
		<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident)	\$
		<input type="checkbox"/> HIRED AUTOS					
<input type="checkbox"/> NON-OWNED AUTOS							
		GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	\$
		<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY EA ACC	\$
						AGG	\$
C	X	EXCESS/UMBRELLA LIABILITY	L2097617177	03/15/08	03/15/09	EACH OCCURRENCE	\$ 19,000,000
		<input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE	\$ 19,000,000
		<input type="checkbox"/> DEDUCTIBLE					\$
		<input checked="" type="checkbox"/> RETENTION \$10,000					\$
B		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	2082598275 CA 2082598033 ALL OTHER STS	05/01/07 05/01/07	05/01/08 05/01/08	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTH-ER	
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?				E L EACH ACCIDENT	\$ 1000000
		If yes, describe under SPECIAL PROVISIONS below				E L DISEASE - EA EMPLOYEE	\$ 1000000
						E L DISEASE - POLICY LIMIT	\$ 1000000
D		Errors & Omissions Cyberliability	B0738SP000320C CLAIMS MADE	03/15/08	03/15/09	E&O/Cyber Ded.	2,000,000 35,000

Approved by Risk Management
Date 4/28/08
BE

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
Per G-140331-A the City of Elk Grove, its appointed and elected officials, officers, employees & agents are named as Additional Insured as respects to General Liability. Coverage is primary and non-contributory. REVISED (orig. 3/13/08)

CERTIFICATE HOLDER	CANCELLATION
CITELKG City of Elk Grove City Manager RM Division 8401 Laguna Palms Way Elk Grove CA 95758	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL <u>30</u> DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE 

6-07-185

NOTEPAD:

INSURED'S NAME Redflex Traffic Systems, Inc.

REDFL-1

PAGE 3

OP ID SA

DATE 04/07/08

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in the General Liability coverage part to the first Named Insured, the General Liability insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

Valuable Papers: Policy Number 2088537791 Effective 3/15/08 to 3/15/09
Limit: \$250,000
Deductible: \$5,000

Installation: Policy Number 2088537791 Effective 3/15/08 to 3/15/09
Limit: \$1,000,000 per occurrence
Deductible: \$25,000

Third Party Fidelity: Travelers Insurance: Policy Number 104861759
Effective 12/22/07 to 12/22/08 Limit: \$500,000 per claim

* Except 10 Days in the event of cancellation for non-payment of premium.



IMPORTANT: THIS ENDORSEMENT CONTAINS DUTIES THAT APPLY TO THE ADDITIONAL INSURED IN THE EVENT OF OCCURRENCE, OFFENSE, CLAIM OR SUIT. SEE PARAGRAPH C.1. OF THIS ENDORSEMENT FOR THESE DUTIES.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONTRACTOR'S SCHEDULED AND BLANKET ADDITIONAL INSURED ENDORSEMENT WITH PRODUCTS-COMPLETED OPERATIONS COVERAGE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization: Designated Project: Per contract

City of Elk Grove, City Manager
RM Division
8401 Lagina Palms Way
Elk Grove, CA 95758

(Coverage under this endorsement is not affected by an entry or lack of entry in the Schedule above.)

- A. WHO IS AN INSURED (Section II) is amended to include as an insured any person or organization, including any person or organization shown in the schedule above, (called additional insured) whom you are required to add as an additional insured on this policy under a written contract or written agreement; but the written contract or written agreement must be:
 - 1. Currently in effect or becoming effective during the term of this policy; and
 - 2. Executed prior to the "bodily injury," "property damage," or "personal and advertising injury".
- B. The insurance provided to the additional insured is limited as follows:
 - 1. That person or organization is an additional insured solely for liability due to your negligence specifically resulting from "your work" for the additional insured which is the subject of the written contract or written agreement. No coverage applies to liability resulting from the sole negligence of the additional insured.
 - 2. The Limits of Insurance applicable to the additional insured are those specified in the written contract or written agreement or in the Declarations of this policy, whichever is less. These Limits of Insurance are inclusive of, and not in addition to, the Limits of Insurance shown in the Declarations.
- 3. The coverage provided to the additional insured by this endorsement and paragraph f. of the definition of "insured contract" under DEFINITIONS (Section V) do not apply to "bodily injury" or "property damage" arising out of the "products-completed operations hazard" unless required by the written contract or written agreement.
- 4. The insurance provided to the additional insured does not apply to "bodily injury," "property damage," or "personal and advertising injury" arising out of an architect's, engineer's, or surveyor's rendering of or failure to render any professional services including:
 - a. The preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; and
 - b. Supervisory, or inspection activities performed as part of any related architectural or engineering activities.
- C. As respects the coverage provided under this endorsement, SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS are amended as follows:



