

Agreement # 423

**Clerk's Contract and Agreement Cover Page**

**Year:** 2008

**Legistar File ID#:** 2007-0502

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**Amount** \$0.00

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**Contract Type:**

Services

**Contractor's Name:**

RedFlex Traffic Systems Inc

**Contractor's AKA:**

**Execution Date:**

3/31/2008

**Termination Date:**

**Renewal Date:**

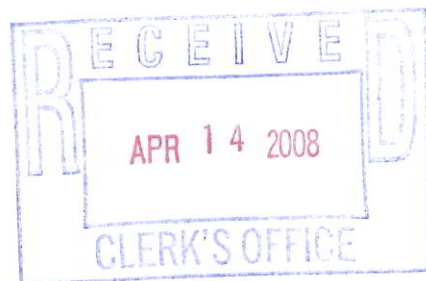
**Department:**

Police

**Originating Person:**

Jerry Hughes

**Contract Description:** Photo Red Light Enforcement Program



*Friday, April 11, 2008*

**AGREEMENT BETWEEN THE VILLAGE OF ORLAND PARK, ILLINOIS  
AND REDFLEX TRAFFIC SYSTEMS, INC. FOR  
PHOTO RED LIGHT ENFORCEMENT PROGRAM**

This Agreement (this "Program Agreement") is made as of this March 31, 2008 by and between Redflex Traffic Systems, Inc. with offices at 15020 N. 74<sup>th</sup> Street, Scottsdale, Arizona 85260 ("Redflex"), and the Village of Orland Park, an Illinois municipal corporation, with offices at 14700 S. Ravinia, Orland Park, Illinois 60462 (the "Customer"). (Redflex and the Customer are from time to time referred to as a "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 engage the services of Redflex to provide certain equipment, processes and back office services so that the Customer is able to monitor, identify and enforce Violations, as defined herein; and

**WHEREAS**, it is a mutual objective of both Redflex and the Customer to reduce the incidence of vehicle collisions at the traffic intersections that will be monitored pursuant to the terms of this Agreement; and

**WHEREAS**, on 03-17-08, the Corporate Authorities of the Customer adopted Ordinance No. 4351, which authorized the Customer's entry into 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 agree as follows:

**AGREEMENT**

1. **DEFINITIONS.** In this Agreement, the words and phrases below shall have the following meanings:

1.1. "**Authorized Officer**" means such individual as the Customer shall designate to review Potential Violations and to authorize the issuance of Citations.

1.2. "**Authorized Violation**" means each Potential Violation in the Violation Data for which authorization to issue a Citation, in the form of an Electronic Signature, is given by the Authorized Officer by using the Redflex Photo Red Light System.



1.3. "Citation" means the notice of a Violation, which is mailed or otherwise delivered by Redflex to the violator on the appropriate Enforcement Documentation with respect to each Authorized Violation.

1.4. "Confidential or Private Information" means, with respect to any Person, any information, matter or thing of a secret, confidential or private nature, whether or not so labeled, which is connected with such Person's business or methods of operation or concerning any of such Person's suppliers, licensors, licensees, customers or others with whom such Person has a business relationship, and which has current or potential value to such Person or the unauthorized disclosure of which could be detrimental to such Person, including but not limited to:

1.4.1. Matters of a business nature, including but not limited to information relating to development plans, costs, finances, marketing plans, data, procedures, business opportunities, marketing methods, plans and strategies, the costs of construction, installation, materials or components, the prices such Person obtains or has obtained from its clients or customers, or at which such Person sells or has sold its services; and

1.4.2. Matters of a technical nature, including but not limited to product information, trade secrets, know-how, formulae, innovations, inventions, devices, discoveries, techniques, formats, processes, methods, specifications, designs, patterns, schematics, data, access or security codes, compilations of information, test results and research and development projects. For purposes of this Agreement, the term "trade secrets" shall mean the broadest and most inclusive interpretation of trade secrets.

1.4.3 Notwithstanding the foregoing, Confidential Information will not include information that: (i) was generally available to the public or otherwise part of the public domain at the time of its disclosure, (ii) became generally available to the public or otherwise part of the public domain after its disclosure and other than through any act or omission by any party hereto in breach of this Agreement, (iii) was subsequently lawfully disclosed to the disclosing party by a person other than a party hereto, (iv) was required by a court of competent jurisdiction to be disclosed, or (v) was required by applicable state law to be disclosed.

1.5. "Designated Intersection Approaches" means the Intersection Approaches numbering up to thirty (30), as set forth on **Exhibit A** attached hereto and incorporated herein by reference, which shall be identified by written mutual agreement of Redflex and the Customer and equipped with the Redflex Photo Red Light System, and such additional Intersection Approaches as Redflex and the Customer shall mutually agree in writing from time to time.

1.6. "Electronic Signature" means the method through which the Authorized Officer indicates his or her approval of the issuance of a Citation with respect to a Potential Violation using the Redflex Photo Red Light System.



1.7. “Enforcement Documentation” means the necessary and appropriate documentation related to the Photo Red Light Enforcement Program, including but not limited to Citation notices (using the specifications required by the Illinois Vehicle Code, as amended by Public Act 94-0795, and by Village ordinance), a numbering sequence for use on all Citation notices (in accordance with applicable court rules), instructions to accompany each issued Citation (including in such instructions a description of basic adjudication procedures, payment options and information regarding the viewing of images and data collected by the Redflex Photo Red Light System), chain of custody records, criteria regarding operational policies for processing Citations (including with respect to coordinating with the Secretary of State), and technical support documentation for applicable court and judicial officers.

1.8. “Equipment” means any and all cameras, sensors, equipment, components, products, software and other tangible and intangible property relating to the Redflex Photo Red Light System(s), including but not limited to all camera systems, housings, radar units, severs and poles.

1.9. “Fine” means a monetary sum assessed for a Citation, including but not limited to late payment penalties.

1.10. “Governmental Authority” means any domestic or foreign government, governmental authority, court, tribunal, agency or other regulatory, administrative or judicial agency, commission or organization, and any subdivision, branch or department of any of the foregoing.

1.11. “Installation Date of the Photo Red Light Program” means the date on which Redflex completes the construction and installation of at least one (1) Intersection Approach in accordance with the terms of this Agreement so that such Intersection Approach is operational for the purposes of functioning with the Redlight Photo Enforcement Program.

1.12. “Intellectual Property” means, with respect to any Person, any and all now known or hereafter known tangible and intangible (a) rights associated with works of authorship throughout the world, including but not limited to copyrights, moral rights and mask-works, (b) trademark and trade name rights and similar rights, (c) trade secrets rights, (d) patents, designs, algorithms and other industrial property rights, (e) all other intellectual and industrial property rights (of every kind and nature throughout the universe and however designated), whether arising by operation of law, contract, license, or otherwise, and (f) all registrations, initial applications, renewals, extensions, continuations, divisions or reissues hereof now or hereafter in force (including any rights in any of the foregoing), of such Person.

1.13. “Intersection Approach” means a conduit of travel with up to four (4) directions of travel (e.g., northbound, southbound, eastbound or westbound) on which at least one (1) system has been installed by Redflex for the purposes of facilitating Redlight Photo Enforcement by the Customer.



1.15. “Person” means a natural individual, company, Governmental Authority, partnership, firm, corporation, legal entity or other business association.

1.16. “Customer Project Manager” means the project manager appointed by the Customer in accordance with this Agreement, who shall be responsible for overseeing the installation of the Intersection Approaches and the implementation of the Redlight Photo Enforcement Program, and which manager shall have the power and authority to make management decisions relating to the Customer’s obligations pursuant to this Agreement, including but not limited to change order authorizations, subject to any limitations set forth in Illinois law or other organizational documents of the Customer or by the Corporate Authorities of the Customer.

1.17. “Administrative Hearing Officer” means, the person designated by the Customer to act as an impartial judge for all requests for an Administrative Appeals Hearing.

1.17.1 “Operational Camera” means an installed camera that is operational and performing digital captures of traffic in the intersection. An Operational Camera shall be deemed non-operational if it is not capable of storing forty-eight (48) continuous hours of usable Violation Data.

1.18. “Potential Violation” means, with respect to any motor vehicle passing through a Designated Intersection Approach, the data collected by the Redflex Photo Red Light System with respect to such motor vehicle, which data shall be processed by the Redflex Photo Red Light System for the purposes of allowing the Authorized Officer to review such data and determine whether a Violation has occurred.

