

Contracting Agreement

May 2, 2018

This agreement is executed by Hillcrest Business Association, a California not for profit corporation (hereinafter referred to as "HBA") whose address is 3737 Fifth Avenue #202, San Diego, CA 92103 and Citywide Protection Services (hereinafter referred to as "Contractor"), whose address is 9320 Willowgrove Ave. #F. Santee, CA 92071.

The City of San Diego, though not a party to this agreement, is referred to in this agreement as "the City".

Recitals

The HBA is seeking security patrol services within the Hillcrest commercial areas in Hillcrest, San Diego.

WHEREAS, City Wide is engaged in the business of providing security services, its Employer Tax ID Number is 80-084-3345 and its State of California Private Patrol Operator number is .17329. City Wide has complied with all Federal, State, and local laws regarding business permits, sales permits, licenses, reporting requirements, tax withholdings, insurance requirements and all other legal requirements of any kind that may be required to carry out business and provide services to be performed as an independent contractor, pursuant to this agreement, and in the State of California;

WHEREAS, the Customer desires to engage the services of City Wide and City Wide wishes to accept such engagement on the terms set forth below;

NOW, therefore, in consideration of the above recitals, and the mutual promises and conditions contained in herein, the Parties, intending to be legally bound, hereby agree as follows:

DEFINITIONS

A. Security Service Hours. The term "Security Service Hours" refers to the security office-man hours in which a security officer will be providing services.

B. Security Officers. The term "Security Officers" refers to the security professionals employed by City Wide who will provide services to the Customer.

Agreement

NOW, THEREFORE, it is agreed by and between **the parties hereto** as follows:

Hours of Service.

The total number of Security Service Hours provided per week will be divided into shifts as further described on Attachment ("D") to this contract;

The Customer may not alter or amend, including but not limited to, increasing, decreasing, and or varying the Security Service Hours agreed upon herein without obtaining the express written

consent of City Wide. Any requested amendment and any subsequent approval of said request shall be in writing and shall be signed by both City Wide and the Customer.

The total number of Security Service Hours shall be in Eight (8) or Ten (10) hour consecutive increments per day with each shift commencing from 00:00 to 24:00.

Acknowledgment of Agency Relationship.

Customer hereby acknowledges that City Wide, while operating in its capacity as a security service provider while on Customer's Property, is an "Agent of the Owner" on Customer's Property(s)

Governing Law and Assignment.

City Wide and Customer acknowledge that they both expressly agree and understand that the laws of the State of California shall govern this agreement and any disputes arising therefrom.

This contract cannot be assigned or transferred without the express written consent of both parties.

Use and Furnishing of Security Officers.

Excluding events covered by a City of San Diego Special Events Permit, during the term of this agreement, Customer hereby acknowledges and agrees to exclusively use personnel of City Wide at the Property described above.

City Wide agrees to furnish such number of Security Officers as is required and defined by the Customer at the Property as is described in Security Plan and Proposal, attached hereto as Attachment ("D").

Customer acknowledges and agrees that it will not employ, directly or indirectly, any person who has been employed by City Wide within One Hundred Eighty (180) days following the last date on which City Wide employed such person. In the event of breach by the Customer of this provision, the Customer shall pay to City Wide the sum of Five Thousand Dollars (\$5,000) as liquidated damages for loss of business, loss of use of the employee and any other anticipated losses the company will suffer as a result of this breach.

City Wide shall provide Security Officers without regard to race, color, creed, sex, age, or national origin.

The Customer agrees to provide no gratuities or gifts to employees of City Wide, including but not limited to Security Officers.

Court Proceedings in Case of Breach of this Agreement or Other and Remedies.

All court time required shall require that the Customer pay City Wide the contracted hourly rate as described in (A-2, above).

In addition to any and all legal rights a party may have by law, if either party to this Agreement defaults by failing to substantially perform any provision, term, or condition of this Agreement (including without limitation the failure to make monetary payment when due), the other party may terminate this agreement by providing a written notice by certified mail to the defaulting party. Termination shall otherwise be carried out in accordance with Section 14.4. of this agreement.

Acknowledgment of Services Chosen and Offered.

The Customer acknowledges and hereby agrees that Customer alone has chosen the number of security officers and type of service to be provided herein.

City Wide has informed the Customer that additional Security officers and services are available at an additional cost to the Customer and that the Customer has elected not to avail themselves of the additional Security Officers and services.

Relationship of Security Officers to City Wide and Customer.

All Security Officers furnished hereunder are the employees of City Wide, an independent contractor, and not an employee of the Customer.

