

ADDENDUM NUMBER ONE 29007
TO

TRAFFIC SIGNAL VIOLATIONS VIDEO-MONITORING SYSTEM SERVICES AGREEMENT

This First Addendum is made and entered into this 30th day of Oct., 2007 ("Effective Date") by and between Nestor Traffic Systems, Inc., a Delaware corporation ("NTS") and the City of Long Beach, a municipal corporation ("City" or "Municipality").

WHEREAS, NTS and City entered into an agreement dated December 1, 2004 for traffic signal violations video-monitoring services, (the "Agreement"); and

WHEREAS, NTS and City now wish to amend the Agreement to address system enhancements and the Term of the Agreement;

NOW, THEREFORE, for valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

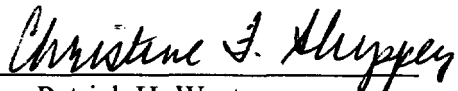
1. Within 30 days of the Effective Date of this First Addendum, NTS shall submit plans to the City for the installation of high-resolution digital enforcement cameras for driver image capture at each Installed Approach. Within 60 days of City's approval of such plans, NTS shall complete installation of the upgraded cameras at each Installed Approach.
2. Pursuant to Section 2 of the Agreement, the City hereby exercises its options to extend the initial term of the Agreement by two one-year extension periods (through January 1, 2010).
3. All terms not herein defined shall have the same meaning and use as set forth in the Agreement.
4. All other terms, conditions and provisions of the Agreement not in conflict with this First Addendum shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have set their hand by their duly authorized representative as of the day and year first above written.

NESTOR TRAFFIC SYSTEMS, INC.

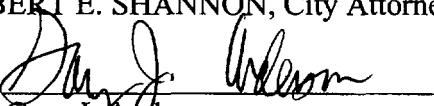
CITY OF LONG BEACH ASSISTANT

By: 
Nigel P. Hebborn
Chief Financial Officer

By: 
Patrick H. West
City Manager

This Addendum Number One to Traffic Signal Violations Video-Monitoring System Services Agreement, is approved as to form on August 19th, 2007.

**EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.**

ROBERT E. SHANNON, City Attorney
By: 
Gary J. Anderson
Deputy City Attorney