



City Council Work Session Agenda

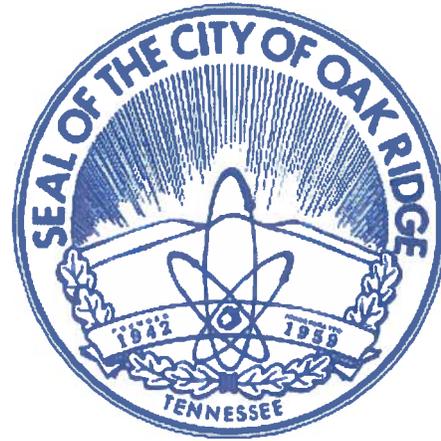
September 23, 2013

Immediately Following 7:00 P.M. City Council Special Meeting

Call to order in the Multipurpose Room, Central Services Complex

- I. Discussion, review and update of issues related to the 2014 State and Federal Legislative Agenda as presented by Amy Fitzgerald, Government Affairs and Information Services Director.
- II. Overview on contract renewal process associated with red light cameras in the City of Oak Ridge presented by Ken Krushenski, City Attorney.
- III. General discussion and strategic discussion on goals of Land Bank as approved by the City Council.

CITY OF
OAK RIDGE
TENNESSEE



2013
State and
Federal
Legislative
Agenda

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OAK RIDGE CITY OFFICIALS

City Council

Mayor

Tom Beehan

Mayor Pro Tem

D. Jane Miller

Trina Baughn

Anne Garcia Garland

L. Charles Hensley

Chuck Hope

David N. Mosby

City Staff

City Manager

Mark S. Watson

City Attorney

Kenneth R. Krushenski

***Government Affairs and
Information Services Director***

Amy S. Fitzgerald

City Clerk

Diana R. Stanley

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This document describes the 2013 legislative and policy agenda adopted by the elected officials of the City of Oak Ridge. These are key projects, policies, and priorities that the City urges the Tennessee General Assembly and the Tennessee Congressional Delegation to support during their legislative sessions.

KEY STATE ISSUES

Legislative Priorities

1. Manhattan Project National Historical Park

Responsible Agency/Organization:

General Assembly, Tennessee Historical Commission, and Tennessee Department of Tourism

Summary:

Federal legislation is expected to be introduced to establish the Manhattan Project National Historical Park in Oak Ridge, TN, Los Alamos, NM, and Hanford, WA (three sites, one park concept). In 2012, State House adopted resolution of support. **Benefits include:** Historical preservation and interpretation by the National Park Service of one of the most significant events in Tennessee and American history. **Action needed:** Urge General Assembly to adopt a Joint Resolution in support of federal legislation to establish the national park.

Projects, Positions, Activities

1. Oak Ridge General Aviation Airport

Responsible Agency/Organization:

Tennessee Department of Transportation (TDOT)
Aeronautics Division

Summary:

The Metropolitan Knoxville Airport Authority is conducting several studies related to the possible development of a general aviation airport at the East Tennessee Technology Park in Oak Ridge. **Benefits include:** Enhanced aviation opportunity will support regional growth, job creation, and economic and community development in Oak Ridge; increase access for business community and reduce congestion at general aviation airports in the region. **Action needed:** Support funding through TDOT for all phases of study and planning; provide support to Metropolitan Knoxville Airport Authority.

2. Edgemoor Road (SR 170) improvements— (Exclusive of Bridge)

Responsible Agency/Organization:

Tennessee Department of Transportation (TDOT)

Summary:

With the cancellation of the Knoxville beltway project, congestion along this major thoroughfare continues to worsen with additional traffic load. The highway needs to be widened and improved. TDOT Average Daily Traffic counts at the nexus of SR170, SR62 and SR162 are among the highest in the region. In 2012, the City of Oak Ridge was added as a member of the Knoxville Regional Transportation Planning Organization (TPO). **Benefits include:** improve safety, significant congestion mitigation, improve access to major employment sectors, and enhance commercial development. **Action needed:** Urge TPO and TDOT to formally integrate project into regional planning and funding profile; work with parties on interpretation of cost sharing rules; begin coordination of rights-of-way inventory.

3. Uranium Processing Facility (UPF)

Responsible Agency/Organization:

General Assembly

Summary:

This year the National Nuclear Security Administration (NNSA) is expected to complete the design, and start construction on the Uranium Processing Facility at the Y-12 site in Oak Ridge. In 2012 the City of Oak Ridge provided testimony in support of the project at a public hearing in Knoxville. **Benefits include:** supports future mission of the Y-12 National Security Complex, one of the state's largest employers; significant risk reduction to workforce and community; enhances Y-12 efficiencies; and reduces long-term costs. **Action needed:** Support funding through the NNSA; the City of Oak Ridge needs to participate in federal and state planning efforts to facilitate project development and implementation.

4. Not in Our City Land Bank Program

Responsible Agency/Organization:

General Assembly

Summary:

Legislation was approved by the General Assembly in 2012 for a City of Oak Ridge pilot program, which was featured in a recent Tennessee Advisory Commission on Intergovernmental Relations report on blight. **Benefits include:** allows the City to assemble, temporarily manage, and dispose of vacant land for the purpose of stabilizing neighborhoods and encouraging reuse or redevelopment of urban property. Such programs are used in several states as

a progressive way for cities to reclaim unused, vacant, or undesirable land for potential housing opportunities or public use. **Action needed:** Obtain 501 status; define housing goals; develop guidelines and implementation opportunities.

5. Brownfield and Vacant Blighted Properties

Responsible Agency/Organization:

General Assembly

Summary:

The City of Oak Ridge continues to experience challenges associated with modernizing WWII-era properties and infrastructure. The East Tennessee Technology Park (ETTP) in Oak Ridge is affected by regulations and policies governing Brownfield development. Likewise, Oak Ridge experiences significant problems associated with vacant, blighted properties. Local governments need assistance in developing financial solutions that return these properties to beneficial reuse. **Benefits include:** potential for private sector investment, stable property values, crime reduction, and reduction in development costs. **Action needed:** Examine tax and fiscal policies that could enhance opportunities for private sector investment and redevelopment of brownfields and vacant, blighted properties. Examine applicable policies in surrounding states that could have potential to assist Oak Ridge and make Oak Ridge properties more competitive.

6. Enhancement Grant to Revitalize Historic Jackson Square

Responsible Agency/Organization:

Tennessee Department of Transportation (TDOT)

Summary:

The City was awarded an enhancement grant in 2012 to support the revitalization of Jackson Square. **Benefits include:** parking and sidewalk improvements, landscaping and green space enhancement, and construction of accessibility ramps. The improvements will support economic and sustainable development at one of Oak Ridge's historic town site properties. **Action needed:** select consultant, continue to engage community, develop additional private sector investment, and advocate programmatic funding to TDOT.

7. Environmental Management Waste Management Facility Perpetual Care Fund

Responsible Agency/Organization:

Tennessee Department of Environment and Conservation (TDEC) in conjunction with U.S. Department of Energy (DOE)

Summary:

The U.S. Department of Energy, the U.S. Environmental Protection Agency (EPA) and TDEC signed a Record of Decision in 1999 to construct the Environmental Management Waste Management Facility (EMWMF) to dispose of materials related to the cleanup of the Oak Ridge Reservation, which is located in the City of Oak Ridge. Under a consent order between DOE and the State of TN, DOE is paying the State \$18 million to establish a permanent trust fund for long-term surveillance and maintenance of the EMWMF after closure. **Benefits include:** Significant cost savings to the Federal Government; enhanced financial assurance for the State. **Action needed:** Establish TDEC requirement to provide an annual report to the City of Oak Ridge regarding the status and valuation of the trust fund.

8. Penalties and Fees for DOE Non-Compliance Should Restore Oak Ridge

Responsible Agency/Organization:

Tennessee Department of Environment and Conservation (TDEC) in conjunction with U.S. Department of Energy (DOE)

Summary:

The Federal Facility Agreement (FFA) between TDEC and DOE lacks a provision requiring that fees for penalties imposed on DOE by the State of TN for violations, such as failing to meet cleanup deadlines on the Oak Ridge Reservation, are used in the Oak Ridge area. **Benefits include:** Avoids penalizing the City of Oak Ridge, Anderson and Roane counties by ensuring that environmental management resources are not taken from Oak Ridge Reservation projects and that remediation is not delayed. **Action needed:** Modification to FFA and other relevant policies to require that penalties, fees, and mitigation associated with CERCLA activities on the Oak Ridge Reservation are invested in environmental restoration in the affected jurisdiction(s).

9. Oak Ridge Reservation Communities Alliance (ORRCA)

Responsible Agency/Organization:

Tennessee Department of Environment and Conservation (TDEC) and Tennessee Emergency Management Agency (TEMA) in conjunction with DOE

Summary:

The City and area county governments adopted the Tennessee Oversight Interlocal Agreement and formed the Oak Ridge Reservation Communities Alliance (ORRCA) in 2012. **Benefits include:** the new agreement and associated grant facilitates involvement of the affected local

governments and public in decisions about DOE environmental management. **Action needed:** Continued cooperation and engagement to ensure local government involvement in federal and state cleanup decisions and emergency response planning.

