

GENERAL AGREEMENT
FOR
SAFETY AND AMBASSADOR SERVICES

Dated Effective

September 30, 2005

by
and
between

UNIVERSAL PROTECTION SERVICE

and

DOWNTOWN CENTER BUSINESS IMPROVEMENT DISTRICT
MANAGEMENT CORPORATION

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GENERAL AGREEMENT FOR SAFETY AND AMBASSADOR SERVICES

DOWNTOWN CENTER BUSINESS IMPROVEMENT DISTRICT MANAGEMENT CORPORATION, a California 501(c)(6) not for profit corporation, as agent for DOWNTOWN CENTER BUSINESS IMPROVEMENT DISTRICT (hereinafter referred to as the "Company") and UNIVERSAL PROTECTION SERVICE, a California Partnership, (the "Contractor"), enter into this Agreement on this 30 day of September , 2005.

IN CONSIDERATION of the mutual promises, covenants and conditions contained herein, the parties hereto agree as follows:

The Contractor shall perform Safety and Ambassador services (as more fully described in the "Scope of Services" attached as Exhibit 1 and referred to hereinafter as the "Services") for the Company directly or for the Company as part of an agreement between the Company and any third party as set forth in Section 23 hereof (a "Company Partner") in accordance with this Agreement, the terms and conditions contained in the Exhibits attached hereto and made a part hereof, and the provisions contained in any agreement supplemental hereto, which supplemental agreements or "Authorizations" shall be considered a part of this Agreement. Said Services shall be performed in the District Area as set forth in Exhibit 2.

This Agreement shall continue in effect until terminated as provided in the Terms and Conditions.

IN WITNESS WHEREOF, the parties have executed this agreement as of the date first written above.

UNIVERSAL PROTECTION SERVICES, a
California Partnership

By:  _____

Name: Steve Jones

Title: Executive Vice President/ COO

DOWNTOWN CENTER BUSINESS
IMPROVEMENT DISTRICT
MANAGEMENT CORPORATION, a
California 501(c)(6) Not For Profit
Corporation

By:  _____

Name: Rosemary Anaya

Title: Chief Operating Officer

TERMS AND CONDITIONS

1. PERFORMANCE OF THE SERVICES

1.1 DEFINITIONS

- (a) “**Services**” means all services to be performed by the Contractor under this Agreement.
- (b) “**Day(s)**”, “**Week(s)**” and “**Month(s)**” mean calendar day (s), week(s) and month(s) unless otherwise expressly stated.
- (c) “**Change**” means any addition, deletion, amendment or change in a requirement of this Agreement which is approved in writing and made by the Company and shall not mean a clarification or further detailed explanation of an existing requirement.

2. INDEPENDENT CONTRACTOR

The Contractor shall perform the Services hereunder as an independent contractor, retaining complete control over its personnel and operations, conforming to all statutory requirements with respect to its employees and agents and providing all appropriate employee benefits. Neither the Contractor nor its employees or agents shall be, in any sense, the Company’s employees or agents, or have any authority to bind the Company in any way. During the provision of Services hereunder, the Contractor shall consult frequently, as requested by the Company, with the Company’s designated representative in order to coordinate the specific services being provided with the Company’s overall service requirements.

3. SPECIFICATIONS

The Contractor shall perform the Services in accordance with the specifications set forth in this Agreement and the exhibits attached hereto and such additional materials and explanations as the Company may provide to the Contractor from time to time to explain and clarify the Services.

4. PERMITS/LICENSES

The Contractor shall obtain any and all permits, licenses and authorizations which may be required by any and all governmental authorities with respect to the Services at the Contractor’s expense, prior to performing any Services that require such permits, licenses or authorizations. All installations and equipment used by the Contractor in performing the Services shall be maintained and installed in strict conformity with the requirements of the Board of Fire Underwriters as well as all local, city, county, state and federal laws, rules, ordinances and regulations.

5. ITEMS TO BE PROVIDED BY CONTRACTOR

Unless otherwise provided in this Agreement, the Company shall provide all materials, utilities, consumable supplies, tools, and equipment.

6. COMPENSATION

6.1 TOTAL COMPENSATION

The total compensation to be paid to the Contractor under this Agreement is based on the attached billing rate schedule. The minimum annual security hours is detailed by Business Improvement District in Exhibit 3.

6.2 CHANGES IN SERVICES

The Company shall have the right at any time to issue, in writing, orders changing any of the Services previously specified or agreed upon and the Contractor shall carry out all Changes. Such written changes shall be in the form of an Authorization which shall specify the services to be performed, change in monthly hours, compensation to be paid therefor, the time for commencing and completing the Services and the responsible individual for each party with respect to the Authorization. The Company reserves the right to make such Changes and modify the scope of Services and the commensurate compensation made to the Contractor for Services under this Agreement at any time.

In the event the Company issues any written directive which is not identified as a Change but which the Contractor reasonably considers to be a Change, the Contractor shall so notify the Company in writing within ten (10) days after receipt of such directive. If no such timely notice is given, the Contractor shall proceed in accordance with such directive without any adjustment in compensation except as set forth in the Change order, if at all. If the Company originally identifies the directive as a Change, or if the Contractor gives such timely notice and the Company agrees that such directive is a Change, the Contractor shall, within ten (10) days after giving such notice or after receipt of the directive, advise the Company of its proposed adjustment in compensation and the Company and the Contractor shall attempt to agree in writing on an appropriate adjustment in compensation resulting from the Change. After such agreement is reached, the Contractor shall proceed with the Change for the mutually agreed upon compensation. However, if such notice is given or if the Company originally identified the directive as a Change, and in either instance the Company and the Contractor fail to agree on an appropriate adjustment in compensation, then the Company may issue a written request for the Contractor to proceed in accordance with such directive without such agreement. The Contractor shall comply with such written request at the adjusted compensation level stated in the written directive, but such compliance shall not prejudice either party's claim that the directive is or is not a Change or, as the case may be, a claim for an appropriate adjustment in compensation. After the written request to

proceed is issued, any adjustment which is to be made to the compensation shall be determined in accordance with the applicable Rate Schedule, if any, attached to the most recent, appropriate Authorization, or as otherwise agreed by the parties.

6.3 TERMS OF PAYMENT

The Contractor shall bill the Company for its actual costs incurred on a weekly basis. The Contractor shall submit an invoice no later than the third day after the completion of said period for compensation due hereunder for Services performed during the previous week and for appropriate costs and expenses associated therewith, indicating the number of this Agreement and such other information as is required pursuant to any Authorization. The amount due hereunder will be paid within fifteen (15) days of receipt of invoice, subject to the following provisions. The Company, in its sole discretion, may withhold from payment any amounts necessary to cover questionable charges until the accuracy of any and all supporting details of such questionable charges are verified to the Company's satisfaction. Alternatively, the Company may pay the invoiced amount of questionable charges in accordance with the provisions set forth in Section 13 of this Agreement.

6.4 TAXES

The Contractor shall pay, and the Contractor's compensation provided for hereunder includes, an allowance for all State, Federal and other payroll taxes, including contributions and taxes assessed against employees on wages earned in connection with the Services. The Contractor shall make all reports required by governmental authorities or requested to be made by the Company. The Contractor shall also pay, and the Contractor's compensation provided for hereunder includes, an allowance for any and all other taxes now or hereafter imposed by any governmental authority upon, measured by or incident to the performance of this Agreement or the purchase, storage, use or consumption by the Contractor of materials, utilities, consumable supplies, tools or construction equipment used in the performance of this Agreement unless the applicable law specifically provides that such tax be paid by the Company.

Notwithstanding anything contained in this Agreement to the contrary, the Company shall reimburse the Contractor for any actual increase in State Unemployment Insurance taxes and increase in any other payroll taxes imposed on the Contractor by a lawful body. Any increase on taxes shall not include an increase in administrative fees paid to the Contractor.

7. COMPLIANCE WITH LAWS AND REGULATIONS

The Contractor shall comply with all laws, regulations, decrees, codes, ordinances, resolutions, and other acts or any governmental authority, including Federal and State labor, occupational safety (OSHA) and tax laws, which are applicable to this Agreement and the Contractor's performance hereunder. The Contractor shall indemnify and hold

the Company and all its officers, directors, employees and representatives harmless from and against any and all loss, damage, injury, liability, claims, fines and penalties resulting directly or indirectly from the Contractor's failure to do so.

8. LIABILITY AND INDEMNIFICATION

The Company, its Board of Directors, corporate officers, directors, representatives, agents and employees, shall not be liable for any loss, claim, expense, damage or injury of any kind or character to any of the Contractor, the Contractor's employees, agents, invitees, guests or to any person or property arising out of or in connection with this Agreement, or from any accident on the property and its boundaries defined in this Agreement, or any fire or other casualty thereon, except to the extent arising out of the Company's willful misconduct. The Contractor hereby agrees to indemnify and hold the Company, its Board of Directors, corporate officers, directors, representatives, agents, employees, and beneficiaries free and harmless from all liability to the extent arising out of the Services provided under the terms of this Agreement by the Contractor including, but not limited to, any and all claims arising from the Contractor's hiring and firing practices (except to the extent that such practices are undertaken at the Company's direction and are based on an illegal discriminatory purpose), for the negligence, active or passive, or the gross or willful misconduct of the Contractor, its agents, employees and invitee, for each loss, damage or injury to any persons or property and from all costs and expenses, including reasonable attorneys' fees, arising therefrom. This indemnity will apply for the benefit of the Company whether or not the Company was or is claimed to be passively, concurrently or actively negligent, and regardless of whether liability without fault is imposed or sought to be imposed on the Company, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement, and except where such loss, damage, injury, liability, or claim is the result of the sole gross negligence or willful misconduct of the Company and is not contributed to by any act of, or by any negligent performance or omission of the Contractor to perform some duty imposed by law or contract on the Contractor, its agent or employee. However, in any event the Contractor's liability for professional errors and omissions under this Agreement shall be limited to two million dollars (\$2,000,000.00).

9. INSURANCE

9.1 INSURANCE REQUIRED

The Contractor shall, at its cost and expense, maintain in force, for the joint benefit of the Company, any Company Partner, the Downtown Center Business Improvement District and the City Of Los Angeles and their respective affiliates, members, directors, officers, agents, employees and assigns (collectively the "Additional Insureds"), a broad form comprehensive coverage policy of general liability insurance, including broad form contractual liability by the terms of which the Additional Insureds are named as additional insureds and are indemnified against liability for damage or injury (including death) to the property or person of the Contractor's employees, agents, invitees or any other

person arising out of or in connection with this Agreement, excluding the willful misconduct of the Company. Such insurance policies shall maintain the minimum basis at two million (\$2,000,000.00) dollars single limits coverage for damage or injury or death in any one accident; automobile liability insurance of one million (\$1,000,000.00) dollars per occurrence and an aggregate basis of ten million (\$10,000,000.00) dollars combined. Such insurance policies shall be stated to be primary and non-contributing in accordance with the provisions of this Agreement with any insurance carried by the Additional Insureds, and shall provide coverage on an "occurrence" basis. The Contractor shall deliver to the Company, and to each of the Additional Insureds so requesting, a certificate of each insurance carrier as to each insurance policy which shows the Additional Insureds are included as additional insureds to each policy. Said policy or policies shall require notice to the Company of cancellation thirty (30) days or more prior to the effective date of cancellation.

