

FIRST AMENDMENT TO EXCLUSIVE AGREEMENT BETWEEN THE CITY OF MONTEBELLO AND REDFLEX TRAFFIC SYSTEMS, INC. FOR PHOTO RED LIGHT ENFORCEMENT PROGRAM

This First Amendment (the "Amendment") is executed this 11th day of February, 2010 by and between Redflex Traffic Systems, Inc. with offices at 23751 N. 23rd Avenue, Suite 150, Phoenix, AZ 85085-1854 ("Redflex"), and the City of Montebello a municipal corporation, with offices at 1600 West Beverly Boulevard, Montebello, CA 90640 (the "Customer").

RECITALS

WHEREAS, Redflex and Customer previously entered into an Exclusive Agreement between the City of Montebello and Redflex Traffic Systems, Inc. for Photo Red Light Enforcement Program dated October 11, 2006 (the "Agreement"), to provide automated red light photo enforcement in the City of Montebello; and,

WHEREAS, Redflex and Customer mutually agree to amend certain terms of the Agreement,

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for other valuable consideration received, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. To execute a one (1) year term to take effect February 15th, 2010.
2. To provide for five (5) one-year extensions upon completion of the one-year term described above.
3. To modify the Agreement with respect to the terms set forth in Exhibit D, "COMPENSATION AND PRICING" as amended herein.

AGREEMENT

1. TERM. Paragraph 2 of the Agreement entitled "TERM" is amended as follows:

As of the effective date of this Agreement, the term is extended for one (1) year commencing February 15, 2010. By mutual agreement, the term of this Agreement may be extended by five (5) additional consecutive one (1) year periods following the expiration of the Initial Term (each one (1) year term is a "Renewal Term" and collectively with the Initial Term, the "Term"). The Customer has the right not to enter into a Renewal Term by providing written notice to Redflex not less than thirty (30) days prior to the last day of the Initial and Renewal Term. The terms of the Agreement and this Amendment will apply to each Renewal Term. Any changes to the terms for any Renewal Term must be approved by both Parties prior to the commencement date of the Renewal Term. Both Parties are obligated by the conditions set forth in Exhibit D,

"COMPENSATION AND PRICING."

2. **EXHIBIT "D": COMPENSATION AND PRICING.**

Exhibit "D" is amended as follows:

Redflex shall continue to provide Customer a full turnkey, automated Red Light Photo Enforcement system, for the current eight (8) approaches identified herein in Exhibit D with no upfront costs and no out of pocket costs for the Customer.

Commencing on the execution of this Amendment to the Agreement, Customer shall be obligated to pay Redflex a fixed fee of Six Thousand Dollars (\$6000.00) per month per approach for three (3) or more contiguous lanes, up to four (4) lanes, as full remuneration for performing all of the services contemplated in this Agreement, for each of the following eight (8) Existing Designated Intersections:

- Garfield Ave. / Beverly Blvd. – E/B
- N. Garfield Ave. / Via Campo – N/B
- Beverly Blvd. / Montebello Blvd. – N/B
- N. Montebello Blvd. / Paramount Blvd. – W/B
- N. Garfield Ave. / Via Campo – E/B
- Washington Blvd. / Greenwood Ave. – W/B
- N. Montebello Blvd. / Paramount Blvd. – E/B
- Montebello Blvd. / Whittier Blvd. – S/B

Note: Where improvements to capture additional lanes are added to any of the above approaches, the Fixed Fee Price will be increased proportionally by mutual agreement between both parties.

Redflex will provide a concession of Eighteen Thousand Dollars (\$18,000.00) per month against invoicing during the first (12) twelve months from February 15, 2010, which will reduce the monthly invoice total, and after the concession is applied the total cost for the City will be Thirty Thousand Dollars (\$30,000.00) per month for provision of services to existing approaches. The concession will be subtracted from the total monthly due based upon the fixed fee as stated above and any additional fees for additional redlight cameras pursuant to Exhibit "D.". Any partial invoicing period will be prorated accordingly.

Financial Feasibility:

Customer and Redflex shall meet as necessary during the term of this Amendment and any Renewal Terms to evaluate the financial feasibility of the program. If the Customer determines that the program is not financially feasible to continue, the Customer has the right to terminate the Agreement and Amendment upon providing thirty (30) calendar days written notice of termination to Redflex. Such termination shall occur thirty (30) calendar days after such notice is provided. Financial feasibility includes, but is not limited to, whether the Customer's costs, including payments to Redflex, exceed or nearly exceeds the monthly revenue received by Customer. Redflex shall be provided the opportunity to remedy the financial feasibility of

Customer within the thirty (30) day notice period; however, any remedy is subject to approval by Customer.

Beginning at the conclusion of the initial thirty (30) day warning period and continuing until contract expiration or termination, in accordance with the provisions as set forth in Agreement, Redflex shall invoice the Customer monthly as of the last date of the month. Customer shall have sixty (60) days to pay such invoices.

Upon execution of this Amendment, Customer may request in writing that a Red Light Camera be upgraded as new technology becomes available during the term of this Agreement. Both parties must agree that the upgrade would substantially increase the citation issuance rate for that approach. The parties may not unreasonably withhold its consent to upgrading such systems. Upgrade would be made at no cost to Customer, and would occur within ninety (90) days of mutual agreement.

Relocation of cameras will be at no charge when mutually agreed upon by Customer and Redflex; otherwise, Customer will be liable for relocation costs. Redflex shall not unreasonably withhold its consent to relocation. Monthly fees for those cameras relocated will continue as per the pricing prior to the relocation.

Redflex construction will be able to utilize existing conduit for installation where space is available. Where it is determined by both parties that additional conduit is necessary, the cost shall be borne by Redflex; however, the Customer shall provide at no cost the necessary encroachment permits.

New Approaches (Optional):

At the expiration of the Warning Period for each new Designated Intersection Approach, Customer shall be obligated to pay Redflex a fixed fee of Six Thousand Three Hundred Dollars (\$6300.00) per month for each new Designated Intersection Approach as full remuneration for performing all of the services contemplated in this Agreement.

Photo Speed System Component (Optional)

Upon enabling legislation in the State of California that authorizes Customer to enact Photo Speed Enforcement, Redflex may provide mobile and/or fixed Photo Speed Enforcement services to Customer; however, the City is not obligated to utilize Redflex for such services. Photo Speed Enforcement Services are optional for Customer and will be provided by the vendor upon issuance of a "Notice to Proceed". Compensation to Redflex for the provision of Photo Speed Enforcement shall be agreed upon between both parties prior to issuance of a Notice to Proceed.

3. Except as amended in this Amendment, all other provisions of the Agreement shall remain unchanged and in full force and effect.

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

“Customer”

CITY OF MONTEPELLO

BY: *Randy Narramore*

Name: Randy Narramore

Title: City Administrator

“Redflex”

REDFLEX TRAFFIC SYSTEMS, INC.

BY: *Aaron Rosenberly*

Name: AARON ROSENBERLY

Title: E.V.P.

ATTEST:

By: *Robert J. King*

Name: Robert J. King

City Clerk

