

**MAINTENANCE AGREEMENT  
BETWEEN  
THE CITY OF SANTA CLARITA AND  
REDFLEX TRAFFIC SYSTEMS, INC.  
Contract No. 08-00553**

THIS MAINTENANCE AGREEMENT ("Agreement") is made and entered into this 21<sup>st</sup> day of April, 2009, by and between the CITY OF SANTA CLARITA, a general law city and municipal corporation ("CITY") and REDFLEX TRAFFIC SYSTEMS, INC., a PHOTO RED LIGHT ENFORCEMENT Corporation ("CONTRACTOR").

The Parties agree as follows:

**1. CONSIDERATION.**

- A. As partial consideration, CONTRACTOR agrees to perform the work listed in the SCOPE OF SERVICES, below;
- B. As additional consideration, CONTRACTOR and CITY agree to abide by the terms and conditions contained in this Agreement;
- C. As additional consideration, CITY agrees to pay CONTRACTOR on a monthly basis an amount set forth in the attached Exhibit "D," which is incorporated by reference, for CONTRACTOR's services. CITY will pay such amount promptly, but not later than thirty (30) days after receiving CONTRACTOR's invoice.

**2. TERM.** The term of this Agreement will be from April 1, 2009, to April 1, 2014. The Agreement may be renewed upon mutual consent of the parties.

**3. SCOPE OF SERVICES.**

- A. CONTRACTOR will perform services listed in the attached Exhibits "A", "B", and "C".
- B. CONTRACTOR will, in a workmanlike manner, furnish all of the labor, technical, administrative, professional and other personnel, all supplies and materials, equipment, printing, vehicles, transportation, office space and facilities, and all tests, testing and analyses, calculation, and all other means whatsoever, except as herein otherwise expressly specified to be furnished by CITY, necessary or proper to perform and complete the work and provide the professional services required of CONTRACTOR by this Agreement.

**4. PREVAILING WAGES.**

- A. If required by applicable state law including, without limitation Labor Code §§ 1720 (as amended by AB 975 (2001)), 1771, 1774, 1775, and 1776, CONTRACTOR must pay its workers prevailing wages. It is CONTRACTOR's responsibility to interpret and implement any prevailing wage requirements and

CONTRACTOR agrees to pay any penalty or civil damages resulting from a violation of the prevailing wage laws. In accordance with Labor Code § 1773.2, copies of the prevailing rate of per diem wages are available upon request from CITY's Engineering Division or the website for State of California Prevailing wage determination at <http://www.dir.ca.gov/DLSR/PWD>. A copy of the prevailing rate of per diem wages must be posted at the job site.

B. Protection of Resident Workers.

The City of Santa Clarita actively supports the Immigration and Nationality Act (INA) which includes provisions addressing employment eligibility, employment verification, and nondiscrimination. Under the INA, employers may hire only persons who may legally work in the United States (i.e., citizens and nationals of the U.S.) and aliens authorized to work in the U.S. The employer must verify the identity and employment eligibility of anyone to be hired, which includes completing the Employment Eligibility Verification Form (I-9). The Contractor shall establish appropriate procedures and controls so no services or products under the Contract Documents will be performed or manufactured by any worker who is not legally eligible to perform such services or employment.

5. FAMILIARITY WITH WORK.

A. By executing this Agreement, CONTRACTOR represents that CONTRACTOR has

- i. Thoroughly investigated and considered the scope of services to be performed;
- ii. Carefully considered how the services should be performed; and
- iii. Understands the facilities, difficulties, and restrictions attending performance of the services under this Agreement.

B. If services involve work upon any site, CONTRACTOR warrants that CONTRACTOR has or will investigate the site and is or will be fully acquainted with the conditions there existing, before commencing the services hereunder. Should CONTRACTOR discover any latent or unknown conditions that may materially affect the performance of the services, CONTRACTOR will immediately inform CITY of such fact and will not proceed except at CONTRACTOR's own risk until written instructions are received from CITY.