9.2 INSURANCE SPECIFICATIONS

The Contractor shall maintain during the term of this agreement the following in insurance with companies and on terms satisfactory to the Company:

- 9.2.1 Workers Compensation and Employer's Liability Insurance as prescribed by applicable law.
- 9.2.2 Comprehensive General Liability Insurance (Bodily Injury and Property Damage), the limits of which shall be not less than \$10,000,000 per occurrence and which include the following supplementary coverage:
 - (a) Contractual Liability to cover liability assumed under this Agreement.
 - (b) Broad Form Property Damage Insurance.
 - (c) Products Liability and Completed Operations.
- 9.2.3 Professional Liability Insurance, the limits of which will not be less than \$1,000,000 with supplemental coverage of Contractual Liability to cover liability assumed under this Agreement.
- 9.2.4 Automobile Bodily Injury and Property Damage Liability Insurance, the limits of which shall not be less than \$1,000,000 Bodily Injury and \$1,000,000 Property Damage per occurrence. Such insurance shall extend to owned, non-owned, and hired automobiles used by the Contractor's employees, agents and/or subcontractors in the performance of this Agreement.

9.3 POLICY ENDORSEMENTS

- (a) The insurance specified in Section 9.1 through 9.2.4 hereof shall contain a waiver of subrogation against the Additional Insureds.
- (b) The insurance specified in Section 9.1 through 9.2.4 hereof shall:
 - (i) Name the Additional Insureds as additional insureds;
 - (ii) Contain a Cross Liability Endorsement which provides that the insurance applies separately to each insured, and that the policies will cover claims or suits by one insured against another.
- (c) The insurance specified in 9.1 through 9.2.4 hereof shall include a requirement that the insurer provide the Company with thirty (30) days written notice prior to the effective date of any cancellation or material change of the insurance.

9.4 EVIDENCE OF INSURANCE

Before commencing the work hereunder, the Contractor shall provide the Company with certificates or other documentary evidence of the above insurance satisfactory to the Company.

10. WARRANTY

The Contractor warrants that the Services to be rendered pursuant to this Agreement shall be performed in accordance with the standards customarily provided by an experienced and competent professional organization rendering the same or similar services, without limitation to any remedy available to the Company at law or equity. The Contractor shall re-perform at its sole expense any of said Services that, in the Company's sole discretion, were not performed in accordance with this standard provided that the Contractor is notified in writing of the nonconformity within 180 days after the completion of the nonconforming service.

11. COSTS AND ATTORNEYS' FEES

The Contractor shall promptly pay to the Company (a) all costs and reasonable attorneys' fees incurred by the Company resulting directly or indirectly from any and all loss, damage, injury, liability and claims for which the Contractor is obligated to indemnify the Company pursuant to Sections 7, 8, and 9 hereof, and (b) all costs and reasonable attorneys' fees in any legal action in which the Company or its affiliates prevail, in whole or part, brought against the Contractor based on a breach of this Agreement.

12. ASSIGNMENT

Neither this Agreement nor money due the Contractor hereunder shall be assigned, subcontracted or transferred in whole or in part by the Contractor, except with the prior written consent of the Company, and any attempt to do so without such written consent shall be void. Notwithstanding the foregoing, only with the prior written consent of the

Company may the Contractor assign or delegate the performance of its duties hereunder, in whole or in part, to a subsidiary of the Contractor, provided however that if such written consent is given by the Company, the Contractor shall be liable to the Company for such performance as if such assignment or delegation had not occurred.

13. RECORDS AND AUDITS

- 13.1 The Contractor shall maintain true and correct sets of records in connection with the work and all transactions related thereto and shall retain all such records for at least thirty-six (36) months after completion of the work authorized by this Agreement.
- 13.2 No director, employee or agent of the Contractor shall give or receive any commission, fee, rebate or gift or entertainment of significant cost or value in connection with the work, or enter into any business arrangement with any director, employee or agent of the Company or any affiliate other than as a representative of the Company or its affiliate, without prior written notification thereof to the Company. The Contractor shall promptly notify the Company of any violation of this section, and any consideration received as a result of such violation shall be paid over or credited to the Company. Additionally, if any violation of this section occurring prior to the date of this Agreement or any Authorization resulted directly or indirectly in the Company's consent to enter into this Agreement or any Authorization with the Contractor, the Company may, at the Company's sole option, terminate this Agreement at any time and, notwithstanding any other provision of this Agreement, pay no compensation or reimbursement to the Contractor whatsoever for any work done after the date of termination. Any representative(s) authorized by the Company may audit any and all records of the Contractor in connection with the work and all transactions related thereto for the sole purpose of determining whether there has been compliance with this Section 13.2.
- 13.3 If the Contractor's compensation under this Agreement is determined in whole or in part on a reimbursement of costs basis, the costs to be reimbursed shall be only those reasonably necessary to perform the Services in an efficient manner in accordance with the time schedule required. The Company may from time to time and at any time from the date of this Agreement until the date that is thirty-six (36) months after the completion of work under this Agreement, make an audit of all records of the Contractor and its vendors in connection with all reimbursable costs under this Agreement. Such audit may also cover the Contractor's procedures and controls with respect to the costs to be reimbursed. Upon completion of this audit the Company shall pay the Contractor any compensation due the Contractor hereunder as shown by the audit. Any amount by which the total payments by the Company to the Contractor exceeds the amount due the Contractor as shown by the audit shall be returned to the Company.

13.4 The Contractor shall assist the Company in the performance of the audit described in Sections 13.2 and 13.3.

14. CONTRACTOR'S UNDERSTANDING

It is understood that the Contractor, as a result of careful examination, is satisfied as to the nature and location of the work, (insofar as apparent from visual inspection of the surface and from plans and drawings, if any, furnished by the Company), the character, quality and quantity of the materials to be used, the character of the equipment and facilities needed preliminary to and during the performance of the work, the general and local conditions, and all other matters which could in any way affect the work under this Agreement. No representations by or oral agreement with any agent or employee of the Company, either before or after the execution of this Agreement, shall affect or modify any of the Contractor's rights or obligations hereunder.

15. OWNERSHIP AND CONFIDENTIALITY

All original designs, technical information methods and other work product developed under this Agreement shall be the property of the Company. The Company may use copies of the work developed under this Agreement for its own use in any way it deems appropriate. The Company shall indemnify the Contractor for any liability resulting to the Contractor for use of the information developed under this Agreement on a project other than a project undertaken on behalf of or at the behest of the Company. Any information or other material the Company supplies to the Contractor for performance of the work hereunder shall be returned immediately to the Company upon request or upon completion or termination of the work thereon. All information acquired in the performance of the work shall not be divulged to any third party except with the prior written consent of the Company, unless such information was in the possession of the Contractor prior to receipt thereof in performance of the work, was a part of the public domain or so becomes through no act or failure to act by the Contractor, or which corresponds in substance to information furnished the Contractor by third parties as a matter of right without restriction on disclosure.

16. HEADINGS

Headings of Sections and other parts of this Agreement are for reference only and are not to be construed as part of this Agreement. In some instances a section or part contains provisions not covered by the heading thereof; in other instances, a section of part contains provisions that are described in the heading of another section or part.

17. TERMINATION

17.1 This Agreement may be terminated at any time with or without cause by the Company by giving no less than ten (10) days prior written notice to the Contractor. In event of such termination by the Company, work shall be discontinued as provided in the termination instruction, and the Company shall pay the Contractor all undisputed amounts of compensation as provided herein for all Services completed prior to and during the orderly shutting down of the work

or in accordance with the termination instructions, but in any event such payment shall not exceed the unpaid part of the Contractor's compensation.

- 17.2 The Contractor may terminate this Agreement with or without cause by giving not less than forty-five (45) days prior written notice to the Company if, as of the date of notice, the Contractor's provision of Services under this Agreement deemed acceptable by the Company in its sole discretion.
- 17.3 The term of this Agreement shall be for the period beginning on September 30, 2005 and concluding on December 31, 2007 unless earlier terminated pursuant to the terms and conditions as set forth in this Agreement. After expiration of its terms, the Agreement shall be automatically renewed for successive one-month periods unless revoked by the Company upon ten (10) days written notice or the Contractor upon forty-five (45) days written notice. The Company reserves the right to review this contract after the first thirty (30) days of operation and to make any adjustments necessary.
- 17.4 Upon termination of the Agreement, the Contractor shall immediately return to the Company all equipment, materials and supplies, including but not limited to the uniforms worn by the Contractor's employees in performing the Services.

18. DELAYS

18.1 DELAYS, SUSPENSIONS AND EXTENSIONS

The Company may require the Contractor, for any reason, to suspend performance hereunder completely or partially for whatever length of time the Company may elect. Unless the Company and the Contractor otherwise agree, the time for completion shall be extended by each period that the Contractor is delayed by (a) the Company or another independent contractor who is directly responsible to the Company (unless such delay is due to the Contractor's default); (b) an act of God or the elements; (c) strikes, disturbances, riots, fire, governmental action, acts of war or any other cause similar or dissimilar to the foregoing which are beyond the reasonable control of the party from whom the affected performance was due, or other cause beyond the Contractor's reasonable control; or (d) a labor disturbance. The appropriateness of any work stoppage due to inclement weather will be determined by mutual agreement of the Contractor and the Company. No billable hours will accrue and become payable hereunder as a result of the nonperformance of any Services due to inclement weather or other acts outside the control of the Company. The Contractor shall notify the Company in writing each time the Contractor requests such extension, within five (5) days after the start of the occurrence causing the delay. Nothing in this Section shall limit the Company's rights under Sections 6 and 17.

18.2 DAMAGES DUE TO DELAYS AND SUSPENSIONS

The Company shall not be liable for any damages, direct, consequential or otherwise, suffered by the Contractor due to delays and suspensions; but where

the Contractor is not in default, the Contractor shall be entitled to reimbursement for substantiated and reasonable direct costs caused by delays and suspensions only to the extent such delays and suspensions are caused directly by the Company and other independent contractors who are directly responsible to the Company. The Contractor shall be obligated to proceed with the Services notwithstanding a dispute on reimbursement; such action shall not prejudice either party's claim with respect to reimbursement.

