

**THIRD AMENDMENT
TO THE
PROFESSIONAL SERVICES AGREEMENT
REDFLEX TRAFFIC SYSTEMS, INC.**

This Third Amendment to the Professional Services Agreement [with] Redflex Traffic Systems, Inc. ("Third Amendment") is executed this _____ day of _____ 2017 (the "Execution Date") by and between Redflex Traffic Systems, Inc. ("Redflex") and the City of Garden Grove, California (the "City") (individually a "Party"; collectively, the "Parties").

RECITALS

- A. On February 13, 2007, Redflex and the City entered into the Professional Services Agreement [with] Redflex Traffic Systems, Inc. (the "Original Agreement");
- B. The Original Agreement was amended on February 13, 2012 ("First Amendment") and July 24, 2012 ("Second Amendment") (the Amendments together with the Original Agreement referred to as the "Agreement");
- C. The Agreement is set to expire on August 13, 2017; and
- D. Redflex and the City desire to extend the term of the Agreement and otherwise modify the Agreement as set forth below.

The parties agree as follows:

TERMS AND CONDITIONS

1. **Definitions.** The following definitions shall apply to the Agreement:

"Designated Intersection Approach" means a conduit of travel with up to four (4) contiguous lanes from the curb (e.g., northbound, southbound, eastbound or westbound) on which at least one (1) Redflex System has been installed for the purposes of photo enforcement within the City.

"Redflex System" means, collectively, all of the equipment, applications, software, hardware, back office processes, servers, off-site backup systems, cameras, sensors, components, motor vehicles and other related tangible and intangible property to enable SERVICE PROVIDER to enforce a minimum of one lane of travel at a designated location.

2. **Term of Agreement.** The Parties agree to extend the term of the Agreement as outlined in Section 1 of the Original Agreement and previously extended by Section 1 of the First Amendment and Section 1 of the Second Amendment for an additional four (4) year period commencing on August 14, 2017 and ending on August 13, 2021.

3. Road Repairs and Construction. The following shall be added as Section 3.7 to the Original Agreement:

3.7 ROAD REPAIRS AND CONSTRUCTION PROJECTS. The City shall not be responsible for the payment of the monthly fixed fee per Designated Intersection Approach for each Designated Intersection Approach that is rendered inoperable due to road repairs, street improvements, or stop work orders that interrupts, impedes, obstructs or interferes with the successful performance of the Redflex System at the applicable Designated Intersection Approach for a period of fourteen (14) or more calendar days within the same month. This waiver of payment is per Designated Intersection Approach, and in no event shall the waiver of payment for an inoperable Designated Intersection Approach be considered a waiver of payment for any other operational Designated Intersection Approach. The City's obligation to pay the monthly fixed fee per Designated Intersection Approach shall resume in the month in which the applicable Designated Intersection Approach resumes operation for at least sixteen (16) calendar days within the same month.

The addition of Section 3.7 to the Original Agreement does not take effect until August 14, 2017.

4. Section 3.1. Section 3.1 to the Original Agreement shall be deleted in the entirety and the following substituted in place thereof:

3.1 The City agrees to pay SERVICE PROVIDER a monthly fixed fee per Designated Intersection Approach as outlined in Exhibit "A."

The amendment to Section 3.1 of the Original Agreement shall take effect August 14, 2017.

5. Pricing Changes. The "Tier One" fixed fee outlined on Exhibit "A" attached and incorporated into the Second Amendment shall be reduced from the rate of Two Thousand Nine Hundred Dollars (\$2,900) per Designated Intersection Approach per month to Two Thousand Eight Hundred Dollars (\$2,800) per Designated Intersection Approach per month.

The reduction to the "Tier One" fixed fee as outlined above does not take effect until August 14, 2017, and the current monthly rate per Designated Intersection Approach of Two Thousand Nine Hundred Dollars (\$2,900) shall apply until August 13, 2017. Other than as expressly stated in this Third Amendment, all other terms of Exhibit "A" attached and incorporated into the Second Amendment shall remain in full force and effect.

6. Brookhurst Street and Westminster Avenue Pricing. Consistent with the changes identified in Section 5 of this Third Amendment, the pricing for the intersection of

Brookhurst Street and Westminster Avenue as outlined in the introductory paragraph of Section 3 of the Original Agreement shall be reduced from Two Thousand Nine Hundred Dollars (\$2,900) per month to Two Thousand Eight Hundred Dollars (\$2,800) per month, subject to the terms and conditions of Exhibit A attached and incorporated into the Second Amendment and amended by this Third Amendment.

The reduction in price as outlined above does not take effect until August 14, 2017, and the current price of Two Thousand Nine Hundred Dollars (\$2,900) per month shall apply until August 13, 2017.

7. **Records Retention.** The following shall be added as Section 34 to the Original Agreement:

34. **RECORDS RETENTION.** SERVICE PROVIDER shall retain data captured by the Redflex System in accordance with applicable law.

The addition of Section 34 to the Original Agreement shall take effect immediately.

8. **Notices.** Section 12(a) of the Original Agreement is amended to change the notice address for Redflex to the following:

Redflex Traffic Systems, Inc.
Attn: Legal Department
5651 W. Talavi Blvd., Suite 200
Glendale, AZ 85306
Facsimile: (623) 207-2056
Email: legaldepartment@redflex.com

9. **Enforceability of Non-Amended Terms and Conditions.** Except as expressly amended in this Third Amendment, the terms and conditions of the Agreement shall remain in full force and effect. To the extent that this Third Amendment conflicts with the terms and conditions of the Agreement, this Third Amendment shall control. Any capitalized terms not defined in the Third Amendment shall have the meanings ascribed to them in the Agreement.

[SIGNATURES TO FOLLOW ON THE NEXT PAGE]

**CITY OF GARDEN GROVE,
CALIFORNIA**

REFLEX TRAFFIC SYSTEMS, INC.

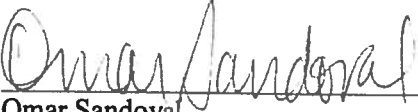
Scott C. Stiles
City Manager

Michael Finn
President and CEO

Attest:

Teresa Pomeroy
City Clerk

Approved as to Form:



Omar Sandoval
City Attorney

EXHIBIT "A"

COMPENSATION & PRICING

Fixed Monthly Fee

Tier One

Commencing on the effective date of this Second Amendment, the Customer shall be obligated to pay Redflex a fixed fee of \$2900.00 each month per Designated Intersection Approach ("Fixed Fee") as full remuneration for performing all of the services contemplated in this Agreement and for the continued operation of the following approaches:

Brookhurst Street and Chapman Avenue, Southbound
Brookhurst Street and Orangewood Avenue, Northbound
Brookhurst Street and Westminster Avenue, Northbound
Brookhurst Street and Westminster Avenue, Southbound
Harbor Boulevard and Trask Avenue, Southbound
Magnolia Street and Trask Avenue, Northbound
Trask Avenue and Harbor Boulevard, Eastbound
Trask Avenue and Magnolia Street, Westbound
Valley View Street and Chapman Avenue, Northbound
Valley View Street and Chapman Avenue, Southbound
Valley View Street and Lampson Avenue, Southbound

Tier Two

Commencing on the effective date of this Second Amendment, the following Designated Intersection Approaches shall continue operation with all of the services contemplated in this Agreement without fee, and shall be identified on invoicing thereafter as being without fee:

Chapman Avenue and Brookhurst Street, Westbound
Trask Avenue and Brookhurst Street, Westbound
Trask Avenue and Brookhurst Street, Eastbound

Tier Three

Compensation for Designated Intersection Approaches constructed after execution of this Agreement shall be a fixed fee mutually agreed upon by both parties.

The fee paid to Redflex Traffic Systems under this contract are for full a turnkey program, inclusive of all hardware, software and support services required to implement and maintain functional photo enforcement safety program, including but not limited to a program and process by which the monitoring, identification and enforcement of Violations is facilitated by the use of

certain equipment, applications and back office processes of Redflex, including but not limited to cameras, flashes, central processing units, signal controller interfaces and detectors (whether loop, radar or video loop) which, collectively, are capable of measuring Violations and recording such Violation data in the form of photographic images of motor vehicles and/or their drivers. Redflex Traffic Systems shall have and maintain a valid California contractor's license prior to the installation of equipment or facilities, and shall use California licensed subcontractors. Services include Training Services, Citation Processing, Expert Witness, and System Maintenance.

BUSINESS ASSUMPTIONS FOR ALL PRICING OPTIONS:

1. Each year, on the anniversary date of the contract, the pricing will increase by the Consumer Price Index ("CPI"), as published by the Bureau of Labor Statistics for the United States Department of Labor for U.S. City average. If the Index is discontinued or revised during the Term, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised. Any increase in compensation, other than as provided in the Agreement, shall be limited to the aforementioned CPI increase.