

**FIRST AMENDMENT TO  
PROFESSIONAL SERVICES AGREEMENT**

THIS FIRST AMENDMENT ("First Amendment") to the PROFESSIONAL SERVICES AGREEMENT for Dual Red Light Photo Enforcement System is made and entered into this 31<sup>st</sup> day of December, 2009 by and between AMERICAN TRAFFIC SOLUTIONS, INC. (herein "ATS"), a corporation duly registered under the laws of the State of Kansas with its principal place of business at 7681 East Gray Road, Scottsdale, Arizona 85260, and The CITY OF MILLBRAE, CALIFORNIA (herein "City"), a municipal corporation of the State of California with principal offices at 621 Magnolia Avenue, Millbrae, CA 94030 (collectively the "Parties").

**WITNESSETH:**

WHEREAS, on January 9, 2006, ATS and the City entered into a Professional Services Agreement (the "Agreement") whereby the City contracted with ATS to provide the Aaxis System to monitor red light violations or other traffic movements and to issue citations for traffic violations; and

WHEREAS, the scope of work under the Agreement included an initial installation of dual stationary cameras at two locations; and

WHEREAS, the City desires that ATS install dual stationary cameras at two additional locations; and

WHEREAS, the City desires to modify the ATS Scope of Work so that non-beneficial or unnecessary cameras will be removed by ATS at the City's request; and

WHEREAS, the City desire to modify the fees and payments due to ATS, including reducing the monthly service fee due for a particular location; and

WHEREAS, the City desires to clarify the payment due to ATS in the case of a Force Majeure event; and

WHEREAS, the City and ATS desire to amend the Agreement in accordance with the terms and conditions in this First Amendment.

NOW THEREFORE, the Parties hereby agree to amend the Agreement as follows:

1. **Dual Stationary Camera Locations.** The current Exhibit E, "Initial Dual Stationary Camera Locations," is superseded and replaced with a new Exhibit E, "Dual Stationary Camera Locations," which is included as Attachment B to this First Amendment and incorporated herein by this reference.

2. **ATS Scope of Work.** Exhibit A, "ATS Scope of Work," Section 2.i. is deleted in its entirety and replaced with the following:

"ATS shall install, maintain, and keep operational a number of Stationary Camera Systems at locations to be mutually agreed by the parties as delineated in Exhibit E. Keeping the cameras operational includes incorporating any and all system upgrades that are necessary and appropriate and maintaining system security. The parties may agree from time to time to add, subtract or modify locations where the Stationary Camera Systems shall be installed and maintained. In the event that Customer determines that it is not beneficial or necessary to have a Stationary Camera System at a particular location, ATS shall remove the Stationary Camera System from that location at Customer's request. A Stationary Camera System installed at a location shall be in operation for a

minimum of one year at that location, unless the parties agree otherwise in writing.”

3. **Fees and Payments.** Section 6, “FEES AND PAYMENTS,” is deleted in its entirety and replaced with the following:

“Customer shall pay for all equipment, services and maintenance based on the pricing indicated in Exhibit “C.”

On or before the 30th day of each month, the Customer shall pay all fees due ATS based upon invoices from the proceeding month. Late payments are subject to interest calculated at 1.5% per month on open balances.

If the cumulative downtime for any reason of any one camera exceeds seven (7) days in any one month, the monthly fee per camera as shown in Exhibit C shall be prorated and reduced to account for the actual downtime of that camera.”

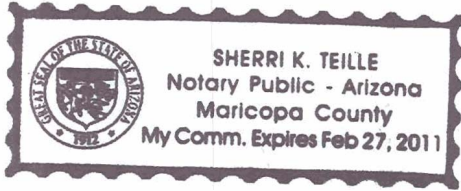
4. **Project Service Fees.** In order to reduce the monthly service fee for one camera location, the current Exhibit C, “Project Service Fees - Dual Stationary Camera System,” is superseded and replaced with a new Exhibit C with the same title, which is included as Attachment A to this First Amendment and incorporated herein by this reference.