19. STRICT PERFORMANCE

The right of either party to require strict performance shall not be affected by any prior waiver or course of dealing.

20. GOVERNMENTAL EMPLOYMENT REGULATIONS

In connection with the performance of work under this Agreement, the Contractor shall comply with all of the provisions below, which provisions are made a part hereof insofar as such provisions may be applicable to this Agreement and the Contractor's performance hereunder:

- (a) **EQUAL OPPORTUNITY:** the Contractor hereby certifies that it will fully comply with Executive Order 11246, as amended by Executive Order 11375, and the rules and regulations issued thereunder.

The Contractor commits itself to such compliance upon execution of this Agreement and the attached Certificate of Nonsegregated Facilities (GO279-2) (Exhibit 5).

- (b) **AFFIRMATIVE ACTION FOR HANDICAPPED WORKERS:** The regulations issued under the Rehabilitation Act of 1973 in Title 41, Chapter 60, Part 6-741 of the Code of Federal Regulations.
- (c) **AFFIRMATIVE ACTION FOR DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA:** The regulations issued under the Vietnam Era Veteran's Readjustment Assistance Act of 1974 in Title 41, Chapter 60, Part 60250 of the Code of Federal Regulations.
- (d) **IMMIGRATION REFORM AND CONTROL ACT OF 1986:** The Contractor agrees and covenants that none of its employees or employees of its subcontractors who provide services to the Company pursuant to this contract are unauthorized aliens as defined in the Immigration Reform and Control Act of 1986.

21. GOVERNING LAW

The validity, interpretation and performance of this Agreement shall be governed by and construed in accordance with the local law of the State of California.

22. NOTICES

All notices permitted or required to be given by either party under this Agreement to the other shall be in writing through each party's authorized representative(s) as designated in the applicable Authorization. Any such notice shall be deemed to have been properly served if delivered in person or by mail or telex to the address of the representative designated in the applicable Authorization. The date of such notice shall be the date on which it is actually received by the party to whom addressed. All notices shall be addressed as follows:

If to the Company: DOWNTOWN CENTER BUSINESS
 IMPROVEMENT DISTRICT
 MANAGEMENT CORPORATION
 Carol Schatz, President & CEO
 626 Wilshire Blvd., Suite 200
 Los Angeles, CA 90017
 Phone No.: (213) 624-2146
 Facsimile No.: (213) 624-0858

If to the Contractor: UNIVERSAL PROTECTION SERVICE
 1551 North Tustin Avenue, Suite 650
 Santa Ana, CA 92705
 Phone No: (714) 619-9718
 Facsimile No: (714) 619-9701
 Attention: Steve Jones

23. ACTIONS AND CONDUCT OF EMPLOYEES

The Contractor agrees that all its employees shall conduct themselves and act in a professional and courteous manner at all times in the providing of Services to the Company and shall abide by all of the terms and conditions set forth in the Guard Manual as set forth on Exhibit 6 attached hereto.

24. CONTRACTOR POLICIES

The Contractor has provided copies of all of its corporate, operational, employment-related, retirement and benefits policies and manuals (collectively, the "Policies") to the Company. The list of all such Policies of the Contractor is listed on Exhibit 7 attached hereto.

25. HIRING & SCREENING POLICIES/EMPLOYEE RECOGNITION

The Contractor agrees that all of its employees performing Services in connection with this Agreement shall have satisfied all of the Contractor's hiring and employment screening policies set forth in Exhibit 8 attached hereto. The Company, at its discretion, may require the Contractor to conduct additional screening of those of its employees that shall be performing the Services, and the Contractor agrees to conduct such screening

within 10 days of receiving notice of such additional screening that the Company desires to be completed.

26. SERVICES SCHEDULE

The Contractor agrees that it shall provide Services to the Company in connection with this Agreement according to the Schedule set forth in Exhibit 1 attached hereto. The Company shall reserve the right to review the Schedule every 90 days and require such modifications to the Schedule as it may deem necessary upon its review and Contractor agrees to provide Services pursuant to the Schedule, as modified or amended.

27. TRAINING OF EMPLOYEES

The Contractor agrees that all of its employees performing Services in connection with this Agreement for the Company shall have undergone necessary training set forth in the Training Manual as set forth on Exhibit 9 attached hereto. Contractor also agrees that such employees shall receive additional training, as necessary and/or as requested by the Company, according to the Training Schedule set forth on Exhibit 9 attached hereto. COMPANY agrees to reimburse CONTRACTOR for all training except for eight (8) hours of classroom training and UPS State mandated ongoing training.

28. COMPANY PARTNERS

The Contractor understands and agrees that the Services to be performed by the Contractor under this Agreement shall be performed, as the Company so desires and directs, for the Company directly or for the Company as part of an agreement between the Company and any Company Partner as set forth in Exhibit 13 attached hereto, such Exhibit 13 to be amended periodically as additional Company Partners are added. The Company and the Contractor further agree that any contractual relationship between the stated and a Company Partner will not affect this Agreement or the Contractor's obligations hereunder.

29. SUBSTANCE ABUSE POLICY

29.1 It is the Company's policy that no individual is to perform any Services with unauthorized substances or illegal drugs in their system or under the influence of alcohol. The unauthorized use, possession, concealment, transportation or sale of illegal drugs, unauthorized drugs, drug paraphernalia or alcoholic beverages is strictly prohibited while performing any Services.

29.2 The Contractor agrees to establish a similar policy, in form and substance acceptable to the Company substantially in the form set forth in Exhibit 14 hereto, for its employees, agents, representatives and subcontractors and maintain a program to insure compliance. In the event that the Company has reasonable suspicion that a Contractor employee, agent or any other third party performing Services on behalf of the Contractor is impaired by drugs or alcohol, and following the involvement of any of the Contractor's employee agent or any other third party performing Services on behalf of the Contractor in any accident,

the Contractor shall remove such employee, who shall be prohibited from re-entry until such time as the Contractor provides the Company with adequate assurances that the employee was not impaired or has completed a treatment or rehabilitation program. Should the employee be found impaired a second time, such employee shall be permanently barred from performing any Services.

29.3 The Company reserves the right to conduct unannounced inspections and searches of, including but not limited to, the work place, lunchrooms, offices, control toolboxes, clothing and vehicles for the purpose of discovering violations of this or other policies.

29.4 At the request of the Company, the Contractor shall provide a copy of its substance abuse policy for the Company's review and make any such changes as requested by the Company.

30. SUCCESSOR-IN-INTEREST

The Company and the Contractor agree that the terms of this Agreement shall be valid and binding on each of the Contractor's successors in interest.

[End of Agreement]

EXHIBIT "1"

SCOPE OF SERVICES Safety

Using its own employees and equipment, as well as designated equipment owned by Company, Contractor shall perform Safety and Ambassador services in the area known as the Downtown Center Business Improvement District ("the District"), in accordance with the specifications and provisions in Exhibit "2." The Services shall be performed on a 24 hour per day basis ("Operating Hours"). Notwithstanding any provision of this Agreement to the contrary, at the Company's request, Contractor's employees may be deployed to contract areas beyond the boundaries of the District, as shown in Exhibit 2("Services").

Specification for Services

PUBLIC SAFETY FACILITY

The Public Safety facility will be staffed 24 hours daily with a minimum of two emergency service persons capable of responding to emergent calls for service and handling inquiries from the public.

EQUIPMENT

CONTRACTOR shall maintain all COMPANY equipment in a professional manner, insuring that is free of defects, serviceable and presentable to the public. This provision extends to any COMPANY property used by CONTRACTOR or its employees including the PDA's used by our Ambassadors. CONTRACTOR agrees to repair and/or replace damaged or lost property owned by the COMPANY as a result of CONTRACTOR's or its employee's negligence. Contractor shall make such repairs and or obtain replacement equipment within 72 hours of damage.

CONTRACTOR will operate three (3) COMPANY owned vehicles and will be responsible for its proper, safe operation and safekeeping when in the possession of the CONTRACTOR or its employees. In special circumstances, and with the express consent of the COMPANY's Director of Operations, an additional company vehicle may be made available for Contractor's use.

It shall be CONTRACTOR's sole obligation to bear any and all expense associated with the repair or replacement of any COMPANY vehicle which is damaged or destroyed

while that vehicle is being used by or in the temporary custody of CONTRACTOR or its employees. CONTRACTOR will use its best efforts to repair or replace or pay the COMPANY's insurance deductible. Any damaged or destroyed vehicle shall be replaced within 48 hours of damage. In the event that repair or replacement requires longer than 48 hours, CONTRACTOR will provide a suitable replacement vehicle, acceptable to COMPANY, at its sole expense. In no event shall more than 30 days elapse before a damaged or destroyed vehicle is repaired or replaced.

CONTRACTOR will insure that all equipment in its possession is cleaned at least daily and accounted for on a weekly basis. CONTRACTOR or its employees will make immediate notification to the COMPANY whenever it becomes aware of damaged or inoperable property or equipment owned by the COMPANY.

PERSONNEL:

Safety Personnel: Shall be deployed on bicycle, in vehicles and on foot beats or zones established by COMPANY according to need. CONTRACTOR's employees shall be deployed with all equipment/supplies (radio, maps, etc.) necessary to provide Safety and Ambassador services within their area of assignment. CONTRACTOR's employees may utilize the COMPANY vehicle(s) as part of their patrol; the COMPANY vehicle(s) may be used in other situations only if the prior, express approval of the COMPANY Director of Operations is first obtained. Each of CONTRACTOR's employees will be deployed with disposable gloves, a CPR mask and any other issued equipment.

Bicycle and vehicle patrols will be deployed with a standard first aid kit, in addition to the above required equipment. Only assigned safety personnel may possess handcuffs unless otherwise authorized by COMPANY. CONTRACTOR's employees are not authorized to have possession of or use any other restraint equipment or self-defense equipment such as batons, chemical sprays, etc. unless otherwise fully trained and certified.

CONTRACTOR may deploy Safety Personnel with pepper or foam spray. Such deployment shall be within CONTRACTOR's sound and reasoned discretion. If

Safety Personnel are deployed using pepper or foam sprays, CONTRACTOR shall ensure that any personnel so deployed have fully, completely and currently satisfied all of the requirements mandated by the State of California (and/or any other municipal authority) for the use of such sprays and are familiar with the policies and procedures governing the use of such sprays set forth in Exhibit "9."

Ambassador Personnel: Shall be deployed on foot into beats or zones as established by COMPANY. CONTRACTOR's employees shall be deployed with all equipment/supplies (PDA's, radio, maps, etc.) necessary to provide Ambassador Services within their area of assignment.

