SERVICES CONTRACT AGREEMENT
FOR THE
DOWNTOWN SAN DIEGO PARTNERSHIP
CLEAN AND SAFE PROGRAM

THIS AGREEMENT ("Agreement") by and between the DOWNTOWN SAN DIEGO PARTNERSHIP, CLEAN AND SAFE PROGRAM ("DSDP") and CIVITAS ("Contractor"), is made and entered into on May 23, 2022 ("Effective date") with references to the facts set forth below.

RECITALS

A. DSDP requires a firm to provide consulting services for the renewal of the Downtown Property Business Improvement District ("PBID"). The Contractor has a background in providing these services and is willing to provide such services to DSDP based on this background.

AGREEMENT

NOW, THEREFORE, in consideration of the terms and conditions herein contained and other good and valuable consideration, receipt of which is acknowledged, the parties hereto agree as set forth below:

1. AGREEMENT PERIOD. This Agreement shall commence on May 23, 2022 ("Commencement Date") and continue through May 23, 2023 ("Completion Date") unless terminated sooner pursuant to the termination provision provided in this Agreement.

2. SCOPE OF SERVICES. Contractor shall provide the following services:

- Strategic Planning
  The PBID renewal process will require a comprehensive project timeline. Part of the strategic planning process will also be to make recommendations for a successful renewal campaign among property owners. Contractor shall detail how they will approach the project planning process, including but not limited to preliminary research, stakeholder outreach, data gathering, and assignment of roles and responsibilities.

- Outreach and Communication Strategy
  A thoughtful outreach and communication strategy will be required throughout the renewal process in order to further understand the needs of the PBID and develop a management district plan that serves each district. Contractor shall present ideas and support strategies that provide clear communication around the PBID renewal process.

- Evaluation of District Boundaries and Services
The Board of Directors is requesting an evaluation of the current district boundaries and services. An analysis is needed to determine if the PBID can and should include neighboring districts in the PBID renewal. An assessment of services is needed to determine which additional services can and should be considered for the new service plan. Contractor shall provide a minimum of one case study which supports their efforts in accomplishing successfully evaluating district boundaries and services. In addition, Contractor shall detail their knowledge of state and local laws governing the expansion of a PBID, services offered within a PBID, and the development of a management district plan.

- **Renewal of District**
  The current PBID program expires on June 30, 2025. The Board of Directors seeks to renew the PBID by January 1, 2024, with the new program beginning on July 1, 2024. Contractor shall detail processes, work experience, methodologies, and techniques that will be used to achieve renewal.

3. **DUTIES OF CONTRACTOR.** DSDP, at this moment, retains the Contractor as an Independent Contractor to maintain and perform the services outlined in this Agreement beginning on the Commencement Date. Contractor shall perform the following duties:

   SEE EXHIBIT A

3A. **Requirements Relating to Contractor Employees.** The Contractor shall hire, employ, discharge control, and supervise all personnel and labor necessary for the performance of the duties described in this Agreement. The Contractor shall use its best efforts to exercise reasonable care to select qualified, competent, and trustworthy employees. All employees shall be employees of the Contractor and not DSDP. The Contractor shall comply with all laws, ordinances, statutes, codes, and regulations including, without limitation, governmental anti-discrimination laws and the requirements of the Americans with Disabilities Act relating to employees and all requirements relating to employee tax, employee benefits, and other federal and state requirements. The Contractor shall make whatever reports may be required by the state and federal governments relative to such taxes or deductions. All employees shall be covered under the Contractor’s Worker’s Compensation insurance policy at the Contractor’s expense.

3B. **Living Wage:** The Contractor must comply with the City of San Diego Living Wage ordinance. If it is determined that the Contractor is not complying with living wage, any fees, costs, or penalties associated with noncompliance will be paid for by the Contractor. The 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/living-wage/](http://www.sandiego.gov/purchasing/programs/living-wage/).

3C. **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. The 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. The 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 the 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 expire during the life of this Agreement, such wage rate shall apply to the balance of the Contract.

(2) Penalties for Violations. The 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. The 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. The Contractor shall require its Subcontractors to also comply with section 1776. The Contractor and its Subcontractors shall submit weekly certified payroll records online via the City's web-based Labor Compliance Program. The Contractor is responsible for ensuring its Subcontractors submit certified payroll records to the City.

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

(5) Working Hours. The 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. The 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. The 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.

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

3D. Records Review and Retention. The Contractor shall permit DSDP or the City, at any time during normal business hours, to audit all invoices, materials, payrolls,
records of personnel, and other data and media relating to all matters covered in this Agreement. The Contractor shall maintain, at its regular place of business or at such other place as may be approved by DSDP, all such data and records for a period of three (3) years following the termination of this Agreement.

4. **PAYMENT FOR SERVICES.** The Contractor shall invoice DSDP as soon as possible following the end of each month for services performed in accordance with the below rates.

4A. **Invoicing/Payment Due Dates.** The Contractor shall invoice DSDP no later than 5 business days following the end of each month for services performed. Invoices shall be sent via email to the assigned DSDP project supervisor. Each invoice shall specify the month of service and bill rate. The Contractor’s invoice shall be due and payable 45 days from the date of DSDP’s receipt of the invoice. Upon termination of this Agreement, payments under this paragraph shall cease, provided, however, that the Contractor shall be entitled to payments for periods or partial periods that occurred prior to the date of termination and for which the Contractor has not yet been paid.

(1) Civitas will bill a fixed monthly fee of $7,000 plus expenses for twelve (12) months beginning in May 2022. If additional time beyond that which has been budgeted is needed, Civitas will continue billing professional fees at $7,000 per month for the project duration.

(2) Ordinary costs and expenses, including telephone charges, standard postage, and standard photocopying, will be billed at 4% of professional fees.

(3) A start-up fee of ten percent (10%) of the project costs shall be due and payable upon execution of an agreement for services between Civitas and DSDP. The amount of the start-up fee will be deducted from the final invoice.

5. **SUPERVISORS.**

5A. **DSDP Supervisor.** The Clean and Safe Executive Director appoints the overall contract manager. They designate the point of contact between Clean and Safe Program and Contractor. The Contractor shall be liable if any work performed does not meet all specifications and requirements contained in this Agreement.

**DSDP Project Manager:** Taylor Stahl, Director of Special Projects  
**Email:** tstahl@downtownsandiego.org  
**Phone:** 530-228-4991

5B. **Project Manager Appointed by Contractor.** The Contractor shall appoint a Project Manager who shall have primary responsibility for administering and ensuring compliance by Contractor of the obligations under this Agreement. The Project Manager is responsible for ensuring compliance with all the terms of this Agreement and keeping an open flow of information and communication between DSDP and the Contractor.
6. **TERMINATION.** If not terminated sooner, this Agreement shall terminate automatically on **May 23, 2023.** DSDP may, at any time, terminate this Agreement without cause upon thirty-day (30) notice to Contractor. Upon termination of this Agreement, Contractor’s right to compensation shall immediately cease except for amounts payable hereunder prior to the date of termination. Upon termination or expiration of this Agreement, Contractor shall (a) forward to DSDP any payments received following the expiration of this Agreement (b) promptly deliver any documents and records relative to this provision of services provided hereunder to DSDP (c) immediately surrender to DSDP or its designee any other funds or property belonging to DSDP. Upon termination of this Agreement, the independent contractor relationship created hereby shall immediately cease. Notwithstanding the foregoing, DSDP may terminate this Agreement upon three-day (3) notice for Contractor’s failure to comply with all of its obligations under this Agreement.

7. **COVID-19 VACCINE COMPLIANCE.** DSDP requires proof that a contractor will be fully vaccinated against COVID-19 no later than their contract start date before any work can begin and proceed. Pursuant to the California Department of Public Health, individuals are considered fully vaccinated against COVID-19 either: (1) two weeks or more after receiving the second dose in a 2-dose series of approved vaccines (Pfizer-BioNTech or Moderna, or vaccine authorized by the World Health Organization), or (2) two weeks or more after receiving a single-dose approved vaccine (Johnson and Johnson [J&J]/Janssen). DSDP will provide accommodations to qualifying individuals in accordance with applicable law.

8. **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. The 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 the 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 the 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.

8A. Deductibles. All deductibles or retentions on any policy shall be the sole responsibility of the Contractor and shall be disclosed to DSDP at the time the evidence of insurance is provided.

8B. 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.

8C. 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 be endorsed to 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 be endorsed to 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 be endorsed to 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 be endorsed to 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 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.

(3) Worker's Compensation Insurance Endorsements.

Waiver of Subrogation. The Worker's Compensation policy or policies must be endorsed to 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.

8D. Reservation of Rights. DSDP and the City reserves the right, from time to time, to review the Contractor's insurance coverage, limits, deductible, and self-insured retentions to determine if they are acceptable to DSDP and the City.

8E. Additional Insurance. The Contractor may obtain additional insurance not required by this Agreement.
8F. 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.

9. RELATIONSHIP OF PARTIES. It is understood by the parties that the Contractor, and its personnel and agents, are Independent Contractors with respect to DSDP, and not employees of DSDP. The individuals used to perform such service, as DSDP shall request, shall be personnel of the Contractor, an Independent Contractor. The Contractor shall provide the tools of the trade, and shall have the sole management control over its personnel and agents.

10. INDEMNITY AND HOLD HARMLESS. Contractor shall indemnify, defend (with legal counsel reasonably satisfactory to CLEAN AND SAFE and the Clean and Safe Program) and hold harmless the Indemnitees (defined below) from and against any and all Claims (as defined below) arising out of the gross negligence or willful misconduct of the Contractor. For purposes of this Section, a “Claim” is any claim, demand, obligation, cause of action, damage, loss, liability, mechanic’s lien, cost or expense (including, without limitation, attorney’s fees and costs and other litigation, mediation, or judicial reference expenses) whether based on tort, contract, or equitable principles, in any way rising from or in any way connected with the willful misconduct or grossly negligent performance or nonperformance of this Agreement by Contractor or its employees, agents, independent contractors, suppliers, subcontractors, officers, directors, shareholders, representatives, affiliates, successors or assigns (collectively, “Contractor Parties”). For purposes of this Section, the “Indemnitees” are CLEAN AND SAFE; Downtown San Diego Partnership; the City of San Diego; and the respective elected officials, officers, employees, agents and representatives, members, managers, shareholders, affiliates, successors and assigns of all such parties. In addition, the firm(s) selected to perform the work described in this RFP will be required to provide evidence of personal injury, bodily injury, and property damage insurance with a combined single limit of not less than one million dollars ($1,000,000.00) per occurrence, subject to an annual aggregate of two million dollars ($2,000,000.00) for general liability, completed operations, and personal injury, other than bodily injury, insuring against all liability of the City of San Diego, Downtown San Diego Partnership, its members, Board of Directors, and its authorized representatives, arising out of or in connection with, the performance of work under this contract with the Downtown San Diego Partnership.

11. WAIVER OF DEFAULT. Any failure of the Clean and Safe Program at any time to enforce or require the strict keeping and performance by the Contractor of any of the terms and conditions of this Agreement shall not constitute a waiver by DSDP or the Clean and Safe Program of a breach of any such terms or conditions in any way of the right of DSDP or the Clean and Safe at any time to avail itself of such remedies as it may have for any such breach of terms and conditions.

12. CONFIDENTIALITY AND OWNERSHIP OF WORK PRODUCT. The Contractor recognizes that DSDP and the Clean and Safe Program has and shall have confidential information and proprietary information (collectively “Information”), which are valuable, special, and unique assets of DSDP and the Clean and Safe Program. The Contractor shall not at any time or in any manner, either directly or indirectly, use any information for the Contractor’s own benefit, or divulge, disclose, or communicate in any manner any
information to any third party without the prior written consent of DSDP and the Clean and Safe Program. The Contractor shall protect the information and treat it as strictly confidential. A violation of this paragraph shall be a material violation of this Agreement. The confidentiality provision of this Agreement shall remain in full force and effect after the termination of this Agreement.

13. **PUBLIC RELATIONS/COMMUNICATIONS.** DSDP retains the right to review and approve any and all communication materials produced by the Contractor or its agent that incorporate or mention DSDP and/or infer a relationship with the Clean and Safe Program. The Contractor must provide copies of all materials, including but not limited to, press information, websites, newsletters, etc., for approval prior to distribution and/or printing. In addition, a complete copy of a press distribution list must be provided by the Contractor. The Contractor grants permission to appear in person or in voice, video of photographic presentation for radio, television, web, or print media reports and/or media campaign resulting from participation with DSDP. The Contractor releases DSDP from any and all claims arising out of such photographing, videotaping, recording, reproducing, publishing, or exhibiting.

14. **EQUAL OPPORTUNITY EMPLOYMENT ENDORSEMENT.** The Contractor certifies that in the performance of its duties under this Agreement, there shall be no discrimination on account of race, religion, sex, age, national origin, or sexual orientation. The Contractor shall at all times comply with applicable federal, state, and local laws and regulations pertaining to fair employment practices, including, but not limited to, sexual harassment. Contractor acknowledges it has reviewed, received, and will comply with all of the equal opportunity requirements in Section 12(c)(1) of the City Agreement.

15. **LIST OF SUBCONTRACTORS OR SUPPLIERS.** If the Contractor intends to use subcontractors, the Contractor shall submit a list of subcontractors for approval by DSDP and/or the Clean and Safe Program. Any such lists shall show the names of each subcontractor or supplier, describe the portions of the work or product that each provides, and provide a detailed description of qualifications. The Contractor may not subcontract 50% or more of the awarded contract work. Without the approval of DSDP and/or the Clean and Safe Program, the Contractor shall not substitute any subcontractor or supplier in place of the subcontractors designated in the list.

16. **COMPLIANCE AND ENFORCEMENT.** The Contractor is responsible for informing its subcontractor(s) and supplier(s) as to their respective obligations hereunder. It is further understood that for the purposes of indemnification to DSDP for this Agreement, the Contractor shall assume all responsibility of any and all of its subcontractors and suppliers as if they were employees of the Contractor's organization.

17. **DOCUMENTS TO BE SUBMITTED.** The Contractor shall submit to DSDP Certificate(s) of Insurance, and a copy of all current and relevant business licenses, permits, and other appropriate licensing certificates. The Contractor shall submit to DSDP new and current documentation as each expires.
18. **NOTICES.** All notices required or permitted under this Agreement shall be in writing and shall be deemed delivered when delivered in purpose or deposited in the U.S. mail certified receipt addressed as follows:

**If for DSDP:**
Downtown San Diego Partnership  
ATTN: Justin Apger, Chief Operations Officer  
401 B St, Ste 100  
San Diego, CA 92101  
Telephone: (619) 234-0201

**If for Contractor:**  
Civitas  
ATTN: John Lambeth, Founder & CEO  
1102 Corporate Way, Ste 140  
Sacramento, CA 95831  
Telephone: (800) 999-7781

Either party may change such address from time to time by providing written notice to the other in the manner set forth above.

19. **ASSIGNMENT.** The Contractor's obligation under this Agreement may not be assigned or transferred to any other person, firm, or corporation without prior written consent of DSDP, which consent may be withheld in DSDP's sole, absolute and arbitrary discretion.

20. **EMPLOYEES AND SUBCONTRACTORS.** The provisions of this Agreement shall also bind the Contractor's personnel and subcontractors that perform services for DSDP under this Agreement.

21. **ENTIRE AGREEMENT.** This Agreement contains the entire agreement of the parties and there are no other promises or conditions in any other agreement whether oral or written. This Agreement supersedes any prior written or oral agreement between the parties.

22. **ATTORNEY FEES.** If the services of any attorney are required by either party to secure performance of this Agreement, or otherwise upon the breach or the default of either party, or if any judicial remedy is necessary to enforce or interpret any provision of this Agreement, including arbitration, the prevailing party shall be entitled to reasonable attorney's fees, costs, and other expenses, in addition to any other relief to which such party may be entitled.

23. **AMENDMENT.** This Agreement may be modified or amended if the amendment is made in writing and signed by both parties.

24. **SEVERABILITY.** If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision the Agreement would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so
limited. The invalidity of such clause shall not otherwise affect the remaining provisions of the Agreement, which shall continue to be enforceable.

25. **ARBITRATION.** Any controversy or claim arising out of or relating to this Agreement, or the actual or alleged breach hereof, shall be settled by binding arbitration conducted in the County of San Diego in accordance with, and by [an] arbitrator[s] appointed pursuant to, the Rules of the American Arbitration Association in effect at that time. Judgment upon an award rendered pursuant thereto may be entered in any court having jurisdiction.

26. **APPLICABLE LAW.** This Agreement shall be governed by the laws of the State of California.

27. **NO THIRD-PARTY BENEFICIARY.** The services provided under this Agreement are solely for the benefit of DSDP and neither this Agreement nor any services rendered hereunder shall be deemed to confer any rights on any other party as a third-party beneficiary.

28. **CONTRACT EXTENSION.** Upon mutual agreement by both parties, this contract may be extended on a month-to-month or year-to-year basis; however, in no case shall the renewal extend beyond five years from the date of award of the original contract.
IN WITNESS WHEREOF, this Agreement has been made and entered into as of the date first set forth above.