1.19. “Proprietary Property” means, with respect to any Person, any written or tangible property owned or used by such Person in connection with such Person’s business, whether or not such property is copyrightable or also qualifies as Confidential Information, including without limitation products, samples, equipment, files, lists, books, notebooks, records, documents, memoranda, reports, patterns, schematics, compilations, designs, drawings, data, test results, contracts, agreements, literature, correspondence, spread sheets, computer programs and software, computer print outs, other written and graphic records and the like, whether originals, copies, duplicates or summaries thereof, affecting or relating to the business of such Person, financial statements, budgets, projections and invoices. In no event shall material that the Village is required to maintain and to provide to the public under the Illinois Freedom of Information Act 5 ILCS 140/1 et. seq. or the Illinois Local Records Act 50 ILCS 205/1 et. seq. be deemed to be “proprietary property” under this provision.



1.20. "Redflex Marks" means all trademarks registered in the name of Redflex or any of its affiliates, such other trademarks as are used by Redflex or any of its affiliates on or in relation to Photo Red Light Enforcement at any time during the Term this Agreement, service marks, trade names, logos, brands and other marks owned by Redflex, and all modifications or adaptations of any of the foregoing.

1.21. "Redflex Project Manager" means the project manager appointed by Redflex in accordance with this Agreement, which project manager shall initially be Robert Warner, or if, and only if, Robert Warner employment with Redflex terminates, such person as Redflex shall designate by providing written notice thereof to the Customer from time to time, who shall be responsible for overseeing the construction and installation of the Designated Intersection Approaches and the implementation the Photo Red Light Enforcement Program, and who shall have the power and authority to make management decisions relating to Redflex's obligations pursuant to this Agreement, including but not limited to change-order authorizations.

1.22. "Redflex Photo Red Light System" means, collectively, the SmartCam™ System, the SmartOps™ System, the Redlight Photo Enforcement Program, and all of the other equipment, applications, back office processes and digital red light traffic enforcement cameras, sensors, components, products, software and other tangible and intangible property relating thereto.

1.22.1 "Redflex Standard Report System" means that system by which Redflex reports violation data and collection data to the customer.

1.23. "Photo Red Light Enforcement Program" means the 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.

1.24. "Photo Redlight Violation Criteria" means the standards and criteria by which Potential Violations will be evaluated by the Authorized Officer and/or sworn police officers of the Customer, which standards and criteria shall include, but are not limited to, the duration of time that a traffic light must remain red prior to a Violation being deemed to have occurred, whether the vehicle in question entered an intersection in violation of a red light signal in order to yield the right-of-way to an emergency vehicle or as part of a funeral procession, and the location(s) in an intersection which a motor vehicle must pass during a red light signal prior to being deemed to have committed a Violation, all of which shall be in compliance with all applicable laws, rules and regulations of Governmental Authorities.



1.25. "SmartCam™ System" means the proprietary digital redlight photo enforcement system of Redflex relating to the Photo Red Light Enforcement Program.

1.26. "SmartOps™ System" means the proprietary back-office processes of Redflex relating to the Photo Red Light Enforcement Program.

1.27. "SmartScene™ System" means the proprietary digital video camera unit, hardware and software required for providing supplemental violation data.

1.28. "Traffic Signal Controller Boxes" means the signal controller interface and detector, including but not limited to the radar or video loop, as the case may be.

1.29. "Village" means the Village of Orland Park, Illinois.

1.30. "Violation" means an automated traffic law violation as defined by Section 11-208.6 of the Illinois Vehicle Code.

1.31. "Violations Data" means the images and other Violations data gathered by the Redflex Photo Red Light System at the Designated Intersection Approaches.

1.32. "Traffic Control Administrator" means the Traffic Control Administrator described in Village Ordinance No. 4351.

1.33. "Warning Period" means the period of thirty (30) days after the Installation Date of the first Redflex Photo Red Light System installed and operating within the corporate limits of the Village.

2. TERM. The term of this Agreement shall commence as of the date hereof and shall continue for a period of five (5) years after the Installation Date (the "Initial Term"). The Customer shall have the right, but not the obligation, to extend the term of this Agreement for two (2) year periods following the expiration of the Initial Term or any Renewal Term (each, a "Renewal Term" and collectively with the Initial Term, the "Term"). The Customer may exercise the right to extend the term of this Agreement for a Renewal Term by providing written notice to Redflex not less than thirty (30) days prior to the last day of the Initial Term or the Renewal Term, as the case may be. Redflex shall give the Customer written notice as prescribed in this Agreement of this option to renew at least ninety (90) days prior to the expiration of the Initial Term and each Renewal Term.

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



3.1. Installation. Initially, the Designated Intersection Approaches shall be as set forth on **Exhibit A**. No additional Systems shall be installed except on written notice from the Chief of Police. With respect to the construction and installation of the Designated Intersection Approaches and the installation of the Redflex Photo Red Light System at such Designated Intersection Approaches, the Customer and Redflex shall have the respective rights and obligations set forth on **Exhibit B** attached hereto and incorporated herein by reference

3.2. Maintenance. With respect to the maintenance of the Redflex Photo Red Light System at the Designated Intersection Approaches, the Customer and Redflex shall have the respective rights and obligations set forth on **Exhibit C** attached hereto and incorporated herein by reference.

3.3. Compensation. Redflex shall be entitled to compensation as set forth on **Exhibit D**, attached hereto and incorporated by reference, for its services performed pursuant to this Agreement.

3.4. 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 hereto and incorporated herein by reference.

3.5. 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** (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 (other than new or different products or services) to the existing Designated Intersection Approaches or the addition of Intersection Approaches to be covered by the terms of this Agreement, the pricing terms set forth in **Exhibit D** shall govern; unless the manufacturer's price for that equipment has dropped in the wholesale market; in which instance the Customer shall pay the lower price. 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.



4. LICENSE; RESERVATION OF RIGHTS; NON-PRODUCTIVE CAMERAS.

4.1. License. Subject to the terms and conditions of this Agreement, Redflex hereby grants the Customer, and the Customer hereby accepts from Redflex upon the terms and conditions herein specified, a non-exclusive, non-transferable license during the Term of this Agreement to: (i) solely within the Village of Orland Park, Illinois, access and use the Redflex Photo Red Light System for the sole purpose of reviewing Potential Violations and authorizing the issuance of Citations pursuant to the terms of the Violation Processing Service Agreement that the Parties intend to enter into, and to print copies of any content posted on the Redflex Photo Red Light System in connection therewith, (ii) disclose to the public (including outside of the Village of Orland Park, Illinois that Redflex is providing services to the Customer in connection with Photo Red Light Enforcement Program pursuant to the terms of this Agreement, and (iii) use and display the Redflex Marks on or in marketing, public awareness or education, or other publications or materials relating to the Photo Red Light Enforcement Program.

4.2. Reservation of Rights. The Customer hereby acknowledges and agrees that: (i) Redflex is the sole and exclusive owner of the Redflex Photo Red Light System, the Redflex Marks, all Intellectual Property arising from or relating to the Redflex Photo Red Light System, and any and all related Equipment, (ii) the Customer neither has nor makes any claim to any right, title or interest in any of the foregoing, except as specifically granted or authorized under this Agreement, and (iii) by reason of the exercise of any such rights or interests of Customer pursuant to this Agreement, the Customer shall gain no additional right, title or interest therein.

4.3. Restricted Use. The Customer hereby covenants and agrees that it shall not (i) make any modifications to the Redflex Photo Red Light System, including but not limited to any Equipment, (ii) alter, remove or tamper with any Redflex Marks, (iii) use any of the Redflex Marks in any way which might prejudice their distinctiveness, validity or the goodwill of Redflex therein, (iv) use any trademarks or other marks other than the Redflex Marks in connection with the Customer's use of the Redflex System pursuant to the terms of this Agreement without first obtaining the prior consent of Redflex, or (v) disassemble, de-compile or otherwise perform any type of reverse engineering to the Redflex Photo Red Light System, including but not limited to any Equipment, or to any, Intellectual Property or Proprietary Property of Redflex, or cause any other Person to do any of the foregoing.

4.4. Protection of Rights. Redflex shall have the right to take whatever action it deems necessary or desirable to remedy or prevent the infringement of any Intellectual Property of Redflex, including without limitation the filing of applications to register as trademarks in any jurisdiction any of the Redflex Marks, the filing of patent application for any of the Intellectual Property of



Redflex, and making any other applications or filings with appropriate Governmental Authorities. The Customer shall not take any action to remedy or prevent such infringing activities, and shall not in its own name make any registrations or filings with respect to any of the Redflex Marks or the Intellectual Property of Redflex without the prior written consent of Redflex.