10. Economic Development Incentives

Responsible Agency/Organization:

General Assembly and Tennessee Department of Economic and Community Development

Action needed:

Maintain the Economic Development Grant, Loan, and Incentive Programs that support economic diversification for the City of Oak Ridge, including “Fast Track” job assistance training and infrastructure programs. Incentivize Brownfield development.

11. Funding for Oak Ridge School System

Responsible Agency/Organization:

General Assembly and Tennessee Department of Education

Summary:

The Oak Ridge educational system is a key asset to the State of Tennessee and to the Oak Ridge community. The City and School administrations continue to collaborate to achieve greater efficiency and effectiveness. However, unfunded mandates imposed by the federal and state governments are having adverse financial impacts at the local level. **Action needed:** The Basic Education Program (BEP) must be fully funded using a local capacity model that recognizes the Oak Ridge community’s investment in education. Provide funding to implement the Tennessee Diploma Project, First to the Top requirements, unfunded mandates, and to assist with capital improvements. Oppose efforts to authorize election of school superintendents.

12. Recognize Local Decision Making Authority and Limited Financial Capacity

Responsible Agency/Organization:

General Assembly

Action needed:

Eliminate unfunded mandates and mandates that impose non-discretionary requirements on local governments.

KEY FEDERAL ISSUES

Legislative Priorities

1. Manhattan Project National Historical Park

Responsible Agency/Organization:

Congress and National Park Service

Summary:

Federal legislation is expected to be introduced to establish the Manhattan Project National Historical Park in Oak Ridge, TN, Los Alamos, NM, and Hanford, WA (three sites, one park concept). In 2012, the City, the Energy Communities Alliance and community representatives testified at House and Senate Committee hearings. **Benefits include:** Historical preservation and interpretation of one of the most significant events in Tennessee and American history. **Action needed:** Urge congressional delegation to pass legislation to establish the park and authorize development of management plan in consultation with the City.

2. Uranium Processing Facility (UPF)

Responsible Agency/Organization:

Congress and the National Nuclear Security Administration

Summary:

This year the National Nuclear Security Administration (NNSA) is expected to complete the design, and start construction on the Uranium Processing Facility at the Y-12 site in Oak Ridge. In 2012 the City of Oak Ridge provided testimony in support of the project at a public hearing in Knoxville. **Benefits include:** supports future mission of the Y-12 National Security Complex, one of the state's largest employers; significant risk reduction to workforce and community; enhances Y-12 efficiencies; and reduces long-term costs. **Action needed:** Urge congressional delegation to support funding through NNSA; the City of Oak Ridge needs to participate in federal and state planning efforts to facilitate project development and implementation.

3. Finish Cleanup of the Oak Ridge Reservation

Responsible Agency/Organization:

Congress and NNSA/Environmental Management office, with support from Office of Science, OMB

Summary:

Significant progress has been made in addressing environmental problems associated with ORR legacy waste. However, the trend over the past several years to reduce funding has resulted in a longer time horizon to

complete environmental management projects, many times with negative results. The postponement of projects at the ETTP site, for example, is detrimental to the reindustrialization and economic diversification goals of the City and region. The City has invested significant resources in reindustrialization; the anticipated return diminished because a reduction in cleanup funds has slowed the transfer of available property. "Mortgage" costs absorb resources that should be applied to additional cleanup. **Benefits of increased funding include:** risk reduction to nearby population, reduction in life cycle costs, enhanced safety for workers, retention of environmental professionals; supports regional economic diversification, facilitates Y-12 and ORNL modernization, reduces stigma associated with environmental legacy. **Action needed:** Urge DOE and OMB to request funding at levels needed to complete timely cleanup of the Oak Ridge Reservation. Urge congressional delegation to support appropriations at the level needed to complete site cleanup. Cleanup solutions should minimize risk to Oak Ridge and avoid long-term institutional controls that stigmatize community.

Administrative Priorities

1. Rebuild Water/Wastewater Infrastructure to Support City Compliance with EPA Administrative Order

Responsible Agency/Organization:

U.S. Environmental Protection Agency (EPA), U.S. Department of Energy (DOE)

Summary:

The City of Oak Ridge is under an EPA Administrative Order to correct violations of the Clean Water Act for inflow and infiltration. DOE is the City's largest customer, and needs to continue to budget and set aside funding to repair its systems on the Oak Ridge Reservation. **Action needed:** Continued cooperation with DOE on financing needed projects, such as storm water retention basins and raw water pumping stations. Work with EPA to establish a more flexible timeline for implementation of the Order, reducing significant financial impacts to citizens.

2. Small Modular Reactor

Responsible Agency/Organization:

DOE Office of Nuclear Energy

Action needed:

Coordination with DOE's Oak Ridge Office, the Tennessee Valley Authority, and the Nuclear Regulatory Commission to ensure proper implementation of grant funding and project development.

3. Partnership with Oak Ridge Library

Responsible Agency/Organization:

DOE and National Park Service

Action needed:

Secure support for joint project with the Oak Ridge Library. Project would include mutual support, mutual benefits, and shared responsibilities.

4. ETPP Site Interpretation

Responsible Agency/Organization:

DOE EM, NNSA

Action needed:

Begin implementation of Section 106 commitment from DOE for dual use of Oak Ridge Fire Station #4, including space for normal Fire Department operations and space dedicated for site historical interpretation.

5. Timely, Cost Effective Land Transfers

Responsible Agency/Organization:

DOE EM, Science, NNSA, and OMB

Summary:

The Economic Development process requires timely response at the local level to acquire and transfer real property. In some cases, transfer of DOE property has taken in excess of 400 days or has not occurred. **Action needed:** Resolve problems in order to expedite transfer of surplus land and brownfields to the City for the purposes of economic development, at no, or extremely low cost, and with necessary indemnification.

6. Penalties and Fees for Non-Compliance Should Restore Oak Ridge

Responsible Agency/Organization:

DOE in conjunction with State of TN

Action needed:

Need to modify Federal Facility Agreement to require that penalties, fees, and mitigation associated with CERCLA activities in the City of Oak Ridge be invested in environmental restoration in the City of Oak Ridge. Current requirements penalize the City of Oak Ridge.

7. Contract Renewals and Rebids

Responsible Agency/Organization:

DOE and NNSA, Small Business Administration

Benefits include: Live where you work, expansion of local tax base to support municipal services, quality of life, and enhance economic diversification. **Action needed:**

Incentivize contractors to invest in Oak Ridge community.

Work with SBA to identify resources for training and support for local workforce needed for UPF and other DOE projects.

8. DOE Reorganization

Responsible Agency/Organization:

Headquarters and OR Site Office

Action needed:

Ensure access to, and accountability for Oak Ridge Site Office to protect investment and missions. Enhance communications among DOE offices and with Oak Ridge community.

Projects and Potential Funding Sources

1. Information Technology Infrastructure (Fiber-based Broadband Network)

Description: Increase capacity to accommodate co-location and integration of school system/city IT infrastructure, where appropriate, and increase education opportunities for students and community (citywide)

Need: \$2.2 million

Primary Funding Source:

- NTIA's Broadband Technology Opportunities Program (BTOP)
- Dept. of Education's 21st Century Community Learning Centers
- USDA's Community Connect program for rural areas

2. Oak Ridge General Aviation Airport

Description: Comprehensive land use planning and feasibility study for development of a general aviation airport at K-25/ETTP

Need: TBD

Primary Funding Source:

- Federal Aviation Administration, Airport Improvement Program

3. Public Safety Training

Description: Investments in Information Technology Infrastructure to facilitate multisite training of Police, Fire, and EMS. Special needs for school system emergency training.

Need: TBD

Primary Funding Source:

- FEMA's Assistance to Fire Fighters Grant Program
- FEMA's Fire Prevention and Safety Grant Program

4. Not in Our City Conceptual Plan

Description: Focused anti-crime strategy

Need: TBD

Primary Funding Source:

- Department of Justice, COPS Hiring Program
- Department of Justice, COPS Technology Program
- Department of Justice, Secure Our Schools Program
- Department of Justice, Second Chance Program (Adult and Juvenile)
- Department of Justice, Project Safe Neighborhoods

5. Not in Our City Conceptual Plan

Description: Focused Housing strategy

Need: TBD

Primary Funding Source:

- HUD's, Neighborhood Initiatives account
- HUD's Neighborhood Stabilization Program Round IV
- HUD's Choice Neighborhoods Program
- Additional resources for Oak Ridge Housing Authority for redevelopment of units under its authority
- Engagement with HUD's College of Experts to access cutting edge community-wide solutions

6. Region-wide Security

Description: Enhance regional security planning and implementation to protect the DOE's Oak Ridge Complex. Address vulnerabilities presented by City's role in protecting infrastructure

Need: TBD

Primary Funding Source:

- Investments in securing City facilities, with priority on Municipal Building
- Structured commitment to collaborate between DOE's security apparatus and protocols and City's Police, Fire, and other Public Safety Departments

7. Climate Action Plan

Description: Resources to implement recommendations and targets for Oak Ridge Climate Action Plan

Need: TBD

Primary Funding Source:

- U.S. Department of Energy, Energy Efficiency Community Block Grant Competitive Program
- Police, Fire, and Public Safety Departments

