

MUSCATINE POLICE DEPARTMENT

MEMORANDUM

TO: Gregg Mandsager, City Administrator

FROM: Gary R. Coderoni, Chief of Police

SUBJECT: City Council Agenda Item for March 4, 2010 – Gatso USA Contract

DATE: March 2, 2010

INTRODUCTION:

Included with this memo is the proposed contract between the City of Muscatine and Gatso USA for the Automated Traffic Enforcement project which includes both red light camera enforcement as well as “speed on green” enforcement. On December 17, 2009, the Muscatine City Council awarded Gatso USA the contract for this project. We requested that Gatso USA provide a sample contract for us to review. The contract has been examined and approved by both the City Attorney as well as the City’s insurance carrier. This step in the process precedes a formal survey that will be conducted by Gatso USA. The survey is used to gauge exactly how much of a problem there is with vehicles ignoring traffic control devices and what intersections would be the best target for these cameras. There is no cost to the City of Muscatine and if the survey indicates that there isn’t a large enough problem of red light running in Muscatine, Gatso USA and the City may mutually agree to terminate the contract again with no cost to the City.

BACKGROUND:

On October 8, 2009, a presentation was made to the City Council about the merits of automated traffic control enforcement (red light cameras). The presentation concentrated on the red light cameras and their capabilities to also detect speed violations (Speed on Green or Yellow) as well as license plate recognition for use during Amber Alerts and other major incidents. The presentation and the concept of the use of an automated traffic control system was well received by the City Council who were unanimous in their direction to staff for moving forward with this concept. Working with personnel from the police department, then Acting City Administrator Randy Hill, and Finance Director Nancy Lueck developed a RFP to be distributed to potential providers.

Requests for proposals were sent out and three companies responded. Those companies were Gatso USA, Redflex Traffic Systems and ACS Government Solutions. Gatso USA was awarded the project by City Council on December 17, 2009.

RECOMMENDATION/RATIONALE:

On December 17, 2009, the Muscatine City Council awarded the Automated Traffic Enforcement project to Gatso USA. The proposed Contract has been studied by the City Attorney, the City's insurance carrier and staff members. We would like to recommend that the City Council approve the contract as presented.

BACKUP INFORMATION:



**AGREEMENT BETWEEN GATSO USA, INC.,
AND THE CITY OF MUSCATINE, IOWA
FOR TECHNOLOGY AND BUSINESS SERVICES
RELATED TO AN AUTOMATED
TRAFFIC LAW ENFORCEMENT SYSTEM**

This Agreement is made on the 8th day of March 2010 (the "Effective Date"), between **GATSO USA, INC.**, a Delaware corporation with a principal business address at 900 Cummings Center, Suite 321-U, Beverly, Massachusetts 01915 ("GATSO") and the **CITY OF MUSCATINE**, with a principal business address at 215 Sycamore Street, Muscatine, Iowa 52761 (the "City").

W I T N E S S E T H:

Whereas the City wishes to retain the technology and business services of GATSO USA to provide a red-light photo-enforcement program to monitor red-light violations and associated traffic offenses as further defined in Section 3.1 of this Agreement (the "System"), as part of the City's automated traffic law enforcement program.

1. AGREEMENT TERM; TERMINATION

- 1.1 Initial Term; Extensions. This Agreement and the services provided under this Agreement shall commence on the Effective Date and continue for a period of four years (the "Initial Term"), with two optional one-year extensions.
- 1.2 Additional Automatic Extensions. At the end of the second one-year extension, if it is exercised, this Agreement will renew automatically for additional one-year periods, each one of which will commence on the anniversary of the Effective Date, unless the City notifies GATSO, in writing at least 30 days prior to the anniversary date, of the City's determination to terminate this Agreement. Each of the two one-year extension and each automatic additional one-year extension thereafter is an "Extended Term."
- 1.3 Termination By Agreement. This Agreement may be terminated at any time by agreement of GATSO and the City.
- 1.4 Termination For Cause. Either party may terminate this Agreement for cause if (a) the other party has breached its obligations under this Agreement; (b) Iowa law or federal law is amended to prohibit the operation of automated traffic law enforcement systems, including the system being provided by GATSO; or (c) any court of competent jurisdiction rules that the evidence that results from the automated traffic law enforcement system is inadmissible in evidence or otherwise violates State of Iowa or federal law. The terminating party must provide 30 days advance notice to the other party of its intent to terminate, which notice must include the reasons for the termination. In the case of a breach of this Agreement, the notice must provide the other party with an opportunity to cure the breach within 30 days after receipt of the notice. No termination fee shall be required with respect to termination for cause under this paragraph.
- 1.5 Termination By City For Convenience. The City may terminate this Agreement at any time for its convenience by giving written notice to GATSO not less than 60 days prior to the termination date. If the City terminates this Agreement for convenience at any time within the first three years after the Effective Date (the "Three-Year Period"), then the City must pay GATSO a fee for that termination in the amount of \$1,000 per fixed location camera (the "Termination Fee") for each month that remains in the Three-Year Period as of the