1. The following is added to the Duties In The Event of Occurrence, Offense, Claim or Suit Condition:

e. An additional insured under this endorsement will as soon as practicable:

- (1) Give written notice of an occurrence or an offense to us which may result in a claim or "suit" under this insurance;
- (2) Tender the defense and indemnity of any claim or "suit" to any other insurer which also has insurance for a loss we cover under this Coverage Part; and
- (3) Agree to make available any other insurance which the additional insured has for a loss we cover under this Coverage Part.

f. We have no duty to defend or indemnify an additional insured under this endorsement until we receive written notice of a claim or "suit" from the additional insured.

2. Paragraph 4.b. of the Other Insurance Condition is deleted and replaced with the following:

4. Other Insurance

b. Excess Insurance

This insurance is excess over any other insurance naming the additional insured as an insured whether primary, excess, contingent or on any other basis unless a written contract or written agreement specifically requires that this insurance be either primary or primary and noncontributing.

ACORD CERTIFICATE OF LIABILITY INSURANCE

OP ID SA
REDFL-1

DATE (MM/DD/YYYY)
03/13/08

PRODUCER
California Insurance Center
CA Lic. # 0423393
3697 Mt. Diablo Blvd., #300
Lafayette CA 94549
Phone: 925-299-1112 Fax: 925-299-0328 *FLX*

INSURED
Redflex Traffic Systems, Inc.
15020 N. 74th St
Scottsdale AZ 85260

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE		NAIC #
INSURER A	National Fire Ins of Hartford	
INSURER B	Valley Forge Insurance Co.	20508
INSURER C	Continental Insurance	
INSURER D	Lloyds of London	
INSURER E		

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS

INSR ADD'L LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	<input checked="" type="checkbox"/> GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC	2088537791	03/15/08	03/15/09	EACH OCCURRENCE	\$ 1,000,000
					DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 1,000,000
					MED EXP (Any one person)	\$ 5,000
					PERSONAL & ADV INJURY	\$ 1,000,000
					GENERAL AGGREGATE	\$ 2,000,000
					PRODUCTS - COMP/OP AGG	\$ 2,000,000
					Emp Ben.	1,000,000
C	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	2088537757	03/15/08	03/15/09	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
					BODILY INJURY (Per person)	\$
					BODILY INJURY (Per accident)	\$
					PROPERTY DAMAGE (Per accident)	\$
	<input type="checkbox"/> GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY EA ACC \$ AGG \$	
C	<input checked="" type="checkbox"/> EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$10,000	L2097617177	03/15/08	03/15/09	EACH OCCURRENCE	\$ 19,000,000
					AGGREGATE	\$ 19,000,000
						\$
						\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER	2082598275 CA 2082598038 ALL OTHER STS	05/01/07 05/01/07	05/01/08 05/01/08	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER	
					E L EACH ACCIDENT	\$ 1000000
					E L DISEASE - EA EMPLOYEE	\$ 1000000
					E L DISEASE - POLICY LIMIT	\$ 1000000
D	Errors & Omissions Cyberliability	B0738SP000320C CLAIMS MADE	03/15/08	03/15/09	E&O/Cyber	2,000,000
					Ded.	35,000

Approved by Risk Management
Date 5/22/08
FE

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
Per G-140331-A the City of Elk Grove, its appointed and elected officials, officers, employees & agents are named as Additional Insured as respects to General Liability. Coverage is primary and non-contributory.