4.5. Infringement. The Customer shall use its reasonable best efforts to give Redflex prompt notice of any activities or threatened activities of any Person of which it becomes aware that infringes or violates the Redflex Marks or any of Redflex's Intellectual Property or that constitute a misappropriation of trade secrets or act of unfair competition that might dilute, damage or destroy any of the Redflex Marks or any other Intellectual Property of Redflex. Redflex shall have the exclusive right, but not the obligation, to take action to enforce such rights and to make settlements with respect thereto. In the event that Redflex commences any enforcement action under this Section 4.5, then the Customer shall render to Redflex such reasonable cooperation and assistance as is reasonably requested by Redflex, and Redflex shall be entitled to any damages or other monetary amount that might be awarded after deduction of actual costs; provided, that Redflex shall reimburse the Customer for any reasonable costs incurred in providing such cooperation and assistance.

4.6. Infringing Use. The Customer shall give Redflex prompt written notice of any action or claim, whether threatened or pending, against the Customer alleging that the Redflex Marks, or any other Intellectual Property of Redflex, infringes or violates any patent, trademark, copyright, trade secret or other Intellectual Property of any other Person, and the Customer shall render to Redflex such reasonable cooperation and assistance as is reasonably requested by Redflex in the defense thereof; provided, that Redflex shall reimburse the Customer for any reasonable costs incurred in providing such cooperation and assistance. If such a claim is made and the Customer determines, in the exercise of its sole discretion, that its rights pursuant to this contract are threatened, Redflex shall have the obligation, to procure for the Customer the right to keep using the allegedly infringing items, modify them to avoid the alleged infringement or replace them with non-infringing items.

4.7 Non-Productive Cameras. Further, if the Customer and Redflex mutually agree that a camera either is not economical and/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.



5. REPRESENTATIONS AND WARRANTIES.

5.1. Redflex Representations and Warranties.

5.1.1. Authority. Redflex hereby warrants and represents that it has all right, power and authority to execute and deliver this Agreement and perform its obligations hereunder.

5.1.2. Professional Services. Redflex hereby warrants and represents that any and all services provided by Redflex pursuant to this Agreement shall be performed in a professional and workmanlike manner and, with respect to the installation of the Redflex Photo Red Light System, subject to applicable law, in compliance with all specifications provided to Redflex by the Customer. This warranty includes the information gathered during the initial traffic audits that induced the Customer to enter into this Agreement.

5.2. Customer Representations and Warranties.

5.2.1. Authority. The Customer hereby warrants and represents that it has all right, power and authority to execute and deliver this Agreement and perform its obligations hereunder.

5.2.2. Professional Services. The Customer hereby warrants and represents that any and all services provided by the Customer pursuant to this Agreement shall be performed in a professional and workmanlike manner.

5.3. Limited Warranties. EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, REDFLEX MAKES NO WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE REDFLEX PHOTO RED LIGHT SYSTEM OR ANY RELATED EQUIPMENT OR WITH RESPECT TO THE RESULTS OF THE CUSTOMER'S USE OF ANY OF THE FOREGOING. EXCEPT AS SET FORTH HEREIN, REDFLEX DOES NOT WARRANT THAT ANY OF THE DESIGNATED INTERSECTION APPROACHES OR THE REDFLEX PHOTO RED LIGHT SYSTEM WILL OPERATE IN THE WAY THE CUSTOMER SELECTS FOR USE, OR THAT THE OPERATION OR USE THEREOF WILL BE UNINTERRUPTED. THE CUSTOMER HEREBY ACKNOWLEDGES THAT THE REDFLEX PHOTO RED LIGHT SYSTEM MAY MALFUNCTION FROM TIME TO TIME, AND SUBJECT TO THE TERMS OF THIS AGREEMENT, REDFLEX SHALL DILIGENTLY ENDEAVOR TO CORRECT ANY SUCH MALFUNCTION IN A TIMELY MANNER. (SEE MAINTENANCE EXHIBIT)



## 6. TERMINATION.

6.1. Termination for Cause. Either Party shall have the right to terminate this Agreement immediately by written notice to the other if (i) Illinois law is amended to prohibit or substantially change the operation of “automated traffic law enforcement systems,” as defined in the Illinois Vehicle Code; (ii) any court having jurisdiction over the Customer rules, or state or federal statute declares, that results from the Redflex Photo Red Light System of automated traffic law 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 forty-five (45) 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-breaching Party setting forth in reasonable detail the events which caused the breach.

6.2. Termination for Convenience. The Customer may terminate this Agreement without cause (“Termination for Convenience”) at any time by giving thirty (30) days’ written notice thereof to Redflex. In the event the Customer exercises its right to Termination for Convenience, the Customer shall reimburse Redflex an amount equal to the Amortized Value of the direct labor costs and direct material costs (not including Equipment costs and salvageable material costs) solely associated with the installation of the Redflex Photo Red Light System at all Intersection Approaches where such system(s) have been installed prior to the effective date of Termination for Convenience (the “Reimbursable Costs”). Redflex shall provide an itemization of the Reimbursable Costs, with supporting invoices and labor expense documentation, to the Customer within thirty (30) days of the completion of installation of the Redflex Photo Red Light System at each designated Intersection Approach. Said Reimbursable Costs are currently estimated to equal approximately \$25,000 to \$40,000 per Intersection Approach but, in no event, shall said amount exceed \$40,000 per Intersection Approach. For the purpose of this section, the Amortized Value for each Intersection Approach shall be derived as follows: first, by multiplying the Reimbursable Costs by the number of complete months remaining between the effective Termination for Convenience date and the date of expiration of the Initial Term of the Agreement, and, then, by dividing said product by the number of complete months between the date of the completion of installation of the Redflex Photo Red Light System at said Intersection Approach and the date of expiration of the Initial Term of the Agreement. Notwithstanding the foregoing, for each Intersection Approach for which there are nine (9) or more complete months between the date of completion of the installation of the Intersection Approach and the date of termination, the amount to be paid by the Municipality to Redflex pursuant to this section shall not exceed the amount which the Municipality has received from paid Citations attributable to the Intersection Approach pursuant to the provisions of this Agreement.

6.3. No Effect on Other Rights. The rights to terminate this Agreement given in Section 6.1 and Section 6.2 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.

6.4. Procedures Upon Termination. The termination of this Agreement shall not relieve either Party of any liability that accrued prior to such termination. Except as set forth in Section 6.4, upon the termination of this Agreement, all of the provisions of this Agreement shall terminate and:

6.4.1. Redflex's Obligations. Redflex shall (i) within twenty-four (24) hours of receipt of notice, cease to provide services, including but not limited to work in connection with the construction or installation activities and services in connection with the Redflex Photo Red Light System and the Photo Red Light Enforcement Program, (ii) within seven (7) days of receipt of notice deliver to the Customer any and all Proprietary Property of the Customer provided to Redflex pursuant to this Agreement, (iii) within fourteen (14) days of receipt of notice deliver to the Customer a final report regarding the collection of data in such format and for such periods as the Customer may reasonably request, and which final report Redflex shall update or supplement from time to time when and if additional data or information becomes available, and (iv) within twenty-eight (28) days of receipt of notice deliver to Customer a final invoice stating all fees and charges properly owed by Customer to Redflex for work performed by Redflex pursuant to this Agreement after Redflex's last posting date for its previous invoice and prior to the termination. Redflex's obligations to provide expert testimony, pursuant to this Agreement, shall survive termination.

6.4.2. Customer's Obligations. The Customer shall (i) within twenty-four (24) hours of receipt of notice, cease using the Photo Red Light Enforcement Program, accessing the Redflex Photo Red Light System and using any other Intellectual Property of Redflex, (ii) within seven (7) days of receipt of notice, deliver to Redflex any and all Proprietary Property of Redflex provided to the Customer pursuant to this Agreement, and (iii) within forty-five (45) days of receipt of a final invoice, pay any and all fees, charges and amounts properly owed by Customer to Redflex for work performed pursuant to this Agreement after Redflex's last posting date for its previous invoice and prior to the termination.

6.4.3. Removal of Equipment. Unless the Customer and Redflex have agreed to enter into a new agreement relating to the Redflex Photo Red Light System and the Photo Red Light Enforcement Program or have agreed to extend the Term of this Agreement, Redflex shall remove any and all Equipment or other materials of Redflex installed in connection with Redflex's performance of its obligations under this Agreement, including but not limited to housings, poles and camera systems, and Redflex shall restore the Designated Intersection Approaches to substantially the same condition such Designated Intersection Approaches



were in immediately prior to this Agreement all within sixty (60) days of the termination of this Agreement. The obligation to restore the Designated Intersection Approaches to prior condition as stated above shall be subject to the approval of Customer and any other governmental agency having jurisdiction over any portion of the intersection, which approval shall not be unreasonably withheld.