City Wide will pay all salaries and expenses of said Security Officers and withhold all Federal, State, and Social Security Taxes and Federal and State Unemployment Taxes and any similar taxes relating to such personnel of City Wide.

In the event labor costs are increased due to new Federal or State laws by more than One Per-Cent (1%), City Wide shall notify Customer of (1) the increase, and (2) the new cost of the services provided under the contract. Further, the new labor cost shall become immediately effective and applicable to this Agreement when the law takes effect, but not sooner. Customer agrees to this provision and to pay the company such increases for the remainder of the contract life after the law becomes effective.

Supplies and Equipment to and or Used by Security Officers.

City Wide will furnish all Security Officers assigned hereunder to the Customer's Property with all appropriate equipment and uniforms.

Any and all property, equipment, supplies, apparatus, etc., furnished by City Wide hereunder and placed at or on the Property shall remain the property of City Wide, and City Wide shall at all times during and after the term of this Agreement have the sole and exclusive right to install, maintain, replace, and remove said property, equipment, supplies, and apparatus.

Role, Duties, and Limitations of Security Officers.

City Wide agrees that employees in conformity with practices current in the industry shall perform Security Officer Services furnished under this contract. City Wide further agrees that the Customer shall have the right to reject any Security Officer assigned by City Wide, for any reason, and City Wide shall, as soon as is practically possible thereafter, provide a satisfactory replacement.

The Security Officer furnished by City Wide shall perform such security related services as agreed upon by City Wide and the Customer.

It is understood that the Security Officer shall be and remain an employee of the City Wide and that City Wide shall be responsible for the hiring, licensing, training, and supervision of all such Security Officers. However, notwithstanding the foregoing, if the Customer alters any written post instructions or directions given to the Security Officer by City Wide, or if the Customer assumes any supervision of said Security Officer, the Customer shall be solely liable for any and all consequences.

The conduct of all Security Officers assigned hereunder shall be governed by the policy and the Customer and City Wide shall agree upon rules as in writing. Specific Instructions as well as Post Instructions shall be issued in writing covering each post of assignment, and such specific or Post instructions shall be signed by both parties hereto and by reference be made part hereof. These Instructions and Policies may from time to time be revised and supplemented provided it is done in writing and signed by both parties hereto.

Rights, Warranties, and Declarations of Insurance.

City Wide hereby represents and warrants that it has at present in force comprehensive public liability insurance.

City Wide hereby represents and warrants that at the time this contract is entered into, it carries workman's compensation insurance to the extent required by the appropriate statutes, and Public Liability Insurance including errors and omissions in an amount satisfactory to the Customer. City Wide agrees on request to provide Customer with Certificate of Insurance therefore. It is further understood and agreed by and between the parties that: City Wide is not an insurer, that insurance, if any, shall be obtained by the Customer; City Wide is being paid hereunder for a Security Officer system designed to deter certain risks of loss and that all amounts being charged hereunder by City Wide are not sufficient to guarantee that no loss will occur; City Wide makes no warranty or guarantee, including any implied warranty of merchantability or fitness, that the service supplied will avert or prevent occurrences or the losses there from which the service is designed to detect or avert.

City Wide warrants that it shall provide its services and meet its obligations under this agreement in a timely and workmanlike manner, using knowledge and recommendations for performing the services which meet industry standards in the State of California.

It is expressly understood and agreed that this contract is entered into solely for the mutual benefit of the parties herein and that no benefits, rights, duties, or obligations are intended or created by this contract as to third parties not a signatory hereto.

City Wide shall not be held responsible for acts of God, riot or civil turmoil, hurricanes, or war

if the event is beyond its reasonable control.

If the Customer changes the time(s) of coverage originally contracted, reduces the total number of billable hours, significantly alters the duties of City Wide's personnel, or the nature of the Customer's environment substantially changes, then City Wide reserves their rights to renegotiate the Agreement.

The entire agreement of the parties is contained herein, and no verbal understandings, agreements, purchase orders, work orders, or other documents shall alter, change, or modify the terms and provisions of this Agreement unless in writing AND SIGNED BY BOTH PARTIES HERETO.