CERTIFICATE HOLDER


CITELKG

City of Elk Grove
City Manager
8380 Laguna Palms Way Ste 200
Elk Grove CA 95758

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE



2007-188

NOTEPAD:

INSURED'S NAME Redflex Traffic Systems, Inc.

REDPL-1

PAGE 3

OF ID SA

DATE 03/13/08

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in the General Liability coverage part to the first Named Insured, the General Liability insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

Valuable Papers: Policy Number 2088537791 Effective 3/15/08 to 3/15/09
Limit: \$250,000
Deductible: \$5,000

Installation: Policy Number 2088537791 Effective 3/15/08 to 3/15/09
Limit: \$1,000,000 per occurrence
Deductible: \$25,000

Third Party Fidelity: Travelers Insurance: Policy Number 104861759
Effective 12/22/07 to 12/22/08 Limit: \$500,000 per claim

* Except 10 Days in the event of cancellation for non-payment of premium.



IMPORTANT: THIS ENDORSEMENT CONTAINS DUTIES THAT APPLY TO THE ADDITIONAL INSURED IN THE EVENT OF OCCURRENCE, OFFENSE, CLAIM OR SUIT. SEE PARAGRAPH C.1. OF THIS ENDORSEMENT FOR THESE DUTIES.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONTRACTOR'S SCHEDULED AND BLANKET ADDITIONAL INSURED ENDORSEMENT WITH PRODUCTS-COMPLETED OPERATIONS COVERAGE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization: Designated Project: Per contract

City of Elgin, IL, its appointed and elected officials, officers, employees and agents
150 Dexter Court
Elgin, IL 60120-5555

(Coverage under this endorsement is not affected by an entry or lack of entry in the Schedule above.)

A. WHO IS AN INSURED (Section II) is amended to include as an insured any person or organization, including any person or organization shown in the schedule above, (called additional insured) whom you are required to add as an additional insured on this policy under a written contract or written agreement; but the written contract or written agreement must be:

- 1. Currently in effect or becoming effective during the term of this policy; and
- 2. Executed prior to the "bodily injury," "property damage," or "personal and advertising injury".

B. The insurance provided to the additional insured is limited as follows:

- 1. That person or organization is an additional insured solely for liability due to your negligence specifically resulting from "your work" for the additional insured which is the subject of the written contract or written agreement. No coverage applies to liability resulting from the sole negligence of the additional insured.
- 2. The Limits of Insurance applicable to the additional insured are those specified in the written contract or written agreement or in the Declarations of this policy, whichever is less. These Limits of Insurance are inclusive of, and

not in addition to, the Limits of Insurance shown in the Declarations.

3. The coverage provided to the additional insured by this endorsement and paragraph f. of the definition of "insured contract" under DEFINITIONS (Section V) do not apply to "bodily injury" or "property damage" arising out of the "products-completed operations hazard" unless required by the written contract or written agreement.

4. The insurance provided to the additional insured does not apply to "bodily injury," "property damage," or "personal and advertising injury" arising out of an architect's, engineer's, or surveyor's rendering of or failure to render any professional services including:

- a. The preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; and
- b. Supervisory, or inspection activities performed as part of any related architectural or engineering activities.

C. As respects the coverage provided under this endorsement, SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS are amended as follows:



1. The following is added to the Duties In The Event of Occurrence, Offense, Claim or Suit Condition:

e. An additional insured under this endorsement will as soon as practicable:

- (1) Give written notice of an occurrence or an offense to us which may result in a claim or "suit" under this insurance;
- (2) Tender the defense and indemnity of any claim or "suit" to any other insurer which also has insurance for a loss we cover under this Coverage Part; and
- (3) Agree to make available any other insurance which the additional insured has for a loss we cover under this Coverage Part.

f. We have no duty to defend or indemnify an additional insured under this endorsement until we receive written notice of a claim or "suit" from the additional insured.