6.5. Survival. Notwithstanding the foregoing, the definitions and each of the following shall survive the termination of this Agreement: (i) Sections 4.2 (Reservation of Rights), 5.1 (Redflex Representations and Warranties), 5.2 (Customer Representations and Warranties), 5.3 (Limited Warranties), 7 (Confidentiality), 8 (Indemnification and Liability), 9 (Notices), 10 (Dispute Resolution), 11.1 (Assignment), 11.16 (Injunctive Relief; Specific Performance), 11.17 (Applicable Law), and 11.18 (Jurisdiction and Venue), and (ii) those provisions, and the rights and obligations therein, set forth in this Agreement which either by their terms state, or evidence the intent of the Parties, that the provisions survive the expiration or termination of the Agreement, or must survive to give effect to the provisions of this Agreement.

7. CONFIDENTIALITY. During the term of this Agreement and for a period of three (3) years thereafter, neither Party shall disclose to any third person, or use for itself in any way for pecuniary gain, any Confidential Information learned from the other Party during the course of the negotiations for this Agreement or during the Term of this Agreement. Upon termination of this Agreement, each Party shall return to the other all tangible Confidential Information of such party. Each Party shall retain in confidence and not disclose to any third party any Confidential Information without the other Party's express written consent, except (i) to its employees who are reasonably required to have the Confidential Information, (ii) to its agents, representatives, attorneys and other professional advisors that have a need to know such Confidential Information, provided that such parties undertake in writing (or are otherwise bound by rules of professional conduct) to keep such information strictly confidential, and (iii) pursuant to, and to the extent of, a request or order by any Governmental Authority, including laws relating to public records.

#### 8. INDEMNIFICATION AND LIABILITY.

8.1. Indemnification by Redflex. Subject to Section 8.3, Redflex hereby agrees to defend and indemnify the Customer and its elected and appointed officers and officials, affiliates, shareholders or other interest holders, administrators, managers, directors, employees, agents, representatives and successors, permitted assignees and each of their affiliates, and all persons acting by, through, under or in concert with them, or any of them (individually a "Customer Party" and collectively, the "Customer Parties") against, and to protect, save and keep harmless the Customer Parties from, and to pay on behalf of or reimburse the Customer Parties as and when incurred for, any and all liabilities, obligations, losses, damages, penalties, demands, claims, actions, suits, judgments, settlements, costs, expenses and disbursements (including reasonable attorneys', accountants' and expert witnesses' fees) of whatever kind and nature



(collectively, "Losses"), which may be imposed on or incurred by any Customer Party arising out of or related to (i) any material misrepresentation, inaccuracy or breach of any covenant, warranty or representation of Redflex contained in this Agreement, or (ii) the negligent or willful misconduct of Redflex, its employees or agents which result in death or bodily injury to any natural person (including third parties) or any damage to any real or tangible personal property (including the personal property of third parties), except to the extent solely caused by the willful misconduct of any Customer Party.

8.2. Indemnification by Customer. Subject to Section 8.3, the Customer hereby agrees to defend and indemnify Redflex and its affiliates, shareholders or other interest holders, managers, officers, directors, employees, agents, representatives and successors, permitted assignees and all persons acting by, through, under or in concert with them, or any of them (individually a "Redflex Party" and collectively, the "Redflex Parties") against, and to protect, save and keep harmless the Redflex Parties from, and to pay on behalf of or reimburse the Redflex Parties as and when incurred for, any and all Losses which may be imposed on or incurred by any Redflex Party arising out of or in any way related to (i) any material misrepresentation, inaccuracy or breach of any covenant, warranty or representation of the Customer contained in this Agreement, (ii) the willful misconduct of the Customer, its employees, contractors or agents which is the sole cause of death or bodily injury to any natural person (including third parties) or any damage to any real or tangible personal property (including the personal property of third parties), except to the extent caused by the willful misconduct of any Redflex Party, or (iii) the validity of the results of the Customer's use of the Redflex Photo Red Light System or any portion thereof, or the validity of the Citations issued, prosecuted and collected as a result of the Customer's use of the Redflex Photo Red Light System or any portion thereof.

8.3. Indemnification Procedures. In the event any claim, action or demand (a "Claim") in respect of which any Party hereto seeks indemnification from the other, the Party seeking indemnification (the "Indemnified Party") shall give the Party from whom indemnification is sought (the "Indemnifying Party") written notice of such Claim within seven (7) days after the Indemnified Party is first served with notice of such claim. Provided, however, that failure to give such notice shall not preclude indemnification with respect to such Claim except to the extent of any additional or increased Losses or other actual prejudice directly caused by such failure. The Indemnifying Party shall have the right to choose counsel to defend such Claim (subject to the approval of such counsel by the Indemnified Party, which approval shall not be unreasonably withheld, conditioned or delayed), and to control, compromise and settle such Claim, and the Indemnified Party shall have the right to participate in the defense at its sole expense; provided, however, the Indemnified Party shall have the right to take over the control of the defense or settlement of such Claim at any time if the Indemnified Party irrevocably waives all rights to indemnification from and by the Indemnifying Party. The Indemnifying Party and the Indemnified Party shall cooperate in the defense or settlement of any Claim, and no Party shall have the right enter into any settlement agreement that materially affects the other Party's

material rights or material interests without such Party's prior written consent, which consent will not be unreasonably withheld or delayed.

9. NOTICES. Any notices to be given hereunder shall be in writing, and shall be deemed to have been given (i) upon delivery, if delivered by hand, (ii) three (3) days after being mailed first class, certified mail, return receipt requested, postage and registry fees prepaid, or (iii) one (1) business day after being delivered to a reputable overnight courier service, excluding the U.S. Postal Service, prepaid, marked for next day delivery, if the courier service obtains a signature acknowledging receipt, in each case addressed or sent to such Party as follows:

9.1. Notices to Redflex:

Redflex Traffic Systems, Inc.  
15020 North 74<sup>th</sup> Street  
Scottsdale, AZ 85260  
Attention: Ms. Karen Finley  
Facsimile: (480) 607-5552

With a copy to:

Michael J. Castellino, Esq.  
Wildman, Harrold, Allen & Dixon LLP  
225 West Wacker Drive, Suite 3000  
Chicago, Illinois 60606  
Facsimile: (312) 201-2555

9.2. Notices to the Customer:

Village of Orland Park  
14700 S. Ravinia Avenue  
Orland Park, Illinois 60462  
Attention: Village Manager  
Facsimile: (708) 349-4859

With a copy to:

Timothy J. McCarthy, Chief of Police  
Orland Park Police Department  
15100 S. Ravinia Avenue  
Orland Park, Illinois 60462  
Facsimile: (708) 349-8622

10. DISPUTE RESOLUTION. Upon the occurrence of any dispute or disagreement between the Parties hereto arising out of or in connection with any term or



provision of this Agreement, the subject matter hereof, or the interpretation or enforcement hereof (the "Dispute"), the Parties shall engage in informal, good faith discussions and attempt to resolve the Dispute. In connection therewith, upon written notice of either Party, each of the Parties will appoint a designated officer whose task it shall be to meet for the purpose of attempting to resolve such Dispute. The designated officers shall meet as often as the Parties shall deem to be reasonably necessary. Such officers will discuss the Dispute. If the Parties are unable to resolve the Dispute in accordance with this Section 10, and in the event that either of the Parties concludes in good faith that amicable resolution through continued negotiation with respect to the Dispute is not reasonably likely, then the Parties shall (ADR language to be supplied).

## 11. MISCELLANEOUS.

11.1. Assignment. Neither Party may assign all or any portion of this Agreement without the prior written consent of the other, which consent shall not be unreasonably withheld or delayed; provided, however, the Customer hereby acknowledges and agrees that the execution (as outlined in **Exhibit F**), delivery and performance of Redflex's rights pursuant to this Agreement shall require a significant investment by Redflex, and that in order to finance such investment, Redflex may be required to enter into certain agreements or arrangements ("Financing Transactions") with equipment lessors, banks, financial institutions or other similar persons or entities (each, a "Financial Institution" and collectively, "Financial Institutions"). The Customer hereby agrees that Redflex shall have the right to assign, pledge, hypothecate or otherwise transfer ("Transfer") its rights, or any of them, under this Agreement to any Financial Institution in connection with any Financing Transaction between Redflex and any such Financial Institution, subject to the Customer's prior written approval, which approval shall not be unreasonably withheld or delayed. The Customer further acknowledges and agrees that in the event that Redflex provides written notice to the Customer that it intends to Transfer all or any of Redflex's rights pursuant to this Agreement, and in the event that the Customer fails to provide such approval or fails to object to such Transfer within forty-five (45) business days after its receipt of such notice from Redflex, for the purposes of this Agreement, the Customer shall be deemed to have consented to and approved such Transfer by Redflex. Notwithstanding the above, this Agreement shall inure to the benefit of, and be binding upon, the Parties hereto, and their respective successors or assigns.

