

AMENDMENT TO THE AGREEMENT
BETWEEN
THE CITY OF CORPUS CHRISTI, TEXAS
AND
REDFLEX TRAFFIC SYSTEMS, INC.
FOR
PHOTO RED LIGHT ENFORCEMENT PROGRAM

This Amendment ("Amendment") is made as of the date of the last signature contained herein to the Agreement for Photo Red Light Enforcement Program (the "Agreement") made on or about January 30, 2007 between Redflex Traffic Systems, Inc. ("Redflex"), a Delaware Corporation with offices located at 23751 N. 23rd Avenue, Suite 150, Phoenix Arizona 85085 and The City of Corpus Christi (the "Customer" and/or the "City"), Texas, a municipal corporation with offices at 1201 Leopard Street, Corpus Christi, Texas 78401, individually the "Party" and collectively referred to as the "Parties".

RECITALS

WHEREAS, Redflex has exclusive knowledge, possession and ownership of certain equipment, licenses, applications, and citation processes related to digital photo red light enforcement systems; and

WHEREAS, the Customer desires to continue to engage the services of Redflex to provide certain equipment, processes and back office services so that Authorized Employees of the Customer are able to monitor, identify and enforce photo red light violations; and

WHEREAS, it is a mutual objective of both Redflex and the Customer to reduce the incidence of vehicle collisions on municipal streets that will be monitored pursuant to the terms and conditions of this 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 amend the Agreement as follows:

AMENDED TERMS AND CONDITIONS

1. Extension of Initial Term. The term of the Agreement shall be extended for an additional five (5) years ("Extended Term") commencing on April 26, 2012. Thereafter, the Agreement shall automatically renew for up to two (2) additional five (5) year terms unless the Customer provides Redflex written notice of non-renewal at least thirty (30) days prior to expiration of the then current term.

2. Termination for Cause. Provision 6.1. of the Agreement, entitled, "**TERMINATION FOR CAUSE:**" is hereby deleted in its entirety and replaced with the following language:

"6.1. **TERMINATION FOR CAUSE.** Either party shall have the right to terminate, by written notice to the other party, this Agreement as follows: 1) after 120 days in the event of a termination for cause under provision 6.1(i) or 6.1(iv); or 2) immediately in the case of termination for cause under 6.1(ii), 6.1(iii), or 3) after the expiration of the 45 calendar day cure period in the case of termination under provision 6.1(v), if any of the following termination for cause events occur:

(i) Texas or Federal laws are enacted or amended to prohibit or substantially change (the "Change") the operation of photo red light enforcement systems and the Change that affects the operation of the photo red light enforcement systems cannot be successfully resolved, cured or mitigated within 120 days after the enactment or amendment;

(ii) any Court having jurisdiction over any Texas municipality or other Texas local government, rules, or Texas or Federal law declares, that results from photo red light enforcement are inadmissible in evidence;

(iii) any court having jurisdiction over any Texas municipality or over any other Texas local government rules that use of photo red light enforcement systems violates State or Federal law;

(iv) the City of Corpus Christi is enjoined by a Court of law from enforcement of the City ordinance regarding photographic traffic signal enforcement system or enjoined from enforcement of this contract and the injunction cannot be successfully lifted, resolved, cured or mitigated within 120 days after the injunction was entered by the Court; or

(v) the other party commits any material breach of any of the provisions of this Agreement.

In the event of termination due to Section 6.1(ii), or 6.1(iii), Customer shall be immediately relieved of any remaining obligations for payments to Redflex.

In the event of termination due to Section 6.1(i), or 6.1(iv) above, Customer's payment obligations to Redflex shall be waived only from date of the enactment of the Change as defined in Section 6.1 (i) or date of the injunction by a Court as described in Section 6.1 (iv), until such time as the cause for the termination is successfully resolved, cured, or mitigated to the extent reasonably and legally permissible under the circumstances.

In the event of termination after the expiration of the periods expressly described in section 6.1(i) or 6.1(iv), then Customer shall be immediately relieved of any remaining obligations for payment to Redflex.