2. Paragraph 4.b. of the Other Insurance Condition is deleted and replaced with the following:

4. Other Insurance

b. Excess Insurance

This insurance is excess over any other insurance naming the additional insured as an insured whether primary, excess, contingent or on any other basis unless a written contract or written agreement specifically requires that this insurance be either primary or primary and noncontributing.

»
»

ACORD CERTIFICATE OF LIABILITY INSURANCE

OP ID SA
REDFL-1

DATE (MM/DD/YYYY)
04/30/08

PRODUCER
California Insurance Center
CA Lic. # 0423393
3697 Mt. Diablo Blvd., #300
Lafayette CA 94549
Phone: 925-299-1112 Fax: 925-299-0328

INSURED

Redflex Traffic Systems, Inc.
15020 N. 74th St.
Scottsdale AZ 85260

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A American Cas. Co. of Reading	
INSURER B	
INSURER C	
INSURER D	
INSURER E	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY EA ACC AGG \$
	EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	2088537922 (CA ONLY) 2088537872 (ALL OTHER STS)	05/01/08 05/01/08	05/01/09 05/01/09	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E L EACH ACCIDENT \$ 1,000,000 E L DISEASE - EA EMPLOYEE \$ 1,000,000 E L DISEASE - POLICY LIMIT \$ 1,000,000
	OTHER				

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
Blanket waiver of subrogation applies

Approved by Risk Management


Date 5/2/08
BE

CERTIFICATE HOLDER

CANCELLATION

CITELKG

City of Elk Grove
City Manager
RM Division
8401 Laguna Palms Way
Elk Grove CA 95758

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.
AUTHORIZED REPRESENTATIVE


07-158

Policy Number: 2088537922 in California
2088537872 All Other States



G-19160-B
(Ed. 11/97)

WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE POLICY

BLANKET WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS

This endorsement changes the policy to which it is attached.

It is agreed that **Part One Workers' Compensation Insurance G. Recovery From Others** and **Part Two Employers' Liability Insurance H. Recovery From Others** are amended by adding the following:

We will not enforce our right to recover against persons or organizations. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

PREMIUM CHARGE -

The charge will be an amount to which you and we agree that is a percentage of the total standard premium for California exposure. The amount is 2.0%.

0000046452503000071835622010





P.O. BOX 420807, SAN FRANCISCO, CA 94142-0807

CERTIFICATE OF WORKERS' COMPENSATION INSURANCE

ISSUE DATE: 02-11-2009

GROUP: 000436
POLICY NUMBER: 0000977-2008
CERTIFICATE ID: 41
CERTIFICATE EXPIRES: 11-01-2009
11-01-2008/11-01-2009

CITY OF ELK GROVE
8401 LAGUNA PALMS WAY
ELK GROVE CA 95758-8045

NJ

JOB: REDFLEX RED LIGHT CAMERA INSTALL
LAGUNASPRGDR&LAGUNABL
ELK GROVE
CA 95758

This is to certify that we have issued a valid Workers' Compensation insurance policy in a form approved by the California Insurance Commissioner to the employer named below for the policy period indicated.

This policy is not subject to cancellation by the Fund except upon 30 days advance written notice to the employer.

We will also give you 30 days advance notice should this policy be cancelled prior to its normal expiration.

This certificate of insurance is not an insurance policy and does not amend, extend or alter the coverage afforded by the policy listed herein. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate of insurance may be issued or to which it may pertain, the insurance afforded by the policy described herein is subject to all the terms, exclusions, and conditions, of such policy.

James Neary
AUTHORIZED REPRESENTATIVE

Janet Frank
PRESIDENT

EMPLOYER'S LIABILITY LIMIT INCLUDING DEFENSE COSTS: \$1,000,000 PER OCCURRENCE.

ENDORSEMENT #0015 ENTITLED ADDITIONAL INSURED EMPLOYER EFFECTIVE 2009-02-11 IS ATTACHED TO AND FORMS A PART OF THIS POLICY. NAME OF ADDITIONAL INSURED: CITY OF ELK GROVE

ENDORSEMENT #1600 - AARON A RADER PRES - EXCLUDED.