6. INSURANCE.

A. Before commencing performance under this Agreement, and at all other times this Agreement is effective, CONTRACTOR will procure and maintain the following types of insurance with coverage limits complying, at a minimum, with the limits set forth below:

<u>Type of Insurance</u>	<u>Limits (combined single)</u>
Commercial general liability:	\$1,000,000
Professional Liability	\$1,000,000
Business automobile liability	\$1,000,000
Workers compensation	Statutory requirement.

- B. Commercial general liability insurance will meet or exceed the requirements of ISO-CGL Form No. CG 00 01 11 85 or 88. The amount of insurance set forth above will be a combined single limit per occurrence for bodily injury, personal injury, and property damage for the policy coverage. Liability policies will be endorsed to name City, its officials, and employees as "additional insureds" under said insurance coverage and to state that such insurance will be deemed "primary" such that any other insurance that may be carried by City will be excess thereto. Such insurance will be on an "occurrence," not a "claims made," basis and will not be cancelable or subject to reduction except upon thirty (30) days prior written notice to City.
- C. Professional liability coverage will be on an "occurrence basis" if such coverage is available, or on a "claims made" basis if not available. When coverage is provided on a "claims made basis," CONTRACTOR will continue to renew the insurance for a period of three (3) years after this Agreement expires or is terminated. Such insurance will have the same coverage and limits as the policy that was in effect during the term of this Agreement, and will cover CONTRACTOR for all claims made by CITY arising out of any errors or omissions of CONTRACTOR, or its officers, employees or agents during the time this Agreement was in effect.
- D. Automobile coverage will be written on ISO Business Auto Coverage Form CA 00 01 06 92, including symbol 1 (Any Auto).
- E. CONTRACTOR will furnish to City duly authenticated Certificates of Insurance evidencing maintenance of the insurance required under this Agreement, endorsements as required herein, and such other evidence of insurance or copies of policies as may be reasonably required by City from time to time. Insurance must be placed with insurers with a current A.M. Best Company Rating equivalent to at least a Rating of "A:VII." Certificate(s) must reflect that the insurer will provide thirty (30) day notice of any cancellation of coverage. CONTRACTOR will require its insurer to modify such certificates to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions.
- F. Should CONTRACTOR, for any reason, fail to obtain and maintain the insurance required by this Agreement, City may obtain such coverage at CONTRACTOR's expense and deduct the cost of such insurance from payments due to

CONTRACTOR under this Agreement or terminate. In the alternative, should CONTRACTOR fail to meet any of the insurance requirements under this agreement, City may cancel the Agreement immediately with no penalty.

- G. Should Contractor's insurance required by this Agreement be cancelled at any point prior to expiration of the policy, CONTRACTOR must notify City within 24 hours of receipt of notice of cancellation. Furthermore, CONTRACTOR must obtain replacement coverage that meets all contractual requirements within 10 days of the prior insurer's issuance of notice of cancellation. CONTRACTOR must ensure that there is no lapse in coverage.

**7. TIME FOR PERFORMANCE.** CONTRACTOR will not perform any work under this Agreement until:

- A. CONTRACTOR furnishes proof of insurance as required under Section 6 of this Agreement; and
- B. CITY gives CONTRACTOR a written Notice to Proceed.
- C. Should CONTRACTOR begin work in advance of receiving written authorization to proceed, any such professional services are at CONTRACTOR's own risk.