Bicycles are to be provided by the COMPANY. All CONTRACTOR employees assigned to operate a bicycle must first be trained and certified to meet minimum industry standards (a minimum of 8 hours of bicycle instruction). COMPANY will establish a maintenance program and will be responsible for the maintenance and repair of the bicycles.

Any change in the deployment and/or equipment of CONTRACTOR's employees must first be approved, in writing, by the COMPANY.

CONTRACTOR's employees must adhere to the policies set forth in the CONTRACTOR's Policies and Procedures manual, Exhibit "7" hereto and other policies as set forth by CONTRACTOR.

CONTRACTOR shall provide a project manager ("Project Manager") to oversee day-to-day operations. The Project Manager shall be responsible for ensuring CONTRACTOR's compliance and completion of services.

The Project Manager will oversee all facets of the services provided under this Agreement and will work pro-actively to address Ambassador and Safety service issues. The Project Manager will be responsible for working together with the COMPANY to determine deployment strategies and reporting systems that meet COMPANY needs.

Together with CONTRACTOR's Shift Supervisors, the Project Manager will be responsible for the control and

direction of the CONTRACTOR's personnel.
CONTRACTOR shall provide on-site supervision during all periods of personnel deployment and shall provide on-site field supervision during periods of maximum deployment.

COMPANY shall reimburse CONTRACTOR for the cost Contractor's employees vacation except that such reimbursement shall only be paid to CONTRACTOR upon submission of documentation reflecting that 1 week of vacation will be paid after one year (CONTRACTOR staff will be eligible after six months to accrued vacation earned.) CONTRACTOR employees will earn 1 week after 2 years and 2 weeks after 3 years. COMPANY shall not reimburse CONTRACTOR for employee vacation days unless such vacation days are taken prior to the expiration or the termination of this Agreement. COMPANY shall only reimburse CONTRACTOR for employee personal or vacation days at the rate paid by CONTRACTOR to its employee (PT & I). COMPANY shall reimburse CONTRACTOR for vacation benefits paid to separating employees only to the extent that such benefits are required by law. COMPANY shall only reimburse CONTRACTOR for employee personal or vacation days at the rate paid by CONTRACTOR to its employee (PT & I). When an officer goes on vacation the COMPANY will absorb the overtime.

COMPANY shall not reimburse CONTRACTOR for paid holidays for CONTRACTOR's employees. Staff working on designated holidays (New Year's, July 4th, Memorial Day, Labor Day, Thanksgiving (2 days), Christmas) will be paid at time and a half.

COMPANY shall reimburse CONTRACTOR for vacation benefits paid to separating employees only to the extent that such benefits are required by law.

COMPANY shall reimburse CONTRACTOR for the cost of Health and Dental benefits for CONTRACTOR's employees only after each eligible employee has completed six months of full-time (32 hours/week) employment; the cost of such benefits will be reimbursed to CONTRACTOR by COMPANY upon submission of

acceptable billing information regarding the benefits and costs thereof. Salaried employees, as distinct from hourly or exempt employees, shall be eligible for the benefits provided for in this paragraph after completing ninety (90) days of employment.

CONTRACTOR will maintain its internal employee recognition program (as outlined in its proposal for services) at the CONTRACTOR's expense (Exhibit "8").

All CONTRACTOR employees will utilize a time clock to record their work hours. Each employee shall be scheduled to work for nine hours daily, which includes a 60-minute non-paid lunch break, except for dispatch personnel and night shift vehicle personnel who will be scheduled to work 8.0 hours daily with a one-half hour paid lunch break, all in accordance with State Law. Full deployment of CONTRACTOR's employees will occur within 10 minutes after the employees' scheduled shift starting time.

All employees will begin with a daily briefing at the Public Safety Center, which is the location of deployment. The CONTRACTOR is responsible for providing a schedule of assigned personnel to the COMPANY one (1) week prior to the deployment dates. In addition, the CONTRACTOR will update any changes to that schedule on the day of service and maintain a daily in-service deployment sheet, accounting for all employees assigned to this contract.

CONTRACTOR must maintain standard disciplinary procedures for safety personnel.

Scheduling:

Parties will agree to the work schedules deemed and changes to work schedules as deemed necessary by COMPANY on an ongoing basis.

Minimum Hiring Standards:

All safety employees must possess a permanent State Guard Card and must meet any and all other State and Local registration requirements. All safety employees must be at least 18 years old at the time of their employment/

All personnel must have each of the following qualifications and certifications prior to Field Deployment:

- A. First Aid trained and certified;
- B. CPR trained and certified;
- C. Pepper spray trained and certified;
- D. Valid, current and clear state registered guard card;
and
- E. Valid, current California driver's license.

CONTRACTOR will prepare (post orders) for all personnel by position of responsibility, prior to actual deployment. These post orders must be kept current by the CONTRACTOR.

Uniforms: Uniforms will be provided and approved by the COMPANY. Caps/hats and proper work shoes as designated by Company are to be worn. CONTRACTOR shall deduct from employee's pay a clothing reimbursement to be refunded to the employee upon the return of all equipment. In the event of termination of this Agreement CONTRACTOR shall promptly transfer all uniforms and equipment to the Company.

NOTIFICATIONS & REPORTING:

CONTRACTOR and its employees shall record and report on a *daily* basis any and all areas of safety concerns, such as panhandling, homeless encampments, etc., shall also be reported to the COMPANY daily.

CONTRACTOR shall *immediately* notify the COMPANY Director of Operations regarding any emergent incident, hazard, CONTRACTOR's employee injury, arrest or out of the "ordinary" incident or call for service.

CONTRACTOR is responsible for completing any necessary regulatory reports to government agencies, reporting or documenting an employee injury or other incident (accident, arrest). CONTRACTOR shall timely provide COMPANY with copies of all such reports.

CONTRACTOR and its employees will use incident and other reports to record information, as requested by the COMPANY.

MINIMUM STAFFING:

CONTRACTOR shall maintain the minimum amount of personnel on duty as stated in contract. CONTRACTOR is *NOT AUTHORIZED* to expend any overtime without the approval of the COMPANY. Compensation under this Agreement will be adjusted commensurately with staffing requirements. No overtime will be assessed to UPS for open posts until after January 31, 2006.

TRAINING:

CONTRACTOR will ensure employees receive 56 hours of State approved certified training modules. CONTRACTOR will insure all staff is compliant with California State regulations.

SPECIAL EVENTS:

CONTRACTOR understands that from time to time, adjustments in staffing may be required to accommodate a special event and/or other activity occurring in the District Area. CONTRACTOR will be provided with as much notice as possible and will be required to staff the event with requested personnel.

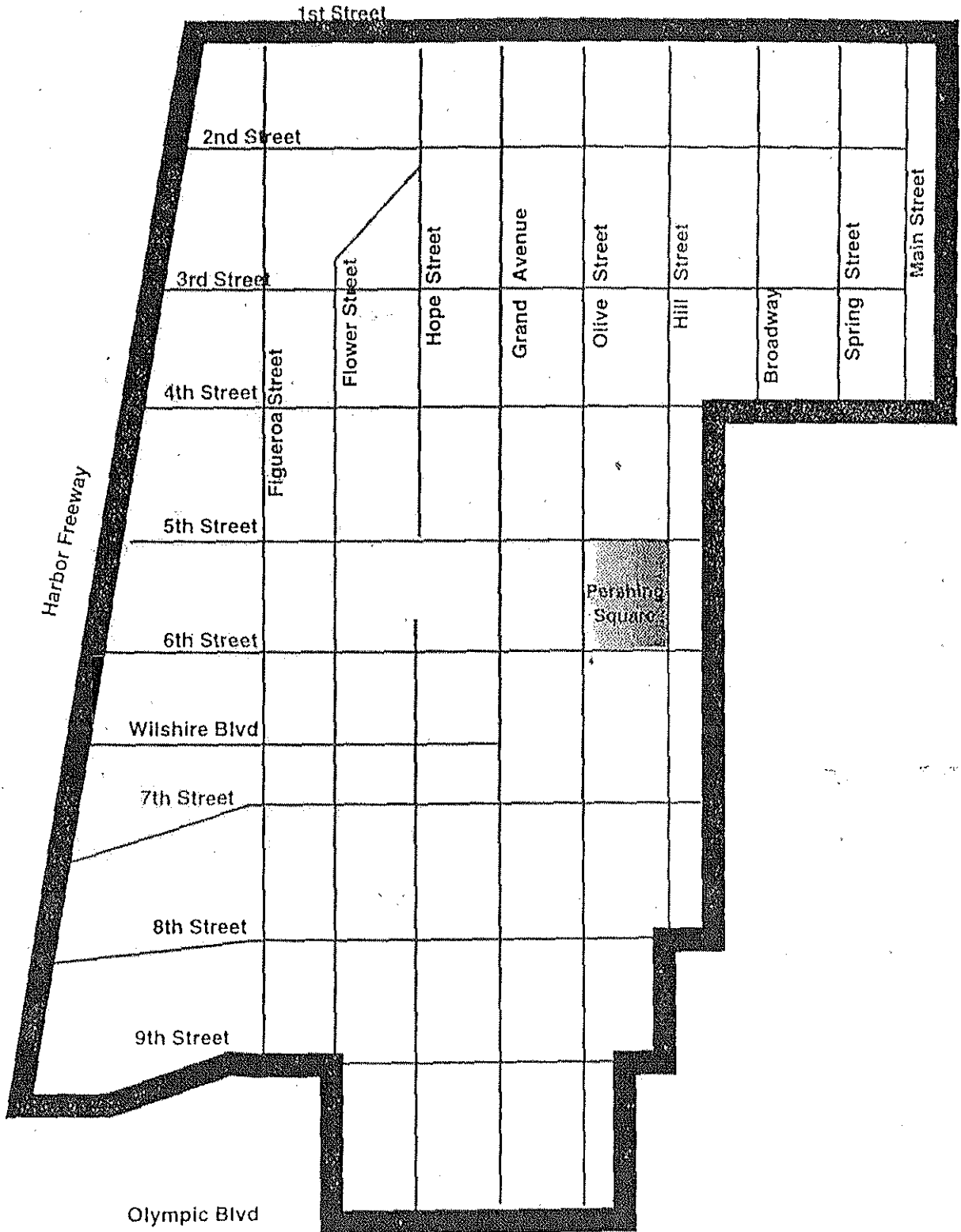
Exhibit 2

Description and Map of DCBID and Contract BID Areas

Overall Boundaries

The BID boundaries for Downtown Business Improvement District, South Park Business Improvement District and Historic Downtown Business Improvement District are illustrated by the attached maps.

Downtown Center Business Improvement District Boundaries



Section 4
Downtown Center Business Improvement District Boundary

4.1 Overall Boundary and Benefit Zones
District Boundary

The Downtown Center Business Improvement District includes all property within a boundary formed by:

North Boundary. 1st Street on the North.