11.2. Relationship Between Redflex and the Customer. Nothing in this Agreement shall create, or be deemed to create, a partnership, joint venture or the relationship of principal and agent or employer and employee between the Parties. The relationship between the Parties shall be that of independent contractors, and nothing contained in this Agreement shall create the relationship of principal and agent or otherwise permit either Party to incur any debts or liabilities or obligations on behalf of the other Party (except as specifically provided herein).

11.3. Audit Rights. Each of the Parties hereto shall have the right to audit the books and records of the other Party hereto (the "Audited Party") solely for the purpose of verifying the payments, if any, payable pursuant to this



Agreement. Any such audit shall be conducted upon not less than forty-eight (48) hours' prior notice to the Audited Party, at mutually convenient times and during the Audited Party's normal business hours. Except as otherwise provided in this Agreement, the cost of any such audit shall be borne by the non-Audited Party. In the event any such audit establishes any underpayment of any payment payable by the Audited Party to the non-Audited Party pursuant to this Agreement, the Audited Party shall promptly pay the amount of the shortfall, and in the event that any such audit establishes that the Audited Party has underpaid any payment by more than five percent (5%) of the amount of actually owing, the cost of such audit shall be borne by the Audited Party. In the event any such audit establishes any overpayment by the Audited Party of any payment made pursuant to this Agreement, non-Audited Party shall promptly refund to the Audited Party the amount of the excess.

11.4. Force Majeure. Neither Party will be liable to the other or be deemed to be in breach of this Agreement for any failure or delay in rendering performance arising out of causes beyond its reasonable control and without its fault or negligence. Such causes may include but are not limited to, acts of God or the public enemy, terrorism, significant fires, floods, earthquakes, epidemics, quarantine restrictions, strikes, freight embargoes, or Governmental Authorities' approval delays which are not caused by any act or omission by Redflex, and unusually severe weather. The Party whose performance is affected agrees to notify the other promptly of the existence and nature of any delay. This 11.4 shall not apply to the Customer's right to deduct certain amounts pursuant to **Exhibit C**, paragraph 7.

11.5. Entire Agreement. This Agreement represents the entire Agreement between the Parties, and there are no other agreements (other than invoices and purchase orders), whether written or oral, which affect its terms. This Agreement may be amended only by a subsequent written agreement signed by both Parties.

11.6. Severability. If any provision of this Agreement is held by any court or other competent authority to be void or unenforceable in whole or part, this Agreement shall continue to be valid as to the other provisions thereof and the remainder of the affected provision.

11.7. Waiver. Any waiver by either Party of a breach of any provision of this Agreement shall not be considered as a waiver of any subsequent breach of the same or any other provision thereof.

11.8. Construction. Except as expressly otherwise provided in this Agreement, this Agreement shall be construed as having been fully and completely negotiated and neither the Agreement nor any provision thereof shall be construed more strictly against either Party.

11.9. Headings. The headings of the sections contained in this Agreement are included herein for reference purposes only, solely for the



convenience of the parties hereto, and shall not in any way be deemed to affect the meaning, interpretation or applicability of this Agreement or any term, condition or provision hereof.

11.10. Execution and Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and such counterparts together shall constitute only one instrument. Any one of such counterparts shall be sufficient for the purpose of proving the existence and terms of this Agreement, and no Party shall be required to produce an original or all of such counterparts in making such proof.

11.11. Covenant of Further Assurances. All Parties to this Agreement shall, upon request, perform any and all acts and execute and deliver any and all certificates, instruments and other documents that may be necessary or appropriate to carry out any of the terms, conditions and provisions hereof or to carry out the intent of this Agreement.

11.12. Remedies Cumulative. Each and all of the several rights and remedies provided for in this Agreement shall be construed as being cumulative and no one of them shall be deemed to be exclusive of the others or of any right or remedy allowed by law or equity, and pursuit of any one remedy shall not be deemed to be an election of such remedy, or a waiver of any other remedy.

11.13. Binding Effect. This Agreement shall inure to the benefit of and be binding upon all of the Parties hereto and their respective executors, administrators, successors and permitted assigns.

11.14. Compliance with Laws. Nothing contained in this Agreement shall be construed to require the commission of any act contrary to law, and whenever there is a conflict between any term, condition or provision of this Agreement and any present or future statute, law, ordinance or regulation contrary to which the Parties have no legal right to contract, the latter shall prevail, but in such event the term, condition or provision of this Agreement affected shall be curtailed and limited only to the extent necessary to bring it within the requirement of the law, provided that such construction is consistent with the intent of the Parties as expressed in this Agreement.

11.15. No Third Party Benefit. Nothing contained in this Agreement shall be deemed to confer any right or benefit on any Person who is not a party to this Agreement.

11.16. Injunctive Relief; Specific Performance. The Parties hereby agree and acknowledge that a breach of Sections 4.1 (License), 4.3 (Restricted Use) or 7 (Confidentiality) of this Agreement would result in severe and irreparable injury to the other Party, which injury could not be adequately compensated by an award of money damages, and the Parties therefore agree and acknowledge that they shall be entitled to injunctive relief in the event of any breach of any material

term, condition or provision of this Agreement, or to enjoin or prevent such a breach, including without limitation an action for specific performance hereof.

11.17. Applicable Law. This Agreement shall be governed by and construed in all respects solely in accordance with the laws of the State of Illinois.

11.18. Jurisdiction and Venue. Any dispute arising out of or in connection with this Agreement shall be submitted to the exclusive jurisdiction and venue of the courts located in the County of Cook, Illinois, and both Parties specifically agree to be bound by the jurisdiction and venue thereof.

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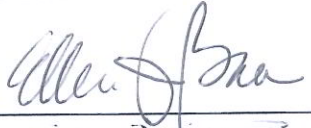
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first set forth above.

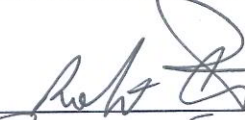
"Customer"

"Redflex"

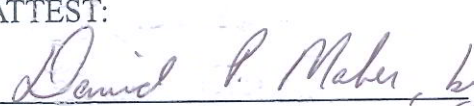
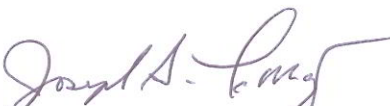
VILLAGE OF ORLAND PARK

REDFLEX TRAFFIC SYSTEMS, INC.

By:   
INTERIM VILLAGE MANAGER

By:   
Name: ROBERT FEILER  
Title: VICE PRESIDENT  
4-3-08

ATTEST:

 by   
Village Clerk Deputy Village Clerk

## EXHIBIT A

### Designated Intersection Approaches

The contract is for the implementation of up to thirty (30) Designated Intersection Approaches. Identification of those Designated Intersection Approaches will be based on **mutual agreement** between Redflex and the Customer as warranted by community safety and traffic needs.



## **EXHIBIT B**

### Construction and Installation Obligations

#### Timeframe for Installation: Redflex Photo Red Light System

Redflex will have each Designated Intersection Approaching installed and activated in phases in accordance with an implementation plan

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

In order to provide the Customer with timely completion of the Photo Red Light Enforcement Program, Redflex requires that the Customer assist with providing timely approval of permits requested in connection with the Reflex Photo Red Light System. The Customer acknowledges the importance of the Photo Red Light Enforcement Program and, in order to keep the project on schedule, the Customer and its professionals and consultants shall review Redflex permit requests and all documentation within ten (10) business days after receipt. Redflex will make any necessary revisions to such permit applications and resubmit to Customers within five (5) business days after receipt of comments by the Customer. Permits must be received within five (5) business days of first submittal in order to implement the program 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 consisting of one (1) to four (4) people to assist the Redflex Project Manager;
  - 1.2. Obtain current "as-built" electronic engineering drawings for the Designated Intersection Approaches (the "Drawings") from the Customer;
  - 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;
  - 1.4. Seek approval from all 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 Customer permit applications;
  - 1.5. Finalize the acquisition of the Approvals;