8. Melton Lake Redevelopment Initiative

Description: Capital infrastructure to transform venue into major tourist and recreational area

Need: TBD

Primary Funding Source:

- U.S. Department of Housing and Urban Development, EDI program
- TVA ; Army Corps of Engineers

9. Smart Grid

Description: “Smart” meters installed at premises to educate ratepayers on energy conservation measures

Need: TBD

Primary Funding Source:

- U.S. Department of Energy, Energy Efficiency Smart Grid Program

10. Fire Department Equipment

Description: Updated personal protective equipment

Need: TBD

Primary Funding Source:

- FEMA’s Assistance to Fire Fighters Grant Program (AFG)

11. Traffic Light Signalization

Description: Coordination on traffic lights to address air quality attainment issue

Need: TBD

Primary Funding Source:

- USDOT’s Congestion Mitigation and Air Quality (CMAQ) Program

12. Community Infrastructure

Description: Wastewater and sewer needs for increased commercial and residential development

Need: TBD

Primary Funding Source:

- Funding from Army Corps of Engineers under 2007 WRDA Authorization for wastewater infrastructure
- U.S. Environmental Protection Agency, State and Tribal Assistance Grants (STAG) discretionary grants
- Alignment of implementation schedule set by EPA for sewer discharges with City resources

13. Economic Development Planning

Description: Enhance Oak Ridge’s marketability to major employers. Recruit, incentivize, and retain quality retail commercial businesses

Need: TBD

Primary Funding Source:

- Economic Development Administration, Planning and Technical Assistance Program

**Resolution to adopt the
City of Oak Ridge
2013 State and Federal
Legislative Agenda
approved by
Oak Ridge City Council
January 14, 2013**

NUMBER 1-6-2013

RESOLUTION

A RESOLUTION TO ADOPT THE CITY OF OAK RIDGE, TENNESSEE 2013 STATE AND FEDERAL LEGISLATIVE AGENDA TO INFORM STATE AND FEDERAL OFFICIALS OF KEY PROJECTS, POLICIES, AND PRIORITIES IN THE CITY OF OAK RIDGE, AND TO HELP SECURE FUNDING FOR AGREED UPON PRIORITIES OF THE COMMUNITY.

WHEREAS, the Oak Ridge City Council desires to develop a state and federal legislative agenda as an instrument to inform state and federal officials of key projects, policies, and priorities in the city of Oak Ridge, and to help secure funding for agreed upon priorities of the community; and

WHEREAS, the City Manager recommends the approval of the *City of Oak Ridge, Tennessee 2013 State and Federal Legislative Agenda* to inform state and federal officials of key projects, policies, and priorities in the city of Oak Ridge, and to help secure funding for agreed upon priorities of the community; and

WHEREAS, the City understands that a local financial match may be required for some projects; and

WHEREAS, while the *City of Oak Ridge, Tennessee 2013 State and Federal Legislative Agenda* is intended to be comprehensive, issues may arise during the course of the year that require further action.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

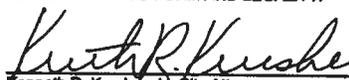
That the recommendation of the City Manager is approved and the attached *City of Oak Ridge, Tennessee 2013 State and Federal Legislative Agenda* is hereby adopted to inform state and federal officials of key projects, policies, and priorities in the city of Oak Ridge, and to help secure funding for agreed upon priorities of the community.

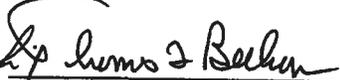
BE IT FURTHER RESOLVED that the Mayor or City Manager is hereby authorized to execute the appropriate legal instruments to accomplish the same.

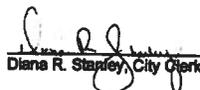
BE IT FURTHER RESOLVED that the *City of Oak Ridge, Tennessee 2013 State and Federal Legislative Agenda* be transmitted to members of the Tennessee General Assembly and the Tennessee Congressional Delegation as the official 2013 state and federal legislative agenda for the City of Oak Ridge.

This the 14th day of January 2013.

APPROVED AS TO FORM AND LEGALITY:


Kenneth R. Krushenski, City Attorney


Thomas L. Beehan, Mayor


Diana R. Stanley, City Clerk

**City of Oak Ridge
P.O. Box 1
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**LEGAL DEPARTMENT MEMORANDUM
13-36**

DATE: September 18, 2013

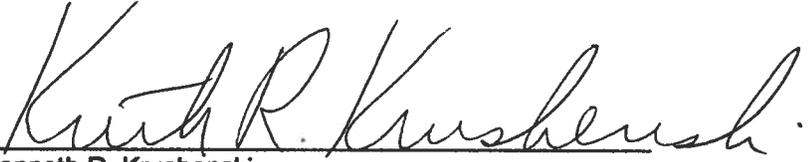
TO: Honorable Mayor and Members of City Council

FROM: Kenneth R. Krushenski, City Attorney

SUBJECT: REDFLEX/CITY OF OAK RIDGE CONTRACT RENEWAL
EXPIRATION DATE APRIL 21, 2014

As was pointed out to Council in Legal Department Memo 13-16 dated May 17, 2013, the Redflex Contract is due to come before Council for renewal prior to April 2014. The term of the Contract was for five (5) years after the installation date of the cameras. City records show the installation date for the photo safety program as being April 22, 2009 with the five-year term ending on April 21, 2014. The Contract allows for two (2) additional consecutive two-year renewal periods. A written notice, not less than thirty (30) days prior to expiration (April 21, 2014) must be sent to Redflex to exercise the option to renew and to maintain the Contract as currently constructed.

A copy of the Redflex contract is attached to this Memo for reference.


Kenneth R. Krushenski

cc: Mark S. Watson, City Manager

Attachment: Redflex Contract

**AGREEMENT
BETWEEN OAK RIDGE TENNESSEE AND REDFLEX TRAFFIC SYSTEMS, INC.
FOR
PHOTO RED LIGHT AND PHOTO SPEED ENFORCEMENT PROGRAM**

This Agreement (this "Agreement") is made as of this the 18th day of August, 2008, by and between the City of Oak Ridge, Tennessee, a municipal corporation with offices at 200 S. Tulane Ave., Oak Ridge, Tennessee 37830, (the "City") and Redflex Traffic Systems, Inc., an Delaware corporation with offices at 15020 N. 74th Street, Scottsdale, Arizona, 85260 ("Redflex").

WITNESSETH:

WHEREAS, on January 4, 2008, the City issued a Request for Proposals for an automated red light and speed enforcement system with the ultimate goal being reduction of collisions at signalized intersections and reduction of speed overall; and

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

WHEREAS, the City has determined that Redflex submitted the proposal that best meets the City's needs; and

WHEREAS, it is a mutual objective of both Redflex and the City to reduce the incidence of vehicle collisions at traffic-controlled intersections and to reduce speeding on city streets that will be monitored pursuant to the terms of this Agreement.

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

1. **DEFINITIONS.** In this Agreement, the words and phrases below shall have the following meanings:
 - 1.1. "Authorized Officer" means any sworn law enforcement officer City designated by the Police Chief of the City to review Potential Violations and to authorize the Issuance of Citations in respect thereto,
 - 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 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 in respect of 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 described, or (v) was required by applicable state law to be described, specifically the Tennessee Public Records Act, Tennessee Code Annotated §10-7-503 et. seq.
- 1.5. "Designated Enforcement Locations" means the identified enforcement locations, including, but not limited to intersections and city streets set forth on Exhibit A attached hereto, and such additional locations as Redflex and the City shall mutually agree 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 in respect of a Potential Violation using the Redflex System.
- 1.7. "Enforcement Documentation" means the necessary and appropriate documentation related to the Photo Red Light and Speed Enforcement Programs, including but not limited to warning letters, citation notices (using the specifications of the City, 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 court procedures, payment options and information regarding the viewing of images and data collected by the Redflex System), chain of custody records, criteria regarding operational policies for processing Citations (including with respect to coordinating with the Department of Motor Vehicles), 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 and Speed System(s), including but not limited to all camera systems, housings, sensor arrays, servers and poles.
- 1.9. "Fine" means a monetary sum assessed for Citation, including but not limited to bail forfeitures, but excluding suspended fines.
- 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 and Speed Program" means the date on which Redflex completes the construction and installation of at least one (1) red light or speed enforcement camera system at a Designated Enforcement Location in accordance with the terms of this Agreement so that such Designated Enforcement Location is operational for the purposes of functioning with the Red Light and/or Speed 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. "Operational Period" means the period of time during the Term, commencing on the Installation Date, during which the Photo Red Light and/or Speed Enforcement Program is functional in order to permit the identification and prosecution of Violations at the Designated Enforcement Locations by an Authorized Officer and the issuance of Citations for such Authorized Violations using the Redflex System.
- 1.14. "Person" means a natural individual, company, Governmental Authority, partnership, firm, corporation, legal entity or other business association.
- 1.15. "Project Manager" means the project manager appointed by the City in accordance with this Agreement, which shall be an Authorized Officer and shall be responsible for overseeing the installation of Designated Enforcement Locations and the implementation of the Red Light and/or Speed Photo Enforcement Program, and which manager shall have the power and authority to make management decisions relating to the City's obligations pursuant to this Agreement, including but not limited to change order authorizations, subject to any limitations set forth in the City's charter, code, administrative policies and procedures, or by the City Council of the City.
- 1.16. "Potential Violation" means, with respect to any motor vehicle passing through a Designated Enforcement Location, the data collected by the Redflex System with respect to such motor vehicle, which data shall be processed by the Redflex System for the purposes of allowing the Authorized Officer to review such data and determine whether a Violation has occurred.
- 1.17. "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.
- 1.18. "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 and/or Speed 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.
- 1.19. "Redflex Project Manager" means the project manager appointed by Redflex in accordance with this Agreement. Redflex shall designate a person by providing written notice thereof to the City from time to time, who shall be responsible for overseeing the construction and installation of the Designated Enforcement Locations and the implementation the Photo Red Light and/or Speed 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. Initially that person shall be Customer Service Representative Leah Adams.
- 1.20. "Redflex Photo Red Light and Speed Enforcement System" means, collectively, the SmartCam™ System, the SmartOps™ System, the Redlight and Speed 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.

