

**AMENDMENT NO. 2
TO EXTEND AND AMEND AGREEMENT FOR
PHOTO RED LIGHT ENFORCEMENT SERVICES WITH REDFLEX TRAFFIC
SYSTEMS, INC.**

This Amendment No. 2 is entered into and effective as of the ____ day of _____, 201_, extending and amending the agreement dated April 23, 2007 (the "Agreement") by and between the City of Redwood City, a charter city and municipal corporation of the State of California ("City"), and Redflex Traffic Systems, Inc. ("Consultant") (collectively, the "Parties") for a photo red light enforcement program.

RECITALS

A. On April 23, 2007, the Parties executed an Exclusive Agreement Between the City of Redwood City and Redflex Traffic Systems, Inc. for Photo Red Light Enforcement Program; and

B. On November 22, 2010, the Parties executed Amendment No. 1 to Agreement for Photo Red Light Enforcement Services; and

C. The Parties have negotiated and agreed to amendments attached to and incorporated in by reference as Exhibit "A," Scope of Services and Fee.

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, the Parties agree as follows:

1. That the Agreement, as may have been amended from time to time, is hereby extended for a period of one year, from March 28, 2013 to March 28, 2014, ending on March 28, 2014. Consultant will be paid a monthly fee of \$12,756 for completing all work associated with the Services set forth in the Agreement, with a total not to exceed amount of one hundred fifty three thousand and seventy two dollars (\$153,072.00). Consultant will provide City, on a monthly basis, copies of invoices sufficiently detailed to include hours performed, hourly rates, and related activities and costs for approval by City.

2. Consultant will complete all work described in Exhibit "A" by March 28, 2014.

3. All other provisions of the Agreement, as may have been amended from time to time, will remain in full force and effect.

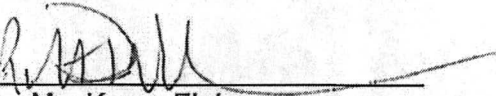
4. All requisite insurance policies to be maintained by the Consultant pursuant to the Agreement, as may have been amended from time to time, will include coverage for this Amendment.

5. The individuals executing this Amendment and the instruments referenced in it on behalf of Consultant each represent and warrant that they have the legal power, right and actual authority to bind Consultant to the terms and conditions of this Amendment.

CONSULTANT
Redflex Traffic Systems, Inc., a
Delaware corporation

CITY OF REDWOOD CITY, a charter
city and municipal corporation of the
State of California

*By:



~~Ms. Karen Finley~~
Robert DeVincenzi

Redflex President and CEO

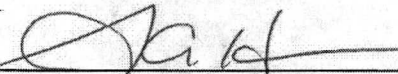
By:



Robert B. Bell, City Manager

ATTEST:

**By:



Name *SCOTT HUSON*
Interim CFO

Secretary, Assistant Secretary, CFO

Silvia Vonderlinden, City Clerk

If required by City, proper notarial acknowledgment of execution by Consultant must be attached. If a Corporation, Agreement must be signed by one corporate officer from each of the following two groups.

*Group A.
Chairman,
President, or
Vice-President

**Group B.
Secretary,
Assistant Secretary,
CFO or Assistant Treasurer

Otherwise, the corporation must attach a resolution certified by the secretary or assistant secretary under corporate seal empowering the officer(s) signing to bind the corporation.

EXHIBIT "A"

SCOPE OF SERVICES AND FEE

Scope of Services to be performed by Consultant is set forth in the Agreement at Sections 3.0 through 3.6 (set forth below):

3. **SERVICES.** Redflex shall provide the Photo Red Light Enforcement Program to the Customer, in each case in accordance with the terms and provisions set forth in this Agreement.

3.1. **INSTALLATION.** With respect to the construction and installation of (1) the Designated Intersection Approaches and the installation of the Redflex System at such Designated Intersection Approaches, the Customer and Redflex shall have the respective rights and obligations set forth on Exhibit B attached to the Agreement.

3.2. **MAINTENANCE.** With respect to the maintenance of the Redflex System at the Designated Intersection Approaches the Customer and Redflex shall have the respective rights and obligations set forth on Exhibit C attached to the Agreement.

3.3. **VIOLATION PROCESSING.** During the Operational Period, Violations shall be processed as follows:

3.3.1. All Violations Data shall be stored on the Redflex System;

3.3.2. The Redflex System shall process Violations Data gathered from the Designated Intersection Approaches into a format capable of review by the Authorized Officer via the Redflex System;

3.3.3. The Redflex System shall be accessible by the Authorized Officer through a virtual private network in encrypted format by use of a confidential password on any computer equipped with a high-speed internet connection and a web browser;

3.3.4. Redflex shall provide the Authorized Officer with access to the Redflex System for the purposes of reviewing the pre-processed Violations Data within seven (7) calendar days of the gathering of the Violation Data from the applicable Designated Intersection Approaches;

