

C H A F F E  M c C A L L

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March 26, 2010

VIA FACSIMILE (504) 364-2828

The Honorable Steve Theriot
Parish President, Jefferson Parish
200 Derbigny St., Suite 6100
Gretna, LA 70053

RE: Jefferson Parish Red Light Camera Safety Program - Redflex Traffic
Systems, Inc.

Dear Mr. Theriot:

The Jefferson Parish red light camera safety program has delivered on the objectives set out by the Parish in 2007: reduce red light running and reduce accidents at no incremental costs to tax payers. Redflex Traffic Systems, Inc. has been a good corporate partner with Jefferson Parish, and desires to continue a mutually successful relationship in the future through this important and effective public safety program. As requested by the Parish, Redflex has provided a significant amount of timely information and documentation to assist you in your review of the program. As always, we stand ready to provide any further documentation if necessary.

However, we believe there are some issues that need to be addressed and remedied immediately. To date, after almost three years of this partnership, Jefferson Parish has refused and continues to refuse to pay Redflex the millions of dollars collected by the Parish and indisputably owed to Redflex. Redflex has been incredibly cooperative in continuing to operate the program over this lengthy period of time without any payment as called for under our contract, at no expense to the Parish and at great expense to Redflex. Redflex operates hundreds of these programs around the country, and in no other jurisdiction has the local governmental entity simply refused to pay Redflex, particularly where the funds have actually been collected.

In addition, the suspension of the program has caused and continues to cause Redflex great reputational and financial harm. Jefferson Parish and local and out-of-town media have insinuated that Redflex has done something wrong, perhaps illegal, relative to our local operations, yet to date there has been absolutely no formal allegation that Redflex has done anything illegal or improper. The information concerning Redflex's use of sales consultants has been well documented and was reported in the Times-Picayune in early 2007, even identifying the individual local consultants who were representing Redflex. Opponents of red light cameras in general, as well as Redflex competitors who utilized their own consultants to pursue the Parish

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contract, have used this cloud of suspicion created by the Parish and the media to discourage other jurisdictions from using Redflex services and technologies.

Redflex appreciates your letter of March 24, 2010 indicating that the Parish does not intend to distribute the proceeds received from the red light camera program. However, continued actions by the Parish Council, including the most recent call for an audit of the program contract, have led the Company to believe that payment will not be forthcoming any time in the imminent future.

As such, after almost three years of patient cooperation, at this time, Redflex requests that Jefferson Parish fulfill its obligations under the Agreement dated March 16, 2007. Accordingly, Redflex demands that on or before 4:00 p.m. on Thursday, April 1, 2010 the Parish shall:

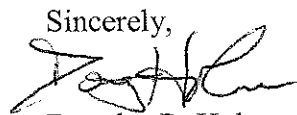
Remit to the Company all outstanding proceeds of the program due. This remittance should include any and all costs, penalties and interest.

Additionally, Redflex demands that the Parish reactivate the red light program, which we contend was clearly suspended without cause or justification under the terms of the Agreement.

If it is the Parish's position that the safety program has been suspended for cause, please provide written notice, pursuant to paragraph 6 of the Agreement, setting forth "in reasonable detail the events of the cause for termination. Under the Agreement, Redflex is then entitled to forty-five days to remedy such alleged cause. In the event that no formal written notification is received by Redflex prior to 4:00 p.m. on Thursday April 1, 2010, we will assume the Parish is not alleging any "for cause" suspension and/or termination and we will expect that the program will be reinstated on or before April 8, 2010.

In the event that the Parish fails to comply with these demands, Redflex will have no choice but to seek legal action to protect its financial and reputational interests.

Should you have any questions regarding these demands and Redflex's legal position in this matter, please do not hesitate to call.

Sincerely,

Douglas R. Holmes

DRH/dpl

cc: Peggy Barton (via email)