- 1.21. "Photo Red Light and Speed 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 sensor arrays which, collectively, are capable of measuring Violations and recording such Violation data in the form of photographic images of motor vehicles.
 - 1.22. "Photo Redlight or Speed Violation Criteria" means the standards and criteria by which Potential Violations will be evaluated by Authorized Officers of the City, which standards and criteria shall include, but are not limited to, excess speed of the vehicle over the posted speed limit being deemed to have committed a Violation, the duration of time that a traffic light must remain red prior to a Violation being deemed to have occurred, and the location(s) which a motor vehicle must pass 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.
 - 1.23. "SmartCam™ System" means the proprietary digital redlight and speed photo enforcement systems of Redflex relating to the Photo Red Light and Speed Enforcement Programs.
 - 1.24. "SmartOps™ System" means the proprietary back-office processes of Redflex relating to the Photo Red Light and Speed Enforcement Programs.
 - 1.25. "SmartScene™ System" means the proprietary digital video camera unit, hardware and software required for providing supplemental violation data.
 - 1.26. "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.
 - 1.27. "Violation" means any traffic violation as defined by the Code of Ordinances of the City of Oak Ridge, Tennessee, including subsequent amendments to the Code thereto, including but not limited to operating a motor vehicle contrary to traffic signals and operating a motor vehicle at a speed in excess of the posted speed limit.
 - 1.28. "Violations Data" means the images and other Violations data gathered by the Redflex System at the Designated Enforcement Locations.
 - 1.29. "Warning Period" means the period of thirty (30) days after the Installation Date of the camera system for each Designated Enforcement Location or speed van deployment (if applicable).
2. **TERM.** Unless terminated or unless the subject matter of this Agreement is rendered illegal, voidable or void by actions of the Tennessee Legislature, Oak Ridge City Council, or a court of competent jurisdiction (local, state or federal), 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 City shall have the right, but not the obligation, to extend the term of this Agreement for up to two (2) additional consecutive two (2) year periods following the expiration of the Initial Term (each, a "Renewal Term" and collectively with the Initial Term, the "Term"). The City 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.
 3. **SERVICES.** Redflex shall provide the Photo Red Light and/or Speed Enforcement Program to the City, in each case in accordance with the terms and provisions set forth in this Agreement.
 - 3.1. **INSTALLATION.** With respect to the construction and installation of Designated Enforcement Locations and the installation of the Redflex System at such Designated Enforcement Locations, the City and Redflex shall have the respective rights and obligations set forth on Exhibit B attached hereto.
 - 3.2. **MAINTENANCE.** With respect to the maintenance of the Redflex System at the Designated Enforcement Locations the City and Redflex shall have the respective rights and obligations set forth on Exhibit C attached hereto.
 - 3.3. **OWNERSHIP OF VIOLATIONS DATA AND DATA REGARDING FINES.** All Violation Data and data concerning Fines shall become and remain the exclusive property of the

City, and the City shall have access thereto on a monthly basis at no cost to the City. Redflex shall not publicly disclose Violation Data or data concerning Fines or privately disclose or use said data for any purposes whatsoever except as specified in this Agreement without the written consent of the City, except for information that: (1) is or becomes generally available to the public through no fault of Redflex personnel, or (2) is required to be disclosed by law or a court of competent jurisdiction.

- 3.4. VIOLATION PROCESSING. During the Operational Period, Violations shall be processed as follows:
- 3.4.1. All Violations Data shall be stored on the Redflex System;
 - 3.4.2. The Redflex System shall process Violations Data gathered from the Designated Enforcement Locations into a format capable of review by the Authorized Officer via the Redflex System;
 - 3.4.3. The Redflex System shall be accessible by the Authorized Officers through a virtual private network in encrypted format by use of a confidential password on any computer equipped with a high-speed internet connection and a web browser;
 - 3.4.4. Redflex shall provide the Authorized Officer with access to the Redflex System for the purposes of reviewing the pre-processed Violations Data within seven (7) days of the gathering of the Violation Data from the applicable Designated Enforcement Locations;
 - 3.4.5. The City shall cause the Authorized Officer to review the Violations Data and to determine whether a citation shall be issued with respect to each Potential Violation captured within such Violation Data, and transmit each such determination in the form of an Electronic Signature to Redflex using the software or other applications or procedures provided by Redflex on the Redflex System for such purpose, and REDFLEX HEREBY ACKNOWLEDGES AND AGREES THAT THE DECISION TO ISSUE A CITATION SHALL BE THE SOLE, UNILATERAL AND EXCLUSIVE DECISION OF THE AUTHORIZED OFFICER AND SHALL BE MADE IN SUCH AUTHORIZED OFFICER'S SOLE DISCRETION (A "CITATION DECISION"), AND IN NO EVENT SHALL REDFLEX HAVE THE ABILITY OR AUTHORIZATION TO MAKE A CITATION DECISION;
 - 3.4.6. With respect to each Authorized Violation, Redflex shall print and mail a Citation within five (5) days after Redflex's receipt of such authorization; provided, however, during the Warning Period, warning violation notices shall be issued in respect of all Authorized Violations;
 - 3.4.7. Redflex shall provide a local customer service office to be located within the city limits of Oak Ridge, Tennessee, with personnel available to answer calls and in-person questions Monday through Friday from 8:00 a.m. to 4:30 p.m., as well as with personnel available to accept payments, and Redflex and the City will assess the need for this office on an annual basis;
 - 3.4.8. Redflex shall permit the Authorized Officer to generate monthly reports using the Redflex Standard Report System;
 - 3.4.9. Upon Redflex's receipt of a written request from the City and in addition to the Standard Reports, Redflex shall provide, without cost to the City, reports regarding the processing and issuance of Citations, the maintenance and downtime records of the Designated Enforcement Locations and the functionality of the Redflex System with respect thereto to the City in such format and for such periods as the City may reasonably request;
 - 3.4.10. Upon the City's receipt of a written request from Redflex, the City shall provide, without cost to Redflex, reports regarding the prosecution of Citations and the collection of fines, fees and other monies in respect thereof in such format and for such periods as Redflex may reasonably request;
 - 3.4.11. During the Term of this Agreement and/or upon Redflex's receipt of a written request from the City at least fourteen (14) calendar days in advance of court proceeding, Redflex shall provide expert witnesses for use by the City in prosecuting Violations;

- 3.4.12. During the Term of this Agreement, Redflex shall provide such training to City personnel as shall be reasonably necessary in order to allow such personnel to act as expert witnesses on behalf of the City with respect to the Red Light and Speed Enforcement Program; and
- 3.4.13. Redflex Traffic Systems shall provide Photo Speed Enforcement programs that utilize both fixed and mobile devices capable of accurately detecting and photographing vehicles exceeding the posted speed limits.
- 3.5. **PROSECUTION AND COLLECTION; COMPENSATION.** The City shall diligently prosecute Citations and the collection of all Fines in respect thereof, and Redflex shall have the right to receive, and the City shall be obligated to pay, the compensation set forth on Exhibit D attached hereto. Nothing in this paragraph shall interfere with the prosecutorial discretion of the City in the routine decisions regarding each individual citation.
- 3.6. **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 City shall have the respective rights and obligations set forth on Exhibit E attached hereto.
- 3.7. **CHANGE ORDERS.** The City 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 City. Following the City's receipt of the Change Order Proposal, the parties shall negotiate in good faith and agree to a plan and schedule for implementation of the proposed changes, the time, manner and amount of payment or price increases or decreases, as the case may be, and any other matters relating to the proposed changes; provided, however, in the event that any proposed change involves only the addition of equipment or services to the existing Designated Enforcement Locations, or the addition of Enforcement Locations to be covered by the terms of this Agreement, to the maximum extent applicable, the pricing terms set forth in Exhibit D shall govern. Any failure of the parties to reach agreement with respect to any of the foregoing as a result of any proposed changes shall not be deemed to be a breach of this Agreement, and any disagreement shall be resolved in accordance with Section 10.
4. **License; Reservation of Rights.**
- 4.1. **License.** Subject to the terms and conditions of this Agreement, Redflex hereby grants the City, and the City hereby accepts from Redflex upon the terms and conditions herein specified, a non-exclusive, non-transferable license during the Term of this Agreement to: (a) solely within the City of Oak Ridge, access and use the Redflex System for the sole purpose of reviewing Potential Violations and authorizing the issuance of Citations pursuant to the terms of this Agreement, and to print copies of any content posted on the Redflex System in connection therewith, (b) disclose to the public (including outside of Oak Ridge, Tennessee) that Redflex is providing services to the City in connection with Photo Red Light and/or Speed Enforcement Program pursuant to the terms of this Agreement, and (c) 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 and/or Speed Enforcement Program, so long as any and all such publications or materials are approved in advance by Redflex.
- 4.2. **RESERVATION OF RIGHTS.** The City hereby acknowledges and agrees that: (a) Redflex is the sole and exclusive owner of the Redflex System, the Redflex Marks, all Intellectual Property arising from or relating to the Redflex System, and any and all related Equipment, (b) the City 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 (c) by reason of the exercise of any such rights or interests of City pursuant to this Agreement, the City shall gain no additional right, title or interest therein.