Insurance

Contractor shall defend, indemnify, protect, and hold harmless the City and HBA, their elected officials, departments, officers, employees, representatives, and agents from and against any and all claims asserted, or liability established, for damages or injuries to any person or property. Contractor shall provide Commercial General Liability [CGL] Insurance, naming HBA and the "The City of San Diego, its elected officials, officers, employees, representatives, and agents" as additionally insured. Contractor shall provide Workers' Compensation Insurance, as required by the laws of the State of California for all of Contractor's employees who are subject to this agreement, with Employers' Liability coverage with a limit of at least one million dollars (\$1,000,000). "The City of San Diego, its elected officials, officers, employees, representatives, and agents" shall be named as additionally insured in the CGL. The policies shall be kept in force for the duration of the term and any extended use. The certificate(s) of insurance shall be delivered to HBA at the execution of this contract. All insurance required by the terms of this agreement must be provided by insurers licensed to do business in the State of California which are rated at least "A-, VI" by the current AM Best Ratings Guide. Non-admitted surplus lines insurers may be accepted provided they are included on the most recent list of California eligible surplus lines insurers (LESLI list) and otherwise meet City requirements. If the City is made a party to any judicial or administrative proceeding to resolve the dispute between HBA and Contractor, Contractor shall defend and indemnify the City as described herein.

Duration of and Termination of Agreement.

It's agreed upon by the parties that this contract shall be in full force and effect on a month to month basis.

It is further agreed and understood that this Agreement may be reopened upon the request of either City Wide or the Customer, once each consecutive 12-month period that this Agreement remains in full force and effect for the purpose of negotiating a revised rate for the Security Officer Service being provided.

Termination shall be effective only when notice in writing to discontinue is sent to either party by certified United States mail, with return receipt, postage prepaid and addressed to the other party hereto shown on this Agreement, at least thirty (30) days prior to the expiration of the term.

Confidentiality.

City Wide agrees not to use or disclose any information it receives from the Customer under this Agreement that has been identified as confidential or believed to be confidential in nature. Client also agrees to not disclose information about City Wide to any person or organization without the written consent of a City Wide official.

Misc.

It is agreed by and between City Wide and the Customer that if any of the terms of provisions of this Agreement shall be determined to be invalid or inoperative, all the remaining terms and provisions shall remain in full force and effect.

City Wide and Customer, both, hereby acknowledge that each has read, understands, accepts, and will abide by each and every provision and sub provision contained herein.

Services to be provided

Contractor shall provide security services described below in the area described on the attachment map (Attachment C).

Independent contractor status

Contractor is not an employee of the City or HBA. All staff costs relating to the project must be borne by Contractor. Contractor shall have no authority to bind the City or HBA in any manner or to incur any obligation, debt, or liability of any kind, on behalf of or against the City or HBA. Signing this agreement does not assign any rights, obligations, and/or duties of Hillcrest Business Association under this agreement to any third party. This agreement does not create a contractual relationship between the City or HBA and any third party.

Conflict of interest

Contractor shall comply with all federal, state, and local laws, including conflict of interest laws, statutes, ordinances, regulations, and policies of the City related to public contracts and procurement practices to the extent applicable. HBA and Contractor are unaware of any financial or economic interest of any public officer or employee of the City relating to this agreement. Contractor has been made aware of the HBA's Conflict of Interest policy (attachment B).

Payment

HBA shall pay Contractor an amount not to exceed \$6,140.00 monthly (or \$73,680.00 annually) for services described in Attachment # A. These prices include: \$5,040 for standing guard and \$1,100 for regular evening patrol.

Billing shall occur once per month no later than thirty days after the date of each monthly invoice.

Additional or "on-call" coverage requests will be made in writing by HBA and will be billed at the hourly rate. Requests made with less than 48 hours notice will be charged at the overtime rate.

(A-2) \$50.00 per hour for all court time required.

(b) The customer may add additional hours at anytime during the contractual period at the same rate as described in (A-1), above. These additional hours shall remain in effect until the expiration of this contract unless otherwise specified by the parties. The Customer must make such request to the Agency in writing.

(c) Any short term hours required, in excess of Article 1, shall be at the rate of One and One-Half (1½) times (A-1), above, and such requests must be made and authorized by the Customer and City Wide, respectively. Such additional hours may result from, though are not limited to, situations arising from emergencies or special assignments under which the Customer requires additional hours. Should the Customer require City Wide to provide additional hours other than the coverage listed in this Agreement, the Customer shall provide City Wide with a minimum of Seventy-Two (72) hours prior notice.

(d) At any time the Customer requires City Wide to provide services on demand, when not previously scheduled; a minimum charge of four (4) hours shall be applied notwithstanding the duration of the actual service hours.

(e) The Customer will pay time and a half rate per man-hour worked on the following legal holidays: Christmas-December 25, New Year's Day-January 1, Martin Luther King's Birthday, Memorial Day, Independence Day, Labor Day, Thanksgiving, and George Washington's Birthday.