- 1.6. Submit to the Customer a public awareness strategy for the Customer's consideration and approval, which strategy shall include media and educational materials for the Customer's approval or amendment (the "Awareness Strategy");
  - 1.7. Develop the Photo 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 (under the supervision 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 Photo Red Light System and establish fully operational Violation processing capability with the Redflex Photo Red Light System;
  - 1.12. Implement the use of the Redflex Photo Red Light System at each of the Designated Intersection Approaches;
  - 1.13. Deliver the Materials to the Customer;
  - 1.14. Provide training (i) for up to thirty (30) personnel of the Customer, including but not limited to the persons who Customer shall appoint as Authorized Officers and other persons involved in the administration of the Redlight Photo Enforcement Program, (ii) for at least sixteen (16) hours in the aggregate, (iii) regarding the operation of the Redflex Photo Red Light System and the Redlight Photo Enforcement Program, which training shall include training with respect to the Redflex Photo Red Light System and its operations, strategies for presenting Violations Data in court and judicial proceedings and a review of the Enforcement Documentation. Such training shall be provided to new officers, at the request of the Chief of Police, for so long as this Agreement is in effect; and
  - 1.15. Provide reasonable public relations resources and media materials to the Customer in the event that the Customer elects to conduct a public launch of the Redlight Photo Enforcement Program.
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 Police Project Manager;
- 2.1.2. Provide an Administrative Hearing Officer to preside over Appeals Hearings for the Customer;
- 2.1.3. Assist Redflex in obtaining the Drawings from the relevant Governmental Authorities;
- 2.1.4. 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;
- 2.1.5. Provide assistance to Redflex in obtaining access to the records data of the Secretary of State in Redflex's capacity as an independent contractor to the Customer;
- 2.1.6. Assist Redflex in seeking the Approvals from applicable governmental agencies;
- 2.1.7. Provide reasonable access to the Customer's properties and facilities in order to permit Redflex to install and test the functionality of the Redflex Photo Red Light System at Designated Intersection Approaches and the functionality of the Photo Red Light Enforcement Program;
- 2.1.8. 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;
- 2.1.9. 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 Warning Period commencing on the date on which Redflex completes the installation of the Redflex Photo Red Light System at any of the Designated Intersection Approaches and ending thirty (30) days after the Installation Date;
- 2.1.10. Assist Redflex in developing the Photo Redlight Violation Criteria; and
- 2.1.11. Seek approval of the Enforcement Documentation.

## EXHIBIT C

### Maintenance

1. All repair and maintenance of the Redflex Photo Red Light 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 Photo Red Light System and all other Equipment in reasonably clean and graffiti-free condition.
2. Redflex shall not open the Traffic Signal Controller Boxes outside the presence of an appropriate representative of the Customer.
3. The provision of all necessary communication, broadband and telephone services to the Designated Intersection Approaches will be the sole responsibility of the Redflex.
4. The provision of all necessary electrical services to the Designated Intersection Approaches will be the sole responsibility of the Redflex.
5. In the event that images of a quality suitable for the Authorized Officer to identify Violations cannot be reasonably obtained without the use of flash units, Redflex shall provide and install such flash units at the sole cost and expense of Redflex.
6. The Redflex Project Manager (or a reasonable alternate) shall be available to the Police Project Manager each day, on a reasonable best efforts basis.
7. In the event that a Designated Intersection Approach suffers any damage from whatever cause or Redflex discovers material malfunction or defect, Redflex shall use its best efforts to cause the damage malfunction or defect to be repaired within forty-eight (48) hours of discovery by Redflex. In the event that the damage, malfunction or defect has not been repaired within forty eight (48) hours, Redflex's compensation shall be reduced proportionately from this time until the repair is completed and the Designated Intersection Approach becomes operational. . Further, in the event that any series of malfunctions cause downtime at a Designated Intersection Approach in excess of ninety six (96) cumulative hours in any month, then Redflex's compensation shall be reduced proportionately for this period of downtime.



## EXHIBIT D

### Compensation and Pricing

#### FIXED FEE.

Subject to the entirety of this Exhibit D, there shall be a fixed fee of \$4,395 per month per Designated Intersection Approach as full remuneration for performing all of the services contemplated in this Agreement.

However, it is the mutual objective of Redflex and the Village to protect the health, safety and welfare of the Village's residents through the services provided in this agreement. The Parties acknowledge that it is in furtherance of the general welfare of the taxpayers represented by the Village that payment for services described in this Agreement not be derived from sources other than the revenues generated by the Photo Red Light Enforcement Program and the enforcement of Violations.

In furtherance of these goals and objectives, the Parties agree that the amount due to Redflex from the Village shall at no time exceed the amount of gross revenues derived from the Photo Red Light Enforcement Program and the enforcement of Violations, as described in this Agreement and that certain Violation Processing Service Agreement (the "Service Agreement") that the Parties also intended to execute. Such revenue shall be the sole source of funds from which compensation under this Agreement and the Service Agreement shall be due and/or payable, and the obligation to make payments under this Agreement and the Service Agreement shall not be enforceable as a General Obligation of the Village.

#### Cost Neutrality

Cost neutrality is assured to Customer - Customer will never be required to pay Redflex more than actual cash received.

The Customer agrees to pay Redflex within forty-five (45) days after the invoice is received. Customer shall be obligated to pay the cumulative balance invoiced by Redflex, in accordance with terms set forth above, to the extent of **gross cash received by the Customer from automated red light violations. In the event that a balance remains unpaid due to a deficit in gross cash received by the Customer compared to invoiced amounts, Customer will provide to Redflex with each monthly payment, an accounting of such gross receipts supporting the amount withheld (unless payments are directed to a Redflex provided lock box bank).**

1. In the event that the contract ends or is terminated and an invoiced balance is still owed to Redflex, all subsequent receipts from automated red light violations for a period of 12 months from date of termination will be applied to such balance and paid to Redflex
2. Payment will only be made by Customer up to the amount of cash received by Customer through the collection of red light citation up to the amount currently due.

3. Customer to open special revenue account and payments to Redflex will come only from the available balance in that account up to the amount currently due, including any unpaid prior invoiced amounts.
4. Cost neutrality will be reconciled and any necessary adjustments made at the end of the contract.
5. Cost neutrality is guaranteed except as follows:
  - If police fail to approve violations by the due date
  - If systems are de-activated due to Customer requirement
  - If collections are not reasonably pursued
  - If extreme circumstances beyond the control of Redflex cause the shortage

#### **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 by the CPI. CPI will be derived from the publication of the U.S. Department of Labor Consumer Price Index for U.S. City average.
3. Except where a balance remains unpaid due to a deficit in the gross cash received as described herein, Customer agrees to pay Redflex within forty-five (45) days after the invoice is received. A monthly late fee of 1.5% is payable for amounts remaining unpaid 60 days from date of invoice.
4. The provision of all necessary communication, broadband and telephone services to the Designated Intersection Approaches will be the sole responsibility of Redflex
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. Redflex shall be solely responsible for installing required signage. 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 Customer shall assist in determining the placement of such Signage. Redflex shall submit signage design drawings to the appropriate local authority for approval. Any changes or modifications to signage requirements will be the responsibility of the Customer.
7. Required Credit Card fees will not be considered to be revenue received and are the responsibility of the violator.
8. The Customer shall not designate any intersection that it currently contemplates for improvement or modification as a Designated Intersection Approach. In the event that a system is deactivated at the Customers request due to construction, the monthly fee will continue.
9. Redflex shall be solely responsible for the cost of any required improvement to any intersection occasioned by the designation of such intersection as a "Designated Intersection Approach" for photo enforcement, including any required upgrade to LED lights or other improvements required by Illinois Department of Transportation Engineering Standards, or Federal authority.



## 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 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 Illinois Vehicle Code, and shall assist in determining the placement of such Signage. Redflex shall be solely responsible for installing such Signage at each Designated Intersection Approach.
3. The Redflex Project Manager and the Customer Project Manager shall meet on a weekly basis during the period commencing as of the date of execution hereof and ending on the Installation Date, and on a monthly basis for the remainder of the Term, at such times and places as the Redflex Project Manager and the Customer Project Manager shall mutually agree.
4. The Customer shall not access the Redflex Photo Red Light System or use the Photo Red Light Enforcement Program in any manner other than prescribed by law, or which restricts or inhibits any other jurisdiction from using the Redflex Photo Red Light System or the Photo Red Light Enforcement Program with respect to any Intersection Approaches constructed or maintained by Redflex for such jurisdiction, or which could damage, disable, impair or overburden the Redflex Photo Red Light System or the Photo Red Light 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 Photo Red Light 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.
5. The Customer shall maintain the confidentiality of any username, password or other process or device for accessing the Redflex Photo Red Light System or using the Photo Red Light Enforcement Program.
6. 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, each of Redflex and the Customer shall obey any and all such rules and regulations.

7. The Customer shall promptly reimburse Redflex for the cost of repairing or replacing any portion of the Redflex Photo Red Light System, or any property or Equipment related thereto, damaged through the sole negligence of the Customer, or any of its employees, contractors or agents.