- 4.3. **RESTRICTED USE.** The City hereby covenants and agrees that it shall not (a) make any modifications to the Redflex System, including but not limited to any Equipment, (b) alter, remove or tamper with any Redflex Marks, (c) use any of the Redflex Marks in any way which might prejudice their distinctiveness, validity or the goodwill of Redflex therein, (d) use any trademarks or other marks other than the Redflex Marks in connection with the City's use of the Redflex System pursuant to the terms of this Agreement without first obtaining the prior consent of Redflex, or (e) disassemble, de-compile or otherwise perform any type of reverse engineering to the Redflex System, the Redflex 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 City 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 City 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 City 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 City for any reasonable costs incurred in providing such cooperation and assistance.
- 4.6. **INFRINGEMENT USE.** The City shall give Redflex prompt written notice of any action or claim action or claim, whether threatened or pending, against the City 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 City 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 City for any reasonable costs incurred in providing such cooperation and assistance. If such a claim is made and Redflex determines, in the exercise of its sole discretion, that an infringement may exist, Redflex shall have the right, but not the obligation, to procure for the City the right to keep using the allegedly infringing items, modify them to avoid the alleged infringement or replace them with non-infringing items.

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 System, subject to applicable law, in compliance with the general guidelines and needs provided to Redflex by the City. Redflex understands that City is relying upon the expertise of Redflex to recommend, select and install the appropriate equipment to carry out the purpose of this contract and warrants that it considers itself fully capable of supplying a camera system to properly support enforcement of the City's photo enforcement ordinance(s).

5.2. City Representations and Warranties.

5.2.1. Authority. The City 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 City hereby warrants and represents that any and all services provided by the City pursuant to this Agreement shall be performed in a professional and workmanlike manner.

5.2.3. LIMITED WARRANTIES. REDFLEX WARRANTS THAT THE REDFLEX SYSTEM WILL OPERATE IN THE MANNER PRESCRIBED AS A PHOTO RED LIGHT AND/OR SPEED ENFORCEMENT SYSTEM, INCLUDING THE ABILITY TO ACCURATELY CAPTURE VIOLATION IMAGES AND 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 SYSTEM OR ANY RELATED EQUIPMENT OR WITH RESPECT TO THE RESULTS OF THE CITY'S USE OF ANY OF THE FOREGOING. NOTWITHSTANDING ANYTHING TO THE CONTRARY SET FORTH HEREIN, REDFLEX DOES NOT WARRANT THAT ANY OF THE DESIGNATED ENFORCEMENT SITES OR THE REDFLEX SYSTEM WILL OPERATE IN A WAY OTHER THAN PHOTO ENFORCEMENT AS DESCRIBED IN THIS CONTRACT. SHOULD THE REDFLEX SYSTEM MALFUNCTION, SUBJECT TO THE TERMS OF THIS AGREEMENT, REDFLEX SHALL CORRECT ANY SUCH MALFUNCTION WITHIN 72 HOURS OF NOTIFICATION SUBJECT TO UNCONTROLLABLE CIRCUMSTANCES SUCH AS, BUT NOT LIMITED TO, "ACTS OF GOD" OR THIRD PARTY DEPENDENCY, SUCH AS, BUT NOT LIMITED TO, THE LENGTH OF TIME TO COMPLETE THE PERMITTING PROCESS.

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) state or federal statutes are amended to prohibit or substantially change the operation of photo red light and/or speed enforcement systems, or state or federal law changes to designate such systems are in violation of constitutionally protected rights; (ii) the City's ordinance authorizing automated red light and/or speed camera enforcement is repealed, (iii) any court having jurisdiction over City rules, or state or federal statute declares, that results from the Redflex System of photo red light enforcement are inadmissible in evidence; (iv) the other party commits any material breach of any of the provisions of this Agreement; or (v) if the system fails to produce a positive public safety outcome, as referenced by an average reduction in overall frequency of red-light violations and/or speed violations after twelve (12) months of the issuance of the first citation, when compared to the baseline frequency of violations identified from the pre-installation intersection study. In the event of a termination due to Section 6.1(i), 6.1(ii) or 6.1(iii) above, as well as a termination due to Section 6.1(iv) where Redflex is the defaulting party, the City shall be relieved of any further obligations for payment to Redflex other than as specified in Exhibit "D". Either party shall have the right to remedy the cause for termination set forth in Section 6.1(iv) within forty-five (45) calendar days (or within such other time period as the City and Redflex shall mutually agree) after written notice from the non-causing party setting forth in reasonable detail the events of the cause for termination.

- 6.2. The rights to terminate this Agreement given in this Section 6.1 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.
- 6.3. **PROCEDURES UPON TERMINATION.** The termination of this Agreement shall not relieve either party of any obligation that accrued prior to such termination. Except as set forth in Section 6.3, upon the termination of this Agreement, all of the provisions of this Agreement shall terminate and:
- 6.3.1. Redflex shall (i) immediately cease to provide services, including but not limited to work in connection with the construction or installation activities and services in connection with the Photo Red Light and/or Speed Enforcement Program, (ii) promptly deliver to the City any and all Proprietary Property of the City provided to Redflex pursuant to this Agreement, (iii) promptly deliver a final report to the City regarding the collection of data and the issuance of Citations in such format and for such periods as the City 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, (iv) promptly deliver to the City a final invoice stating all fees and charges properly owed by the City to Redflex for work performed and Citations issued by Redflex prior to the termination, and (v) provide such assistance as the City may reasonably request from time to time in connection with prosecuting and enforcing Citations issued prior to the termination of this Agreement.
- 6.3.2. The City shall (i) immediately cease using the Photo Red Light and/or Speed Enforcement Program, accessing the Redflex System for purposes other than resolution of Potential Violations or Violations occurring prior to the effective date of termination, and using any other Intellectual Property of Redflex, (ii) promptly make available to Redflex any and all Proprietary Property of Redflex provided to the City pursuant to this Agreement for Redflex to retrieve from the City, and (iii) promptly pay any and all fees, charges and amounts properly owed by the City to Redflex for work performed and Citations issued by Redflex prior to the termination.
- 6.3.3. Unless the City and Redflex have agreed to enter into a new agreement relating to the Photo Red Light and/or Speed Enforcement Program or have agreed to extend the Term of this Agreement, Redflex shall, within sixty (60) days of the effective date of termination, 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 Enforcement Locations to substantially the same condition such Designated Enforcement Locations were in immediately prior to this Agreement. Unless mutual agreed or caused by a factor outside of Redflex' control, if Redflex fails to remove any equipment or other materials within the sixty-day timeframe, such equipment and materials shall automatically become the property of the City.
- 6.3.4. Redflex shall (i) immediately cease using the Photo Red Light and/or Speed Enforcement Program in the City of Oak Ridge, (ii) promptly deliver to City any and all Proprietary Property of City provided to Redflex pursuant to this Agreement, and (iii) promptly pay the City's share of any and all fees, charges and amounts properly owed by Redflex to the City for work performed and Citations issued and collected by Redflex under this Agreement prior to the termination.
- 6.4. **SURVIVAL.** Notwithstanding the foregoing, the definitions and each of the following shall survive the termination of this Agreement: (a) Sections 4.2 (Reservation of Rights), 5.1 (Redflex Representations and Warranties), 5.2 (City Representations and Warranties), 5.3 (Limited Warranty), 7 (Confidentiality), 8 (Indemnification and Liability), 9 (Notices), 10 (Dispute Resolution), 11.1 (Assignment), 11.17 (Applicable Law), 11.16 (Injunctive Relief; Specific Performance) and 11.18 (Jurisdiction and Venue), and (b) 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 (a) to its employees who are reasonably required to have the Confidential Information, (b) 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 (c) pursuant to, and to the extent of, a request or order by any Person, including laws relating to public records and specifically including the provisions of the Tennessee Public Records Act, Tennessee Code Annotated §10-7-503 et. seq.
8. **Indemnification and Liability.**
- 8.1. **Indemnification by Redflex.** Subject to Section 8.3, Redflex, its agents and employees (collectively the "Redflex Parties") hereby agree to defend, indemnify, and hold harmless the City and its affiliates, shareholders or other interest holders, managers, officers, 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 "City Party" and collectively, the "City Parties") against, and to protect, save and keep harmless the City Parties from, and to pay on behalf of or reimburse the City Parties as and when incurred for, any and all liabilities, obligations, losses including loss of life or loss of property, personal injuries, property damage, damages (including but not limited to consequential or incidental damages), penalties, demands, claims, actions, suits, judgments, settlements, costs, expenses and disbursements (excluding reasonable attorneys' fees but including accountants' and expert witnesses' fees) of whatever kind and nature (collectively, "Losses"), which result from, or are in any way connected with, or alleged to have arisen from (a) an omission of Redflex Parties pursuant to this Agreement, (b) any material misrepresentation, inaccuracy or breach of any covenant, warranty or representation of Redflex Parties contained in this Agreement, (c) the negligence of Redflex Parties, or (d) claims that the Redflex Photo Red Light and/or Speed Enforcement System, but not the issuance, processing or adjudication of a Citation, violates the civil rights of any person; except such Losses caused by the negligence of the City.
The required limits of insurance shall not limit Redflex's indemnification obligations.
- 8.2. **Indemnification by the City.** Any liability of the City to Redflex and third parties for any claims, damages, losses or costs arising out of, or related to, acts performed by the City under this Agreement shall be governed and limited by the provisions of the Tennessee Governmental Tort Liability Act, Tennessee Code Annotated §29-20-101, et. seq. Nothing in this Agreement shall be construed to extend the liability of the City beyond what is imposed by the Tennessee Governmental Tort Liability Act.
- 8.3. **Indemnification Procedures.** In the event any claim, action or demand (a "Claim") in respect of which City seeks indemnification from Redflex, the City shall give the party from whom indemnification is sought (the "Indemnifying Party") written notice of such Claim promptly after the City first becomes aware thereof; provided, however, that failure so 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. Redflex shall then have the right to choose counsel to defend such Claim (subject to the approval of such counsel by the City, which approval shall not be unreasonably withheld, conditioned or delayed), and to control, compromise and settle such Claim, and the City shall have the right to