3.3.5. The Customer shall cause the Authorized Officer to review the Violations Data and to determine whether a citation shall be issued with respect to each Potential Violation captured within such Violation Data, and transmit each such determination in the form of an Electronic Signature to Redflex using the software or other applications or procedures provided by Redflex on the Redflex System for such purpose, and REDFLEX HEREBY ACKNOWLEDGES AND AGREES THAT THE DECISION TO ISSUE A CITATION SHALL BE THE SOLE, UNILATERAL AND EXCLUSIVE DECISION OF THE AUTHORIZED OFFICER AND SHALL BE MADE IN SUCH AUTHORIZED OFFICER'S SOLE DISCRETION (A "CITATION DECISION"), AND IN NO EVENT SHALL REDFLEX HAVE THE ABILITY OR AUTHORIZATION TO MAKE A CITATION DECISION;

3.3.6. With respect to each Authorized Violation, Redflex shall print and mail a Citation within six (6) calendar days after Redflex's receipt of such authorization; provided, however, during the Warning Period, warning violation notices shall be issued in respect of all Authorized Violations;

3.3.7. Redflex shall provide a toll-free telephone number for the purposes of answering citizen inquiries.

3.3.8. Redflex shall permit the Authorized Officer to generate monthly reports using the Redflex Standard Report System.

3.3.9. Upon Redflex's receipt of a written request from the Customer and in addition to the Standard Reports, Redflex shall provide, without cost to the Customer, reports regarding the processing and issuance of Citations, the maintenance and downtime records of the Designated Intersection Approaches and the functionality of the Redflex System with respect thereto to the Customer in such format and for such periods as the Customer may reasonably request; provided, however, Redflex shall not be obligated to provide in excess of six (6) such reports in any given twelve (12) consecutive month period without cost to the Customer;

3.3.10. Upon the Customer's receipt of a written request from Redflex, the Customer shall provide, without cost to Redflex, reports regarding the prosecution of Citations and the collection of fines, fees and other monies in respect thereof in such format and for such periods as Redflex may reasonably request; provided, however, the Customer shall not be obligated to provide in excess of six (6) such reports in any given twelve (12) consecutive month period without cost to Redflex;

3.3.11. During the six (6) month period following the Installation Date and/or upon Redflex's receipt of a written request from the Customer at least fourteen (14) calendar days in advance of court proceeding, Redflex shall provide expert witnesses for use by the Customer in prosecuting Violations; provided, however, the Customer shall use reasonable best efforts to seek judicial notice in lieu of requiring Redflex to provide such expert witnesses; and

3.3.12. During the three (3) month period following the Installation Date, Redflex shall provide such training to law enforcement personnel as shall be reasonably necessary in order to allow such personnel to act as expert witnesses on behalf of the Customer with respect to the Redlight Enforcement Program.

3.4. **PROSECUTION AND COLLECTION; COMPENSATION.** The Customer shall diligently prosecute Citations and the collection of all Fines in respect thereof, and Redflex shall have the right to receive, and the Customer shall be obligated to pay, the compensation set forth on below under Compensation and Pricing.

3.5. **OTHER RIGHTS AND OBLIGATIONS.** During the Term, in addition to all of the other rights and obligations set forth in this Agreement, Redflex and the Customer shall have the respective rights and obligations set forth on Exhibit E attached to the Agreement.

3.6. **CHANGE ORDERS.** The Customer may from time to time request changes to the work required to be performed or the addition of products or services to those required pursuant to the terms of this Agreement by providing written notice thereof to Redflex, setting forth in reasonable detail the proposed changes (a "Change Order Notice"). Upon Redflex's receipt of a Change Order Notice, Redflex shall deliver a written statement describing the effect, if any, the proposed changes would have on the pricing terms set forth in Exhibit D to the Agreement (the "Change Order Proposal"), which Change Order Proposal shall include (i) a detailed breakdown of the charge and schedule effects, (ii) a description of any resulting changes to the specifications and obligations of the parties, (iii) a schedule for the delivery and other performance obligations, and (iv) any other information relating to the proposed changes reasonably requested by the Customer. Following the Customer's receipt of the Change Order Proposal, the parties shall negotiate in good faith and agree to a plan and schedule for implementation of the proposed changes, the time, manner and amount of payment or price increases or decreases, as the case may be, and any other matters relating to the proposed changes; provided, however, in the event that any proposed change involves only the addition of equipment or services to the existing Designated Intersection Approaches, or the addition of Intersection Approaches to be covered by the terms of this Agreement, to the maximum extent applicable, the pricing terms set forth in Exhibit D to the Agreement shall govern. Any failure of the parties to reach agreement with respect to any of the foregoing as a result of any proposed changes shall not be deemed to be a breach of this Agreement, and any disagreement shall be resolved in accordance with Section 10 of the Agreement.

Compensation and Pricing:

Consultant will be paid a monthly fee of \$12,756 for the period March 28, 2013 to March 28, 2014 for completing all work associated with the Scope of Services set forth above, with a total not to exceed amount of one hundred fifty three thousand and seventy two dollars (\$153,072.00). Consultant will provide City, on a monthly basis, copies of invoices sufficiently detailed to include hours performed, hourly rates, and related activities and costs for approval by City.