(f) Upon non-payment of any sum due to City Wide hereunder, City Wide has the right to suspend any or all services without notice to the Customer. In the event of nonpayment and suspension of services City Wide has the option to charge the Customer a re-instatement fee of Three hundred (\$300.00) dollars to reinstate services in addition to any sum already due.

(g) It is further agreed that if payment is not made as herein described, City Wide may add a five percent (5%) charge to that amount of any unpaid invoice.

Agreements with third parties

Upon signing the Contractor shall disclose and provide copies of all agreements with third parties relating to the project including rental agreements, service contracts, entertainment agreements, sponsorships, in-kind donations, special payments, and mutual benefit arrangements. Unwritten agreements shall be unacceptable.

Equal employment and nondiscriminatory provisions

Contractor shall not discriminate in any manner against any person or persons on account of race, color, religion, gender, sexual orientation, medical status, national origin, age, marital status, or physical disability in Contractor's activities pursuant to this agreement, including but not limited to the providing of goods, services, facilities, privileges, advantages, and accommodations, and the obtaining and holding of employment. Contractor shall comply with City Council Ordinance No.18173 (San Diego Municipal Code sections 22.2701 through 22.2708, as amended), EQUAL EMPLOYMENT OPPORTUNITY OUTREACH PROGRAM, a copy of which is on file in the Office of the City Clerk and by this reference is incorporated into this agreement. Contractor is individually responsible to abide by its contents. Contractor shall comply with Title VII of the Civil Rights Act of 1964, as amended; Executive Orders 11246, 11375, and 12086; the California Fair Employment Practices Act; and any other

applicable federal and state laws and regulations hereafter enacted. Contractor shall not discriminate against any employee or applicant for employment on any basis prohibited by law. Contractor may be required to comply, and require each of its Subcontractors to comply, with the provisions of the City's Living Wage Ordinance. It is the responsibility of the Contractor to determine if compliance is required. Contractor is required where applicable to comply with the Americans with Disabilities Act, the City of San Diego Drug Free Workplace requirements, and Storm Water Management and Discharge Control Ordinance.

Arbitration. If a dispute arises out of or relates to this agreement, or the breach thereof, the parties agree first to try in good faith to resolve the dispute by mediation administered by the American Arbitration Association under its rules, before resorting to arbitration. Thereafter, any unresolved controversy or claim arising out of or relating to this agreement, or breach thereof, shall be resolved by arbitration administered by the American Arbitration Association in accordance with its Arbitration Rules, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof pursuant to applicable law.

Authorization. HBA hereby represents and warrants that while not the owner of the premises where services are to be provided the HBA is fully authorized by the owner to enter into this agreement.

Supervision. Contractor shall provide supervision adequate to insure that the services rendered pursuant to this agreement are of high quality.

No joint venture or partnership. This agreement shall not be construed or interpreted to create or establish any joint venture or partnership between the parties.

IN WITNESS WHEREOF, the parties have executed this agreement

on _____, at _____, California.

HILLCREST BUSINESS
ASSOCIATION

Contractor

By:

Benjamin Nicholls
Executive Director
3737 Fifth Avenue, #202
San Diego, California
92103
(619) 299-3330 Tel.
(619) 299-4230 Fax

Attachment A: scope of work

Contractor agrees to provide the following:

Provide security services described below in the geographic areas described on Attachment C. Services shall be provided in all areas of the public right of way and including, in cases where a SDPD Letter of Agency is on file, alleyways and privately owned public areas such as parking lots and storefront vestibules.

Security services in all zones shall include:

- Periodic evening patrols by uniformed staff of the area described, between the hours of 6pm and 6am.
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- Provide appropriate equipment and support for staff oversight including cellular telephones and a local call center to process calls from area property owners and businesses.
- Develop “Security Plan and Proposal” that will include directions for security staff to cover both services areas. Post orders shall be attached to this document as attachment D, and shall include:
 - logging, reporting and engaging with any security issues that might disrupt customers
 - a list of problem “hot spots” that the evening patrol shall examine.
 - Provide daily reports of all issues observed during regular patrols including hazardous conditions (such as trip hazards, fallen tree limbs, street light outages, etc.), security incidences and engagement with San Diego Police officers.
 - Provide a daily list of locations of stickers and graffiti to be sent to HBA’s cleaning contractor for removal.
 - Where appropriate, engage with the San Diego Police Department in such a way that supports their law enforcement activity.
 - Influencing problematic individuals or groups of individuals to relocate beyond the boundaries of the areas described above.