Eastern Boundary. The Eastern boundary follows the east parcel line of property facing on the East side of Main St. from 1st Street to 4th Street, from 4th Street to 8th Street the Eastern boundary follows the east parcel line of property facing on the East side of Hill St., from 8th St. to 9th St. the Eastern boundary is the center of Hill St., from 9th to Olympic the Eastern boundary follows the East parcel line of property facing on the East side of Olive St.

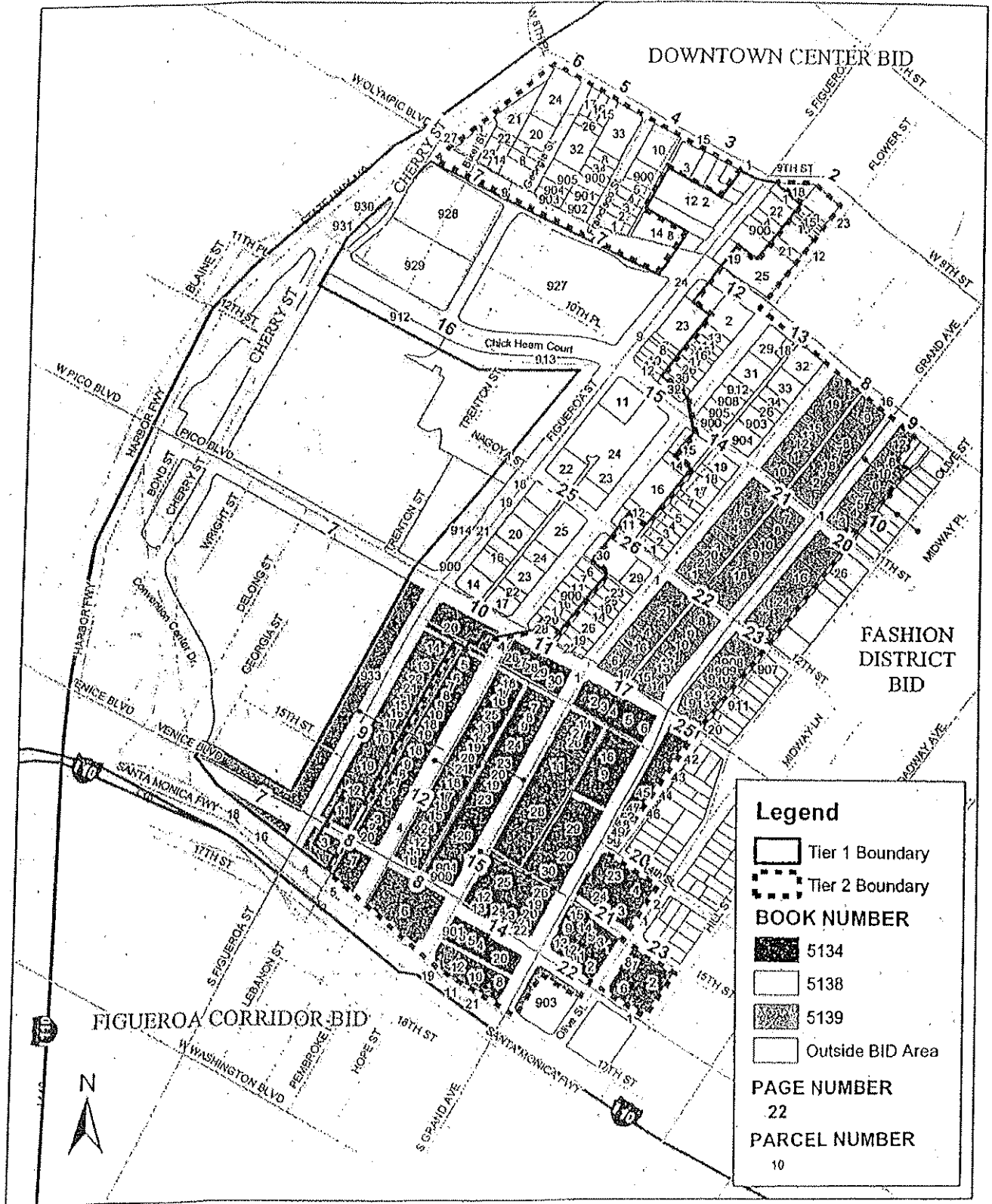
Southern Boundary. The Southern Boundary of the District from Main St. to Hill St. is the Center of 4th Street. From Hill St. to Flower St. the Southern boundary is the center of Olympic Blvd. From Flower to the 110 Freeway the Southern boundary is the center of 9th St.

Western Boundary. The Western boundary from Olympic to 9th Street is the center of Flower St. From 9th Street to 1st Street the Western boundary is the 110 Freeway.

Zone One is defined as all property within a boundary formed by 1st Street on the North, The Harbor Freeway on the West. The Eastern boundary is the center of Hill St. from 1st to midway between 4th and 5th St., From midway between 4th and 5th St. the Eastern boundary is the center of Olive St. From 5th to 6th St. the Eastern boundary is the center of Grand Ave. From 6th St. to Wilshire Blvd. the Eastern boundary is the center of Hope St. From Wilshire Blvd. to 9th St. the Eastern boundary is the West parcel line of property facing on the West side of Flower. The Southern boundary of Zone One between Hill St. and Olive St. is the South property line of the parcel mid block between 4th and 5th St. The Southern boundary between Olive St. and Grand Ave. is the center of 5th St. The Southern boundary between Grand Ave. and Hope St. is the center of 6th St. The Southern boundary between Hope St. and Flower St. is Wilshire Blvd. The Southern Boundary between Flower St. and the Harbor Freeway is 9th St.

Zone Two includes all property within the Downtown Center Business Improvement District Area, as defined above, that is not included in Zone 1.

South Park BID



Section 2
South Park Business Improvement District Boundary

Overall Boundary

The South Park Area consists of all property within a boundary that begins at 9th St and the 110 Freeway and runs east to Flower St then south to Olympic Blvd, east on Olympic Blvd to Grand Ave south on Grand Ave to 14th St, east on 14th St to Olive St, south to 15th St, east on 15th St to Hill St, south on Hill St to Venice Blvd, west on Venice Blvd to Grand Ave, south on Grand Ave to the 10 Freeway, including property located under the 10 Freeway right of way the Southern boundary follows the 10 Freeway west to Convention Center Dr then back east to Figueroa St, then north on Figueroa St to Chick Hearn Ct, west on Chick Hearn Ct to Cherry St, where it turns north along the right-of-way for the 110 Freeway to the starting point at the intersection of the 110 Freeway and 9th St. Because clean and safe services are provided to the ground level perimeter of the parcels, the district is organized around parcel frontage rather than land area or building square footage.

The following parcel frontage is located within the district

All parcel frontage facing on:

- South side of 9th St from 110 Freeway to Flower St
- Both sides of Olympic Blvd from 110 Freeway to Flower St
- South side of Olympic Blvd from Flower St to the east parcel line of the parcel fronting on the east side of Grand Ave
- Both sides of 11th St from Figueroa St to the east parcel line of the parcel fronting on the east side of Grand Ave
- Both sides of Chick Hearn Ct from Cherry St to Figueroa St
- Both sides of 12th St from Figueroa St to the east parcel line of the parcel fronting on the east side of Grand Ave
- Both sides of Pico Blvd from Figueroa St to the east parcel line of the parcel fronting on the east side of Grand Ave
- South side of 14th St from Grand Ave to Olive St
- North side of 15th St from Grand Ave to Olive St
- South side of 15th St from Grand Ave to Hill St
- Both sides of Venice Blvd from Convention Center Dr to Olive Ave
- North side of Venice Blvd from Olive St to Hill St
- North side of 17th St from Flower St to Grand Ave
- Both sides of Cherry St from Chick Hearn Ct to Olympic Blvd
- Both sides of Bixel St north of Olympic Blvd.
- Both sides of Georgia St from Chick Hearn Ct to 9th St
- Both sides of Francisco St from Olympic Blvd to 9th St
- Both sides of Figueroa St from the 10 Freeway to 9th St
- Both sides of Flower St from the 10 Freeway to Olympic Blvd
- West side of Flower St from Olympic Blvd to 9th St
- Both sides of Hope St from the 10 Freeway to Olympic Blvd
- Both sides of Grand Ave from the 10 Freeway to Olympic Blvd
- West side of Olive St from 14th St to 15th St
- West side of Hill St from 15th St to Venice Blvd
- Both sides of Olive St from Venice Blvd to 15th St

Identification of Street Tiers

Tier One includes:

All parcel frontage facing on:

- Both sides of Cherry St from Chick Hearn Ct to Olympic Blvd
- Both sides of Georgia St from Chick Hearn Ct to Olympic Blvd
- Both sides of Figueroa St from 10 Freeway to 9th St
- Both sides of Flower St from Pico Blvd to 11th St
- The south side of Olympic Blvd from 110 Freeway to Figueroa St
- Both sides of 11th St from Figueroa St to Flower St
- Both sides of Chick Hearn Ct from Cherry St to Figueroa St
- Both sides of 12th St from Figueroa St to Flower St
- Both sides of Pico Blvd from Figueroa St to Flower St
- Both sides of Venice Blvd from Convention Center Dr to Figueroa St

Tier Two includes:

All parcel frontage within the District that is not included in Tier One

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Exhibit 3

Estimated Minimum Annual Security Staffing & Hours

DCBID SECURITY STAFFING

	<u>#</u>	<u>ANNUAL HOURS</u>
Project Manager	1	2,080
Lieutenant	2	4,160
Sergeant	5	10,400
Lead Officers	3	6,240
Dispatch	6.5	13,520
Safety Officers	13	27,040
Concierge	1	2,080
SET Team	3	6,240
Ambassadors	<u>5</u>	<u>10,400</u>
	39.5	82,160

HDBID SECURITY STAFFING

	<u>#</u>	<u>ANNUAL HOURS</u>
WATCH COMMANDER	1	2,080
SENIOR LEAD OFFICERS	2	4,160
DISPATCHERS	2	4,160
SAFETY OFFICERS	6.5	13,520
SEASONAL	<u>1</u>	<u>2,080</u>
	12.5	26,000

SOUTH PARK BUSINESS IMPROVEMENT DISTRICT

	#	ANNUAL HOURS
Shift Supervisor	1.4	2,912
Senior Lead Officer	2.8	5,824
Dispatch	2	4,160
Safety Patrol	3.6	7,488
Safety Patrol Night Tier 1	<u>2</u>	<u>4,160</u>
	11.8	24,544

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UPS Security Costs
for
DCBID

	Step 1 Pay Rate	Step 1 Bill Rate	Step 2 Pay Rate	Step 2 Bill Rate	Step 3 Pay Rate	Step 3 Bill Rate	Step 4 Pay Rate	Step 4 Bill Rate	Step 5 Pay Rate	Step 5 Bill Rate
1 Project Manager	15.00	20.25	16.00	21.60	18.00	24.30	20.00	27.00	22.00	29.70
2 Asst. Manager	13.00	17.55	13.50	18.23	14.00	18.90	14.50	19.58	15.00	20.25
3 Shift Supervisor	11.00	15.18	11.50	15.87	11.75	16.22	12.00	16.56	12.50	17.25
4 Lead Officer	10.25	14.25	10.75	14.94						
5 Dispatcher	9.25	12.86	9.75	13.55	10.00	13.90	10.50	14.60	11.00	15.29
6 BID ACTION	9.25	12.86	9.75	13.55	10.00	13.90	10.50	14.60	11.00	15.29
7 Patrol Officer	9.25	12.86	9.75	13.55	10.00	13.90	10.25	14.25		
8 Ambassador	8.75	12.25	9.00	12.60	9.50	13.30				
9 Trainee	8.50	11.90								
10 Events/Seasonal	8.50	11.90								

***Items billed as incurred:**

- One week vacation
- Replacement coverage for personal leave and vacation
- Medical Insurance - \$119.60 for each officer taking Kaiser Insurance.

EXHIBIT "5"

CERTIFICATE OF NON-SEGREGATED FACILITIES

CONTRACTOR certifies that he does not and will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not and will not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. CONTRACTOR understands that the phrase "segregated facilities" includes facilities which are in fact segregated on a basis of race, color, creed, or national origin, because of habit, local custom, or otherwise. CONTRACTOR understands and agrees that maintaining or providing segregated for his employees or permitting his employees to perform their services at any locations, under his control, where segregated facilities are maintained is a violation of the Equal Opportunity Clauses required by Executive Order No. 11246 of September 24, 1965, and the regulations of the Secretary of Labor set out in 33F R.7804 (May 28, 1968). CONTRACTOR further agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) it will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity Clauses; that it will retain such certificates in its files, and that it will forward the following notice to such proposed subcontractors (except where the proposed subcontractors have submitted identical certificates for specific time periods).

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENTS FOR CERTIFICATES OR NONSEGREGATED FACILITIES

A Certification of NONSEGREGATED Facilities as required by the May 9, 1967, order on Elimination of Segregated Facilities, by the Secretary of Labor (32 F R 7439, May 19, 1967), and as required by the regulations of the Secretary of Labor (set out in 33 F R 7804, May 28, 1968) and as they may be amended, must be submitted prior to the award of a subcontract exceeding \$10,000 which is not exempt from the provisions of the Equal Opportunity Clauses. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semi-annually or annually).

DCBID
Contractor or Company

BY Steele

1020 Wilshire Blvd
Address

TITLE COO/EVP

LA CA 90017
City, State & Zip Code

DATE 9-30-05

EXHIBIT "5"

CERTIFICATE OF NON-SEGREGATED FACILITIES

CONTRACTOR certifies that he does not and will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not and will not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. CONTRACTOR understands that the phrase "segregated facilities" includes facilities which are in fact segregated on a basis of race, color, creed, or national origin, because of habit, local custom, or otherwise.

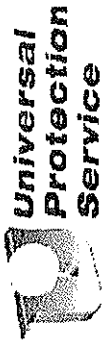
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_____	BY _____
Contractor or Company	
_____	TITLE _____
Address	
_____	DATE _____
City, State & Zip Code	



HARASSMENT AND DISCRIMINATION ~ OUR COMPANY POLICY

All employees have the right to a work environment free from discrimination or harassment because of race, color, religion, sex, age, national origin, handicap, disability, marital status or veteran status, or any other category protected by law. It is the policy of Universal Protection Service to ensure that no employee or applicant for employment is discriminated against in recruitment, hiring, training or promotion because of any category protected by law provided that the employee or applicant is qualified and meets the physical requirements established by the Company for the job. It is also the policy of UPS to provide a workplace free of unlawful and improper harassment of employees by other employees, supervisors, managers, customers, vendors or others doing business with or for the Company based on these factors. Harassment is considered an act of misconduct and may subject an individual to disciplinary action, up to and including immediate termination. All supervisors and managers are responsible for implementing and monitoring compliance with this policy.

PROVISIONS

Harassment is defined as unwelcome or unsolicited verbal, physical or sexual advances or conduct where submission is an explicit or implicit condition of employment, where submission or rejection of such conduct is used as the basis for making employment decisions, or which has the purpose or effect of substantially interfering with an employee's job performance, or which creates an intimidating, hostile or offensive working environment.

Some examples of behavior that may be considered as harassment, depending upon the facts and circumstances, include but are not limited to the following:

- ▶ Verbal harassment: (e.g., derogatory or vulgar comments or jokes regarding race, sex, religion, ethnic heritage, age, physical appearance; threats of physical harm; distribution of written or graphic material having such effects).
- ▶ Physical harassment: (e.g., hitting, pushing, touching or other physical contact, or threats of such action; blocking or impeding movement).
- ▶ Sexual harassment: (e.g., unwelcome or unsolicited sexual advances, demands for sexual favors, touching or other verbal or physical conduct of a sexual nature; display of offensive material; leering; making sexual gestures). Actual or threatened retaliation.

PROCEDURE

Employees who feel they may have been harassed should tell the person harassing them to stop and attempt to resolve the matter directly. If the problem continues, or the employee does not feel they can discuss it directly with the individual, it is their responsibility to promptly notify any member of our Harassment Investigation Team. Specifically, complaints must be reported to any one of the following: (1) the employee's Branch or General Manager; (2) the Regional Vice President; (3) Corporate HR Director; (4) Vice President HR; or (5) Vice President/COO. This team is trained to respond to complaints. In the event an employee is dissatisfied with the results achieved in a complaint, or are reluctant to take the complaint to the Harassment Investigation Team, may make a written complaint directly to the President/CEO by mail to 1551 N. Tustin Ave. #650, Santa Ana, CA 92705. Reporting incidents to any other supervisor besides those on the Harassment Investigation Team (such as a Field Manager, Watch Commander, or Security Director) will not be considered adherence to this policy. You will be required to put your specific complaints in writing.

Supervisors who become aware of any such harassment, whether it involves employee-to-employee, supervisor-to-employee, or vendor/customer-to-employee conduct, must promptly report the matter to the Harassment Investigation Team. If supervisors observe such harassment, they must take immediate action to stop it, then report it.

Human Resources will conduct a prompt and thorough investigation of all such claims and take appropriate disciplinary action. There shall be no retaliation or discrimination against a complainant who in good faith notifies the Company of any harassment. It is a violation of our policy for employees to use peer pressure to discourage harassment victims from complaining. To the extent possible, all complaints and related information will remain confidential except as to those individuals who need the information to investigate, evaluate or take action in response to the complaint.

HARASSMENT INVESTIGATION TEAM MEMBERS

Branch Managers & General Manager	Regional Vice Presidents	Irmaz Clark Director, HR	Paula Malone Vice President HR	Steve Jones Vice President, COO	Brian Cescolini President, CEO
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SEXUAL HARASSMENT

The Facts About Sexual Harassment

Sexual harassment in employment violates the provisions of the Fair Employment and Housing Act, specifically Government Code Sections 12940(a), (h), and (i).

EMPLOYER OBLIGATIONS

- ▶ Employers must take all reasonable steps to prevent discrimination and harassment from occurring.
- ▶ Employers must act to ensure a workplace free from sexual harassment by posting in the work place a poster made available by the Department of Fair Employment and Housing.
- ▶ Employers must act to ensure a workplace free from sexual harassment by distributing to employees an information sheet on sexual harassment. An employer may either distribute this brochure (DFEH-185) or develop an equivalent document, which must meet the requirements of Government Code Section 12950 (b).

DEFINITION OF SEXUAL HARASSMENT

The Fair Employment and Housing Commission regulations define sexual harassment as unwanted sexual advances, or visual, verbal or physical conduct of a sexual nature. This definition includes many forms of offensive behavior and includes gender-based harassment of a person of the same sex as the harasser; the following is a partial list:

- ▶ Un_____ and sexual advances
- ▶ Offering employment benefits in exchange for sexual favors
- ▶ Making or threatening reprisals after a negative response to sexual advances
- ▶ Visual conduct: leering, making sexual gestures, displaying of sexually suggestive objects or pictures, cartoons or posters
- ▶ Verbal conduct: making or using derogatory comments, epithets, slurs, and jokes
- ▶ Verbal sexual advances or propositions
- ▶ Verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, suggestive or obscene letters, notes, or invitations.
- ▶ Physical conduct: touching, assault, impeding or blocking movement.

EMPLOYER LIABILITY

All employers are covered by the harassment section of the Fair Employment and Housing Act. If harassment occurs, an employer may be liable even if management was not aware of the harassment. An employer might avoid liability if the harasser is a rank and file employee and if there was a program to prevent harassment. The harasser, as well as any management representative who knew about the harassment and condoned it or ratified it, can be held personally liable for damages.

Additionally, Government Code Section 12940 (l) requires an employer to take "all reasonable steps to prevent harassment from occurring", if an employer has failed to take such preventive measures, that employer can be held liable for the harassment.

A victim may be entitled to damages even though no employment opportunity has been denied and there is no actual loss of pay or benefits.

- ▶ In addition, if an employer knows or should have known that a non-employee (e.g. client) has sexually harassed an employee, applicant, or person

providing services for _____ employer and fails to take immediate and appropriate corrective action, the employer may be held liable for the actions of the non-employee.

An employer might avoid liability if:

- The harasser is not in a position of authority, such as a lead, supervisor, manager or agent;
- The employer had no knowledge of the harassment;
- There was a program to prevent harassment; and
- Once aware of any harassment, the employer took immediate and appropriate corrective action to stop the harassment.

FILING A COMPLAINT

This brochure, along with the Company's Employee Handbook and a separate handout provided at the time of hire, outline the Company's specific policy regarding the procedure for filing a complaint.

The employee's first course of action should be to follow the Company's internal procedure for reporting harassment, which allows the Company the opportunity to stop and remedy the situation.

Employees or job applicants who believe that they have been sexually harassed may, within one year of the harassment, choose to file a complaint of discrimination with the California Department of Fair Employment and Housing. The Department serves as a neutral fact-finder and attempts to help the parties voluntarily resolve disputes.

If the Department finds sufficient evidence to establish discrimination occurred and settlement efforts fail, the Department may file a formal accusation. The accusation will lead to either a public hearing before the Fair Employment and Housing Commission or a lawsuit filed on the complainant's behalf by the Department. If the Commission finds that harassment occurred, it can order remedies, including fines or damages for emotional distress from each employer or harasser charged. In addition, the Commission may order hiring or reinstatement, back pay, promotion, and changes in the

policies or practices of the _____ employer. Employees may also pursue private litigation after a complaint is filed with the DFEH and a Right to Sue Notice has been issued.

PREVENTING SEXUAL HARASSMENT

A program to eliminate sexual harassment from the workplace is not only required by law, but it is the most practical way to avoid or limit damages if harassment should occur despite preventive efforts.

An employer should take immediate and appropriate action when he/she knows, or should have known, that sexual harassment has occurred. An employer must take effective action to stop any further harassment and to remedy the effects of the harassment. To those ends, the employer's policy should include provisions to:

- ▶ Fully inform complainant of his/her rights and any obligations to secure those rights
- ▶ Fully and effectively investigate. It must be immediate, thorough, objective and complete. All those with information on the matter should be interviewed. A determination must be made and the results communicated to the complainant, to the alleged harasser, and, as appropriate, to all others directly concerned.
- ▶ If proven, there must be prompt and effective remedial action. First, appropriate action must be taken against the harasser and communicated to the complainant. Second, steps must be taken to prevent any further harassment. Third, appropriate action must be taken to remedy the complainant's loss, if any.

For more information, contact DFEH toll free at (800) 884-1684. Sacramento are and out-of-state at (916) 227-0551. TTY number at (800) 700-2320, or visit their website at www.dfeh.ca.gov

More About Medical Care

- 1. If you are injured on the job, your family and your employer should be notified as the earliest and in writing.
- 2. If you are injured on the job, you should be taken to a hospital or other medical facility as soon as possible. If it is an emergency, call 911 immediately for the best medical attention. If you are injured on the job, your employer should arrange for medical care for you.
- 3. If you are injured on the job, your employer should file a claim form with you. You can get the form and return it to your employer as soon as possible. Your employer should give you a signed copy of the form and a copy to the claims administrator.
- 4. If you are injured on the job, the claims administrator will arrange for medical care. If you cannot find a personal doctor in writing, you should go to a hospital or other medical facility as soon as possible. If you are injured on the job, the claims administrator will arrange for medical care for you.
- 5. If you are injured on the job, you should go to a hospital or other medical facility as soon as possible. If you are injured on the job, the claims administrator will arrange for medical care for you.
- 6. If you are injured on the job, you should go to a hospital or other medical facility as soon as possible. If you are injured on the job, the claims administrator will arrange for medical care for you.
- 7. If you are injured on the job, you should go to a hospital or other medical facility as soon as possible. If you are injured on the job, the claims administrator will arrange for medical care for you.
- 8. If you are injured on the job, you should go to a hospital or other medical facility as soon as possible. If you are injured on the job, the claims administrator will arrange for medical care for you.
- 9. If you are injured on the job, you should go to a hospital or other medical facility as soon as possible. If you are injured on the job, the claims administrator will arrange for medical care for you.
- 10. If you are injured on the job, you should go to a hospital or other medical facility as soon as possible. If you are injured on the job, the claims administrator will arrange for medical care for you.

WORKERS' COMPENSATION FRAUD IS A FELONY

Anyone who makes or causes to be made any knowingly false or fraudulent material statement for the purpose of obtaining or denying workers' compensation benefits or payments is guilty of a felony.

Anyone who knowingly files or assists in the filing of a false workers' compensation claim may be fined up to \$50,000 and sent to prison for up to five years

(PC 18714).

a family surgeon, for example. If you want advice about specialists, or want to change doctors for some other reason, talk to your claims administrator. In any event, always report your choice as soon as you make it so your bills will be paid for you.

Above all, don't treat yourself. Even minor injuries need expert care. Prompt, quality medical treatment is the best investment you and your employer can make.

The pamphlet is available in Spanish. For a free copy, please write: California Workers' Compensation Institute, 1111 Broadway, Suite 2350 Oakland, CA 94607

For more information, call (415) 762-1111. For a free copy, please write: California Workers' Compensation Institute, 1111 Broadway, Suite 2350 Oakland, CA 94607

This pamphlet is for informational and educational purposes only. It should not be used as a substitute for legal advice.

1111 Broadway, Suite 2350
Oakland, CA 94607
www.cwi.org

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Rev. 1/03

FACTS FOR INJURED WORKERS

Hurt On The Job?

That can be a terrible experience. But fortunately, the California workers' compensation system takes away a lot of the worry about job injuries and illnesses. It's no-fault protection paid for by employers and supervised by the State. This guide explains this valuable benefit.

What's Workers' Compensation?

California's workers' compensation law protects you from the state (although more than 50 years ago, guarantees financial, automatic benefits to workers injured on the job).

Workers' compensation injured workers had to sue their employers for recovery of medical costs and lost wages. Litigation took months and sometimes years. Injuries and sickness had to be who who at fault and how it was. If anything would be paid. The injured worker got nothing. It was a really, time-consuming and unfair.

Today, workers' compensation is faster and fairer. If you can't work because of a job injury or job illness, workers' compensation pays your medical bills and provides money to help replace your lost income until you can return to work.

Who's Covered?

Nearly every working Californian is protected by workers' compensation, but there are a few exceptions. People in business for themselves and unpaid volunteers may not be covered. Maritime workers and federal employees are covered by federal laws.

What's Covered?

Any injury caused by the job is covered—everything from lost and type injuries to serious accidents, job-related illnesses are covered too. For example, common colds and flu aren't covered, but if you catch tuberculosis while working at a TB hospital, that's covered. The key is whether the injury or illness is caused by your job.

When Am I Covered?

Coverage begins the first minute you're on the job and continues anytime you're working. You don't have to work a certain amount of time or earn a certain amount of money to be protected. Coverage is automatic and immediate.

How Do I Get Benefits?

Report the injury to your employer or supervisor immediately and complete a simple claim form if more than first aid is required. The claim form will ask what, when, where, when and how it happened. Your employer or supervisor will tell you if you get medical help right away and file the necessary reports.

Medical treatment is the key. Your medical bills and any other workers' compensation benefits can't be paid until your workers' compensation claims administrator knows about the injury. In addition, you may not be able to get benefits if you don't file a claim within one year of the date of injury. The date you know the injury was work related, or the date benefits were first provided (since your right to benefits by reporting every injury no matter how slight) from a clinician can hold in disability if an infection develops.

What Are The Benefits?

California law guarantees three kinds of workers' compensation benefits:

- All reasonable and necessary medical care to cure or relieve the effects of the injury or illness. Not just doctor's bills, but also medicines, hospital costs, fees for lab tests & x-rays, crutches—most travel expenses for injured

medical treatment. There's no deductible and all costs are paid directly by the workers' compensation claims administrator, so you should never see a bill. Cash payments to help replace lost wages. Most injuries only keep you from working temporarily, and you'll receive temporary disability pay benefits until the doctor says you're able to return to work.

Additional cash payments will be made after you're able to work if there's a permanent disability—for example, the loss of a finger or an eye—or if you can't return to work at all. If the injury results in death benefits will be paid to your surviving dependents.

Rehabilitation services necessary to return to work. This is just an extension of medical treatment—for example, physical therapy in a hospital or clinic. However, if the injury keeps you from returning to your regular work, your employer will advise you if you receive job can be modified or if another position can be provided to accommodate your permanent disability. Many employers are subject to laws governed by the Americans with Disabilities Act or the Fair Employment and Housing Act. An employer subject to these laws must provide reasonable accommodation—if possible—to qualified disabled individuals who can perform all the essential job functions. If you are not able to return to your regular job because of a disability, you may have rights under these laws. For more information call the Equal Employment Opportunity Commission at 1-800-668-4000. If your injury or illness results in a permanent disability, provides you from returning to your job, and your employer doesn't offer modified or alternate work, you may qualify for vocational rehabilitation. A financial counselor will develop a plan to create new job opportunities for you. Again, workers' compensation insurance already pays all costs up to a maximum set by state law.

Temporary disability payments generally are two-thirds of your wages—subject to maximums and minimums set by the state. Temporary disability payments are based on the rate in effect on the date of injury, though payments made two years or more after the injury are reduced to reflect the current rates if justified by earnings.

In 2002, the law was changed to increase cash benefits to injured workers. The law called for the increases to be phased in over a period of 4 years, so the amount of your temporary disability payments depends on your date of injury. The maximum weekly cash payment on claims for injuries that occurred before 2003 is \$400, with a minimum of \$120 per week or actual wages if less. Beginning with claims for injuries that occur in 2003, the minimum temporary disability payment will be \$126 per week, while the weekly maximum cash payment will be \$600 for injuries occurring in 2003, \$128 for injuries occurring in 2004, and \$640 for injuries occurring in 2005. The minimum and maximum weekly temporary disability payments on claims for injuries occurring in 2005 and each year after that will be adjusted based on increases in the state average weekly wage.

Compensation isn't paid for the first three days you're unable to work—unless you're hospitalized as an inpatient or unable to work for more than 14 days. In those instances, even the "waiting period" will be paid.

If you report the injury promptly your first temporary disability check should be issued within 14 days. After that, you'll receive a check every two weeks, until the doctor says you can go back to work.

What you recover to the fullest extent possible, the doctor who caused you an evaluate the permanent effects of your injury. His and your employer may agree to sign on the treating doctor's report to establish your permanent disability rating. If you have questions about the report you may contact an arbitrator and assistance office at the Division of Workers' Compensation. If you don't agree on the treating doctor's report, and you aren't represented by an attorney, you must choose an arbitrator to resolve the claim. If there's disagreement, the law provides by the state. If you are represented by an attorney and you don't agree on the treating doctor's report, the attorney will arrange the medical consultation.

Your permanent disability payments will be based on the results of the doctor's consultation and factors such as your age and pre-injury occupation. The worker benefit is two-thirds of your average, subject to minimums and maximums set by the state. The minimums and maximums vary according to the date of injury and your last 10 permanent disability. If you have a permanent disability, the calculation of the benefit will be fully explained in a letter.

Health benefit payments to survivors who were financially dependent on a deceased worker are set by state law according to the number of dependents and the date of injury. Generally, payments are made at the same rate as for permanent disability benefits, however, no payments will be less than \$274 per week. Workers' compensation also pays a burial allowance.

Workers' compensation payments are tax free. There are no deduction for your federal taxes, Social Security, union or retirement fund contributions, etc. For some workers the compensation check will be close to regular take-home pay.

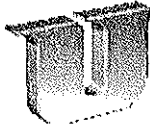
What If There's A Problem?

Fortunately most claims are handled promptly. After all, workers' compensation benefits are automatic and the amounts are set by the Legislature.

But, mistakes and misunderstandings do happen. If you think you haven't received all your benefits, start by calling your employer or workers' compensation claims administrator. Many questions can be cleared up with a phone call.