In the case of termination under Section 6.1 (v) above, either party shall have the right to remedy the cause for termination within forty-five calendar days (or

within such other time period as the Customer and Redflex shall mutually agree, which agreement shall not be unreasonably withheld or delayed), after written notice from the non-causing party setting forth in reasonable detail the events of the cause for termination.

If a breach by Redflex remains uncured after forty-five calendar days, then the City may terminate the Agreement immediately by written notice to Redflex and the City shall be relieved of any further obligations for payment to Redflex.

3. Termination for Convenience. Provision 6.3 of the Agreement, entitled "TERMINATION FOR CONVENIENCE" is hereby deleted in its entirety and replaced with the following language:

"6.3 TERMINATION FOR CONVENIENCE. The Customer may terminate this Agreement without cause at any time by giving thirty (30) days written notice of termination to Redflex. In the event the Customer terminates this Agreement without cause the Customer shall pay to Redflex an amount equal to the unamortized cost, as hereinafter defined, of the direct labor costs and direct material costs (but not including equipment cost and salvageable material costs) solely associated with the installation of Intersection Approaches which have been installed prior to termination based on the following:

1. A seven (7) year, month by month amortization schedule for all Intersection Approaches (referred to as the "Intersection Approach 7 Year Amortization Schedule") and attached to this Amendment as Exhibit "1"). This amortization schedule shall commence as of the "Go Live" date of each Intersection Approach.

Redflex shall provide an itemization, with supporting invoices and labor expense documentation, to the Customer of the amount of direct labor costs and direct material costs (but not including equipment costs and salvageable material costs) solely associated with the installation of an Intersection Approach within thirty days of the completion of each intersection approach, said amount is expected to be in the range of \$20,000 to \$40,000 per Intersection Approach, but in no event shall said amount exceed \$40,000 per Intersection Approach.

Notwithstanding the foregoing, for each Intersection Approach for which there are between twelve (12) to twenty-four (24) complete months between the execution date of this amendment and the date of termination without cause, the unamortized cost amount to be paid by the Customer to Redflex pursuant to this section shall not exceed the amount which the Customer received from paid Notices of Violation attributable to the Intersection Approach through the date of termination.

4. Modifications to Exhibit "B". EXHIBIT "B" of the Agreement, entitled "Construction and Installation Obligations" is hereby amended by adding the language as follows:

"Redflex shall, at Redflex' sole expense, retro-fit the following six (6) Designated Intersection Approaches from the current video detection system with inductive loops or other preferred detection devices as mutually agreed upon by both Parties in writing, in accordance with schedule mutually agreed to by Redflex and Corpus Christi Police Department Captain with oversight of the Red light camera program.

- | | | |
|----|-------------|---------------------------------|
| 1. | CCR-EVHO-01 | Everhart Rd and Holly Rd (NB) |
| 2. | CCR-EVHO-02 | Everhart Rd and Holly Rd (SB) |
| 3. | CCR-GRGO-01 | Greenwood Dr and Gollihar (SB) |
| 4. | CCR-HOWE-01 | Holly Rd and Weber Rd (EB) |
| 5. | CCR-OCDO-01 | Ocean Dr and Doddridge Rd (NB) |
| 6. | CCR-STWI-01 | Staples St and Williams Dr (NB) |

Redflex shall relocate the following Designated Intersection Approaches listed below if and only if 1) the City Manager approves the addition of three (3) new approaches (the "Three Additional Approaches" or "Newly Added Approaches") per each relocated Designated Intersection Approach; and 2) the "Three Additional Approaches" are successfully installed, implemented and become fully operational prior to the commencement of any relocation activities regarding any of the below Designated Intersection Approaches:

- | | | |
|----|-------------|---|
| 1. | CCR-YOCI-01 | Yorktown Blvd and Cimarron Blvd |
| 2. | CCR-MCA-01 | McArdle Rd and Airline Rd (WB) – survey NB, EB and SB |
| 3. | CCR-AYBA-01 | Ayers St and Baldwin Blvd (NB)" |

5. Provisions Deleted from Exhibit "D". The following provisions listed below from the section entitled, "BUSINESS ASSUMPTIONS FOR ALL PRICING OPTIONS:" of EXHIBIT "D", "COMPENSATION & PRICING" are hereby deleted in their entirety:

"4. A Designated Intersection Approach can be relocated to an alternative location at the request and expense of the Customer. Such costs will be supported by actual invoices from contractors providing the relocation services."

and

"5. NON PRODUCTIVE CAMERAS. If the Customer and Redflex mutually agree that a camera does not provide public value or has not reached the desired safety goals, a new location will be mutually selected and the camera will be moved at NO COST to the Customer. If no further locations are mutually agreed upon the Customer will inform Redflex in

writing and the camera will be removed at NO COST to the Customer within thirty (30) calendar days after the receipt of the written notice. The billing for the camera will stop immediately upon receipt of the written notice."

6. Provisions Added to Exhibit "D". EXHIBIT "D", entitled "COMPENSATION & PRICING", is here by amended by adding the language as follows:

"Additionally, Customer shall be obligated to pay to Redflex a fixed fee of \$4,870 per month for each of the Newly Added Approaches. The Cost Neutrality provisions of Exhibit D apply to fixed fees for the Newly Added Approaches."

7. Modification to EXHIBIT "A". Exhibit "A", entitled "Designated Intersection Approaches" is hereby amended to include the below quoted language as follows:

"This contract is for the operation of at least thirteen (13) cameras. Selection of additional enforced intersection approaches will be determined by the City Manager upon meeting the appropriate benchmarks of violation volume, traffic volume, and crash data to be provided by the City Manager or his designee and Redflex."

8. Road Repairs & Construction Projects. The operation of an installed camera shall be temporarily suspended as a result of any Customer-authorized road repairs, street improvements or stop work order that interrupts, impedes, obstructs or interferes with the successful performance of the installed camera for a period of fourteen (14) or more calendar days.

9. Commercially Reasonable Adjustments. On the third anniversary of the execution of this Amendment and each subsequent third anniversary thereafter, the Parties agree to examine in good faith the underlying financial requirements and compensation requirements of the Agreement and, if necessary, negotiate mutually acceptable and commercially reasonable adjustments ("Adjustment(s)") thereto. Any and all Adjustment(s) shall be enforceable only if in writing signed by authorized representatives of both Parties.

10. Enforceability of Non-Amended Terms and Conditions. Except as expressly amended in writing in this Amendment, the terms and conditions of the Agreement and any and all amendments, attachments and exhibits attached thereto and incorporated herewith by reference shall be unchanged and shall remain enforceable and in full force and effect.

11. Relationship Between Redflex and the City. Nothing in this Amendment or the Agreement shall create, or be deemed to create, a partnership, joint venture and/or the relationship of principal and agent and/or employer and employee between the Parties. The relationship between the Parties shall be that of independent contractors, and nothing contained herein shall permit, authorize, sanction and/or allow, at any time, either Party to incur any debts and/or liabilities on behalf of the other Party.

12. Headings. The captions, titles, paragraph headings used in this Amendment are for convenience only, and are not a part of this Amendment, and shall not be deemed relevant in construing and/or interpreting this Amendment.

13. Execution And Counterparts. This Amendment may be signed in counterparts, and each counterpart shall be deemed an original, but all of which shall constitute one and the same instrument. The Parties agree that such counterpart shall be effective and enforceable on or about the date of the last required signature.

14. Covenant of Further Assurances. All Parties to this Amendment shall take, undertake, approve, sanction, and perform, in full, any and all acts and activities and execute and deliver any and all certificates, documents, permits, licenses, agreements, contracts, written instruments and other papers deemed necessary and appropriate for successful and complete compliance with each and every term and condition of this Amendment.

15. Authority to Execute. The undersigned individuals hereby warrant and represent that they have full authority to execute this Amendment on behalf of the entities for which they have signed.

16. Legal Competence. The Parties hereto expressly represent and warrant that they are legally competent to execute this Amendment and that they do so of their own free will and accord without reliance on any representations of any kind or character not expressly set forth herein.

17. No Duress. The Parties expressly represent and warrant that this Amendment has been freely and voluntarily entered into and that the Parties did not execute this Amendment under duress of any kind, from any Party or person, regardless of whether they are a signatory hereto.

