AGREEMENT

THIS AGREEMENT, dated for purposes of identification only this _____ day of ________________, 2008, is made and entered into by and between the

CITY OF ANAHEIM, a municipal corporation, hereinafter referred to as "ANAHEIM,"

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CES ELECTRICAL, INCORPORATED, a California corporation, hereinafter referred to as "CONTRACTOR."

WITNESSETH:

WHEREAS, ANAHEIM owns and operates the Anaheim Convention Center (hereinafter the "Convention Center"); and

WHEREAS, CONTRACTOR desires to provide, from time to time, electrical services to tenants, exhibitors, and other persons at the Convention Center who require such services in connection with events presented at the Convention Center; and

WHEREAS, in order to provide such services, CONTRACTOR must use ANAHEIM facilities.

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL PROMISES, COVENANTS AND CONDITIONS HEREIN CONTAINED, THE PARTIES HERETO AGREE AS FOLLOWS:

1. TERM OF AGREEMENT

ANAHEIM hereby agrees to permit CONTRACTOR to enter upon the premises of the Convention Center and use the facilities of the Convention Center as necessary in connection with providing electrical services to tenants and exhibitors, upon the following terms and conditions, and on a non-exclusive basis. The term of this Agreement shall commence upon its execution and shall continue until June 30, 2011, unless sooner terminated as set forth in Paragraph 12 below.

The term of this Agreement may be extended by ANAHEIM, acting through the
Executive Director of the Convention Center, in its sole discretion for up to two (2) additional terms of one (1) year each. ANAHEIM shall give notice of its intent to extend this Agreement for such additional one-year term to CONTRACTOR in writing no less than sixty (60) days prior to end of the term of the Agreement.

2. CONSIDERATION

In consideration of being permitted to enter the premises of the Convention Center to provide CONTRACTOR’S services to tenants of CITY, CONTRACTOR agrees to pay to CITY an amount equal to twenty-five percent (25%) of the gross amount billed by CONTRACTOR for work in the Convention Center to exhibitors, associations, tenants, or any other party utilizing the Convention Center, whether billed by CONTRACTOR or any other person or entity.

CONTRACTOR shall pay ANAHEIM all percentages due within sixty (60) days after the final move-out dates set forth in ANAHEIM’s contract with the tenant for the event in question. If payment is not remitted to ANAHEIM within this period, CONTRACTOR agrees to pay interest in the amount of one percent (1%) per month, twelve percent (12%) per annum.

In the event that percentages or commissions due ANAHEIM are not paid within ninety (90) days after the final move out dates referred to above, CONTRACTOR agrees and understands that CONTRACTOR shall be disqualified and prohibited from performing any services within the Anaheim Convention Center notwithstanding its selection by any exhibitor, tenant or other entity or person utilizing the Anaheim Convention Center until such time as full payment has been made.

3. RATE SCHEDULES

Prior to the first move-in day of each event for which CONTRACTOR is providing services, CONTRACTOR agrees to provide ANAHEIM with a copy of the service order form that is applicable to that event. The service order form is to be mailed or delivered to the Convention Center’s accounting office.

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4. **AUDIT**

ANAHEIM reserves the right to audit and to examine any cost, revenue, payment, charges, claim, other record, or supporting documentation resulting from any items set forth in this Agreement. Any such audit(s) shall be undertaken by ANAHEIM or its representative(s) at reasonable times and in conformance with generally accepted auditing standards. ANAHEIM’s right to audit shall include the right to contact third parties to confirm entries in CONTRACTOR’s supporting documentation. CONTRACTOR agrees to fully cooperate with any such audits and shall make office and support facilities available to ANAHEIM’s representatives as may be reasonably necessary to complete any such audits and inspections.

This right to audit shall extend during the length of this Agreement and for a period of five (5) years following the date of final payment under this Agreement. CONTRACTOR agrees to retain all necessary records and documentation for the entire length of this audit period.

CONTRACTOR will be notified in writing of any exception taken as a result of an audit. Any adjustments and/or payments which must be made as a result of any such audit or inspection of CONTRACTOR’s records shall be made within thirty (30) days from presentation of ANAHEIM’s finding to CONTRACTOR. If CONTRACTOR fails to make such payment, CONTRACTOR agrees to pay interest accruing monthly at a rate of twelve percent (12%) per annum. Interest will be computed from the date of written notification of exception(s) to the date CONTRACTOR reimburses ANAHEIM for any exception(s). If an audit inspection or examination in accordance with this Paragraph discloses overcharges and/or underpayment (of any nature) by CONTRACTOR to ANAHEIM in excess of one percent (1%) of the total billings, the actual cost of ANAHEIM’s audit shall be reimbursed to ANAHEIM by CONTRACTOR.