**8. TERMINATION.**

- A. Termination For Cause: Either party shall have the right to terminate this Agreement immediately by written notice to the other if (i) state statutes are amended to prohibit or substantially change the operation of red light photo enforcement systems; (ii) any court having jurisdiction over City rules, or California or federal statute declares, that results from CONTRACTOR's Redflex System of red light photo enforcement are inadmissible in evidence; or (iii) the other party commits any material breach of any of the provisions of this Agreement which breach is not remedied within ninety (90) calendar days (or within such other time period as the CITY and CONTRACTOR shall mutually agree, which agreement shall not be unreasonably withheld or delayed) after written notice from the non-breaching party setting forth in reasonable detail the events which caused the breach. The rights to terminate this Agreement shall be without prejudice to any other right or remedy of either party in respect of the breach concerned (if any) or any other breach of this Agreement.
- B. Termination for Convenience: CITY may terminate this Agreement without cause at any time by giving ten days' written notice of termination to CONTRACTOR. CITY agrees to reimburse the CONTRACTOR for all out-of-pocket and direct costs associated with the installation and management of the City's program, including, but not limited to (1) construction services, (2) software configuration and (3) hardware depreciation, not to exceed \$100,000 per intersection approach.

- C. Upon termination by either CITY or CONTRACTOR, CONTRACTOR shall deliver to CITY all property of the CITY in CONTRACTOR's possession and copies of all reports, documents, and other work prepared by CONTRACTOR under this Agreement. CONTRACTOR shall furnish to CITY a final statement of the work performed for compensation. The statement shall indicate the task to which the work performed is to be charged, according to the categories in Section 3, Scope of Services of this Agreement. Such statement shall also include a detailed record of actual reimbursable expenses, such as, but not limited to, copying costs, long-distance telephone charges, and computerized research. CITY will prepare a warrant payable to CONTRACTOR in the amount approved by CITY. CITY will then make final payment to CONTRACTOR for services performed and reimbursable expenses incurred, subject to the limitation on reimbursement set forth in this Agreement. The Redflex System is the property of CONTRACTOR, upon termination; at the expense of CONTRACTOR CONTRACTOR shall remove the System and restore each applicable intersection.

## 9. INDEMNIFICATION.

- A. CONTRACTOR agrees to the following:

1. Indemnification of CITY. CONTRACTOR will save harmless and indemnify the CITY, including, without limitation, CITY's defense costs (including reasonable attorney's fees), from and against any and all suits, actions, or claims, of any character whatever, brought for, or on account of, any injuries or damages sustained by any person or property resulting or arising, or alleged to have resulted or arisen, from any negligent or wrongful act, error or omission by CONTRACTOR or any of CONTRACTOR's officers, agents, employees, or representatives, in the performance of Agreement.
2. For the purposes of this section CITY includes its respective elected and appointed boards, officials, officers, agents, employees, and volunteers.
3. It is expressly understood and agreed that the foregoing provisions will survive termination of this Agreement.

The requirements as to the types and limits of insurance coverage to be maintained by CONTRACTOR and any approval of said insurance by CITY, are not intended to and will not in any manner limit or qualify the liabilities and obligations otherwise assumed by CONTRACTOR pursuant to this Agreement, including, without limitation, to the provisions concerning indemnification.

- B. CITY agrees to the following:

1. Indemnification of CONTRACTOR. CITY will save harmless and indemnify, including, without limitation, CONTRACTOR defense costs (including reasonable attorney's fees), from and against any and all suits, actions, or claims,

of any character whatever, brought for, or on account of, any injuries or damages sustained by any person or property resulting or arising, or alleged to have resulted or arisen, from any negligent or wrongful act, error or omission by CITY or any of CITY'S officers, agents, employees, or representatives, in the performance of Agreement.

**10. INDEPENDENT CONTRACTOR.** CITY and CONTRACTOR agree that CONTRACTOR will act as an independent contractor and will have control of all work and the manner in which is it performed. CONTRACTOR will be free to contract for similar service to be performed for other employers while under contract with CITY. CONTRACTOR is not an agent or employee of CITY and is not entitled to participate in any pension plan, insurance, bonus or similar benefits CITY provides for its employees. Any provision in this Agreement that may appear to give CITY the right to direct CONTRACTOR as to the details of doing the work or to exercise a measure of control over the work means that CONTRACTOR will follow the direction of the CITY as to end results of the work only.

**11. NOTICES.**

- A. All notices given or required to be given pursuant to this Agreement will be in writing and may be given by personal delivery or by mail. Notice sent by mail will be addressed as follows:

To CITY: City of Santa Clarita  
23920 Valencia Blvd.  
Santa Clarita, CA 91355.