18. Joint Efforts. This Amendment has been prepared by the joint efforts of the respective attorneys for the Parties and each Party acknowledges and agrees that the general rule of contract construction providing that the provisions of a contract are to be strictly construed against the drafter of the agreement is hereby waived.

19. No Waiver. No waiver of any of the terms of this Amendment shall be binding unless in writing and signed by all Parties hereto. No waiver of any term of this Amendment shall be deemed a waiver of any subsequent breach or default of the same or similar nature.

20. Severability. The invalidity or unenforceability of any paragraph or provision of this Amendment shall not affect the validity or enforceability of the remainder of this Amendment, or the remainder of any paragraph or provision. This Amendment shall be construed in all respects to the fullest extent permitted by law, and as if any invalid or unenforceable paragraph or provision was omitted.

21. Understanding. The Parties to this Amendment represent that they have received independent advice of counsel concerning the meaning and legal effect of the terms of this

Amendment. After such counseling, the Parties represent that they fully understand this Amendment and its terms, and, with this full understanding, voluntarily enter into this Amendment as evidenced by signing it below. The Parties have read and understand all terms and conditions of this Amendment.

22. Binding Effect. This Amendment and Exhibit B and Exhibit D attached hereto shall inure to the benefit of and be binding upon the assigns and successors of the respective Parties.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment as set forth below.

THE CITY OF CORPUS CHRISTI:

Date: 3/20/12
Signature: [Signature]
Name: RONALD L OLSON
Title: CITY MANAGER

REDFLEX TRAFFIC SYSTEMS, INC.:

Date: 2-22-12
Signature: [Signature]
Name: JEAN K MOLEN
Title: CFO

Approved as to form: FEB. 23, 2012

[Signature]
Lisa Aguilar
Assistant City Attorney
For City Attorney

ATTEST: [Signature]
ARMANDO CHAPA
CITY SECRETARY

11/20/12 055 AUTHORIZED
BY COUNCIL 3/20/12
AC
SECRETARY TR

EXHIBIT "1"

"Intersection Approach 7 Year Amortization Schedule"

