

August 19, 2016

Mr. William Sauls
Audit Committee Chair
Downtown San Diego Partnership
401 B Street, Suite 100
San Diego, CA 92101

Re: 2015 Exempt Organization Tax Return Preparation Services

Dear Mr. Sauls:

Thank you for choosing CohnReznick LLP ("CohnReznick" and/or "we") to perform professional services for Downtown San Diego Partnership and Downtown San Diego Foundation (referred to herein as the "Entity" and/or "you"). This engagement letter and attached General Terms and Conditions (collectively referred to herein as the "Agreement") shall confirm our understanding of the terms and objectives of our engagement, our mutual responsibilities and the nature and limitations of the services we will provide for the fiscal year begun July 1, 2015 and ended June 30, 2016.

Services

We will prepare for filing by the Entity, the federal and state exempt organization tax returns as follows:

For Downtown San Diego Partnership:

Federal Form 990 – Return of Organization Exempt from Income Tax
CA Form 199 – Exempt Organization Annual Information Return

For Downtown San Diego Foundation:

Federal Form 990 – Return of Organization Exempt from Income Tax
CA Form 199 – Exempt Organization Annual Information Return
CA Form RRF-1 – California Registration/Renewal Fee Report

This Agreement will also cover the provision of "on-call" services, which are routine questions, in connection with the return preparation specified herein above. The provision of such services may be billed for separately. Hence, all non-routine questions are not covered by this Agreement and will require a separate engagement letter and additional fees.

Our services will be rendered using our professional judgment and in accordance with the various codes of conduct applicable to our profession. They are also guided by the relevant tax rules of the jurisdictions covered by this Agreement. Furthermore, you are solely responsible for your tax returns and for any other service or advice that we may render to you, and you agree that we shall not be liable, to any extent, for any assessments of tax, interest, or penalties resulting from the tax positions taken.

We will prepare the Entity's returns subject of this Agreement based on the information you furnish to us. We will not audit or verify the data, although we may ask you to clarify some of it, or to provide additional data. You represent that the information you are supplying to us is accurate and complete to the best of your knowledge and that you have disclosed to us all relevant facts affecting the returns.

We will prepare your returns using our professional judgment and apply our interpretation of the applicable statutes, regulations and current case law to the information that you provide and/or represent to us. It is your responsibility to maintain, in your records, the documentation necessary to support the data used in preparing your tax returns, including but not limited to the auto, travel, entertainment, gifts and related expenses and the required documents to support charitable contributions over \$250. In addition, proper documentation is required to be maintained for each activity or investment in which you materially participate. The tax laws call for significant penalties to be imposed against taxpayers for "substantial understatement" of tax and for "negligence." In cases of substantial understatement of income (or substantial overstatement of deductions), the statute of limitations (number of previous years' returns still open for audit) can be extended. If we are aware that applicable tax law is unclear or that there are conflicting interpretations, we will discuss with you, our knowledge and understanding of the possible positions that may have a material effect on the return, and the alternatives that may be available. We will use our best judgment in protecting your interests.

Our work, in connection with the preparation of your tax returns, does not include any procedures designed to discover defalcations or other irregularities, should any exist. You are responsible for the safeguarding of assets, the proper recording of transactions in the books of accounts, the substantial accuracy of the financial records, and the full and accurate disclosure to us of all relevant facts affecting the return(s). You have the responsibility for the filing of all necessary tax returns and the payment of any taxes due on them. Therefore, you should review the returns carefully before you sign and file them, or authorize us to file electronically on your behalf.

You are responsible for providing us with a complete understanding of all states and localities (including foreign jurisdictions) in which you are doing business and/or involved in financial transactions. We are responsible for preparing returns only for the jurisdictions that are explicitly specified in this Agreement and brought to our attention. If the basis for our preparing a return in a specific jurisdiction is not correct and has an effect on apportionment or inclusion of income, you agree that we are not responsible beyond the information originally provided. We will make every effort to bring to your attention any liability that we do notice; however, overall advice on these issues is not within the scope of this engagement. We do not, in addition, make any representation about the completeness of any sales, payroll or use tax filings.

This Agreement does not constitute an engagement to perform any services other than those specified in this Agreement, and only for the entities referred to as Entity herein. Should additional services be requested such as special projects, tax planning or projections, including any services for any entity not referred to as Entity herein, we will separately agree to the terms of the engagement by means of an addendum to this Agreement or a separate engagement letter.

In addition, this Agreement does not cover services rendered in order to comply with the final tangible property regulations (TPR). For entities that have not adopted the TPR, compliance with the TPR will likely require elections to be made and the filing of one or more Form(s) 3115, Application for Change in Accounting Method. Compliance steps will vary based upon whether a taxpayer owns, maintains or manages tangible property. Additionally, for entities that have adopted the TPR, continued compliance with the TPR will require an analysis of repair and maintenance expenses on an ongoing basis. Any such tangible property compliance services will be rendered by us only pursuant to a separate engagement letter.

You are responsible for making all management decisions and performing all management functions; for designating an individual with suitable skill, knowledge, or experience to oversee the services we provide; and for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Changes in Tax Law and Information

The returns we prepare for you are based on the current tax law, as we understand it. We are not responsible for future changes in the law that may affect the returns we have already prepared, including law changes that may require the amendment of previously filed returns. While we may attempt to advise you of such changes, we are under no obligation to do so. In addition, if, during our work, we discover information that affects your prior years' tax returns, we will make you aware of the facts; however, we are not responsible for identifying items that may affect prior years' returns. If you become aware of such information, please contact us. Should you desire that we prepare such amended returns or other filings such as Form(s) 3115, Application for Change in Accounting Method, as a result of new information, we will separately agree to the terms of the engagement by means of an addendum to this Agreement or a separate engagement letter.

Reporting to IRS of Foreign Activity or Assets

There are significant taxpayer penalties for failing to report to the Internal Revenue Service ("IRS") foreign activity or assets. One such report, FinCEN Form 114, Report of Foreign Bank and Financial Accounts, is required to be filed if foreign financial accounts exist in which the filer of the tax return has a financial interest or over which the filer has signature or other authority. Form 5471, Information Return of U.S. Persons with Respect To Certain Foreign Corporations, and Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business, are two other reports that have significant failure to file penalties. The IRS also requires information reporting with respect to transactions involving certain foreign trusts or foreign gifts received. Involvement in these transactions requires you to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, or Form 3520-A, Annual Information Return of Foreign Trust with a U.S. Owner, as applicable. There are also many other foreign information filings that could apply with respect to direct or indirect investments in, or transactions with, foreign entities. Failure to disclose any of these items can result in significant failure to file penalties. In addition, the statute of limitations may remain open for the entire return if these forms are not filed. Therefore, it is your responsibility to advise us regarding your foreign activities and assets to ensure that appropriate filing requirements have been met.

Required Disclosures

The Internal Revenue Code and regulations impose preparation and disclosure standards with non-compliance penalties on both the preparer of a tax return and on the taxpayer. To avoid exposure to these penalties, it may be necessary, in some cases, to make certain disclosures to you and/or in the return concerning positions taken on the return that do not meet these standards. Accordingly, we will advise you if we identify such a situation, and we will discuss those tax positions that may increase the risk of exposure to penalties and any recommended disclosures with you before completing the preparation of the return. If we disagree on how to proceed with respect to any position in the return, we reserve the right to withdraw from the engagement. Likewise, in such a situation, you have a right to choose another professional to prepare your return. In either event, you agree to compensate us for our services to the date of withdrawal. Our engagement with you will terminate at the date of withdrawal.

The IRS requires you to file certain disclosure statements regarding tax strategies and reportable transactions. Failure to disclose any of these transactions can result in significant penalties being imposed. When providing information to us, please verify and disclose if you were involved in a tax strategy or reportable transaction.

A partial list of reportable transactions can be found under the following IRS website:

<http://www.irs.gov/Businesses/Corporations/Listed-Transactions>

Consents

Except as specifically authorized by law, your consent is required before we may use or disclose your tax return information for any purpose other than the preparation and filing of your tax returns.

The Entity also authorizes CohnReznick to use and disclose your name and contact information to potential clients and contacts of CohnReznick in marketing materials and/or proposals, in response to reference requests by potential clients or contacts, on CohnReznick's website or in connection with marketing meetings. In addition, the Entity hereby authorizes CohnReznick to use your name and contact information and to disclose to mail houses your name and contact information for the purpose of mailing, including electronic transmissions, to you the following: (a) newsletters and materials concerning CohnReznick and the services it offers, (b) newsletters and materials which include information from or about CohnReznick's affiliated companies and the services they offer, and (c) materials concerning upcoming seminars, webinars or webcasts offered by CohnReznick or its affiliated companies.

In addition, in connection with the services being provided to you, we may disclose your tax return information for the current tax year and any prior tax years to our preparer located outside the United States, CohnReznick Professional Services PVT Ltd. or its successor that will assist us with the preparation of your tax returns and other tax services. You have the right to limit your consent to specific information, not just authorize disclosure of all of your tax return information.

By executing and dating this Agreement, the Entity authorizes CohnReznick to disclose your tax return information as set forth in this Consents section of this Agreement for the current tax year and any prior tax years. The Entity's consent will be valid for four years.

Mr. William Sauls
Downtown San Diego Partnership
August 19, 2016
Page 5

Engagement Administration, Fees and Other

We would appreciate your forwarding us your information as early as possible. If all of the information necessary to complete the returns is not **received one month prior to the original**

We estimate that our fee for these services will range between \$4,200 and \$5,200 for **PARTNERSHIP** Downtown San Diego Partnership and \$2,700 and \$3,700 for Downtown San Diego Foundation (the "Fee").

*CEM 64
08/19/16*

In the event any payment set forth above is not received, CohnReznick shall have the right to terminate this Agreement or suspend the services until such payment is received by CohnReznick. The Entity will also be invoiced for out-of-pocket costs. At the conclusion of the engagement, you will be billed for any time incurred that is out of scope of the original fee estimate.

The Fee is based on anticipated cooperation from the Entity's personnel and the assumption that unexpected circumstances will not be encountered during this engagement. In the event, any circumstances arise which cause the actual time incurred to exceed the Fee, you shall be separately invoiced for the additional time expended by CohnReznick.

The Entity authorizes CohnReznick to deliver any draft and final versions of its tax returns and other related engagement documents to the CohnReznick Portal(s) in order to facilitate your access to these documents. The Portal site is intended solely to accommodate the Entity (and the Entity alone will be given access to the Portal site). The Entity is not authorized to grant access to the Portal site to any third party.

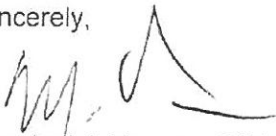
Mr. William Sauls
Downtown San Diego Partnership
August 19, 2016
Page 6

In addition, the terms set forth on the attached Addendum are expressly incorporated herein.

By your execution of this Agreement, the undersigned represent and warrant that he or she is authorized on behalf of the entity or entities listed to bind and are in fact binding each such entity to the terms and conditions of this Agreement.

We appreciate the opportunity to be of service to you. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this Agreement, please sign the enclosed copy and return it to us.

Sincerely,



Marshall J. Varano, CPA
Partner

MJV:bab

Attachment(s): General Terms and Conditions (ver. 10/2015)
Addendum

AGREED TO AND ACCEPTED BY:

Downtown San Diego Partnership ~~Partnership~~
Downtown San Diego Foundation_A

By: _____

Authorized signature

Print Name: _____

WILLIAM H. SAULS

Title: _____

TREASURER

Date: _____

08/19/16

GENERAL TERMS AND CONDITIONS

Communications: You acknowledge that as a condition of CohnReznick's engagement, you agree to the best of your knowledge and belief to be truthful, accurate, and complete in making representations to CohnReznick during the course of its engagement and in any written representations that may be required at the conclusion of the engagement.

Payment Terms: Unless otherwise agreed to herein, you agree to pay CohnReznick fees for its services based upon the time expended in performing the services at CohnReznick's hourly rates in effect from time to time plus out-of-pocket costs and certain ancillary charges. Invoices that are not paid in full within thirty (30) days after receipt of the invoices shall be subject to interest of 1% per month (12% annual percentage rate), computed from the date of the invoice until paid.

Notwithstanding any other provision in this Agreement to the contrary, in the event the fee for the engagement is payable pursuant to a payment schedule, the final payment shall be due upon substantial completion of the services provided the delay in completing the engagement is caused by you or your personnel.

You also agree to reimburse CohnReznick for reasonable costs and attorney fees incurred by CohnReznick should it prevail in proceedings to collect fees due from you to CohnReznick.

Use of Third Parties: CohnReznick may from time-to-time use third-party service providers, affiliated entities and/or individual contractors (collectively referred to as "service providers") in serving your account which may require the sharing of your information with the service provider. Generally, CohnReznick will only use service providers on a very limited basis. CohnReznick will secure confidentiality agreements with all service providers to maintain the confidentiality of your information. In the event that CohnReznick

is unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the service provider. Furthermore, CohnReznick will remain responsible for any work provided by any such service providers.

Work Paper Retention: Every effort will be made to return your original documents to you upon the completion of the engagement. CohnReznick's working papers and all other file materials including your documentation are maintained in accordance with its document retention policies. It is your responsibility to retain records to comply with applicable statutes and regulations. CohnReznick's records and files are its property and are not a substitute for your own records. You agree that CohnReznick shall not be liable to you for the destruction of CohnReznick's files or your documentation consistent with its policies, including destruction of any original documents you may have provided to CohnReznick.

Third-Party Requests: In the event CohnReznick is requested by you to provide information related to the services to you, or required pursuant to law, regulation, subpoena or applicable professional standards and/or rules to produce information or its personnel as witnesses with respect to the services, you shall reimburse CohnReznick for any professional time and expenses (including legal fees) incurred to respond to the request, provided CohnReznick is not a party to the proceeding or the subject of the investigation in which the information is sought. CohnReznick shall, to the extent legally permissible, notify you promptly of any such request unless such request is made pursuant to regulatory oversight applicable to CohnReznick.

Non-Solicitation: Professional standards require CohnReznick to be independent in performance of certain services. Any discussions that you have with personnel of

GENERAL TERMS AND CONDITIONS

CohnReznick regarding employment could pose a threat to our independence. During the term of this Agreement and for a period of one year thereafter, you agree, except with CohnReznick's express written consent, not to solicit (except by means of a general press solicitation not targeted to any individual employee or group of employees for employment or any consulting or other relationship substantially equivalent to employment), entice, hire, employ or seek to employ any of CohnReznick's employees.

Confidentiality: CohnReznick agrees to maintain in trust and confidence, and not to use any confidential information received from you except to perform the services provided for in this Agreement. In addition, CohnReznick agrees not to disclose any confidential information received from you to any third party except (a) as permitted in this Agreement including but not limited to the Use of Third Parties and Third Party Requests sections of the General Terms and Conditions or (b) with your prior written consent.

Limitations: You agree that CohnReznick's and its personnel's maximum liability to you and your personnel for any errors or omissions (including negligent errors and omissions) committed by CohnReznick and/or its personnel arising out of or related to this Agreement or the services will be limited to the amount actually paid for the services. This limitation shall not apply to the extent it is determined that the loss was caused by CohnReznick's gross negligence or willful misconduct.

Except for the indemnification obligation set forth herein, in no event shall either party be liable to the other party or its personnel for any consequential, incidental, indirect, punitive or special damages, including any amount for loss of profit, data or goodwill, whether or not the likelihood of such loss or damage was contemplated.

You agree that in no event shall any action or claim, regardless of its form, arising out of or related to this Agreement or the services be brought after the earlier of (a) 12 months after discovery of facts giving rise to any such alleged claim; or (b) two years after the completion of the particular services giving rise to the action or claim. Any action or claim not brought within that time period shall be barred without regard to any other limitations period set forth by law or statute.

You shall indemnify and hold harmless CohnReznick and its personnel from and against all claims by third parties and resulting damages, liabilities or losses (including costs and legal fees) arising out of or related to this Agreement or the services. The preceding sentence shall not apply to the extent it is determined that the loss was caused by CohnReznick's gross negligence or willful misconduct.

Electronic Signatures and Transmissions:

This Agreement may be transmitted in electronic format and shall not be denied legal effect because it was formed or transmitted, in whole or in part, by electronic means. An electronic, digital or electronically transmitted signature (collectively, "Electronic Signature") will be deemed an acceptable original for purposes of consummating this Agreement and binding the party providing such Electronic Signature.

Choice of Law: This Agreement, and any claims, matters or obligations arising out of or related to this Agreement or the services, including, but not limited to, claims arising in contract, tort, fraud, under statute or otherwise, shall be governed by and construed in accordance with the laws of the State of New York as if this Agreement was entered into, and was to be entirely performed within, the State of New York without giving any effect to any contrary choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdiction).

GENERAL TERMS AND CONDITIONS

Dispute Resolution: Any dispute, controversy, or claim arising out of or relating to the services or the performance or breach of this Agreement (including disputes regarding the termination, validity or enforceability of this Agreement) or any prior services or agreements between the parties shall be finally resolved by arbitration in accordance with the International Institute for Conflict Prevention and Resolution ("IICPR") Rules for Non-Administered Arbitrations by a panel of three arbitrators, one chosen by each party, and the third selected by the two party-selected arbitrators. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq., and judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The arbitration hearings will take place in New York, New York unless the parties agree to a different locale.

The arbitration panel shall have no authority to award non-monetary or equitable relief, and any monetary award shall not include punitive damages or damages that are inconsistent with those damages allowed under this Agreement.

In the event it is necessary to confirm the arbitration award in court, the costs of such confirmation proceedings, including attorneys' fees, incurred by the party seeking confirmation shall be borne entirely by the party against whom enforcement is sought.

Such arbitration shall be binding and final. In agreeing to arbitration, the parties acknowledge that in the event of any dispute (including a dispute over fees) the parties are giving up the right to have the dispute decided in a court of law before a judge or jury and instead the parties are accepting the use of arbitration for resolution.

Miscellaneous: Either party may terminate this Agreement, or the services, upon 30

days' prior written notice to the other. CohnReznick may terminate this Agreement, or the services, immediately upon written notice to you (a) if CohnReznick determines in its professional judgment that it is unable to complete the services in accordance with applicable law or professional standards and/or obligations, or due to unexpected circumstances, (b) for reasonable cause (including failure to provide the information or cooperation necessary for successful performance of the services), or (c) if your account becomes 30 days or more overdue.

The services will be deemed to be completed upon written notification of termination (regardless of the extent of services performed as of the notification date). You will be obligated to compensate CohnReznick for the time expended and to reimburse CohnReznick for all expenses and out-of-pocket costs incurred up to and including the date of termination of this Agreement or the services.

The provisions of this Agreement that give either of the parties' rights or obligations beyond its termination shall survive termination of this Agreement.

This Agreement is the complete and exclusive statement of agreement between the parties, and replaces and supersedes all proposals, communications and agreements between the parties, whether written or oral, related to the subject matter and time periods referenced in this Agreement, including any prior agreement CohnReznick may have entered into related to the confidentiality of information provided by you to CohnReznick.

In the event that any provision of this Agreement is found to be invalid, then such provision will be modified to reflect the parties' intention as closely as possible without being unenforceable. All remaining provisions of this Agreement shall remain in full force and effect.

ADDENDUM

INSURANCE REQUIREMENTS. Prior to the Commencement Date, Contractor shall furnish DSDP with a certificate(s) of insurance and the endorsements specified below, executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth below. Contractor agrees to provide to The City of San Diego and its respective elected officials, officers, employees, agents and representatives the same protection as afforded to DSDP.

(1) Commercial General Liability. Commercial General Liability (CGL) insurance written on a current version of the ISO Occurrence form CG 00 01 or an equivalent form providing coverage at least as broad which shall cover liability arising from any and all bodily injury, personal injury, advertising injury or property damage in the amount of \$1 million per occurrence and subject to an annual aggregate of \$2 million. There shall be no endorsement or modification of the CGL limiting the scope of coverage for either insured claims or contractual liability. All defense costs shall be outside the limits of the policy.

(2) Commercial Automobile Liability. For all of Contractor's automobiles including owned, hired and non-owned automobiles, Contractor shall keep in full force and effect, automobile insurance written on a current version of the ISO form CA 00 01 or an equivalent form providing coverage at least as broad for bodily injury and property damage for a combined single limit of \$1 million per occurrence. The insurance certificate shall reflect coverage for any automobile (any auto).

(3) Workers' Compensation. For all of Contractor's employees who are subject to this Agreement and to the extent required by the applicable state or federal law, Contractor shall keep in full force and effect, a Workers' Compensation policy. That policy shall provide a minimum of \$1 million of employer's liability coverage, and Contractor shall provide an endorsement that the insurer waives the right of subrogation against DSDP and the City and its respective elected officials, officers, employees, agents, and representatives, except if prohibited by law.

(A) Deductibles. All deductibles or retentions on any policy shall be the sole responsibility of Contractor and shall be disclosed to DSDP at the time the evidence of insurance is provided.

(B) Acceptability of Insurers. Except for the State Compensation Insurance Fund, all insurance required by this Agreement, shall only be carried by insurance companies with a current rating of at least "A-, VI" by A.M. Best Company that are authorized by the California Insurance Commissioner to do business in the State of California, and that have been approved by DSDP. DSDP will accept insurance provided by non-admitted, "surplus lines" carriers only if the carrier is authorized to do business in the State of California and is included on the List of Approved Surplus Lines Insurers (LASLI list). All policies of insurance

carried by non-admitted carriers are subject to all of the requirements for policies of insurance provided by admitted carriers described herein.

(C) Required Endorsements. The following endorsements to the policies of insurance are required to be provided to DSDP before any performance is initiated under this Agreement.

(1) Commercial General Liability Insurance Endorsements.

Additional Insured. To the fullest extent allowed by law, including but not limited to California Insurance Code section 11580.04, the policy or policies must include as an additional insured using current versions of ISO additional insured endorsements CG 20 10 and CG 20 37 (completed operations) or their equivalents, the DSDP and the City of San Diego and its respective elected officials, officers, employees, agents and representatives with respect to liability arising out of (a) ongoing operations performed by you or on your behalf, (b) your products, (c) your work, including but not limited to your completed operations performed by you or on your behalf, or (d) premises owned, leased, controlled or used by you.

Primary and Non-contributory Coverage. The policy or policies must provide that the insurance afforded by the Commercial General Liability policy or policies is primary to any insurance or self-insurance of DSDP and the City, its elected officials, officers, employees, agents and representatives as respects operations of the Named Insured.

Severability of Interest. The policy or policies must be endorsed to provide that Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability and shall provide cross-liability coverage.

(2) Automobile Liability Insurance Endorsements

Additional Insured. To the fullest extent allowed by law, including but not limited to California Insurance Code section 11580.04, the policy or policies must include as an Insured DSDP and the City and its respective elected officials, officers, employees, agents and representatives with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of Contractor. DSDP and the City is an additional named insured and insurer waives the right of subrogation against the DSDP and the City and its respective elected officials, officers, employees, agents and representatives.

Primary and Non-contributory Coverage. The policy or policies must provide that the insurance afforded by the Automobile Liability policy or policies is primary to any insurance or self-insurance of DSDP and the City, its elected officials, officers, employees, agents and representatives as respects operations of the Named Insured.

Severability of Interest. The policy or policies must provide that Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability and shall provide cross-liability coverage.

(3) Worker's Compensation Insurance Endorsements.

Waiver of Subrogation. Except as prohibited by law, the Worker's Compensation policy or policies must provide that the insurer will waive all rights of subrogation against DSDP and the City, its elected officials, officers, employees, agents and representatives for losses paid under the terms of this policy or these policies which arise from work performed by the Named Insured for DSDP and the City.

- (A) Reservation of Rights. DSDP and the City reserves the right, from time to time, to review Contractor's insurance coverage, limits, deductible, and self-insured retentions to determine if they are acceptable to DSDP and the City.
- (B) Additional Insurance. Contractor may obtain additional insurance not required by this Agreement.
- (C) Excess Insurance. All policies providing excess coverage to City shall follow the form of the primary policy or policies including but not limited to all endorsements.

LIVING WAGE: The Contractor must comply with the City of San Diego Living Wage ordinance. If it is determined that the Contractor is not comply with living wage, any fees, costs or penalties associated with noncompliance will be paid for by Contractor. Contractor shall provide payroll reports for all employees working on the contract showing compliance with Living Wage requirements. Confidential employee information may be redacted. You may visit the following links for specific requirements.
<http://www.sandiego.gov/purchasing/programs/livingwage/>.

PREVAILING WAGE: Prevailing Wages. Pursuant to SDMC section 22.3019, construction, alteration, demolition, repair, and maintenance work performed under this Agreement is subject to State prevailing wage laws. For construction work performed under this Agreement cumulatively exceeding \$25,000 and for alteration, demolition, repair and maintenance work performed under this Agreement cumulatively exceeding \$15,000, the Contractor and its subcontractors shall comply with State prevailing wage laws including, but not limited to, the requirements listed below. This requirement is in addition to the requirement to pay Living Wage pursuant to SDMC sections 22.4201 through 22.4245. Contractor must determine which per diem rate is highest for each classification of work (i.e. Prevailing Wage Rate or Living Wage Rate), and pay the highest of the two rates to their employees. Living Wage applies to workers who are not subject to Prevailing Wage Rates.

1. Compliance with Prevailing Wage Requirements. Pursuant to California Labor Code (Labor Code) sections 1720 through 1861, Contractor and its subcontractors shall ensure that all workers who perform work under this Agreement are paid not less than the prevailing rate of per diem wages as determined by the Director of the California Department of Industrial Relations (DIR). This includes work performed during the design and preconstruction phases of construction including, but not limited to, inspection and land surveying work.

- (a) Copies of such prevailing rate of per diem wages are on file at the City and are available for inspection to any interested party on request. Copies of the prevailing rate of per diem wages also may be found at <http://www.dir.ca.gov/OPRL/DPreWageDetermination.htm>.

Contractor and its subcontractors shall post a copy of the prevailing rate of per diem wages determination at each job site and shall make them available to any interested party upon request.

- (b) The wage rates determined by the DIR refer to expiration dates. If the published wage rate does not refer to a predetermined wage rate to be paid after the expiration date, then the published rate of wage shall be in effect for the life of this Contract. If the published wage rate refers to a predetermined wage rate to become effective upon expiration of the published wage rate and the predetermined wage rate is on file with the DIR, such predetermined wage rate shall become effective on the date following the expiration date and shall apply to this Agreement in the same manner as if it had been published in said publication. If the predetermined wage rate refers to one or more additional expiration dates with additional predetermined wage rates, which expiration dates occur during the life of this Agreement, each successive predetermined wage rate shall apply to this Agreement on the date following the expiration date of the previous wage rate. If the last of such predetermined wage rates expires during the life of this Agreement, such wage rate shall apply to the balance of the Contract.

2. Penalties for Violations. Contractor and its subcontractors shall comply with Labor Code section 1775 in the event a worker is paid less than the prevailing wage rate for the work or craft in which the worker is employed.

3. Payroll Records. Contractor and its subcontractors shall comply with Labor Code section 1776, which generally requires keeping accurate payroll records, verifying and certifying payroll records, and making them available for inspection. Contractor shall require its subcontractors to also comply with section 1776. Contractor and its subcontractors shall submit weekly certified payroll records online via the City's web-based Labor Compliance Program. Contractor is

responsible for ensuring its subcontractors submit certified payroll records to the City.

4. Apprentices. Contractor and its subcontractors shall comply with Labor Code sections 1777.5, 1777.6, and 1777.7 concerning the employment and wages of apprentices. Contractor shall be held responsible for the compliance of their subcontractors with sections 1777.5, 1777.6 and 1777.7.

5. Working Hours. Contractor and subcontractors shall comply with Labor Code sections 1810 through 1815 including but not limited to: (i) restrict working hours on public works contracts to eight hours a day and forty hours a week, unless all hours worked in excess of 8 hours per day are compensated at not less than 1½ times the basic rate of pay; and (ii) specify penalties to be imposed on design professionals and subcontractors of \$25 per worker per day for each day the worker works more than 8 hours per day and 40 hours per week in violation of Labor Code sections 1810 through 1815.

6. Required Provisions for Subcontracts. Contractor shall include at a minimum a copy of the following provisions in any contract they enter into with a subcontractor: Labor Code sections 1771, 1775, 1776, 1777.5, 1810, 1813, 1815, 1860 and 1861.

7. Labor Code Section 1861 Certification. Contractor, in accordance with Labor Code section 3700, is required to secure the payment of compensation of its employees and by signing this Agreement, Contractor certifies that "I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this agreement."

8. Labor Compliance Program. The City has its own Labor Compliance Program authorized in August 2011 by the DIR. The City will withhold contract payments when payroll records are delinquent or deemed inadequate by the City or other governmental entity, or it has been established after investigation by the City or other governmental entity that underpayment(s) have occurred. For questions or assistance, please contact the Equal Opportunity Contracting Department at 619-236-6000.

- (c) Higher Wage Rate Applies. Contractor is required to pay the highest applicable wage rate where more than one wage rate applies.