participate in the defense at its sole expense; provided, however, the City shall have the right to take over the control of the defense or settlement of such Claim at any time if the City irrevocably waives all rights to indemnification from and by Redflex. Redflex and the City 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.

8.4 LIMITED LIABILITY. Notwithstanding anything to the contrary in this Agreement, neither party shall be liable to the other, by reason of any representation or express or implied warranty, condition or other term or any duty at common or civil law, for any indirect, incidental, special, lost profits or consequential damages, however caused and on any theory of liability arising out of or relating to this Agreement. Claims against the City by third parties are expressly exempt from this section.

9. **NOTICES.** Any notices to be given hereunder shall be in writing, and shall be deemed to have been given (a) upon delivery, if delivered by hand, (b) three (3) days after being mailed first class, certified mail, return receipt requested, postage and registry fees prepaid, or (c) one 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 74th Street
Scottsdale, AZ 85260
Attention: Ms. Karen Finley
Facsimile: (480) 607-5552

9.2. Notices to the City:

For personal delivery or courier:
City of Oak Ridge, Tennessee
200 S. Tulane Ave.
Oak Ridge, TN 37830
Attention: Office of the Chief of Police
Facsimile: (865) 425-3607

For delivery by mail:
City of Oak Ridge, TN
P.O. Box 1
Oak Ridge, TN 37831

With a copy to:

For personal delivery or courier:
City of Oak Ridge
Legal Department
200 S. Tulane Avenue
Oak Ridge, TN 37830
Facsimile: (865) 425-3420

For delivery by mail:
City of Oak Ridge
Legal Department
P.O. Box 1
Oak Ridge, TN 37831

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 may mutually agree to submit to nonbinding arbitration or mediation. If the parties cannot mutually agree to a resolution of

their dispute through these means, or should they not agree to submit to nonbinding arbitration or mediation, the parties agree that any litigation of between them arising from this Agreement shall be decided by a Court of competent jurisdiction in Anderson County and Roane County, Tennessee. Redflex agrees that jurisdiction and venue in Anderson County and Roane County, Tennessee is the only proper venue for such litigation and that the City of Oak Ridge has not, and will not, by entering into this Agreement had substantial minimum contacts with any other venue.

11. Miscellaneous.

- 11.1. Assignment. Neither party may assign all or any portion of this Agreement without the prior written consent of the other, provided, however, the City hereby acknowledges and agrees that the execution (as outlined in Exhibit F), delivery and performance of Redflex's rights and obligations 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 City hereby agrees that, in such case, 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 City's prior written approval, which approval shall not be unreasonably withheld or delayed. The City further acknowledges and agrees that in the event that Redflex provides written notice to the City that it intends to Transfer all or any of Redflex's rights pursuant to this Agreement, and in the event that the City 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 City shall be deemed to have consented to and approved such Transfer by Redflex. In the event of a transfer by Redflex of its rights, or any of them, under this Agreement, to any Financial Institution, Redflex agrees, covenants and warrants that it will remain liable to City for fulfillment of its duties and obligations to City under this Agreement. 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 CITY. 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 or execute any documents or make any commitments to any contractual or other obligations with third parties (except as specifically provided herein). It is further understood that City shall not control the details of the work of Redflex, nor dictate hiring or termination decisions of Redflex. City, except as specifically set forth herein, shall not provide any tools, equipment or other materials to Redflex. City shall have no right to dictate to Redflex the manner in which it carries out its obligations hereunder, City being only interested in the proper final result provided by Redflex to City. Redflex warrants, covenants and agrees that it has many other clients and that the work of Redflex hereunder is only one of many other contracts. Redflex further understands that City is fully and wholly relying upon Redflex's expertise and knowledge to carry out the terms of this Agreement. It is further understood that Redflex shall have no ability to require the City to make changes to its traffic system including, but not limited to, the timing and sequencing of traffic lights which decisions shall remain the sole decisions of the City. Decisions regarding locations of Designated Enforcement Locations are mutual, with either party having the ability to reject a proposed location.
- 11.3. AUDIT RIGHTS. The parties hereto shall have the right to audit 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 one week's 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 Party seeking the audit of the other. 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 twenty five percent (25%) 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. Either party may, before having to pay any underpayment or return any overpayment, dispute the findings of the audit and attempt to resolve the matter pursuant to paragraph 10 herein.

- 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.
- 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 Tennessee, United States.
- 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 a court of competent jurisdiction located in Anderson County or Roane County, Tennessee, whichever is applicable, and both parties specifically agree to be bound by the jurisdiction and venue thereof.
- 11.19. ANTI-DISCRIMINATION. Redflex shall not, in any way, directly or indirectly, discriminate against any person because of race, creed, color, national origin, religion, age, sex, sexual orientation, disability or other legally protected status with respect to this Agreement. This requirement includes the process for selection and retention of subcontractors, procurements of materials and leases of equipment. The City encourages the utilization of minority and women-owned businesses in its contracting and subcontracting projects and Redflex is encouraged to actively solicit the participation of these businesses. Redflex shall inform its subcontractors and vendors of this requirement and shall ensure compliance therewith.
- 11.20. CONTRACT DOCUMENTS. The executed Contract Documents shall consist of the following: (a) this Agreement, including Exhibits, (b) the City's Request for Proposals, (c) Redflex's proposal to the City, and (d) the required insurance certificates. The contract documents are incorporated herein by reference and made a part of this Agreement as if fully set forth verbatim. To the extent there is a conflict between any of the documents, the terms of this Agreement shall control, followed by the terms of the City's Request for Proposals and then followed by the terms of Redflex's Proposal.

CITY OF OAK RIDGE TENNESSEE

By: Thomas L. Beehan
Mayor THOMAS L. BEEHAN
Oak Ridge, Tennessee

On this 25th Day of August, 2008

REDFLEX TRAFFIC SYSTEMS, INC.,

By: Aaron Rosenberg
Aaron Rosenberg
Executive Vice President

On this 13 Day of August, 2008

APPROVED AS TO FORM AND LEGALITY:

Kurt R. Kusherski
City Attorney

Approved by Resolution 8-77-08

EXHIBIT "A"
Designated Enforcement Locations

The contract is for the implementation at up to 15 enforcement systems. Identification of enforced intersections approaches and city street locations will be based on mutual agreement between Redflex and the City as warranted by community safety and traffic needs. It is the intent of the City to begin automated enforcement at locations which will increase traffic safety and pedestrian safety at the schools through the deployment of a mobile speed enforcement system and/or installation of Photo Speed Enforcement Systems within the school zones and the installation of Photo Red Light and Speed Enforcement Systems at intersections near the schools, where warranted.

EXHIBIT "B"
Construction and Installation Obligations

Timeframe for Installation: Fixed Combination Photo Speed and Red Light Enforcement System
Redflex will have each specified intersection installed and activated in phases in accordance with an implementation plan to be mutually agreed to by Redflex Traffic Systems and the City.

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

Redflex will use reasonable commercial efforts to install and activate the system located at the first specified Designated Enforcement Location within forty-five (45) to sixty (60) days subsequent to the issuance of applicable permits. The City agrees that the estimated timeframe for installation and activation are subject to conditions beyond the control of Redflex and are not guaranteed.

In order to provide the City with timely completion of the photo enforcement project Redflex Traffic Systems requires that the City assist with providing timely approval of City permit requests.