ENDORSEMENT #2065 ENTITLED CERTIFICATE HOLDERS' NOTICE EFFECTIVE 11-01-2008 IS ATTACHED TO AND FORMS A PART OF THIS POLICY.

EMPLOYER

RADER EXCAVATING INC
9689 SWEDE CREEK RD
PALO CEDRO CA 96073

subcontractor
for Redflex traffic systems
NJ

2-6-7-188
file only

ACORD CERTIFICATE OF LIABILITY INSURANCE

OP ID SA
REDFL-1

DATE (MM/DD/YYYY)
03/10/09

PRODUCER
California Insurance Center
AJG & Co Ins. Brokers of CA
3697 Mt. Diablo Blvd., #300
Lafayette CA 94549
Phone: 925-299-1112 Fax: 925-299-0328

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW

INSURED

Redflex Traffic Systems, Inc.
23751 N. 23rd Avenue Ste 150
Phoenix AZ 85085-1854


INSURERS AFFORDING COVERAGE		NAIC #
INSURER A	National Fire Ins of Hartford	
INSURER B	Continental Insurance Co.	35289
INSURER C	Transportation Insurance Co.	20494
INSURER D	The Standard Fire Ins. Co.	
INSURER E	Endurance American Specialty	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	X	GENERAL LIABILITY	2088537791	03/15/09	03/15/10	EACH OCCURRENCE	\$ 1,000,000
		<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 1,000,000
		<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person)	\$ 5,000
		<input checked="" type="checkbox"/> <i>\$10,000 deduct</i>				PERSONAL & ADV INJURY	\$ 1,000,000
		<input checked="" type="checkbox"/> Per location agg				GENERAL AGGREGATE	\$ 2,000,000
		GEN'L AGGREGATE LIMIT APPLIES PER				PRODUCTS - COMP/OP AGG	\$ 2,000,000
		<input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				Emp Ben.	1,000,000
C	X	AUTOMOBILE LIABILITY	2088537757	03/15/09	03/15/10	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
		<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$
		<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
		<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident)	\$
		<input type="checkbox"/> HIRED AUTOS					
		<input type="checkbox"/> NON-OWNED AUTOS					
<p>Approved by Risk Management Date <u>3/17/09</u> <u>BC</u></p>							
		GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	\$
		<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY	EA ACC AGG \$
B	X	EXCESS/UMBRELLA LIABILITY	2097617177	03/15/09	03/15/10	EACH OCCURRENCE	\$ 19,000,000
		<input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE	\$ 19,000,000
		<input type="checkbox"/> DEDUCTIBLE					\$
		<input checked="" type="checkbox"/> RETENTION \$10,000					\$
D		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	PCUB2692N16309	03/15/09	03/15/10	<input checked="" type="checkbox"/> WC STATUTORY LIMITS	OTHER
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?				E L EACH ACCIDENT	\$ 1,000,000
		If yes, describe under SPECIAL PROVISIONS below				E L DISEASE - EA EMPLOYEE	\$ 1,000,000
						E L DISEASE - POLICY LIMIT	\$ 1,000,000
E		Errors & Omissions	PPL10001275600	03/15/09	03/15/10	E&O	2,000,000
		Cyberliability				Retention	35,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
 Per G-140331-A the City of Elk Grove, its appointed and elected officials, officers, employees, & agents are named as Additional Insured as respects to General Liability. Coverage is primary & non-contributory. WC waiver of subrogation applies. REVISED (Orig. 3/2/09)

CERTIFICATE HOLDER	CANCELLATION
<p style="text-align: right;">CITELKG</p> <p>City of Elk Grove City Manager RM Division 8401 Laguna Palms Way Elk Grove CA 95758</p>	<p>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.</p> <p>AUTHORIZED REPRESENTATIVE</p> 

0-07-158

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in the General Liability coverage part to the first Named Insured, the General Liability insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

Valuable Papers: Policy Number 2088537791 Effective 3/15/09 to 3/15/10
Limit: \$250,000
Deductible: \$5,000

Installation: Policy Number 2088537791 Effective 3/15/09 to 3/15/10
Limit: \$1,000,000 per occurrence
Deductible: \$10,000

Third Party Fidelity: Travelers Insurance: Policy Number 104861759
Effective 03/15/09 to 03/15/10 Limit: \$500,000 per claim

Stop Gap coverage for WA & OH incl on general liability policy 2088537791

* Except 10 Days in the event of cancellation for non-payment of premium.