To CONTRACTOR: *Redflex Traffic Systems, Inc.*  
*23751 N. 23<sup>rd</sup> Avenue, Suite 150*  
*Phoenix, AZ 85085-1854*

- B. When addressed in accordance with this paragraph, notices will be deemed given upon deposit in the United States mail, postage prepaid. In all other instances, notices will be deemed given at the time of actual delivery.
- C. Changes may be made in the names or addresses of persons to whom notices are to be given by giving notice in the manner prescribed in this paragraph.

**12. TAXPAYER IDENTIFICATION NUMBER.** CONTRACTOR will provide CITY with a Taxpayer Identification Number.

**13. WAIVER.** A waiver by CITY of any breach of any term, covenant, or condition contained in this Agreement will not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained in this Agreement, whether of the same or different character.

14. **CONSTRUCTION.** The language of each part of this Agreement will be construed simply and according to its fair meaning, and this Agreement will never be construed either for or against either party.

15. **SEVERABLE.** If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, then such portion will be deemed modified to the extent necessary in the opinion of the court to render such portion enforceable and, as so modified, such portion and the balance of this Agreement will continue in full force and effect.

16. **CAPTIONS.** The captions of the paragraphs of this Agreement are for convenience of reference only and will not affect the interpretation of this Agreement.

17. **WAIVER.** Waiver of any provision of this Agreement will not be deemed to constitute a waiver of any other provision, nor will such waiver constitute a continuing waiver.

18. **INTERPRETATION.** This Agreement was drafted in, and will be construed in accordance with the laws of the State of California, and exclusive venue for any action involving this agreement will be in Los Angeles County.

19. **AUTHORITY/MODIFICATION.** This Agreement may be subject to and conditioned upon approval and ratification by the Santa Clarita City Council. This Agreement is not binding upon CITY until executed by the City Manager. The Parties represent and warrant that all necessary action has been taken by the Parties to authorize the undersigned to execute this Agreement and to engage in the actions described herein. This Agreement may be modified by written agreement. CITY's city manager may execute any such amendment on behalf of CITY.

20. **ACCEPTANCE OF FACSIMILE SIGNATURES.** The Parties agree that this Agreement, agreements ancillary to this Agreement, and related documents to be entered into in connection with this Agreement will be considered signed when the signature of a party is delivered by facsimile transmission. Such facsimile signature will be treated in all respects as having the same effect as an original signature.

21. **EFFECT OF CONFLICT.** In the event of any conflict, inconsistency, or incongruity between any provision of this Agreement, its attachments, the purchase order, or notice to proceed, the provisions of this Agreement will govern and control.

22. **CAPTIONS.** The captions of the paragraphs of this Agreement are for convenience of reference only and will not affect the interpretation of this Agreement.

23. **FORCE MAJEURE.** Should performance of this Agreement be prevented due to fire, flood, explosion, war, terrorist act, embargo, government action, civil or military authority, the natural elements, or other similar causes beyond the Parties' control, then the Agreement will immediately terminate without obligation of either party to the other.

24. **ENTIRE AGREEMENT.** This Agreement and its 5 attachments constitute the sole agreement between CONTRACTOR and CITY respecting Photo Red Light Enforcement maintenance. To the extent that there are additional terms and conditions contained in Exhibits

"A" through "E" that are not in conflict with this Agreement, those terms are incorporated as if fully set forth above. There are no other understandings, terms or other agreements expressed or implied, oral or written.

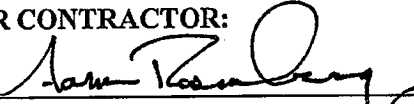
**25. CONFLICT OF INTEREST.** CONSULTANT will comply with all conflict of interest laws and regulations including, without limitation, CITY's conflict of interest regulations.

(Signatures on Next Page)



IN WITNESS WHEREOF the parties hereto have executed this contract the day and year first hereinabove written.