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 between one (1) and four (4) people to assist the Redflex Project Manager;
 - 1.2. Request current "as-built" electronic engineering drawings for the Designated Enforcement Locations (the "Drawings") from the City traffic engineer, or state traffic engineer, or other authority having possession of the applicable drawings,
 - 1.3. Develop and submit to the City for approval construction and installation specifications in reasonable detail for the Designated Enforcement Locations, including but not limited to specifications for all radar sensors, pavement loops, electrical connections and traffic controller connections, as required; and
 - 1.4. Seek approval from the relevant Governmental Authorities having authority or jurisdiction over the construction and installation specifications for the Designated Enforcement Locations (collectively, the "Approvals"), which will include compliance with City permit applications.
 - 1.5. Finalize the acquisition of the Approvals;
 - 1.6. Submit to the City a public awareness strategy for the City's consideration and approval, which strategy shall include media and educational materials for the City's approval or amendment (the "Awareness Strategy");
 - 1.7. Develop the Redlight and Speeding Violation Criteria in consultation with the City, with the City having ultimate approval of Violation Criteria;
 - 1.8. Develop the Enforcement Documentation for approval by the City, 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 Enforcement Locations in strict compliance with all State and local laws, ordinances, statutes, rules and regulations, and subject to the approval of all applicable Governmental Authorities, specifically including the City Engineer and the City's Electric Department Director (under the supervision of the City);
 - 1.10. Cause an electrical sub-contractor to complete all reasonably necessary electrical work at the Designated Enforcement Locations, 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 Enforcement Locations with the Redflex System and establish fully operational Violation processing capability with the Redflex System;
 - 1.12. Implement the use of the Redflex System at each of the Designated Enforcement Locations;

- 1.13. Deliver the Materials to the City; and
 - 1.14. Issue citation notices for Authorized Violations;
 - 1.15. Redflex shall provide training (i) for up to fifteen (15) personnel of the City, including but not limited to the persons who City shall appoint as Authorized Officers and other persons involved in the administration of the Redlight and Speed Photo Enforcement Program, (ii) for at least sixteen (16) hours in the aggregate, (iii) regarding the operation of the Redflex System and the Redlight and Speed Photo Enforcement Program, which training shall include training with respect to the Redflex System and its operations, strategies for presenting Violations Data in court and judicial proceedings and a review of the Enforcement Documentation;
 - 1.16. Interact with court and judicial personnel to address issues regarding the implementation of the Redflex System, the development of a subpoena processing timeline that will permit the offering of Violations Data in court and judicial proceedings, and coordination between Redflex, the City and City Court personnel; and
 - 1.17. Provide reasonable public relations resources and media materials to the City in the event that the City elects to conduct a public launch of the Redlight and/or Speed Photo Enforcement Program.
 - 1.18. Citation processing and citation re-issuance.
2. **CITY OBLIGATIONS.** The City shall do or cause to be done each of the following (in each case, unless otherwise stated below, at City's sole expense):
- 2.1.1. Appoint the Project Manager;
 - 2.1.2. Assist Redflex in obtaining the Drawings from the relevant Governmental Authorities;
 - 2.1.3. Notify Redflex of any specific requirements relating to the construction and installation of any Enforcement Locations or the implementation of the Redlight and/or Speed Photo Enforcement Program;
 - 2.1.4. Provide assistance to Redflex in obtaining access to the records data of the Department of Motor Vehicles in Redflex's capacity as an independent contractor to the City; and
 - 2.1.5. Assist Redflex in seeking the Approvals
 - 2.1.6. Provide reasonable access to the City's properties and facilities in order to permit Redflex to install and test the functionality of the Designated Enforcement Locations and the Red Light and/or Speed Photo Enforcement Program;
 - 2.1.7. Provide reasonable access to the personnel of the City and reasonable information about the specific operational requirements of such personnel for the purposes of performing training;
 - 2.1.8. Seek approval or amendment of Awareness Strategy and provide written notice to Redflex with respect to the quantity of media and program materials (the "Materials") that the City will require in order to implement the Awareness Strategy during the period commencing on the date on which Redflex begins the installation of any of the Designated Enforcement Locations and ending one (1) month after the Installation Date;
 - 2.1.9. Assist Redflex in developing the Red Light and Speed Violation Criteria; and
 - 2.1.10. Seek approval of the Enforcement Documentation.

EXHIBIT "C"

Maintenance

1. All repair and maintenance of Photo Red Light Enforcement systems and related equipment will be the sole responsibility of Redflex, including but not limited to maintaining the casings of the cameras included in the Redflex System and all other Equipment in reasonably clean and graffiti-free condition.
2. Redflex shall not open the Traffic Signal Controller Boxes without a representative of City's Electric Department present.
3. The provision of all necessary communication, broadband, telephone and electric services to the cameras and equipment installed by Redflex at the Designated Enforcement Locations will be the sole responsibility of the Redflex.
4. 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.
5. The Redflex Project Manager (or a reasonable alternate) shall be available to the Project Manager each day, on a reasonable best efforts basis.
6. Redflex shall commence repairs and/or replace any defective camera or other equipment within forty-eight (48) hours of notification.
7. Redflex shall review the operation of all cameras and equipment on at least a weekly basis and shall perform routine scheduled maintenance and cleaning as required.
8. Redflex shall maintain maintenance logs which will include the information specified in the Contract Documents, including but not limited to preemptive maintenance, information obtained from remote status checks of each installed camera, information obtained from remote software maintenance and support, inspections, dates and times when inspected were conducted, the name of the Redflex technician performing the inspection, results of the inspection, the date of the next scheduled inspection, reason for the inspection, and repair activities.

Oak Ridge, TN
EXHIBIT "D"
COMPENSATION & PRICING

All payments on Citations issued pursuant to this agreement and in compliance with Tennessee Code Annotated §9-4-107 will be deposited into a lockbox account at a Bank approved by the State of Tennessee, which is a FDIC member bank and member of the Tennessee State Collateral Pool and agreed upon by the City and Redflex (hereinafter referred to as the lockbox account). The lockbox account will be a City account in the City's name and designated as public funds. Redflex CFO will have authorized access to this account, but not signatory authority for withdraws. Redflex will be responsible for the following:

- Monitor all fines collected in the lockbox account;
- Pay all fees associated with the lockbox account;
- Credit card convenience fees will be charged directly to the violator and discount fees will be the responsibility of Redflex.
- Process returned items, such as checks for insufficient funds and failed credit card transactions;
- Develop reporting formats in conjunction with the Bank that are compatible with Redflex's accounting applications;
- Report the account activity on a monthly basis to the City; and
- Bill the City in accordance with the agreed upon fee schedule.

The City's Finance Director will have controlled access to the lockbox account and funds can only be transferred out of the lockbox account by authorized signatories of the City of Oak Ridge as designated by the City.

Redflex will offer the following payment methods;

- **By Mail:** When paying a Citation by mail, the individual will be asked to enclose the Citation and personal check, money order or cashier's check for the fine amount and court costs indicated on the front of the Citation. Checks will be made payable as directed by the City and will be mailed to a specified address for deposit in the lockbox account.
- **By Phone:** Credit card payments will be accepted over the telephone by calling the Redflex local customer service office. Redflex will direct the third party processor processing said payments initiated via telephone to deposit the funds directly to the lockbox account.
- **Pay-by-Web:** Credit card payments will be accepted by Redflex via the Internet. Redflex will direct the third party processor processing said payments initiated via internet to deposit the funds directly to the lockbox account.
- **Walk-in:** Walk-in payments by personal check, money order, cashiers' check, or credit card shall be accepted at the Redflex local customer service office, Monday through Friday between the hours of 8:00 a.m. to 4:30 p.m.

The City Court Clerk may accept payment from individuals desiring to make payments by cash or check in person at the City of Oak Ridge Municipal Building City Court Clerk's Office or such other locations as the City may designate. Redflex will provide the City's City Court personnel with appropriate access into Redflex's applications in order to permit payment to be receipted and posted to Redflex's Photo Enforcement system. The access into Redflex application must provide for adjustment of an individual's account for returned checks. These transactions' will be tracked and included in the monthly reporting and invoice for services submitted by Redflex.

Not later than the fifteenth day of each month, Redflex will provide the City with a report summarizing all collections through the lockbox account and those collected by the City's City Court Clerk Office and an invoice for Redflex's services in accordance with the agreed upon fee schedule. Within fifteen (15) business day of receipt of the monthly reports and invoice, the City will transfer the gross lockbox collections reported by Redflex to a City account, and shall retain the City's portion of the collections and will pay Redflex the invoiced amount per the fee schedule set out below for the reporting period. The City will pay Redflex either by check or wire transfer as directed by Redflex. The City shall be responsible for interest in the amount of 1.5% on any uncontested payment due to Redflex that is more than thirty (30) delinquent. Redflex will reconcile, all receipts, returned checks and charge backs by credit card companies on a monthly basis.

Redflex shall be responsible for handling the collection of delinquent Citation Fines. All collections shall be conducted in accordance with Tennessee law. Any late fees collected by Redflex shall be distributed equally between the City and Redflex. The City shall have approval over Redflex's collection process, which approval shall not be unreasonably withheld.