IMPORTANT: THIS ENDORSEMENT CONTAINS DUTIES THAT APPLY TO THE ADDITIONAL INSURED IN THE EVENT OF OCCURRENCE, OFFENSE, CLAIM OR SUIT. SEE PARAGRAPH C.1. OF THIS ENDORSEMENT FOR THESE DUTIES.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONTRACTOR'S SCHEDULED AND BLANKET ADDITIONAL INSURED ENDORSEMENT WITH PRODUCTS-COMPLETED OPERATIONS COVERAGE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization: Designated Project: Per contract

Per written contract.

(Coverage under this endorsement is not affected by an entry or lack of entry in the Schedule above.)

- A. **WHO IS AN INSURED (Section II)** is amended to include as an insured any person or organization, including any person or organization shown in the schedule above, (called additional insured) whom you are required to add as an additional insured on this policy under a written contract or written agreement; but the written contract or written agreement must be:
 - 1. Currently in effect or becoming effective during the term of this policy; and
 - 2. Executed prior to the "bodily injury," "property damage," or "personal and advertising injury".
- B. The insurance provided to the additional insured is limited as follows:
 - 1. That person or organization is an additional insured solely for liability due to your negligence specifically resulting from "your work" for the additional insured which is the subject of the written contract or written agreement. No coverage applies to liability resulting from the sole negligence of the additional insured.
 - 2. The Limits of Insurance applicable to the additional insured are those specified in the written contract or written agreement or in the Declarations of this policy, whichever is less. These Limits of Insurance are inclusive of, and not in addition to, the Limits of Insurance shown in the Declarations.
- 3. The coverage provided to the additional insured by this endorsement and paragraph f. of the definition of "insured contract" under DEFINITIONS (Section V) do not apply to "bodily injury" or "property damage" arising out of the "products-completed operations hazard" unless required by the written contract or written agreement.
- 4. The insurance provided to the additional insured does not apply to "bodily injury," "property damage," or "personal and advertising injury" arising out of an architect's, engineer's, or surveyor's rendering of or failure to render any professional services including:
 - a. The preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; and
 - b. Supervisory, or inspection activities performed as part of any related architectural or engineering activities.
- C. As respects the coverage provided under this endorsement, **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS** are amended as follows:



1. The following is added to the Duties In The Event of Occurrence, Offense, Claim or Suit Condition:

e. An additional insured under this endorsement will as soon as practicable:

- (1) Give written notice of an occurrence or an offense to us which may result in a claim or "suit" under this insurance;
- (2) Tender the defense and indemnity of any claim or "suit" to any other insurer which also has insurance for a loss we cover under this Coverage Part; and
- (3) Agree to make available any other insurance which the additional insured has for a loss we cover under this Coverage Part.

f. We have no duty to defend or indemnify an additional insured under this endorsement until we receive written notice of a claim or "suit" from the additional insured.

2. Paragraph 4.b. of the Other Insurance Condition is deleted and replaced with the following:

4. Other Insurance

b. Excess Insurance

This insurance is excess over any other insurance naming the additional insured as an insured whether primary, excess, contingent or on any other basis unless a written contract or written agreement specifically requires that this insurance be either primary or primary and noncontributing.



**WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY**

ENDORSEMENT WC 99 03 76 (00) –

POLICY NUMBER: PCUB2692N16309

**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS
ENDORSEMENT - CALIFORNIA
(BLANKET WAIVER)**

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule.

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be _____ % of the California workers' compensation premium otherwise due on such remuneration.

Schedule

Person or Organization

Job Description

Per written contract.

DATE OF ISSUE: - - ST ASSIGN: