

AGREEMENT FOR SERVICES

This Agreement for Services (“Agreement”) is made as of the date next to the last signature hereto (the “Effective Date”) by and between San Luis Obispo County (hereinafter “County”), and Verdin Marketing Ink, Inc. and RIESTER Sonoran LLC (hereinafter “Marketing Agency” or “VMR”) with reference to the following facts.

RECITALS

WHEREAS, on May 12, 2009, the Board of Supervisors approved the ordinance establishing the CBID, fixing the boundaries, providing for levy of a 2% business assessment on all lodging businesses (hotel, motel, bed and breakfast, and vacation rentals) within the boundaries of the District; and

WHEREAS, on December 7, 2010, the Board of Supervisors approved the boundaries of the District’s local areas in accordance with Section 3.09.080 of the ordinance establishing the District that 1% of the 2% assessment collected shall be disbursed to the area from which is was collected and that local advisory boards be created; and

WHEREAS, on February 1, 2011, the Board of Supervisors approved the formation of the Cambria Local Area Advisory Board and appointed members to its Board;

WHEREAS, the Cambria Local Area Advisory Board wishes to use Cambria local area funds to contract with VMR to re-design the Cambria Chamber of Commerce web site; and

WHEREAS, on October 27, 2011, the CBID approved the use of Cambria local area funds for this purpose.

NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

AGREEMENT

1. Scope of Services.

1.1 Verdin Marketing Ink, Inc. and RIESTER Sonoran, LLC Specified Services.

The Marketing Agency shall perform the services as outlined shown in the Scope of Work attached Exhibit A within the times or dates agreed upon with the CBID Advisory Board and the Cambria Local Area Advisory Board.

1.2. Creative Works and Intellectual Property.

All trademarks and service marks developed on the County's behalf during the term of this Agreement are and shall remain the County's exclusive property. County is responsible for ensuring that any work completed by the Marketing Agency can be trademark and/or copyright protected. The parties understand that, subject to the confidentiality obligations set forth herein and pursuant to applicable law, the Marketing Agency retains the right at all times to use any creative works developed by the Marketing Agency as examples of the Marketing Agency's work. Each party agrees to execute any such further documents as may be necessary or appropriate to protect or enforce the rights set forth in this paragraph.

1.3 Cooperation with CBID.

The Marketing Agency shall work closely with the County, CBID and the appointed CBID staff and the Cambria Local Area Advisory Board in the performance of all work hereunder.

1.4 Loyalty to the Client/Confidentiality.

During the term of this Agreement, the Marketing Agency agrees to treat as private and confidential any and all information, which is not otherwise publicly available under applicable law, relating to the County's business, including but not limited to projections, pricing, marketing strategies and customer base. The Marketing Agency will not release any such information to any person, firm or institution unless specifically directed or permitted by an authorized representative of Client in writing.

Further, during the term of this agreement and for one year thereafter, the County and the Marketing Agency mutually agree that they shall not extend offers of employment or consultancy to each other's employees without prior agreement between the County's appropriate senior executive and the Marketing Agency's President.

1.5 Performance Standard.

The Marketing Agency will perform all work hereunder in a manner consistent with the level of competency and standard of care normally observed by a person practicing in the Marketing Agency's profession.

1.6 Assigned Personnel.

In the event that the Marketing Agency has any employees and desires to have them assist with the work as described in Paragraph 1.1, the Marketing Agency shall assign only competent personnel to perform work hereunder. In the event that at any time County and/or CBID, for no good cause shown, desires the removal of any person or persons assigned by the Marketing Agency to perform any work hereunder, the

Marketing Agency shall remove such person or persons immediately upon receiving written notice from County or CBID.

2. Payment.

For all services and incidental costs required hereunder, Verdin Marketing Ink and Riester shall be compensated as set forth in the Scope of Work. Total cost of services shall not exceed \$63,750. Verdin Marketing Ink, Inc. and RIESTER Sonoran, LLC shall jointly invoice the County and CBID for all services provided hereunder. Invoices will be sent on a monthly basis, by the tenth of the month following. Invoices are net 10 days.

3. Term of Agreement.

The term of this agreement shall be for twelve months from the date next to the last signature hereto except in the event that the funding of the CBID through assessments upon the lodging businesses within its boundaries is not renewed for FY 2011-12. At which time all work will cease, this Agreement shall be terminated and the Marketing Agency will submit an invoice for work completed to date. The term may be extended by mutual written agreement of the parties herein.

4. Prosecution of Work.

4.1 Commencement of Work.

The execution of this Agreement by the County shall constitute the Marketing Agency's authority to proceed immediately with the performance of this Agreement. Performance of the services hereunder shall be completed within the time required herein, provided, however, that if the performance is delayed by earthquake, flood, high water, or other Act of God or by strike, lockout, or similar labor disturbances, the time for the Marketing Agency's performance of this Agreement shall be extended by a number of days equal to the number of days the Marketing Agency has been delayed.

4.2 Extra or Changed Work.

Only the CBID's Chair, in conjunction with County staff, may authorize extra or changed work or waive Agreement requirements. Said authorization and/or waiver must be in writing.

5. Representations and Warranties of Verdin Marking Ink and Riester.

5.1 Standard of Care

The Marketing Agency hereby warrants that all its work will be performed in accordance with generally accepted and applicable professional practices and standards as well as the requirements of applicable federal, state and local laws, it being understood that acceptance of Marketing Agency's work by County and CBID shall not operate as a waiver or release.

5.2 Status of Verdin Marketing Ink, Inc. and RIESTER Sonoran, LLC.

The parties intend that Verdin Marketing Ink, Inc. and RIESTER Sonoran, LLC , in performing the services specified herein, shall act as an independent contracts, and shall control the work and the manner in which it is performed. Verdin Marketing Ink, Inc. and RIESTER Sonoran, LLC are independent contractors and are not to be considered agents or employees of County and/or CBID and are not entitled to participate in any pension plan, insurance, bonus, or similar benefits County and/or CBID provides its employees.

5.3 Taxes.

Except as elsewhere herein provided, Verdin Marketing Ink, Inc. and RIESTER Sonoran, LLC agrees to file federal and state tax returns and pay all applicable taxes on amounts paid pursuant to this Agreement and shall be solely liable and responsible to pay such taxes and other obligations, including, but not limited to, state and federal income and FICA taxes. Verdin Marketing Ink, Inc. and RIESTER Sonoran, LLC agrees to indemnify and hold County and CBID harmless from any liability which it may incur to the United States or to the State of California as a consequence of Verdin Marketing Ink, Inc. and RIESTER Sonoran LLC's failure to pay, when due, all such taxes and obligations.

5.4 Records Maintenance.

The Marketing Agency shall keep and maintain full and complete documentation and accounting records concerning all services performed that are compensable under this Agreement and shall make such documents and records available to County and CBID for inspection at any reasonable time.

5.5 Conflict of Interest.

The Marketing Agency covenants that it presently has not interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder.

5.6 Nondiscrimination.

The Marketing Agency shall comply with all applicable federal, state and local laws, rules, and regulations in regard to nondiscrimination in employment because of race, color, ancestry, national origin, religion, sex, marital status, age, medical condition, pregnancy, disability, or other prohibited basis. All nondiscrimination rules or regulations required by law to be included in the Agreement are incorporated by this reference.

6. Method and Place of Giving Notice, Submitting Bills and Making Payments.

All notices, bills, and payments shall be made in writing and may be given by personal delivery or by mail. Notices, bills and payments sent by mail shall be addressed as follows:

TO: Nikki J. Schmidt
Administrative Office
County of San Luis Obispo
1055 Monterey Street, Room D430
San Luis Obispo CA 93408

TO: Mary Verdin
Verdin Marketing Ink, Inc.
689 Tank Farm Rd, #210
San Luis Obispo CA 93401

TO: Tim Riester
RIESTER Sonoran, LLC
802 N. 3rd Avenue
Phoenix AZ 85003

and when so addressed, shall be deemed given upon deposit in the United States mail, postage prepaid. In all other instances, notices, bills, and payments shall be deemed at the time of actual delivery. Changes may be made in the names and addresses of the person to whom notices, bills, and payments are to be given notice pursuant to this paragraph.

7. Resolution of Disputes.

The parties agree that disputes, which cannot be resolved by the parties alone, will be resolved by the following process:

7.1 Mediation.

The parties agree to mediate any dispute or claim between them arising out of this Agreement or any resulting transaction before resorting to arbitration or court action. The mediation fee, if any, shall be divided equally among the parties involved. In advance of the mediation, the parties shall voluntarily exchange all documents requested by the other party that relate to the dispute. Issues concerning discovery shall be submitted to the mediator prior to mediation; the mediator's decision shall be binding upon the parties to the dispute. Statements made during any mediation proceeding shall not be admissible in a subsequent arbitration or court proceeding, and shall be privileged to the full extent permitted under California law. If any party commences an arbitration or court action based on a dispute or claim to which this paragraph applies without first attempt to resolve the matter through mediation, then in

the discretion of the arbitrator(s) or judge, the other party may apply to such arbitrator or judge for an order staying the arbitration or court action pending mediation.

8. Termination of Contract for Convenience of Either Party.

Either party may terminate this contract at any time by giving to the other party 30 days written notice of such termination. Termination shall have no effect on upon the rights and obligations of the parties arising out of any transaction occurring prior to the effective date of such termination. Contractor shall be paid for all work satisfactorily completed prior to the effective date of said termination.

9. Termination of Contract for Cause.

If Contractor fails to perform Contractor's duties to the satisfaction of the County or CBID or if Contractor fails to fulfill in a timely and professional manner Contractor's obligations under this Contract or if Contractor shall violate any of the terms or provisions of this Contract or if Contractor, Contractor's agents or employees fail to exercise good behavior either during or outside of working hours that is of such a nature as to bring discredit upon the County and/or CBID, then County shall have the right to terminate this Contract effective immediately upon the County giving written notice thereof to the Contractor. Termination shall have no affect upon the rights and obligations of the parties arising out of any transaction occurring prior to the effective date of such termination. Contractor shall be paid for all work satisfactorily completed prior to the effective date of such termination. If County's termination of Contractor for cause is defective for any reason, including but not limited to County's reliance on erroneous facts concerning Contractor's performance, or any defect in notice thereof, County's maximum liability shall not exceed the amount payable to Contractor under paragraph 2 above.

10. No Third Party Beneficiaries.

Nothing contained in this Agreement shall be construed to create and the parties do not intend to create any rights in third parties.

11. Applicable Law and Forum.

This Agreement shall be construed and interpreted according to the substantive law of the State of California. Any action to enforce the terms of this Agreement or for the breach thereof shall be brought and tried in the County of San Luis Obispo.

12. Indemnification.

Consultant shall defend, indemnify and hold harmless the County, its officers and employees from all claims, demands, damages, costs, expenses, judgments, attorney fees, liabilities or other losses that may be asserted by any person or entity, and that arise out of or are made in connection with the acts or omissions relating to the performance of any duty, obligation or work hereunder. The obligation to indemnify

shall be effective and shall extend to all such claims and losses, in their entirety, even when such claims or losses arise from the comparative negligence of the County, its officers and employees. However, this indemnity will not extend to any claims or losses arising out of the sole negligence or willful misconduct of the County, its officers and employees.

It is the intent of the parties to provide the County the fullest indemnification, defense, and “hold harmless” rights allowed under the law. If any word(s) contained herein are deemed by a court to be in contravention of applicable law, said word(s) shall be severed from this contract and the remaining language shall be given full force and effect.

13. Non-Assignment of Contract.

Inasmuch as this Contract is intended to secure the specialized services of the Contractor, Contractor may not assign, transfer, delegate or sublet any interest therein without the prior written consent of County and any such assignment, transfer, delegation, or sublease without the County and CBID’s prior written consent shall be considered null and void.

14. Insurance.

Contractor, at its sole cost and expense, shall purchase and maintain the insurance policies set forth below on all of its operations under this Agreement. Such policies shall be maintained for the full term of this Agreement and the related warranty period (if applicable). Any failure to comply with reporting provisions(s) of the policies referred to above shall not affect coverage provided to the County, its officers, employees, volunteers and agents. For purposes of the insurance policies required hereunder, the term “County” shall include officers, employees, volunteers and agents of the County of San Luis Obispo, California, individually or collectively.

14.1 Minimum Insurance Requirements.

The following policies shall be maintained with insurers authorized to do business in the State of California and shall be issued under forms of policies satisfactory to the County:

14.2 Commercial General Liability Insurance Policy (“CGL”)

Policy shall include coverage at least as broad as set forth in Insurance Services Office (herein “ISO”) Commercial General Liability coverage. (Occurrence Form CG 0001) with policy limits not less than the following:

- \$1,000,000 each occurrence (combined single limit);
- \$1,000,000 for personal injury liability;
- \$1,000,000 aggregate for products-completed operations; and
- \$1,000,000 general aggregate.

The general aggregate limits shall apply separately to Contractor's work under this Agreement.

14.3 Business Automobile Liability Policy ("BAL")

Policy shall include coverage at least as broad as set forth in Insurance Services Office Business Automobile Liability Coverage, Code 1 "Any Auto" (Form CA 0001). This policy shall include a minimum combined single limit of not less than One-million (\$1,000,000) dollars for each accident, for bodily injury and/or property damage. Such policy shall be applicable to vehicles used in pursuit of any of the activities associated with this Agreement. Contractor shall not provide a Comprehensive Automobile Liability policy which specifically lists scheduled vehicles without the express written consent of County.

14.4 Workers' Compensation And Employers' Liability Insurance Policy ("WC/EL")

This policy shall include at least the following coverages and policy limits:

14.4.1 Workers' Compensation insurance as required by the laws of the laws of the State of California; and

14.4.2 Employer's Liability Insurance Coverage B with coverage amount not less than one-million (\$1,000,000) dollars each accident / Bodily Injury (herein "BI"); one-million (\$1,000,000) dollars policy limit BI by disease; and, one-million (\$1,000,000) dollars each employee BI disease.

14.5 Deductibles And Self-Insurance Retentions

Any deductibles and/or self-insured retentions which apply to any of the insurance policies referred to above shall be declared in writing by Contractor and approved by the County before work is begun pursuant to this Agreement. At the option of the County, Contractor shall either reduce or eliminate such deductibles or self-insured retentions as respect the County, its officers, employees, volunteers and agents, or shall provide a financial guarantee satisfactory to the County guaranteeing payment of losses and related investigations, claim administration, and/or defense expenses.

14.6 Endorsements

All of the following clauses and endorsements, or similar provisions, are required to be made a part of insurance policies indicated in parentheses below:

14.6.1 A "Cross Liability," "Severability of Interest" or "Separation of Insureds" clause (CGL & BAL);

14.6.2 The County of San Luis Obispo, its officers, employees, volunteers and agents are hereby added as additional insureds with respect to all liabilities arising out of Contractor's performance of work under this Agreement (CGL & BAL);

14.6.3 If the insurance policy covers an "accident" basis, it must be changed to "occurrence" (CGL & BAL)

14.6.4 This policy shall be considered primary insurance with respect to any other valid and collectible insurance County may possess, including any self-insured retention County may have, and any other insurance County does possess shall be considered excess insurance only and shall not be called upon to contribute to this insurance (CGL, BAL, & PL);

14.6.5 No cancellation or non-renewal of this policy, or reduction of coverage afforded under the policy, shall be effective until written notice has been given at least thirty (30) days prior to the effective date of such reduction or cancellation to County at the address set forth below (CGL, BAL, WC /EL & PL);

14.6.6 Contractor and its insurers shall agree to waive all rights of subrogation against the County, its officers, employees, volunteers and agents for any loss arising under this Agreement (CGL); and

14.6.7 Deductibles and self-insured retentions must be declared (All Policies).

14.7 Absence Of Insurance Coverage

County may direct Contractor to immediately cease all activities with respect to this Agreement if it determines that Contractor fails to carry, in full force and effect, all insurance policies with coverages at or above the limits specified in this Agreement. Any delays or expense caused due to stopping of work and change of insurance shall be considered Contractor's delay and expense. At the County's discretion, under conditions of lapse, the County may purchase appropriate insurance and charge all costs related to such policy to Contractor.

14.8 Proof of Insurance Coverage and Coverage Verification.

Prior to commencement of work under this Agreement, and annually thereafter for the term of this Agreement, Contractor, or each of Contractor's insurance brokers or companies, shall provide County a current copy of a Certificate of Insurance, on an Accord or similar form, which includes complete policy coverage verification, as evidence of the stipulated coverages. All of the insurance companies providing insurance for Contractor shall have, and provide evidence of, a Best Rating Service rate of A VI or above. The Certificate of Insurance and coverage verification and all other notices related to cancellation or non-renewal shall be mailed to the County.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as set forth below.

Verdin Marketing Ink, Inc.

COUNTY OF SAN LUIS OBISPO

By: [Signature], President

By: _____

RIESTER Sororan, LLC

AUTHORIZED BY BOARD ACTION

By: [Signature], CEO

_____ 2011

DATED: 11/30/11

ATTEST

By: _____
Clerk of the Board of Supervisors

DATED: _____

APPROVED AS TO FORM AND LEGAL EFFECT:
WARREN R. JENSEN
County Counsel

By: [Signature]
Assistant County Counsel

DATED: 12/6/2011