## Insurance

1. During the Term, Redflex shall procure and maintain at Redflex's sole cost and expense the following insurance coverage with respect to claims for injuries to persons or damages to property which may arise from or in connection with the performance of work or services pursuant to this Agreement by Redflex, and each of Redflex's subcontractors, agents, representatives and employees:
2. Commercial General Liability Insurance. Commercial General Liability Insurance with coverage of not less than One Million Dollars (\$1,000,000) combined single limit per occurrence for bodily injury and property damage.
3. Commercial Automobile Liability Insurance. Commercial Automobile Liability Insurance with coverage of not less than One Million Dollars (\$1,000,000) combined single limit per accident for bodily injury or property damage, including but not limited to coverage for all automobiles owned by Redflex and hired by Redflex.
4. Professional Liability (Errors and Omissions) Insurance. Redflex will use its commercial best efforts to procure and maintain Professional Liability (Errors and Omissions) Insurance with coverage of not less than One Million Dollars (\$1,000,000) per claim and in the aggregate.
5. Workers' Compensation and Employer's Liability Insurance. Workers' Compensation Insurance with coverage of not less than that required by the Labor Code of the State of Illinois, and Employer's Liability Insurance with coverage of not less than One Million Dollars (\$1,000,000) per occurrence.
6. With respect to the insurance described in the foregoing Section of this Exhibit E, any deductibles or self-insured retentions must be declared to and approved by the Customer, and any changes to such deductibles or self-insured retentions during the Term must be approved in advance in writing by the Customer.
7. With respect to the Commercial General Liability Insurance the following additional provisions shall apply:
8. The Customer Parties shall be named as additional insureds with respect to the Commercial General Liability insurance, and such coverage shall contain no special limitations on the scope of protection afforded to such additional insureds.
9. The insurance coverage procured by Redflex and described above shall be the primary insurance with respect to the Customer Parties in connection with this Agreement, and any insurance or self-insurance maintained by any of the Customer Parties shall be in excess, and not in contribution to, such insurance.
10. Any failure to comply with the reporting provisions of the various insurance policies described above shall not affect the coverage provided to the Customer Parties, and such insurance policies shall state the such insurance coverage shall apply separately with respect to each additional insured against whom any claim is made or suit is brought, except with respect to the limits set forth in such insurance policies.
11. With respect to the insurance described in the foregoing Section of this Exhibit E, if any of the Redflex Parties are notified by any insurer that any insurance coverage will be cancelled, Redflex shall immediately provide written notice thereof to the Customer and shall take all necessary actions to correct such cancellation in coverage limits, and shall provide written notice to the Customer of the date and nature of such correction. If Redflex, for any reason, fails to

maintain the insurance coverage required pursuant to this Agreement, such failure shall be deemed a material breach of this Agreement, and the Customer shall have the right, but not the obligation and exercisable in its sole discretion, to either (i) terminate this Agreement and seek damages from Redflex for such breach, or (ii) purchase such required insurance, and without further notice to Redflex, deduct from any amounts due to Redflex pursuant to this Agreement, any premium costs advanced by the Customer for such insurance. If the premium costs advanced by the Customer for such insurance exceed any amounts due to Redflex pursuant to this Agreement, Redflex shall promptly remit such excess amount to the Customer upon receipt of written notice thereof.

12. Redflex shall provide certificates of insurance evidencing the insurance required pursuant to the terms of this Agreement, which certificates shall be executed by an authorized representative of the applicable insurer, and which certificates shall be delivered to the Customer prior to Redflex commencing any work pursuant to the terms of this Agreement.



## EXHIBIT F

### Form of Acknowledgement and Consent

This Acknowledgement and Consent, dated as of 03-31, 2008, is entered into by and between the Village of Orland Park, Illinois (the "Village") and Redflex Traffic Systems, Inc., ("Redflex"), pursuant to that certain "Agreement Between the Village of Orland Park, Illinois and Redflex Traffic Systems, Inc. for Photo Red Light Enforcement Program," dated as of 03-31-08, (the "Agreement").

1. Redflex has entered into a Credit Agreement, dated as of August 3, 2003 (the "Harris-Redflex Credit Agreement"), with Harris Trust and Savings Bank (the "Bank"), pursuant to which the Bank has provided certain working capital credit facilities to Redflex. Such credit facilities will provide Redflex the working capital that it needs to perform its obligations to the Village under the Agreement.

2. Pursuant to the Harris-Redflex Credit Agreement, Redflex has granted Harris a security interest in all of Redflex's personal property as collateral for the payment and performance of Redflex's obligations to the Bank under the Harris-Redflex Credit Agreement. Such security interest applies to and covers all of Redflex's contract rights, including, without limitation, all of Redflex's rights and interests under the Agreement.

3. Redflex will not, by virtue of the Harris-Redflex Credit Agreement, be relieved of any liability or obligation under the Agreement, and the Bank has not assumed any liability or obligation of Redflex under the Agreement, except that the parties acknowledge that a material breach of this Agreement or the Service Agreement by Redflex or the failure of Redflex to perform under either Agreement shall be a defense to any claim for payment asserted by the Bank or by any replacement lender under this Acknowledgement and Consent, the System Agreement or the Service Agreement, or the Harris-Redflex Credit Agreement, or arising out of any of those instruments.

4. The Village hereby acknowledges notice of, and consents to, Redflex's grant of such security interest in favor of the Bank in all of Redflex's rights and interests under the Agreement pursuant to the Harris-Redflex Credit Agreement except that the parties acknowledge that a material breach of this Agreement or the Service Agreement by Redflex or the failure of Redflex to perform under either Agreement shall be a defense to any claim for payment asserted by the Bank or by any replacement lender under this Acknowledgement and Consent, the System Agreement or the Service Agreement, or the Harris-Redflex Credit Agreement, or arising out of any of those instruments.

5. The Village further acknowledges and agrees that this Acknowledgement and Consent shall be binding upon the Village and shall inure to the benefit of the successors and assigns of the Bank and to any replacement lender which refinances Redflex's obligations to the Bank under the Harris-Redflex Credit Agreement except that the parties acknowledge that a

material breach of this Agreement or the Service Agreement by Redflex or the failure of Redflex to perform under either Agreement shall be a defense to any claim for payment asserted by the Bank or by any replacement lender under this Acknowledgement and Consent, the System Agreement or the Service Agreement, or the Harris-Redflex Credit Agreement, or arising out of any of those instruments. .

IN WITNESS WHEREOF, the Village and Redflex have caused this Acknowledgement and Consent to be executed by their respective duly authorized and elected officers as of the date first above written.

The Village:	Redflex:
VILLAGE OF ORLAND PARK	REDFLEX TRAFFIC SYSTEMS, INC.,
By: <u>Allen Baer</u>	By: <u>Robert Feiler</u>
Name: _____	Name: <u>ROBERT FEILER</u>
Title: <u>Interim Village Manager</u>	Title: <u>VICE PRESIDENT</u>



## **VIOLATION PROCESSING SERVICE AGREEMENT**

This Violation Processing Service Agreement (the "Service Agreement") is made as of this 31 day of March, 2008 by and between Redflex Traffic Systems, Inc. with offices at 15020 N. 74<sup>th</sup> Street, Scottsdale, Arizona 85260 ("Redflex"), and the Village of Orland Park, an Illinois municipal corporation, with offices at 14700 S. Ravinia Avenue, Orland Park, Illinois 60462 (the "Customer"). (Redflex and the Customer are from time to time referred to as a "Party" and collectively referred to as the "Parties.")