FOR CONTRACTOR:

By: 

AARON ROSEBERGO, EVP  
Print Name & Title


Date: 4-14-09

FOR CITY OF SANTA CLARITA:  
KENNETH R. PULSKAMP, CITY MANAGER

By:   
City Manager

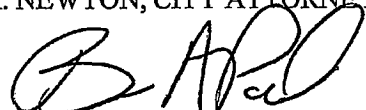
Date: 4/17/09

ATTEST:

By:   
City Clerk

Date: 4/21/09

APPROVED AS TO FORM:  
CARL K. NEWTON, CITY ATTORNEY

By:   
City Attorney

Date: 4-16-09

**EXHIBIT "A"**  
**Statement of Work**

The contract is for the continued operational services of the following 10 approaches/systems:

Bouquet Canyon Road and Newhall Ranch Road, Northbound  
Bouquet Canyon Road and Newhall Ranch Road, Eastbound  
Bouquet Canyon Road and Seco Canyon, Northbound  
McBean Pkwy and Magic Mountain Pkwy, Eastbound  
McBean Pkwy and Newhall Ranch Road, Westbound  
Orchard Village Drive and Lyons, Southbound  
Valencia Blvd and McBean Pkwy, Eastbound  
Valencia Blvd and McBean Pkwy, Westbound  
Soledad Canyon Road and Whites Canyon Road, Southbound  
Whites Canyon Road and Soledad Canyon Road, Northbound

and implementation of up to 10 additional intersections or 20 approaches. Identification of enforced intersection approaches will be based on mutual agreement between Redflex and the City as warranted by community safety and traffic needs.

**Photo Speed System Component (Optional)**

Upon enabling legislation in the State of California that authorizes the city to enact Photo Speed Enforcement, Redflex will provide mobile and/or Fixed Photo Speed Enforcement services to the city. Photo Speed Enforcement Services is optional for the city and will only be provided by the vendor upon issuance of a "Notice to Proceed"

EXHIBIT "B"  
Construction and Installation Obligations

Timeframe for Installation of new systems: Fixed Photo Red Light System

Redflex will have each specified approach installed and activated in phases in accordance with an implementation plan to be mutually agreed to by Redflex Traffic Systems and the Customer.

Redflex will use reasonable commercial efforts to install the system in accordance with the schedule set forth in the implementation plan that will be formalized upon project commencement.

Redflex will use reasonable commercial efforts to install and activate the first specified intersection within sixty (60) days subsequent to formal project kick-off and receipt of the required customer approved program business rules. The Customer agrees that the estimated timeframe for installation and activation are subject to conditions beyond the control of Redflex and are not guaranteed.

In order to provide the Customer with timely completion of the photo enforcement project, Redflex Traffic Systems requires that the Customer assist with obtaining timely approval of permit requests, which includes attend meetings, review construction plans for permit approval and generally staff permit requests through city departments. The Customer acknowledges the importance of the safety program and undertakes that in order to keep the project on schedule the Customer will provide engineering review(s) of Redflex permit requests and all documentation in a timely manner.

1. Redflex Obligations. Redflex shall do or cause to be done each of the following (in each case, unless otherwise stated below, at Redflex's sole expense):
  - 1.1. Appoint the Redflex Project Manager and a project implementation team;
  - 1.2. Request current "as-built" electronic engineering drawings for the Designated Intersection Approaches (the "Drawings") from the city traffic engineer;
  - 1.3. Develop and submit to the Customer for approval construction and installation specifications in reasonable detail for the Designated Intersection Approaches, including but not limited to specifications for all radar sensors, pavement loops, 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 the Designated Intersection Approaches (collectively, the "Approvals"), which will include compliance with City permit applications.
  - 1.5. Finalize the acquisition of the Approvals;
  - 1.6. Assist the Customer in developing a public awareness strategy, which may include media and educational materials;
  - 1.7. Develop the Redlight Violation Criteria in consultation with the Customer;
  - 1.8. Develop the Enforcement Documentation for approval by the Customer, which approval shall not be unreasonably withheld;
  - 1.9. Complete the installation and testing of all necessary Equipment, including hardware and software, at the Designated Intersection Approaches to the satisfaction of the Customer.