termination date. Termination Fee must be paid within 30 days after the termination date. There is no Termination Fee if the City terminates after the end of the Three-Year Period, including the remainder of the Initial Term and any Extended Term.

- 1.6 Cessation of Activities Except Pending Violations. On the Close Date (if this Agreement is terminated for convenience) or on first day after any other date of termination or expiration of this Agreement, the image capture activities provided by GATSO under this Agreement will cease immediately. Nevertheless, all photo-enforcement violations in process or captured prior to the Close Date, or on the date of any other termination or expiration, will continue until final disposition is reached on the violations and GATSO will continue to provide services related to the process leading to such judgment, if any, subject to the regular terms of compensation.
- 1.7 Removal Of Hardware, Equipment; Restoration. Upon the termination of this agreement, GATSO shall promptly remove all hardware and equipment installed as part of its services, which removal shall be completed no later than 45 days after termination. Upon removal of the hardware and equipment, GATSO shall restore the intersections to substantially the same condition as existed prior to this Agreement and repair any damage resulting from the installation or removal of GATSO's hardware or equipment.

2. COMPENSATION

- 2.1 GATSO Fees. GATSO's fees for services under this Agreement will be paid on a service-fee-per-transaction basis of \$27.00 per paid citation for Red Light Camera, Speed-on-Green and Fixed Speed.

In addition to these fees, the City will pay a charge of \$15 per camera for each hour that the camera is activated for an Amber Alert, except that there is no charge for the first 30 minutes of Amber Alert activation for each camera for the first five activations in any calendar month.

Other than the service fees stated in this Section 2.1, there are no fees, charges, costs, expenses, rent, or other money of any kind to be paid to GATSO under this Agreement for the System or any services related to the System.

For the first 30 days after System components are activated at the first intersection, the City may issue warning notices rather than citations. No payment will be due to GATSO for the WARNING notices sent out to violators during that 30-day period.

- 2.2 GATSO Equipment And Hardware; Costs. All hardware and equipment installed under this Agreement is, and will remain, the property of GATSO. All costs and expenses associated with the supply, installation, commissioning, operation, maintenance, repair, replacement, and removal of the system and all related hardware and equipment is the responsibility of GATSO.
- 2.3 Invoices. GATSO will invoice the City for service fees on or just after the 1st day of each month for compensation due from issued citations during the previous month. Payment terms are 30 days net and a late payment fee of 1.5% will be added to all fees not paid within 15 days after the Due Date. That late payment fee will be added to the invoice of the next month.

3. SCOPE OF WORK

- 3.1 The System. GATSO will install, operate, and maintain the GATSOMETER red-light photo enforcement systems in accordance with standard installation practices at locations agreed to between GATSO and the City.

The systems that will be installed, operated and maintained by GATSO are proposed to be installed at the intersections designated as locations in Exhibit A. GATSO and the City will mutually agree on the identification of camera enforced approaches based on community safety, traffic needs and an engineering overview by GATSO. GATSO agrees that installation, operation and maintenance of the system will be in accordance with the provisions of the City Municipal Code, as well as applicable state law.

- 3.2 Permits; Commencement of Installation. GATSO will diligently undertake to secure all necessary permits for the System from all applicable agencies. GATSO will commence installation of the components of the System within 10 working days after all necessary State of Iowa, County, and City permits, when applicable, have been approved and permits received. GATSO will diligently work to complete installation of the components.

GATSO will prepare all permit applications, design drawings or other related documents as may be reasonably required by the Customer or any other governmental entities for the installation and for proper operation of the GATSO system, and shall pay all permit or other fees charged by such governmental entities in connection with the installation and operation of the GATSO system.