### **RECITALS**

**WHEREAS**, Redflex and the Customer have entered into that certain "Agreement Between the Village of Orland Park, Illinois, and Redflex Traffic Systems, Inc. for Photo Red Light Enforcement Program" dated 03-31-08 (the "Program Agreement"), a copy of which is attached hereto as **Exhibit A** and incorporated herein by reference; and

**WHEREAS**, the Customer has requested this Service Agreement to ensure that Violations, as defined herein, are processed efficiently and with minimal administrative burden on the Customer's resources and personnel; and

**WHEREAS**, on 03-17-08, the Corporate Authorities of the Customer adopted Ordinance No. 4351, ("Ord. 4351"), which authorized the Customer's entry into this Service Agreement; and

**WHEREAS**, this Service Agreement is entered into separately from and independently of the Program Agreement;

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

### **AGREEMENT**

1. **RECITALS.** The Recitals contained in this Service Agreement and in the Program Agreement attached hereto as **Exhibit A** are incorporated herein by reference as if set forth in full.
2. **DEFINITIONS.** The definitions set forth in Section 1 of the Program Agreement attached hereto as **Exhibit A** are incorporated herein by reference as if set forth in full. As used in this Service Agreement, "Transaction" means, cumulatively, all correspondence sent by Redflex to the registered owner (or lessee, where applicable) of a vehicle resulting from a single Violation.
3. **VIOLATION PROCESSING.** During the Operational Period, Violations shall be processed as follows:

3.1.1. All Violations Data shall be stored on the Redflex Photo Red Light System.

- 3.1.2. The Redflex Photo Red Light System shall process Violations Data gathered from the Designated Intersection Approaches into a format capable of review by the Authorized Officer within four (4) days of the gathering of the Violations Data in one of the following ways. The method of review shall be in the discretion of the Customer:
- 3.1.2.A The Redflex Photo Red Light 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; or
- 3.1.2.B Redflex shall provide the Authorized Officer with access to the Redflex Photo Red Light System for the purposes of reviewing the pre-processed Violations Data.
- 3.1.3. Redflex will apply violator name and address details to Citations according to the information supplied by the Secretary of State.
- 3.1.4. 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 Photo Red Light 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.
- 3.1.5. With respect to each Authorized Violation, Redflex shall print and mail a Citation within four (4) days after Redflex' receipt of such authorization.
- 3.1.6. The following information will be included on all Citations:
- a. Registered owner's name and address;
  - b. Copies of the recorded images depicting the Violation;
  - c. A statement that the recorded images are evidence of a red light violation;
  - d. License plate of vehicle;
  - e. Violation description;



- f. Date, time and location of Violation;
  - g. Vehicle make (if readily discernable);
  - h. Information regarding the availability of a hearing to contest the Violation on its merits, specifying the time and manner that such a hearing may be had;
  - i. The fine imposed, the date of required payment and penalty assessed for late payment;
  - j. A warning that a failure to pay the penalty imposed, or to timely contest it, is an admission of liability and may result in suspension of the owner's driving privileges;
  - k. A statement that the owner may proceed by paying the fine or challenging the fine, by mail (if a non-resident) or by administrative hearing; and
  - l. A statement that payment of the fine and any applicable late payment penalty shall dispose of the Violation with finality.
- 3.1.7. Redflex will obtain approval from the Customer on the form of Citation to be used.
- 3.1.8. Redflex shall provide a toll-free telephone number for the purposes of answering citizen inquiries for at least forty (40) business hours per week. English and Spanish speaking operators will be available.
- 3.1.9. Redflex will provide a full turn key lock box banking service. Redflex will contract with an FDIC member bank for the provision of lockbox services incorporating the collection and banking of fine payments by means of check, money order or credit card transaction. Redflex will provide a full monthly accounting of fine receipts and associated transactions to the Customer and remit fine proceeds to the Customer by check or Automated Clearing House transaction no later than the 15<sup>th</sup> day following each month end.
- 3.1.10. Redflex will provide a secure website (Photonotice.com) offering violators the ability to view still and video images of their violation and an online credit card payment facility. Redflex reserves the right to charge the violator a convenience fee of not more than \$5.95 for the use of this payment facility. Based on the proposed fine of one hundred (\$100), the convenience charge will be \$2.95 and will be borne in full by the violator.
- 3.1.11. Redflex will mail up to three (3) additional notices of delinquent payments, partial payments and other additional notices as required on each Transaction in accordance with the Illinois Vehicle Code and Ord.\_\_\_\_\_.

- 3.1.12. Redflex will provide the Customer with hearing evidence packs where required and will respond within fourteen (14) days to such a request.
- 3.1.13. Redflex will, at the request of the Customer and at Redflex' sole expense, establish a file transfer process with the appropriate court or other Customer departments as the Customer requires.
- 3.1.14. Redflex shall permit the Authorized Officer to generate monthly reports using the Redflex Standard Report System.
- 3.1.15. 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 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) month period without cost to the Customer.
- 3.1.16. 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 either: (i) use reasonable best efforts (using pleadings provided by Redflex), to seek judicial notice, or in lieu of requiring Redflex to provide such expert witnesses; or (ii) provide evidence to Redflex that a trial court in the Fifth Municipal District of Cook County has already ruled in favor of a Defendant on the issue of judicial notice.
- 3.1.17. During the six (6) month period following the Installation Date, Redflex shall provide such training to police 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 Photo Red Light Enforcement Program.
4. PROSECUTION AND COLLECTION; COMPENSATION. The Customer shall reasonably prosecute Citations and the collection of all fines and penalties in respect thereof, and Redflex shall have the right to receive, and the Customer shall be obligated to pay, the compensation set forth on **Exhibit B** attached hereto and incorporated herein by reference.
5. INCORPORATION OF OTHER TERMS. The Program Agreement attached hereto as **Exhibit A** is incorporated herein by reference as if set forth in full.
6. PROCEDURES UPON TERMINATION. Upon termination of this Service Agreement, Redflex shall, within seven (7) days of such termination, promptly deliver to the Customer a final report regarding the issuance of Citations, promptly deliver to the Customer a final invoice stating all fees and charges properly owed by the Customer to Redflex for Citations issued prior to the termination, and provide such assistance as the Customer may reasonably request from time to time in connection with prosecuting and enforcing Citations issued prior to the termination of the Service



Agreement. The Customer shall promptly pay any and all fees, charges and amounts properly owed by the Customer to Redflex for Citations issued by Redflex prior to the termination.

IN WITNESS WHEREOF, the Parties hereto have executed this Service Agreement as of the day and year first set forth above.

"Customer"

VILLAGE OF ORLAND PARK,  
ILLINOIS

By: Ellen J. Baer  
Interim Village Manager

"Redflex"

REDFLEX TRAFFIC SYSTEMS, INC.,

By: Robert Feiler  
Name: ROBERT FEILER  
Title: VICE PRESIDENT  
4-3-08

ATTEST:

By: David P. Maher, Jr. Joan L. Galt  
Village Clerk Deputy Village Clerk

**EXHIBIT A**  
**PROGRAM AGREEMENT**



## EXHIBIT B

### COMPENSATION & PRICING

\$4.80 per Transaction processed.

#### **Cost Neutrality**

Cost neutrality is assured to Customer - Customer will never be required to pay Redflex more than actual cash received.

The Customer agrees to pay Redflex within forty-five (45) days after the invoice is received. Customer shall be obligated to pay the cumulative balance invoiced by Redflex, in accordance with terms set forth above, to the extent of **gross cash received by the Customer from automated red light violations. In the event that a balance remains unpaid due to a deficit in gross cash received by the Customer compared to invoiced amounts, Customer will provide to Redflex with each monthly payment, an accounting of such gross receipts supporting the amount withheld (unless payments are directed to a Redflex provided lock box bank).**

1. In the event that the contract ends or is terminated and an invoiced balance is still owed to Redflex, all subsequent receipts from automated red light violations for a period of 12 months from date of termination will be applied to such balance and paid to Redflex
2. Payment will only be made by Customer up to the amount of cash received by Customer through the collection of red light citation up to the amount currently due.
3. Customer to open special revenue account and payments to Redflex will come only from the available balance in that account up to the amount currently due, including any unpaid prior invoiced amounts.
4. Cost neutrality will be reconciled and any necessary adjustments made at the end of the contract.
5. Cost neutrality is guaranteed except as follows:
  - If police fail to approve violations by the due date
  - If systems are de-activated due to Customer requirement
  - If collections are not reasonably pursued
  - If extreme circumstances beyond the control of Redflex cause the shortage

## **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 by the CPI. CPI will be derived from the publication of the U.S. Department of Labor Consumer Price Index for U.S. City average.
3. Except where a balance remains unpaid due to a deficit in the gross cash received as described herein, Customer agrees to pay Redflex within forty-five (45) days after the invoice is received. A monthly late fee of 1.5% is payable for amounts remaining unpaid 60 days from date of invoice.
4. The provision of all necessary communication, broadband and telephone services to the Designated Intersection Approaches will be the sole responsibility of Redflex
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. Redflex shall be solely responsible for installing required signage. 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 Customer shall assist in determining the placement of such Signage. Redflex shall submit signage design drawings to the appropriate local authority for approval. Any changes or modifications to signage requirements will be the responsibility of the Customer.
7. Required Credit Card fees will not be considered to be revenue received and are the responsibility of the violator.
8. The Customer shall not designate any intersection that it currently contemplates for improvement or modification as a Designated Intersection Approach. In the event that a system is deactivated at the Customers request due to construction, the monthly fee will continue.
9. Redflex shall be solely responsible for the cost of any required improvement to any intersection occasioned by the designation of such intersection as a "Designated Intersection Approach" for photo enforcement, including any required upgrade to LED lights or other improvements required by Illinois Department of Transportation Engineering Standards, or Federal authority.