- 1.10. Cause an electrical sub-contractor to complete all reasonably necessary electrical work at the Designated Intersection Approaches, including but not limited to the installation of all related Equipment and other detection sensors, poles, cabling, telecommunications equipment and wiring, which work shall be performed in compliance with all applicable local, state and federal laws and regulations;
- 1.11. Install and test the functionality of the Designated Intersection Approaches with the Redflex System and establish fully operational Violation processing capability with the Redflex System;
- 1.12. Implement the use of the Redflex System at each of the Designated Intersection Approaches;
- 1.13. Deliver the Materials to the Customer; and
- 1.14. Citation processing and citation issuance/re-issuance for Authorized Violations;
- 1.15. Redflex shall provide training (i) for up to fifteen (15) personnel of the Customer, including but not limited to the persons who Customer shall appoint as Authorized Employees and other persons involved in the administration of the Redlight Photo Enforcement Program, (ii) for up to sixteen (16) hours in the aggregate, (iii) regarding the operation of the Redflex System and the Redlight Photo Enforcement Program, which training shall include training with respect to the Redflex System and its operations, strategies for presenting Violations Data in court and judicial proceedings and a review of the Enforcement Documentation;
- 1.16. Interact with court and judicial personnel to address issues regarding the implementation of the Redflex System, the development of a subpoena processing timeline that will permit the offering of Violations Data in court and judicial proceedings, and coordination between Redflex, the Customer and (WHERE APPLICABLE juvenile court personnel).

2. CUSTOMER OBLIGATIONS. The Customer shall do or cause to be done each of the following (in each case, unless otherwise stated below, at Customer's sole expense):

- 2.1.1. Appoint the Project Manager;
- 2.1.2. Assist Redflex in obtaining the Drawings from the relevant Governmental Authorities;
- 2.1.3. Notify Redflex of any specific requirements relating to the construction and installation of any Intersection Approaches or the implementation of the Redlight Photo Enforcement Program;
- 2.1.4. Provide assistance to Redflex in obtaining access to the records data of the Department of Motor Vehicles by completing the necessary forms and request a code be assigned so that Redflex can seek records data in Redflex's capacity as an independent contractor to the Customer, and
- 2.1.5. Assist Redflex in seeking the Approvals
- 2.1.6. Provide reasonable access to the Customer's properties and facilities in order to permit Redflex to install and test the functionality of the Designated Intersection Approaches and the Redlight Photo Enforcement Program;
- 2.1.7. Provide reasonable access to the personnel of the Customer and reasonable information about the specific operational requirements of such personnel for the purposes of performing training;
- 2.1.8. Seek approval or amendment of Awareness Strategy and provide written notice to Redflex with respect to the quantity of media and program materials (the

“Materials”) that the Customer will require in order to implement the Awareness Strategy during the period commencing on the date on which Redflex begins the installation of any of the Designated Intersection Approaches and ending one (1) month after the Installation Date;

- 2.1.9. Assist Redflex in developing the Redlight Violation Criteria; and
- 2.1.10. Seek approval of the Enforcement Documentation.
- 2.1.11. The Customer shall provide on an agreed upon frequency, without cost to Redflex, reports regarding the prosecution of Citations, the collection of fines, fees and other monies and available collision data, in such format and for such periods as Redflex may reasonably request.
- 2.1.12. Yellow Light Timing Review: The Customer is responsible to ensure that the yellow or amber light phase timing at all photo enforced intersections meets minimum standards according to Federal, State, and local laws, guidelines, and/or rules.
- 2.1.13. Provide on-going adequate electrical power in order to operate the systems. The Customer will allow Redflex to use existing conduit space as available.
- 2.1.14. The Customer shall be responsible to provide and install LED traffic signal lights (yellow and red) at all enforced locations,
- 2.1.15. Customer is responsible for all computer hardware, web browsers and high speed Internet access necessary to operate the systems within the confines of the city buildings.
- 2.1.16. The Customer shall be solely responsible for the fabrication of any signage, notices or other postings required pursuant to any law, rule or regulation of any Governmental Authority (“Signage”), including but not limited to the Vehicle Code, and shall assist in determining the placement of such Signage.