Zone One additional services shall include:

- Foot patrols throughout the area fourteen hours a week with specific hours to be determined.
- Provide a basic level of information to customers in the public right of way (such as directions or assistance).

Zone Two security services shall include:

- Daily foot patrols throughout the area, seven days a week, eight hours a day with specific hours to be determined.
- Provide a basic level of information to customers in the public right of way (such as directions or assistance).

HBA agrees to provide the following:

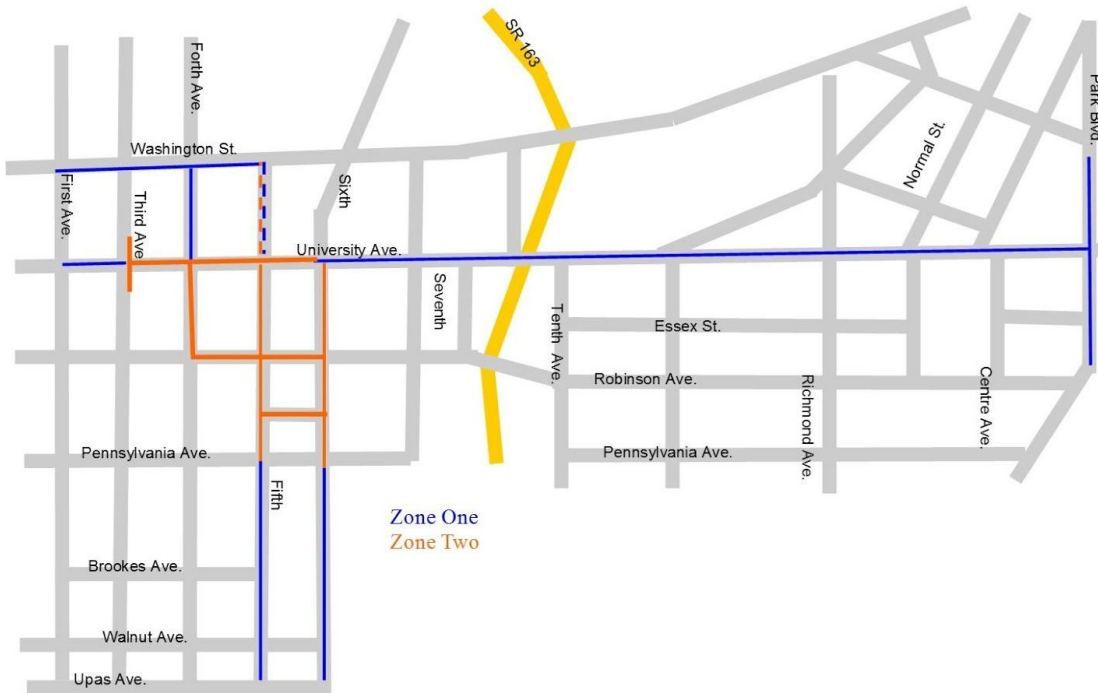
Payment based on the above schedule.

Attachment B: Conflict of interest policy

- No contract may be entered into by the Hillcrest Business Association if one of its officers, members, directors, committee members, staff members or volunteers has a material financial interest in the contract or transaction, except in the following circumstances:
 - the material facts as to the contract or transaction and as to the party's interest are fully disclosed or known to the member, board or committee voting on the matter;
 - the contract or transaction is approved by the members, board or committee in good faith, by a vote sufficient without counting the vote of the interested party or parties;
 - the interested party or parties abstains from voting on the matter;
 - the contract or transaction is just and reasonable to the Hillcrest Business Association at the time it was authorized, approved or ratified;
 - the interested party or parties shall not actively participate in the decision about the contract or transaction, except to answer questions or provide a broad explanation;
 - the action is recorded in meeting minutes, noting which members voted, how the members voted, and identifying any members who abstained from voting.

A violation of any provision of this policy shall be grounds for removal of the officers, directors, members, committee members, staff members or volunteers from their positions with the HBA. A contract or transaction entered into in violation of this Conflict of Interest Policy shall be void and unenforceable.

Attachment C: Service area



Attachment D: Post Orders:

Homeless hot spots:

- Evans Place,
- Rite Aid
- Pernicanos on 6th and 5th.
- Alleyway behind Snooze
- Don Zelman's parking lot
- Washington CVS
- Lawrence Furniture
- Ray's Tennis
- 711 at 4th.
- Washington at 4th
- Fifth and University Ave.
- Sixth at University Ave.
- Rich's Nightclub