- 3.3 Initial Locations. The System will remain installed at its initial locations for the Initial Term of this Agreement, except that GATSO and the City may agree, at any time after one year after the Effective Date, to relocate System components from one intersection to a different intersection. If GATSO desires to relocate a camera for operational, traffic safety or enforcement reasons, whether on its own initiative or at the City's suggestion, then GATSO will pay for the costs of that relocation. If the City determines that a camera must be relocated and GATSO does not agree with that relocation, then the City will pay for the costs of that relocation. Each determination to relocate a camera must be memorialized in writing, executed by both GATSO and the City.

- 3.4 Signage. As part of the System components, GATSO will provide standard GATSO approved signage to each approach road to an enforced intersection at no cost to the City. GATSO warrants that the signage will comply with applicable standards as set by the State of Iowa, or by the City. GATSO will also provide non-standard signage specified by the City (such as signs that include welcome messages, logos, or other features), but the City must bear all extra costs attributable to the non-standard features. Those extra costs will be included in the first invoice issued by GATSO to the City under this Agreement.

- 3.5 24-Hour Operation. GATSO must operate the System on a continuous, 24-hour basis for the duration of this Agreement, except only for periods of maintenance and repairs.

- 3.6 System Maintenance; Repairs; Logs. GATSO must perform preventative maintenance and cleaning of System components on a regularly scheduled basis, including review, cleaning, other routine maintenance, and testing of camera settings and operation, communications, and other System components. GATSO must promptly repair and replace damaged or defective equipment, at GATSO's expense except if the damage was caused by a City vehicle. GATSO will diligently undertake repairs within 48 hours after identification of the

damage or a defect unless prevented from doing so by extreme weather conditions. GATSO will advise the City immediately about any identified malfunctions or flaws in the System.

- 3.7 System Upgrades. Whenever GATSO upgrades the software or related performance capabilities for its red-light photo-enforcement system, GATSO will provide those upgrades for the System without charge to the City.
- 3.8 Warranty Of Fitness. GATSO warrants that the System and all of its components are, and will remain, fit for the purposes for which they are intended.
- 3.9 City Personnel Training. GATSO will provide necessary System training, including training documentation, to City personnel designated by the City.
- 3.10 Images And Data; Violation Package. GATSO will upload encrypted violation images and embedded violation data to a secure GATSO server in a timely manner that ensures the System remains in proper operation at all times. GATSO will correlate images and data with DMV records, and will assemble the images and data into an electronic violation package (a "Violation Package").
- 3.11 Processing Of Violation Package. GATSO shall ensure that Violation Packages are processed through a web-based program and provide the City's Police Department with access to that program sufficient to enable the Police Department to review, and approve or reject, each violation before a citation is issued related to that violation. GATSO will ensure that violation images are processed and a Violation Package to the City's Police Department is sent for review within four days after the violation has occurred (subject to any turn-around delay by NLETS). GATSO will ensure that its programs and software are compatible with the City's current computer system. GATSO further agrees to maintain either directly or indirectly through its strategic partner Currier, McCabe and Associates (CMA Consulting Services) connection and access to the NLETS system during the term of this agreement, and extensions. GATSO will provide and warrant the City with all licenses and permissions necessary for the City to utilize the necessary software and any other intellectual property for the System.
- 3.12 Citations. GATSO will issue citations by mail, using its web-based program. The System will allow the registered owner or owners of a cited vehicle to review the images and data related to the citation, through the web-portal by using a unique identifier code issued as part of the citation. Additionally, GATSO will maintain a toll-free 800 helpdesk telephone number for registered owners to discuss citations and make payments, with hours of 8:00 a.m. to 6:00 p.m. (Eastern) Monday through Friday.
- 3.13 Re-Issuance Of Citation. If a registered owner disputes responsibility for a violation and a different violator is identified, then GATSO will reissue the citation to that different violator within two days after such identification.
- 3.14 Storage Of Violation Packages. GATSO will store captured violation data and images pursuant to the policy established by the City and provided to GATSO.
- 3.15 Payment Methods. GATSO will provide payment methods in the form of "pay by web," "pay by telephone," and "pay by mail" for the payment of citations issued through the System.
- 3.16 Reports. GATSO will provide monthly reports to the City comprised of statistics relating to all of the components of the System, including but not limited to the number of captured

violations, the number of violations sent for Police Department approval, the number of citations issued, and the number of citations paid.