## EXHIBIT "C"

### Maintenance

1. All repair and maintenance of Photo Red Light Enforcement systems and related equipment will be the sole responsibility of Redflex, including but not limited to maintaining the casings of the cameras included in the Redflex System and all other Equipment in reasonably clean and graffiti-free condition.
2. Redflex shall not open the Traffic Signal Controller Boxes without a representative of city Traffic Engineering present.
3. The provision of all necessary electrical and telephone services to the Designated Intersection Approaches will be the sole responsibility of the Customer
4. In the event that images of a quality suitable for the Authorized Employee to identify Violations cannot be reasonably obtained without the use of flash units, Redflex shall provide and install such flash units.
5. Redflex may assign specific personnel to provide follow up assistance to the Customer in the form of the HELPDESK, a designated Customer Service Representative and a Director of Accounts.
6. Credit for Malfunctioning or Non-Operating Designated Intersection Approaches:
  - 6.1. In the event that a system is disabled in accordance with Category 1 in excess of 48 hours then the monthly fee for that system will be reduced to the number of days operational and pro rated fee will apply for that month.
  - 6.2. Compensation under Exhibit D shall be reduced and Redflex shall credit the monthly invoice for each affected malfunction Designated Intersection Approached based on the following formula, but only over any period not covered by section 6.1 above, as follows:
    - 6.2.1. If the issuance rate at an approach drops below 60%, Redflex shall credit the monthly invoice by 40% for that approach. Should the issuance rate drop to less than 20%, then Redflex shall not be entitled to the monthly fixed fee and shall fully credit the monthly invoice for that approach.

The rate of malfunction/issuance rate shall be determined from the Redflex on-line customer management report but excluding rejections for driver obstruction, motor cycle helmet; plate obstruction; extended vehicle; out of country and paper plates; wrong/no DMV; citations to old to process, emergency vehicles, and safe right turn on red.
7. Redflex has primary responsibility for the daily maintenance and support of the systems, including a maximum of two (2) hour response time to maintenance issues identified as any fault that renders the system unable to perform its absolute necessary functionality.

Fault means anything, which does or could result in the supported system not performing in accordance with the specified functionality.

1. **Category 1 fault** means a Fault, which renders the system unable to perform absolutely necessary functionality, such as power outage or when a vehicle crashes into a pole and knocks it over.
2. **Category 2 fault** means a fault which is not a Category 1 Fault, but which imposes limits or restrictions on the use of important functionality of the system, such as a flash is burned out or one camera is not working or one lane is not responding during the remote check.

3. **Category 3 fault** means a Fault which is neither a Category 1 or 2 Fault, but which may cause City to suffer inconvenience in performing regularly used functions of the system such as the communication company changes the I.P address without advising Redflex of the change, which causes the images to be stored at the intersection until communication is reestablished (i.e. delays to image processing and the ability to access the streaming video component).
4. **Category 4 fault** means a Fault which is neither Category 1, 2 or 3 Fault, such as a dark image.