5. **Force Majeure.** Section 7, “FORCE MAJEURE,” is deleted in its entirety and replaced with the following:

“The fees due to ATS will be subject to proration pursuant to Section 6 any time a Stationary Camera System is non-operational due to a Force Majeure event defined as acts of God or of the public enemy, fire, storms, floods, tidal waves, earthquakes, strikes, labor disputes, and freight embargoes, provided that Customer and ATS notify the other in writing within fifteen days of a non-operational Stationary Camera System caused by a Force Majeure event.”

6. **Effect of Amendment.** Except for the modifications expressly set forth in this First Amendment, the terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this First Amendment to the Professional Services Agreement as of the date first written above.



AMERICAN TRAFFIC SOLUTIONS, INC.

[Signature]  
Adam E. Tuton, Executive Vice President, COO

STATE OF ARIZONA     )  
  )ss.  
COUNTY OF MARICOPA )

On this 4<sup>th</sup> day of February, 2010, personally appeared before me Adam E. Tuton, who being by me duly sworn did say that he is Executive Vice President for American Traffic Solutions, Inc., a Kansas corporation, and that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and acknowledged to me that said corporation executed the same.

[Signature]  
NOTARY PUBLIC

My Commission Expires:  
2/27/11

CITY OF MILLBRAE, CALIFORNIA  
[Signature]  
City Manager

ATTEST:  
[Signature] 2-18-10  
City Clerk

## Exhibit C

### Project Service Fees – Dual Stationary Camera System

The Customer agrees to pay ATS the Fee(s) as itemized below:

#### Monthly Service Fee per Intersection Approach

Cost Element	Monthly fee
<b>Intersection Approach - Camera MI05 west bound Millbrae Avenue, left turn to south bound Rollins Road:</b> Axis RLC-300 Red Light Camera System monitoring front and rear images up to 4 lanes, image processing, data entry, In State registered owner acquisition, final quality control review, access to web-based Axis VPS for Police Review, 1 <sup>st</sup> notice printing in color, postage and mailing, electronic notice file transmission to court system, evidence packages for scheduled hearings. (Full description in Exhibit A.)	\$1,000.00
<b>All Other Intersection Approaches:</b> Axis RLC-300 Red Light Camera System monitoring front and rear images up to 4 lanes, image processing, data entry, In State registered owner acquisition, final quality control review, access to web-based Axis VPS for Police Review, 1 <sup>st</sup> notice printing in color, postage and mailing, electronic notice file transmission to court system, evidence packages for scheduled hearings. (Full description in Exhibit A.)	\$5,200.00
<b>Option A</b> – Axis LIVE digital video system for monitoring 1 direction of travel at one intersection.	\$195.00
<b>Option B</b> – Axis LIVE digital video system for monitoring each additional direction of travel at one intersection.	\$95.00
<b>Other Optional Services</b>	
<b>Option C</b> – Axis E-Payment Portal for Web-based payments – online access convenience fee charged to user.	\$0
<b>Option D</b> – Identifying out-of-state registered owners and mailing violation notices: \$3.00 per mailed citation except for AZ and NJ which is \$7.00 (State access charges)	On use only

**Exhibit E**  
**Dual Camera System Locations**

The sites where the Dual Stationary Camera Systems are approved to be installed after a careful analysis by the Customer Police, the Traffic Engineering Department and ATS engineers. Based on that analysis, the Customer has determined that each of these intersections have a high incidence of intersection collisions, there is an extreme difficulty in identifying violators, and that other traffic light changes/modifications would be ineffective in resolving these problems. Accordingly, the Customer determined that photo enforcement was the best solution to the dangers posed by these intersections.

The Customer approves that ATS install Dual Stationary Camera Systems at the following intersection(s) and to monitor the identified lanes:

<b>Camera Location or Intersection Approach</b>
El Camino (south) & Millbrae (west)
Millbrae & Rollins (three directions)
SB El Camino Real and Millbrae Avenue
SB Highway 101 Off Ramp and Millbrae Avenue