

**FIRST AMENDMENT TO THE
RED LIGHT CAMERA ENFORCEMENT SYSTEM
LEASE AND SERVICES AGREEMENT**

This First Amendment ("First Amendment") is made by and between American Traffic Solutions, Inc. ("ATS"), a corporation duly registered under the laws of the State of Kansas with its principal place of business at 7681 E. Gray Road, Scottsdale, Arizona 85260 and the City of Roswell, Georgia, a municipal corporation of the State of Georgia having an address of 38 Hill Street, Suite 130, Roswell, GA 30075 (the "Municipality" and together with ATS, the "Parties" and each singularly, a "Party").

RECITALS

WHEREAS, the Municipality and Nestor Traffic Systems, Inc. entered into a Red Light Camera Enforcement System Lease and Services Agreement dated March 9, 2006 (the "Agreement"); and

WHEREAS, ATS acquired certain assets of Nestor Traffic Systems, Inc. ("Nestor") and notified the Municipality of the acquisition; and

WHEREAS, the Municipality acknowledged the assignment of Nestor's rights and obligations under the contract to ATS pursuant to Section 9.1 of the Agreement; and

WHEREAS, paragraph 9.7 of the Agreement allows the parties to mutually amend and modify the Agreement in writing; and

WHEREAS, the Municipality and ATS mutually desire to amend and modify the terms and conditions of the Agreement.

TERMS AND CONDITIONS

NOW THEREFORE, in consideration of the mutual covenants and promises contained in this First Amendment, the Municipality and ATS do hereby agree as set forth below:

1. The above recitals are true and correct and are incorporated herein.
2. The Parties recognize that ATS acquired certain assets, including this Agreement, from Nestor and, therefore, the name "Nestor Traffic Systems, Inc.," "Nestor," or "NTS," shall be replaced by the name "American Traffic Solutions, Inc." or "ATS" throughout the Agreement.
3. Section 2. TERM of the Agreement is hereby deleted in its entirety and replaced with the following:

"The term of this Agreement shall begin upon the date of the last signatory date written on this First Amendment (the "Amendment Start Date") and shall continue for a period of sixty (60) months from the Start Date. This Agreement will automatically renew for successive sixty (60) month terms. However, either Party may terminate this Agreement at the expiration of any term by providing written notice, at least ninety (90) days prior to the expiration of the then-current term, of its intent not to extend the Agreement.

The Parties recognize that each camera site is subject to state permitting. If a state permit is not issued or renewed for an installed camera site, the Municipality shall not be responsible for any equipment removal costs incurred after the date the state permit expires

for the particular camera site. However, if the state permit is not issued or renewed due to any act or omission by the Municipality including, but not limited to, a failure to timely file the permitting report, the Municipality shall be responsible for the equipment removal costs and any capital costs to ATS, pursuant to subsection 3.4 of the Agreement. If the state permit is not issued for any existing camera site, ATS reserves the right to relocate the camera system from the unpermitted camera site to a mutually agreed location."

4. The Parties reserve the right to add new intersection approach installations to this Agreement, as mutually agreed to in writing by the parties.
5. Subsection 3.4 of Section 3. TERM AND TERMINATION of the Agreement is hereby deleted in its entirety and replaced with the following:

"Municipality recognizes the capital costs to ATS in the installation of its camera systems are substantial and, therefore, Municipality agrees that in the event Municipality decides to terminate this Agreement prior to the expiration of the initial sixty (60) month term, other than for default by ATS as specified in section 3.1 above, Municipality shall pay ATS a capital costs termination fee of \$2,000 per month, for each approach installed after the Amendment Start Date, for each month remaining in the initial sixty (60) month term. Example: Municipality signs Agreement in March of year 1 and installs one (1) Camera System that same month. Municipality terminates the Agreement in January of year 5. Two (2) of the sixty (60) months remain, therefore Municipality would owe ATS \$4,000 (\$2,000 x 2) for the capital costs termination fee. For any approach installed prior to the Amendment Start Date, no termination fee shall be required."

6. Subsection 1.2 of Exhibit A, SERVICES, is hereby deleted in its entirety and replaced with the following:

"Substitution or Addition of an Intersection. If either Party reasonably determines that one or more of the above intersections is not for any reason appropriate for the System (and such determination is made at least fifteen (15) days prior to the commencement of installation of the System at any such intersection), then alternate intersection(s) may be substituted by mutual written consent."

7. All other terms and conditions of the Agreement not modified by this First Amendment shall remain in full force and effect.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment.

CITY OF ROSWELL, GEORGIA

By: _____ Date _____

Name:

Title: Mayor

AMERICAN TRAFFIC SOLUTIONS, INC.

By: _____ Date _____

Name: Michael Bolton

Title: Chief Operating Officer

Direction	Street	Cross Street	Road Type	% Congestion	Lefts	Thru	Rights	TOTAL
SB	Hwy 9 / S Atlanta St	Azalea Dr / Riverside Rd	3L	123	0	5	4	9
NB	Hwy 9 / S Atlanta St	Azalea Dr / Riverside Rd	4LD	52	1	1	1	3
WB	Azalea Dr / Riverside Rd	Hwy 9 / S Atlanta St	2LD	38	2	1	0	3
EB	Azalea Dr / Riverside Rd	Hwy 9 / S Atlanta St	2LD	41	2	1	0	3
SB	Crabapple Rd	Hwy 92 / W Crossville Rd	2LD	69	1	2	0	3
NB	Crabapple Rd	Hwy 92 / W Crossville Rd	2LD	41	2	1	0	3
WB	Hwy 92 / W Crossville Rd	Crabapple Rd	6LD	55	0	4	5	9
EB	Hwy 92 / W Crossville Rd	Crabapple Rd	6LD	46	4	2	3	9
SB	Warsaw Rd	GA 140 / Holcomb Bridge Rd	2LD	33	2	1	1	4
NB	Warsaw Rd	GA 140 / Holcomb Bridge Rd	2LD	37	2	1	0	3
WB	GA 140 / Holcomb Bridge Rd	Warsaw Rd	6LD	70	5	5	4	14
EB	GA 140 / Holcomb Bridge Rd	Warsaw Rd	6LD	40	4	2	1	7
SB	King Rd / Woodstock Rd	Hwy 92 / W Crossville Rd	2LD	47	2	1	0	3
NB	King Rd / Woodstock Rd	Hwy 92 / W Crossville Rd	2LD	48	2	1	0	3
WB	Hwy 92 / W Crossville Rd	King Rd / Woodstock Rd	6LD	46	0	2	0	2
EB	Hwy 92 / W Crossville Rd	King Rd / Woodstock Rd	6LD	48	4	2	0	6
EB	GA 140 / Holcomb Bridge Rd	Old Alabama Rd	4LD	132	1	1	1	3
WB	GA 140 / Holcomb Bridge Rd	Old Alabama Rd	5L	139	0	2	0	2