**Response Times**

Once the fault has been identified the response times for the faults as described above are as follows:

1. For a Category 1 Fault, response by Redflex within 2 hours
2. For a Category 2 Fault, response by Redflex within 5 hours
3. For a Category 3 Fault, response by Redflex within 1 working day
4. For a Category 4 Fault, response by Redflex within 2 working days

**EXHIBIT "D"**  
**Compensation & Pricing**

**Fixed Fee**

Commencing on the execution of this agreement Customer shall be obligated to pay Redflex a fixed fee for each existing Designated Intersection Approach:

**Tier 1: Fixed Fee of \$4,000 per month for each of the following approaches:**

Bouquet Canyon Road and Newhall Ranch Road, Northbound  
Bouquet Canyon Road and Newhall Ranch Road, Eastbound  
Bouquet Canyon Road and Seco Canyon, Northbound  
McBean Pkwy and Magic Mountain Pkwy, Eastbound  
McBean Pkwy and Newhall Ranch Road, Westbound  
Orchard Village Drive and Lyons, Southbound  
Valencia Blvd and McBean Pkwy, Eastbound  
Valencia Blvd and McBean Pkwy, Westbound  
Soledad Canyon Road and Whites Canyon Road, Southbound  
Whites Canyon Road and Soledad Canyon Road, Northbound

**Tier 2, Fixed Fee of \$5200 per month for each expanded approach**

Where additional lanes are added at an existing approach beyond the original 4 contiguous lanes.

**Tier 3: Fixed Fee of \$6200 for each new approach**

At the expiration of the Warning Period for each Designated Intersection Approach, Customer shall be obligated to pay Redflex a fixed fee of \$6200.00 per month for each Designated Intersection Approach.

**Relocation of Red Light Camera Systems**

Should the customer request any system listed under Tier 1 be relocated to another site Redflex will relocate the camera system at no expense to the customer. Upon completion of the relocation and activation of the system, the monthly fee will change to Tier 3 for new approaches.

**Camera Upgrades**

Upon mutual agreement that upgrades to existing cameras would significantly improve the prosecution of violations, Redflex will upgrade face cameras to those approaches where appropriate at no additional cost to the city.

**Streaming Video Option**

Available as an individual approach option to existing systems at \$500.00 per month, per approach, activated upon written Notice to Proceed.



### **Financial Feasibility**

Based on general accepted accounting principles should the Customer and Redflex determine that the program is not financially feasible to maintain under the current pricing per this agreement then the Customer and Redflex shall enter into negotiations to adjust the pricing.

### **BUSINESS ASSUMPTIONS FOR ALL PRICING OPTIONS:**

1. Redflex construction will be able to utilize existing conduit for installation where space is available.
2. Each year, on the anniversary date of the contract, the pricing will increase based upon the Consumer Price Index (CPI) per the U.S. Department of Labor, Bureau of Labor Statistics (1982-1984 = 100) for West B/C (less than 1.5 million population) urban Wage Earners and Clerical Workers, not to exceed 3% within any single calendar year.
3. The provision of all necessary communication, broadband and telephone services to the Designated Intersection Approaches will be the sole responsibility of Customer
4. The on-going supply of DSL or cable services to the Designated Intersections will be the sole responsibility of the Customer.
5. The on-going provision of any and all necessary electrical power to the Designated Intersection Approaches will be the sole responsibility of the Customer
6. Roadway/Intersection improvement projects: Customer shall reimburse Redflex the costs of replacing and or modification of operational system approaches.
7. If a system is deactivated at the Customer's request due to roadway construction, the monthly fee will be suspended for that system until the construction is completed.
8. Credit for low issuance or non operating systems - Redflex shall credit the fixed fee per approach as described in Exhibit C, item 6.

Exhibit "E"

Additional Rights and Obligations

Redflex and the Customer shall respectively have the additional rights and obligations set forth below:

1. Redflex shall assist the Customer 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 Customer).
2. The Customer shall not access the Redflex System or use the Redlight Photo Enforcement Program in any manner other than prescribe 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 Redflex for such Person, or which could damage, disable, impair or overburden the Redflex System or the Redflex Photo Enforcement Program, and the Customer 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 Redflex to the Customer by means of hacking, password mining or any other method whatsoever, nor shall the Customer cause any other Person to do any of the foregoing.
3. The Customer 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.
4. Redflex and the Customer 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, Redflex and the Customer shall obey any and all such rules and regulations.
5. The Customer shall promptly reimburse Redflex 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 Customer, or any of its employees, contractors or agents.