- 3.17 Public Awareness. GATSO will assist and support the City's efforts in public education and awareness programs, by providing information including but not limited to violation statistics and violation statistic improvements. GATSO will provide the City will a pamphlet that includes a clear description of the operation of the System, in non-technical terms.
- 3.18 Changes In Services. The City may request, from time to time, changes to the services required to be performed by GATSO, or to the products or services required to be provided by GATSO, by providing written notice thereof to GATSO. Within [15] days after receipt of the notice, GATSO will deliver to the City a written statement describing the effect, if any, the requested changes would have on pricing under this Agreement. After the City receives that written statement, GATSO and the City will negotiate the terms for implementation of the requested 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 requested changes. It will not be a breach of this Agreement by either party if the City and GATSO cannot reach agreement on the terms of the requested changes.
- 3.19 Insurance. At any time that GATSO is working within the public right-of-way on components of the System, GATSO shall maintain insurance coverage in at least the minimum amounts required by the City of Muscatine. Insurance coverage will include the following:

(a) Workers Compensation and Employer's Liability, with limits not less than:

Workers Compensation: statutory
Employer's Liability: \$1,000,000 ea. Accident-Injury
\$1,000,000 ea. Employee-Disease
\$1,000,000 Disease-Policy

The insurance endorsement also applies in Iowa.

- (b) Commercial Motor Vehicle Liability, with limits for vehicles owned, non-owned, or rented of not less than \$1,000,000 Bodily Injury and Property Damage Combined Single Limit.
- (c) Commercial General Liability, with limits not less than \$2,000,000 per occurrence and \$2,000,000 aggregate. Coverage will be written on an "occurrence" basis and shall include: The City of Muscatine will be added as an additional insured.
- (d) Excess Liability, with limits not less than \$1,000,000 per occurrence and \$1,000,000 aggregate. This policy shall apply in excess of the limits stated in (a), (b), and (c) above. The City shall be named as an additional insured.
- (e) Professional Liability, with limits not less than \$1,000,000 each occurrence and \$1,000,000 aggregate with a \$10,000 retention. This policy includes personal injury and includes automatic additional insured pursuant to contract.

GATSO must file with the City certificates of insurance reflecting the minimum insurance coverage and limits provided in this Section 3.19 *prior to commencing work on the System.*

- 3.20 Removal Of System Components After Termination Or Expiration. Upon termination or expiration of this Agreement, GATSO must remove all of its equipment from public rights of way, if requested by the City, at GATSO's expense. If GATSO fails to so remove its equipment within a reasonable time, then the City may do so and charge GATSO for all of the City's costs for doing so.

4. CITY RESPONSIBILITIES

- 4.1 City Contacts. The City will designate one or more City employees as GATSO's principal contacts at the City.
- 4.2 Cooperation. The City will cooperate with GATSO during all aspects of the planning, installation, implementation, and operation of the System.
- 4.3 City Permits. The City will provide to GATSO, at no cost, all City permits necessary for the System. Also, the City will reasonably assist GATSO in securing necessary permits from other governmental agencies.
- 4.4 Review Of Violations. The City will provide sworn City police officers, community service officers or any other city employee responsible to carefully review each Violation Package to determine whether (a) the violation is approved and citations can be mailed or (b) the violation is rejected. If the violation is rejected, the Police Department will report to GATSO the basis for the rejection.

5. GENERAL PROVISIONS

5.1 Indemnification and Liability.

- (a) The City shall indemnify, defend, and hold harmless GATSO and its affiliates, shareholders or other interest holders, managers, officers, directors, employees, agents, representatives and successors, permitted assignees and all persons acting by, through, under or in concert with them (including but not limited to equipment suppliers and installers) (the "GATSO Indemnitees") from and against any and all losses that may be imposed on or incurred by the GATSO Indemnitees arising out of or in any way related to:
- i. any material representation, inaccuracy, or breach of any covenant, warranty, or representation of the City contained in this Agreement;
 - ii. negligence or misconduct of the City or its employees, contractors, or agents that results in bodily injury to any natural person (including third parties) or any damage to any real or tangible personal property (including the personal property of third parties), except to the extent caused by the negligence or misconduct of any GATSO Indemnitee;
 - iii. any claim, action, or demand not caused by GATSO's failure to perform its obligations under this Agreement, except to the extent such claim, action, or demand arises out of the negligence or misconduct of any GATSO Indemnitee; or
 - iv. any claim, action or demand challenging the City's use of the System or any portion thereof; the validity of the results of the City's use of the System or any portion thereof; or the validity of any citation issued, prosecuted, and collected as a result of the City's use of the System.
- (b) GATSO shall indemnify, defend, and hold harmless the City and its elected officials, officers, employees, agents, attorneys, representatives, and permitted assignees and all persons acting by, through, under or in concert with them (the "City Indemnities")

from and against any and all losses that may be imposed on or incurred by the City Indemnities arising out of or in any way related to:

- i. any material representation, inaccuracy, or breach of any covenant, warranty, or representation of GATSO contained in this Agreement;
 - ii. negligence or misconduct of GATSO or its employees, contractors, or agents that results in bodily injury to any natural person (including third parties) or any damage to any real or tangible personal property (including the personal property of third parties), except to the extent caused by the negligence or misconduct of any City Indemnitee; or
 - iii. any claim, action, or demand not caused by the City's failure to perform its obligations under this Agreement, except to the extent such claim, action, or demand arises out of the negligence or misconduct of any City Indemnitee.
- (c) Notwithstanding anything to the contrary in this Agreement, neither GATSO nor the City will 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 lost profits or any indirect, incidental, or consequential damages however caused.
- (d) In the event any claim, action, or demand (collectively a "Claim") in respect of which any Party hereto seeks indemnification from the other, the Indemnified Party must give the Indemnifying Party written notice of such Claim promptly after the Indemnified Party first becomes aware of it. The Indemnifying Party will have the right to choose counsel to defend against the Claim (subject to approval of such counsel by the Indemnified Party, which approval may not be unreasonably withheld, conditioned, or delayed) and to control and settle the Claim. The Indemnifying Party will have the right to participate in the defense at its sole expense.

5.2 Relationship Between GATSO And City. GATSO is an independent contractor. This Agreement does not create, and nothing in this Agreement may be deemed, construed, or applied to create, a partnership, joint venture or the relationship of principal and agent or employer and employee between the parties. Further, this Agreement does not permit either Party to incur any debts or liabilities or obligations on behalf of the other Party, except only as specifically provided herein.

5.3 Assignment. Neither Party may assign all or any portion of this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed.

5.4 Applicable Law; Jurisdiction and Venue. This Agreement is governed by and construed in all respects solely in accordance with the laws of the State of Iowa, without regard to any conflicts of laws rules that would change the governing law. Any lawsuit arising out of or in connection with this Agreement must be filed in the Iowa Circuit Court in the county the City resides, and both Parties specifically agree to be bound by the jurisdiction and venue of that court.

5.5 Compliance with Laws. GATSO must provide and perform all services under this Agreement in compliance with, and GATSO agrees to be bound by, all applicable federal, State of Iowa, and local laws, including without limitation the Fair Labor Standards Act; any statutes regarding qualification to do business; any statutes prohibiting discrimination because of, or requiring affirmative action based on, race, creed, color, national origin, age, sex, or other

prohibited classification including without limitation the Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12101 *et seq.*

- 5.6 Not Barred; No Collusion. GATSO is not barred by law from contracting with City or with any other unit of state or local government as a result of (a) a delinquency in the payment of any tax administered by the Iowa Department of Revenue unless GATSO is contesting, in accordance with the procedures established by the appropriate revenue act, its liability for the tax or the amount of the tax.
- 5.7 Disclosure Of Interested Persons. GATSO hereby represents that the only persons, firms, or corporations interested in this Agreement as principals are those disclosed to the City prior to the execution of this Agreement and that this Agreement is made without collusion with any other person, firm, or corporation. If at any time it shall be found that GATSO, in procuring this Agreement, has colluded with any other person, firm, or corporation, then GATSO will be liable to the City for all loss or damage that the City may suffer thereby, and this Agreement will be null and void, at the City's option.
- 5.8 Patriot Act Compliance. GATSO represents and warrants to the City that neither it nor any of its principals, shareholders, members, partners, or affiliates, as applicable, is a person or entity named as a Specially Designated National and Blocked Person (as defined in Presidential Executive Order 13224) and that it is not acting, directly or indirectly, for or on behalf of a Specially Designated National and Blocked Person. GATSO further represents and warrants to the City that GATSO and its principals, shareholders, members, partners, or affiliates, as applicable, are not, directly or indirectly, engaged in, and are not facilitating, the transactions contemplated by this Agreement on behalf of any person or entity named as a Specially Designated National and Blocked Person. GATSO hereby agrees to defend, indemnify, and hold harmless the City, its corporate authorities, and all City appointed officials, officers, employees, agents, representatives, engineers, and attorneys, from and against any and all claims, damages, losses, risks, liabilities, and expenses (including reasonable attorneys' fees and costs) arising from or related to any breach of the foregoing representations and warranties.