Court costs and litigation taxes shall be the property of the City and Redflex shall not be entitled to any portion thereof.

For the purposes of this Exhibit D, "received" will mean that the Citation payment or partial Citation payment is collected and deposited into the lockbox account and, in the case of a check, when the check is paid by the bank upon which it is drawn, and in the case of a credit card, when payment is made by the credit card company.

Per Paid Fee

Photo Red Light and/or Speed Violation Pricing*

Tier	Citations Paid (Average Per System per Month)	Redflex share of total receipts
Tier 3	151+ citations paid per month	\$21.00
Tier 2	101-150 citations paid per month	\$28.00
Tier 1	0-100 citations paid per month	\$42.50

* These tiers are incremental: e.g. if the program's red light and/or speed cameras deliver the equivalent average of 350 paid citations in a month per system, the vendor fee will be \$42.50 of the first 100 paid citations, \$28.00 of the next 50 paid citations and \$21.00 of paid citation numbers 151+. The tiers will be applied as a simple average of citations across the City's entire Red Light and Speed Enforcement Program. That average will be determined by the total paid citations in a month, by violation type, divided by the total number of cameras installed and operating for the entire month. Each citation type will be billed independently.

BUSINESS ASSUMPTIONS FOR ALL PRICING OPTIONS:

1. Redflex construction will be able to utilize existing conduit for installation where space is available.

Exhibit "E"

Additional Rights and Obligations

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

1. Redflex shall assist the City 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 Red Light and/or Speed Photo Enforcement Program (actual print and production costs are the sole responsibility of the City).
2. The Redflex 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"), which Signage shall be approved in advance by the City. Redflex shall assist in determining the placement of such Signage. Redflex shall be solely responsible for installing Signage in strict accordance with all application laws, rules, regulations, ordinances, statutes and standards, and subject to the approval of all applicable Governmental Authorities, specifically including the City Engineer.
3. The Redflex Project Manager and the City's 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, places and manners as the Redflex Project Manager and the City Project Manager shall mutually agree.
4. The City shall not access the Redflex System or use the Red Light and/or Speed Photo Enforcement Program in any manner other than prescribed by law or by this Agreement, or which could damage, disable, impair or overburden the Redflex System or the Redflex Photo Enforcement Program, and the City shall not attempt to gain unauthorized access to (i) any account of any other Person, (ii) any computer systems or networks connected to the Redflex System, or (iii) any materials or information not intentionally made available by Redflex to the City by means of hacking, password mining or any other method whatsoever, nor shall the City cause any other Person to do any of the foregoing.
5. The City shall maintain the confidentiality of any username, password or other process or device for accessing the Redflex System or using the Red Light and/or Speed Photo Enforcement Program.
6. Each of Redflex and the City 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 City shall obey any and all such rules and regulations.
7. The City shall promptly reimburse Redflex for the cost of repairing or replacing any portion of the Redflex System, or any property or equipment related thereto, damaged directly or indirectly by the City, 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 State of Tennessee 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 City and any changes to such deductibles or self-insured retentions during the Term must be approved in advance in writing by the City.
7. With respect to the Commercial General Liability Insurance the following additional provisions shall apply:
8. The City 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 City Parties in connection with this Agreement, and any insurance or self-insurance maintained by any of the City 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 City 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 City and shall take all necessary actions to correct such cancellation in coverage limits, and shall provide written notice to the City 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 City 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 City for such insurance. If the premium costs advanced by the City for such insurance exceed any amounts due to Redflex pursuant to this Agreement, Redflex shall promptly remit such excess amount to the City 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 City prior to Redflex commencing any work pursuant to the terms of this Agreement.

EXHIBIT F
FORM OF ACKNOWLEDGMENT AND CONSENT

This Acknowledgement and Consent, dated as of _____, 2008, is entered into by and between the City of _____ (the "City") and Redflex Traffic Systems, Inc., ("Redflex"), with reference to the Agreement between the City of _____ and Redflex Traffic Systems, Inc., for Photo Red Light Enforcement Program and Violation Processing Program, dated as of _____, by and between the City and Redflex (the "Agreement").

1. Redflex has entered into a Multicurrency Credit Agreement, dated as of June 2, 2008 (the "Multicurrency Credit Agreement"), by and among Redflex, as Borrower, the guarantors from time to time party thereto, as Guarantors, the lenders from time to time party thereto, as Lenders (the "Lenders"), and Bank of Montreal, as Administrative Agent (the "Administrative Agent"), pursuant to which the Lenders have 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 City under the Agreement.

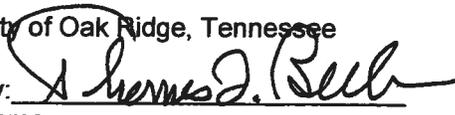
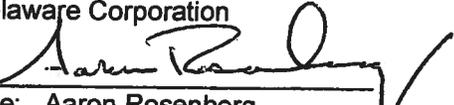
2. Pursuant to the Multicurrency Credit Agreement, Redflex has granted the Administrative Agent, for the benefit of the secured creditors, a security interest in all of Redflex's personal property as collateral for the payment and performance of Redflex's obligations to the Administrative Agent and the Lenders under the Multicurrency 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 Multicurrency Credit Agreement, be relieved of any liability or obligation under the Agreement, and the Administrative Agent has not assumed any liability or obligation of Redflex under the Agreement.

4. The City hereby acknowledges notice of, and consents to, Redflex's grant of such security interest in favor of the Administrative Agent, for the benefit of the secured creditors, in all of Redflex's rights and interests under the Agreement pursuant to the Multicurrency Credit Agreement.

5. The City further acknowledges and agrees that this Acknowledgement and Consent shall be binding upon the City and shall inure to the benefit of the successors and assigns of the Administrative Agent, and to any replacement lenders which refinance Redflex's obligations to the Administrative Agent and the Lenders under the Multicurrency Credit Agreement.

IN WITNESS WHEREOF, the City 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.

<p>The City:</p> <p>City of Oak Ridge, Tennessee</p> <p>By: <u></u></p> <p>Name: _____</p> <p>Title: <u>Mayor</u></p>	<p>Redflex:</p> <p>REFLEX TRAFFIC SYSTEMS, INC., a Delaware Corporation</p> <p>By: <u></u></p> <p>Name: <u>Aaron Rosenberg</u></p> <p>Title: <u>Executive Vice President</u></p>
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COMMUNITY DEVELOPMENT DEPARTMENT MEMORANDUM

13-39

DATE: September 18, 2013
TO: Mark S. Watson, City Manager
FROM: Kathryn G. Baldwin, Community Development Director
SUBJECT: LAND BANK NEXT STEPS



An Ordinance creating the Oak Ridge Land Bank passed City Council on September 9, 2013. At this time, the next step in establishment of the Land Bank is creation of the Board of Directors and establishing priorities to govern disposition of properties. In addition, goals and objectives of the Land Bank should be conveyed by City Council.

Board of Directors

Creation of the seven-member Board of Directors initially consists of identifying areas of expertise that should be represented through the Board membership. Suggestions may include: a Council Representative, an Attorney, Real Estate Agent, Real Estate Appraiser, Banker with real estate financing experience, Building Contractor with renovation and/or remodeling experience, professional Home Inspector, Citizen with prior work with Non-Profit Housing Organizations and Tax Credit Projects, an individual with experience in grant writing and citizens at large.

Goals and Objectives

The second issue is to convey a set of goals and objectives for the Land Bank to reach. This could include:

- Stabilize or increase property values
- Neighborhood revitalization by enhancement of quality of life elements
- Encouragement for neighborhood reinvestment
- Ensure compliance with Life Safety and Construction Codes
- Preserve and enhance our residential neighborhoods
- Reduce the number of vacant/abandoned buildings
- Increase Occupancy levels
- Diversify methods of Property Acquisition
- Formalize procedure for donation of private property
- Establish working relationship with banking Institutions
- Act as a proponent for changes to State Property Tax Foreclosures
- Provide clean titles to private sector
- Brownfield redevelopment
- Make properties available for market based development

Disposition of Properties

The third action Council must take is to establish a hierarchical ranking of priorities for disposition of real property. This ensures that as the Land Bank Board of Directors manages property acquired, the ultimate use and disposal meets criteria and goals established by City Council. This is a requirement of the Land Bank Ordinance and Tennessee State Statute. Such uses may include:

- Promote home ownership and affordable housing
- Use for public spaces, wildlife habitat and community gardens
- Return property to productive tax-paying status
- Assemble small tracts of land for economic development
- Land banking of property to promote newly constructed middle income housing
- Utilize property as rental pending identification of development opportunities
- Promote side yard sales where appropriate

The last issue is to determine any specified voting/approval procedure for the disposition of property. This may take the form of a weighted vote, a required majority vote of the entire membership or allowing the Board of Directors to specify their own procedure including authorizing staff to enter and execute agreements of conveyance.

Resolution

These issues will be affirmed by formal resolution in the regular City Council meeting in October. City staff is seeking direction regarding the above mentioned details from Council members in preparation of that resolution with the goal of seeking appointments to the newly established Land Bank Board of Directors in December. This will enable the Land Bank Board of Directors to initiate their activities in January 2014.