

**Memorandum of Understanding
between
Redflex Traffic Systems, Inc.
and the
City of Laguna Woods**

This Memorandum of Understanding ("MOU") is made and entered into this 18 day of June 2012 ("Effective Date") by and among Redflex Traffic Systems, Inc. ("Redflex"), a Delaware corporation, and the City of Laguna Woods, a California municipal corporation ("City"). Redflex and the City are collectively referred to as the "Parties."

1. On July 11, 2005, the Parties entered into an Agreement for automated red light photo enforcement systems. The Agreement was amended in 2010, 2011, and 2012 (collectively the "Agreement").
2. On May 4, 2012, the City provided Redflex with written notice of the City's intent to terminate the Agreement effective on July 1, 2012.
3. Redflex desires to assist the City with temporarily reducing the financial cost of operating the red light photo enforcement systems due to unique conditions that exist currently for the City.

NOW THEREFORE, with no other changes to the terms or conditions of the Agreement, Redflex and the City hereby agree:

1. Upon the Effective Date, the City's May 4, 2012 notice of termination shall be rescinded. Such rescission shall pertain only to the notice provided by City of termination on May 4, 2012, and shall be without prejudice to any of City's otherwise applicable termination rights under the Agreement.
2. Redflex will decrease the amount the City would otherwise owe Redflex under the Agreement by \$7,500 per month for nine months beginning on July 1, 2012 and ending on March 31, 2013.

IN WITNESS WHEREOF, the Parties hereto have caused this MOU to be executed the day and year first above written.

CITY OF LAGUNA WOODS:

By Leslie A. Keane
Leslie A. Keane, City Manager

6/18/12
Date

REDFLEX TRAFFIC SYSTEMS, INC.:

By Karen Finley
Karen Finley, President & CEO

5-31-12
Date

APPROVED AS TO FORM:

David B. Cosgrove
David B. Cosgrove, City Attorney

6.13.12
Date