5. **INDEMNIFICATION**

CONTRACTOR agrees to indemnify, defend (at ANAHEIM’s option) and hold harmless ANAHEIM, the Community Center Authority, and the Anaheim Union High School
District, and their respective officials, officers, agents, employees, representatives and
volunteers (also referred to herein as "INDEMNIFIED PARTIES") from and against any and all
claims, demands, defense costs, actions, liability, or consequential damages of any kind or
nature arising out of or in connection with CONTRACTOR’s (or CONTRACTOR’s
subcontractors, if any) activities, performance or failure to perform, under the terms of this
Agreement, except those which arise out of the sole negligence of one or more of the
INDEMNIFIED PARTIES.

6. INSURANCE

Without limiting ANAHEIM’s, the Community Center Authority’s or the
Anaheim Union High School District’s right to indemnification, it is agreed that
CONTRACTOR shall secure prior to commencing any activities under this Agreement, and
maintain during the term of this Agreement, insurance coverage as follows:

Workers’ Compensation Insurance as required by California statutes;

Comprehensive General Liability Insurance, or Commercial General Liability
Insurance, including coverage for Premises and Operations, Contractual Liability, Personal
Injury Liability, Products/Completed Operations Liability, Broad-Form Property Damage (if
applicable) and Independent Contractors’ Liability (if applicable), in an amount of not less than
One Million Dollars ($1,000,000.00) per occurrence, combined single limit, written on an
occurrence form.

Comprehensive Automobile Liability coverage, including - as applicable -
owned, non-owned and hired autos, in an amount of not less than One Million Dollars
($1,000,000.00) per occurrence, combined single limit, written on an occurrence form.

ANAHEIM’s Risk Manager is hereby authorized to reduce the requirements set
forth above in the event he determines that such reduction is in ANAHEIM’s best interest.

Each insurance policy required by this Agreement shall contain the following
clauses:

“This insurance shall not be cancelled, limited in scope or coverage, or non-
renewed until after thirty (30) days’ prior written notice has been given to the
City Clerk, City of Anaheim, 200 S. Anaheim Blvd., Anaheim, CA 92805.”

“It is agreed that any insurance maintained by the City of Anaheim shall apply in excess of and not contribute with insurance provided by this policy.”

Each insurance policy required by this Agreement, excepting policies for workers’ compensation and professional liability, shall contain the following clause:

“The City of Anaheim, the Community Center Authority, and the Anaheim Unified High School District, and their respective officers, agents, employees, representatives and volunteers are added as additional insureds as respects operations and activities of, or on behalf of the named insured, performed under contract with the City of Anaheim.”

Prior to commencing any work under this Agreement, CONTRACTOR shall deliver to ANAHEIM insurance certificates confirming the existence of the insurance required by this Agreement, and including the applicable clauses referenced above. Also, within thirty (30) days of the execution date of this Agreement, CONTRACTOR shall provide to ANAHEIM endorsements to the above-required policies, which add to these policies the applicable clauses referenced above. Said endorsements shall be signed by an authorized representative of the insurance company and shall include the signator’s company affiliation and title. Should it be deemed necessary by ANAHEIM, it shall be CONTRACTOR’s responsibility to see that ANAHEIM receives documentation acceptable to ANAHEIM which sustains that the individual signing said endorsements is indeed authorized to do so by the insurance company. Also, ANAHEIM has the right to demand, and to receive within a reasonable time period, copies of any insurance policies required under this Agreement.

In addition to any other remedies ANAHEIM may have if CONTRACTOR fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, ANAHEIM may, at its sole option:

A. Order CONTRACTOR to stop work under this Agreement and/or withhold any payment(s) which become due to CONTRACTOR hereunder until CONTRACTOR demonstrates compliance with the requirements hereof;
B. Terminate this Agreement.

Exercise of any of the above remedies, however, is an alternative to other remedies ANAHEIM may have and is not the exclusive remedy for CONTRACTOR's failure to maintain insurance or secure appropriate endorsements.

Nothing herein contained shall be construed as limiting in any way the extent to which CONTRACTOR may be held responsible for payments of damages to persons or property resulting from CONTRACTOR's or its subcontractor's performance of the work herein.

7. ENTIRE AGREEMENT/MODIFICATIONS

This writing constitutes the entire agreement between the parties with respect to the subject matter hereof, and supersedes all oral or written representations or written agreements which may have been entered into between the parties. ANAHEIM may modify any or all provisions in this Agreement by providing CONTRACTOR with sixty (60) days written notice stating the proposed modification and its effective date. Such modification(s) shall take effect on the date stated in the notice unless CONTRACTOR notifies ANAHEIM, in writing, within the sixty (60) days, of its objection to the modifications(s). If CONTRACTOR gives such notice, ANAHEIM reserves the right to withdraw the modification(s) or terminate this Agreement on the date stated in its original notice.

8. ASSIGNMENT

Neither CONTRACTOR nor ANAHEIM may assign or transfer this Agreement, or any part thereof, without the written consent of the other party.

9. GOVERNING LAW

This Agreement shall be governed by the laws of the State of California. If any provision of this Agreement shall be held invalid, such invalidity shall not affect the other provisions hereof, and to this extent, the provisions of this Agreement are intended to be and shall be deemed severable. The parties shall agree, if reasonably practicable, upon provisions which are equivalent from an economic point of view to replace any provision which is determined to be invalid.
10. **COMPLIANCE WITH LAWS**

In the performance of this Agreement, CONTRACTOR shall abide by and conform to any and all applicable laws of the United States, the State of California and the City Charter and Ordinances of ANAHEIM. CONTRACTOR shall also secure and maintain, and require any subcontractors to secure and maintain, necessary business licenses from ANAHEIM. CONTRACTOR shall maintain in good standing CONTRACTOR’s state contractor’s license. CONTRACTOR shall immediately inform ANAHEIM in writing of the expiration or suspension of its state contractor’s license or any other regulatory license or permit required for CONTRACTOR to engage in the activities contemplated by this Agreement.

11. **NO WAIVER**

No waiver or failure to exercise any right, option or privilege under the terms of this Agreement on any occasion shall be construed to be a waiver of any other right, option or privilege on any other occasion.

12. **TERMINATION**

Either ANAHEIM or CONTRACTOR may terminate this Agreement upon giving the other party at least thirty (30) days’ prior written notice; provided, however, that the indemnification provisions shall survive any such termination.

13. **INDEPENDENT CONTRACTOR**

CONTRACTOR is at all times an independent contractor pursuant to this Agreement and shall not, in any way, be considered to be an officer, agent or employee of ANAHEIM.

14. **NO THIRD PARTY RIGHTS**

The parties intend not to create rights in, or to grant remedies to, any third party as a beneficiary of this Agreement or of any duty, covenant, obligation or undertaking established herein.

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15. **NOTICES**

Notices and communication concerning this Agreement shall be sent to the following addresses:

**ANAHEIM**
City of Anaheim
Attention: City Clerk
200 S. Anaheim Boulevard
Anaheim, CA 92805

**CONTRACTOR**
CES Electrical Incorporated
145 Park Lane
Brisbane, CA 94005
FAX (714) 468-4019

Either party may, by notice to the other party, change the address specified above.

Service of notice or communication shall be complete, if personally served, when received at the designated address, or five (5) days after deposit of said notice or communication in the mail.

16. **AUTHORITY**

CONTRACTOR and CONTRACTOR's signators represent that the signators hold the positions set forth below their signatures and that the signators are authorized to execute this Agreement on behalf of CONTRACTOR and to bind CONTRACTOR hereto.

The individual executing this Agreement as the Licenseholder represents that he/she is the holder of the license whose number is provided and that services will be provided under that license number.
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the dates hereinafter respectively set forth.

CITY OF ANAHEIM,
a municipal corporation

By
Mayor of the City of Anaheim

DATE OF EXECUTION:

ATTEST:

City Clerk
"ANAHEIM"

CES ELECTRICAL INCORPORATED

By

Printed Name:
Title
"CONTRACTOR"

License Number
Classification
License Holder

APPROVED AS TO FORM
JACK L. WHITE, CITY ATTORNEY

By
Jorge A. Solis
Deputy City Attorney

Date
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