"Go Live" Date	Number of months used	Months Remaining	Sum of Depreciation	Cap \$20K - \$40K	"Go Live" Date	Number of months used	Months Remaining	Sum of Depreciation	Cap \$20K - \$40K
xx/xx/20xx	0	84	\$476.19	\$40,000.00	xx/xx/20xx	43	41	\$476.19	\$19,523.83
xx/xx/20xx	1	83	\$476.19	\$39,523.81	xx/xx/20xx	44	40	\$476.19	\$19,047.64
xx/xx/20xx	2	82	\$476.19	\$39,047.62	xx/xx/20xx	45	39	\$476.19	\$18,571.45
xx/xx/20xx	3	81	\$476.19	\$38,571.43	xx/xx/20xx	46	38	\$476.19	\$18,095.26
xx/xx/20xx	4	80	\$476.19	\$38,095.24	xx/xx/20xx	47	37	\$476.19	\$17,619.07
xx/xx/20xx	5	79	\$476.19	\$37,619.05	xx/xx/20xx	48	36	\$476.19	\$17,142.88
xx/xx/20xx	6	78	\$476.19	\$37,142.86	xx/xx/20xx	49	35	\$476.19	\$16,666.69
xx/xx/20xx	7	77	\$476.19	\$36,666.67	xx/xx/20xx	50	34	\$476.19	\$16,190.50
xx/xx/20xx	8	76	\$476.19	\$36,190.48	xx/xx/20xx	51	33	\$476.19	\$15,714.31
xx/xx/20xx	9	75	\$476.19	\$35,714.29	xx/xx/20xx	52	32	\$476.19	\$15,238.12
xx/xx/20xx	10	74	\$476.19	\$35,238.10	xx/xx/20xx	53	31	\$476.19	\$14,761.93
xx/xx/20xx	11	73	\$476.19	\$34,761.91	xx/xx/20xx	54	30	\$476.19	\$14,285.74
xx/xx/20xx	12	72	\$476.19	\$34,285.72	xx/xx/20xx	55	29	\$476.19	\$13,809.55
xx/xx/20xx	13	71	\$476.19	\$33,809.53	xx/xx/20xx	56	28	\$476.19	\$13,333.36
xx/xx/20xx	14	70	\$476.19	\$33,333.34	xx/xx/20xx	57	27	\$476.19	\$12,857.17
xx/xx/20xx	15	69	\$476.19	\$32,857.15	xx/xx/20xx	58	26	\$476.19	\$12,380.98
xx/xx/20xx	16	68	\$476.19	\$32,380.96	xx/xx/20xx	59	25	\$476.19	\$11,904.79
xx/xx/20xx	17	67	\$476.19	\$31,904.77	xx/xx/20xx	60	24	\$476.19	\$11,428.60
xx/xx/20xx	18	66	\$476.19	\$31,428.58	xx/xx/20xx	61	23	\$476.19	\$10,952.41
xx/xx/20xx	19	65	\$476.19	\$30,952.39	xx/xx/20xx	62	22	\$476.19	\$10,476.22
xx/xx/20xx	20	64	\$476.19	\$30,476.20	xx/xx/20xx	63	21	\$476.19	\$10,000.03
xx/xx/20xx	21	63	\$476.19	\$30,000.01	xx/xx/20xx	64	20	\$476.19	\$9,523.84
xx/xx/20xx	22	62	\$476.19	\$29,523.82	xx/xx/20xx	65	19	\$476.19	\$9,047.65
xx/xx/20xx	23	61	\$476.19	\$29,047.63	xx/xx/20xx	66	18	\$476.19	\$8,571.46
xx/xx/20xx	24	60	\$476.19	\$28,571.44	xx/xx/20xx	67	17	\$476.19	\$8,095.27
xx/xx/20xx	25	59	\$476.19	\$28,095.25	xx/xx/20xx	68	16	\$476.19	\$7,619.08
xx/xx/20xx	26	58	\$476.19	\$27,619.06	xx/xx/20xx	69	15	\$476.19	\$7,142.89
xx/xx/20xx	27	57	\$476.19	\$27,142.87	xx/xx/20xx	70	14	\$476.19	\$6,666.70
xx/xx/20xx	28	56	\$476.19	\$26,666.68	xx/xx/20xx	71	13	\$476.19	\$6,190.51
xx/xx/20xx	29	55	\$476.19	\$26,190.49	xx/xx/20xx	72	12	\$476.19	\$5,714.32
xx/xx/20xx	30	54	\$476.19	\$25,714.30	xx/xx/20xx	73	11	\$476.19	\$5,238.13
xx/xx/20xx	31	53	\$476.19	\$25,238.11	xx/xx/20xx	74	10	\$476.19	\$4,761.94
xx/xx/20xx	32	52	\$476.19	\$24,761.92	xx/xx/20xx	75	9	\$476.19	\$4,285.75
xx/xx/20xx	33	51	\$476.19	\$24,285.73	xx/xx/20xx	76	8	\$476.19	\$3,809.56
xx/xx/20xx	34	50	\$476.19	\$23,809.54	xx/xx/20xx	77	7	\$476.19	\$3,333.37
xx/xx/20xx	35	49	\$476.19	\$23,333.35	xx/xx/20xx	78	6	\$476.19	\$2,857.18
xx/xx/20xx	36	48	\$476.19	\$22,857.16	xx/xx/20xx	79	5	\$476.19	\$2,380.99
xx/xx/20xx	37	47	\$476.19	\$22,380.97	xx/xx/20xx	80	4	\$476.19	\$1,904.80
xx/xx/20xx	38	46	\$476.19	\$21,904.78	xx/xx/20xx	81	3	\$476.19	\$1,428.61
xx/xx/20xx	39	45	\$476.19	\$21,428.59	xx/xx/20xx	82	2	\$476.19	\$952.42
xx/xx/20xx	40	44	\$476.19	\$20,952.40	xx/xx/20xx	83	1	\$476.19	\$476.23
xx/xx/20xx	41	43	\$476.19	\$20,476.21	xx/xx/20xx	84	0	\$476.19	\$0.04
xx/xx/20xx	42	42	\$476.19	\$20,000.02					

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