IN WITNESS WHEREOF, GATSO and the City of Muscatine have caused this Agreement to be executed by their properly authorized representatives as of the Effective Date.

GATSO USA

Signature:

Printed name:

Title:

 3/18/2010

Paul J. Bazzano

VP of Sales

Attest:

Signature:

Printed name:

Title:

Gerald R. Dunne

GERALD R. DUNNE

WITNESS, CATSO USA

3/8/10

CITY OF MUSCATINE

Signature:

Printed name:

Title:

Richard W. O'Brien

RICHARD W. O'BRIEN

MAYOR

Attest:

Signature:

Printed name:

Title:

Randall Hill

RANDALL HILL

DIRECTOR OF PUBLIC WORKS

EXHIBIT A

Proposed Red Light Camera Locations

2)

3)

4)

5)

6)

Gatso USA and the City of Muscatine will mutually agree on the locations for the installation of red light cameras which will be based on community needs, average daily traffic counts, an engineering review, accident data and other pertinent information. The City of Muscatine and Gatso USA may mutually agree to expand this list at anytime.



900 Cummings Center • Suite 222-T • Beverly Massachusetts 01915

978.922.7294 Tel

978.922.7293 Fax

gatso-usa.com

February 21, 2014

Honorable DeWayne M. Hopkins
Mayor of Muscatine
5602 Reynolds Avenue
Muscatine, IA 52761

Re: Extension of Agreement Between Gatso USA, Inc. and The City of Muscatine, Iowa for Technology and Business Services Related to an Automated Traffic Law Enforcement System dated March 8, 2010.

Dear Mayor Hopkins:

This letter relates to the March 8, 2010 Agreement Between Gatso USA, Inc. and the City of Muscatine, Iowa for Technology and Business Services Related to an Automated Traffic Law Enforcement System ("Agreement").

Pursuant to paragraph 1.1 of the Agreement, Gatso USA, Inc. hereby exercises the first of two optional one-year extensions so as to extend the contract term through March 7, 2015.

Kindly indicate your agreement with the foregoing by signing below.

Kind regards,

Andrew Noble
President
Gatso USA, Inc.

ACCEPTED AND AGREED TO:

The City of Muscatine, Iowa

By:

DeWayne M. Hopkins, Mayor



gatso-usa.com

March 4, 2016

Honorable Diana L. Broderson
Mayor of Muscatine
5602 Reynolds Avenue
Muscatine, IA 52761

Re: Extension of Agreement between Gatso USA, Inc. and the City of Muscatine, Iowa for Technology and Business Services

Dear Mayor Broderson:

This letter relates to the March 8, 2010 Agreement between Gatso USA, Inc. ("GATSO") and the City of Muscatine, Iowa (the "City") for Technology and Business Services Related to an Automated Traffic Law Enforcement System, amended effective April 9, 2015 ("Agreement").

As set forth in paragraph 1.2 of the Agreement, the parties acknowledge the expiration of the second one-year extension and that the Agreement will automatically renew for additional one-year periods until on the anniversary of the Effective Date unless the City notifies GATSO in writing at least 30 days prior to the anniversary date, of the City's determination to terminate the Agreement. Accordingly, the term is extended through March 7, 2017.

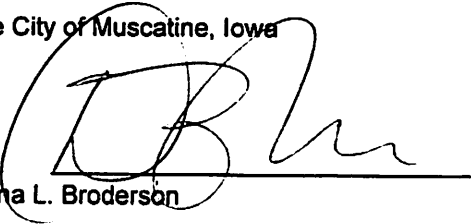
Kindly indicate your agreement with the foregoing by signing below.

Kind regards,

Andrew Noble
President
Gatso USA, Inc.

ACCEPTED AND AGREED TO:

The City of Muscatine, Iowa

By: 
Diana L. Broderson