If you still have questions, contact the nearest office of the State Division of Workers' Compensation, Information & Assistance Offices are employees in the state to protect your rights, review your claim, and let you know what steps you can take. For example, they can tell you about the procedures for resolving medical disputes and direct you on how to proceed. Information and Assistance Offices can also provide you with free written materials about workers' compensation. Information and Assistance services are free for the most part, except for the State Compensation Officers section of the phone book under "Healthcare" or "Business Departments," call 1-800-736-7401 for recorded information and the location of a local office, or visit the State Division of Workers' Compensation website at <http://www.dwc.ca.gov>.

Some problems may need to be resolved by the Workers' Compensation Appeals Board. The state agency responsible for handling disputes, the Appeals Board is a court of law. You can represent yourself or you can hire an attorney, but you should be aware that attorneys are paid out of the injured worker's permanent disability benefits awarded by the Appeals Board. Attorney fees generally are 10% of the portion of your award, and must be approved by a judge. For example, if you received a \$10,000 permanent disability award, the 10 percent fee attorney has your attorney would receive \$1,000 and you would get \$9,000 in addition to your



Date: March 9, 2005
To: All Universal Protection Service Employees
From: Brian Cescolini – President and CEO
Re: Harassment and Discrimination Policy

I am sending this letter to every employee in the Company, first because I want to take a moment to thank you for all of things you have done to contribute to the success of Universal Protection Service. Second, I want to remind you of a company policy that was clearly explained to you when you were hired and is detailed in your Employee Handbook, but is important enough to repeat.

It is important to us that each employee finds Universal Protection Service a pleasant and enjoyable place to work. We hope that the time you spend on your job is not only challenging, but is also personally rewarding. To ensure this, all employees have the right to a work environment that is free from discrimination or unlawful harassment because of race, color, religion, sex, age, national origin, handicap, disability, marital status or veteran status, or any other category protected by law. Unlawful harassment and discrimination is prohibited whether it comes from or is directed towards other employees, supervisors, managers, customers, vendors or others doing business with or for the Company.

Although this has been our policy since the inception of our Company, I would like to take this opportunity to remind you that verbal, physical or sexual harassment or discrimination of any kind will not be tolerated. It is not acceptable, even in a "joking" manner, to talk about, or engage others in discussions about intimate, sexual or disparaging/discriminating topics, or to inappropriately touch or threaten another person. You may refer to your Employee Handbook for specific details and further examples of unacceptable activities at work. Anyone engaging in such behavior will be disciplined, up to and including immediate termination of employment.

Attached you will find a pamphlet titled "Sexual Harassment is Forbidden by Law". This brochure incorporates the wording required by the Department of Fair Employment and Housing, as well as the specific policy, procedures and reporting requirements of Universal Protection Service's harassment avoidance policy.

If you believe you have been harassed or discriminated against, or you are aware of a situation involving such treatment, we expect you will take immediate action to stop this behavior. In fact, we feel so strongly about the importance of resolving such issues that our company policy requires that you do one or more of the following to resolve a potential situation of harassment or discrimination:

1. Discuss the matter directly with the person you feel is causing the problem and attempt to resolve the matter. Often, advising the person that their comments or actions are unwelcome will put a stop to it.
2. If the problem continues, or you do not feel you can discuss it directly with the individual, it is your responsibility to promptly report the situation directly to any member of our Harassment Investigation Team. Specifically, you can report complaints to your Branch Manager, your Regional Vice President, Irma Clark - Corporate Human Resources Director, Paula Malone - Vice President Human Resources, or to Steve Jones/Vice President and COO. This team is trained to respond to your complaints and, following our procedure, a prompt and thorough investigation will be conducted. Reporting incidents to any other supervisor (such as a Field Manager, Watch Commander, or Security Director) will not be considered adherence to this policy.
3. In the event you are dissatisfied with the results achieved in a complaint or are reluctant to take your complaint to any member of the Harassment Investigation Team, you may make a written complaint directly to me by mail, return receipt requested, to the Corporate office at 1551 N. Tustin Ave., Ste. 650, Santa Ana, CA 92705.

We all want to be proud of our Company. This policy has my full support, and I ask every Universal Protection employee to support it as well.



ACCIDENT REPORTING AND WORKERS' COMPENSATION POLICY

Universal Protection Services strives to provide a safe and healthful environment for our employees. It is your responsibility to promptly report any unsafe conditions to your supervisor, as well as to report any injury or illness you incur at work.

All Employees are covered by workers' compensation insurance effective the first day of employment. Workers' compensation Insurance provides Employees or their beneficiaries with certain benefits in the event of job-related illness, injury or accidental death. A brochure outlining these benefits is provided to you at the time of hire and in the event you experience a work-related injury or illness. The Company pays the full cost of this insurance coverage.

Reporting Injuries

If you sustain a job-related illness or injury, you **must** report the illness or injury to their Supervisor the same day an illness or injury occurs. Failure to do so could result in a delay or denial of benefits by the insurance carrier and may also result in disciplinary action for failure to following Company policy.

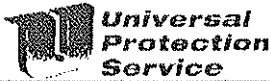
The Company will promptly and thoroughly investigate all work related accidents. Employees are expected to cooperate fully in such investigations. UPS reserves the right to refer an Employee for alcohol/drug testing in the event of an accident on Company, client, vendor, or any work-related site. Refusal to submit to such tests is considered insubordination and is grounds for immediate termination. In addition, local law enforcement agencies or private investigation services will be called in when necessary to assist in any accident investigations.

Employees who sustain a job-related illness or injury, will be paid in full for the day such injuries occur or illness begins. All other payments for lost wages or salary due to a job-related illness or injury, and any other benefits will be made by the Company's workers' compensation insurance carrier as required by law. Contact your HR Coordinator for more information about workers' compensation insurance benefits or refer to the attached brochure.

Fraudulent Claims

The Company's policy is to thoroughly investigate all workers' compensation claims to determine the cause and put preventive measures in place where appropriate. Any questionable claims will be referred to the State's Bureau of Fraudulent Claims if they appear to be fraudulent.

Employees and former Employees may be encouraged by outside persons, including attorneys or other professionals, to file fraudulent workers' compensation claims. You should be aware that **California law makes it a crime to file a knowingly false or fraudulent claim for workers' compensation benefits, or to submit knowingly false or fraudulent information in connection with any workers' compensation claim. Violation of this law is punishable by imprisonment of up to five years, a fine of up to \$150,000 (or double the value of the fraud, whichever is greater), or both. Filing a false or fraudulent workers' compensation claim is also a violation of Company policy, and will result in disciplinary action, up to and including immediate termination.** If you are aware of any situations regarding workers' compensation fraud, please report your information to manager or to Human Resources at (714) 619-9725.



the Operations Manager (or Supervisor) is not available, you must speak directly with another member of management in the branch office.

- b. **After hours** – contact the Watch Commander at **800-650-5044**. You must provide the Watch Commander with your name, post at which you are assigned, your scheduled start time, the reason you are calling off, and an immediate call back number at which you may be reached. Your call-off will immediately be reported to the Field Manager, who may contact you regarding your situation. You must be available to respond to this return call and cooperate with any requests made by the Field Manager. Failure to do so will automatically result in the absence being considered unexcused and will result in disciplinary action. In addition, you may be asked to provide documentation to verify the reason for your call-off, such as a doctor's note, towing receipt, etc.
- 3. **No Call/No Show or Post Abandonment**– failure to show up for your assigned shift without contacting the office, your Supervisor or the Watch Commander, as outlined above is a "no call/no show" and will be considered a voluntary termination. Additionally, leaving your post without proper relief and approval in advance is grounds for immediate termination.

Absence Tracking

Universal Protection Service tracks employee attendance and will take disciplinary action for excess absenteeism or failure to follow attendance reporting procedures. Our guideline for action is outlined below. Individual circumstances may vary and the company reserves the right to administer counseling and discipline at its' sole discretion.

Attendance Issue:

Disciplinary Action:

▶ Failure to call-off, "no call/no show", or post abandonment.....	1 st Offense:	Termination of employment
▶ Failure to trade shifts with proper authorization	1 st Offense:	Counseling Notice
.....	2 nd Offense:	Suspension and Written Warning
.....	3 rd Offense:	Termination of employment
▶ Call-off with less than 4-hours' advance notice	1 st Offense:	Written Disciplinary Notice
.....	2 nd Offense:	Termination of employment
▶ Call-off (unexcused absence with proper notice)	1 st Offense:	Counseling Notice
2 nd Call-off within 90 days from last Call-off		Suspension and Written Warning
3 rd Call-off within 90 days from last Call-off		Termination of employment

All employees are required to sign an Acknowledgement Form that they have received a copy of this policy and agree to follow the rules for calling off for duty and to be bound by the disciplinary actions outlined above. Your supervisor is available if you have any questions regarding this policy.



ATTENDANCE AND ABSENCE REPORTING POLICY

Post Assignments:

You are employed by **Universal Protection Service**. When you are assigned to a particular job assignment/post you will normally be given specific workdays and hours. Schedules and work assignments can be changed at the Company's discretion at any time, with or without notice. You are expected to fulfill the work assignments given to you as part of your employment. In the event you are unable to work your assigned schedule, you must follow the procedures outlined below. **Under no circumstances are you to contact the client to report an absence.**

Attendance:

Attendance is one of the most critical elements of success in your job at **Universal Protection Service**. It is your responsibility to maintain acceptable attendance and to follow all absence reporting procedures. Further, it is your responsibility to maintain a working phone number at which you may be contacted. It is suggested you exchange phone numbers with co-workers at your post so you may make arrangements to switch shifts if needed (see procedures below). Note that **Universal Protection Service** cannot give out employee phone numbers. There are three types of absences:

1. **Excused Absences:** This type of absence is one where you know in advance of the need to miss all or a portion of your normally scheduled shift. Examples include an approved leave of absence, jury duty, military leave, a court date, wedding or other family event, or other foreseeable situations. You may be required to provide proof of the reason for your absence, such as a doctor's note, jury summons, etc. The procedure for notifying the Company of the need to take time off for an excused absence is as follows:
 - a. First, attempt to make arrangements with a co-worker to switch shifts with you to cover your absence. If you are able to find a replacement, you must notify your Branch Operations Manager (or Supervisor, as directed) in writing **at least 7 calendar days prior** to the date you are requesting to take off.
 - b. You must submit an "Absence Request" form **at least 7 calendar days prior** to the date you are requesting to take off. This form must be submitted to your Branch Operations Manager (or Supervisor, as directed). ***It is your responsibility to ensure the Branch/supervisor receives this form.*** Every effort will be made to find a replacement and approve your request providing you have followed the proper procedures. Your request will be approved if you and/or the Branch are able to locate a replacement that does not result in the use of overtime. You will be notified if your request is approved. If your request is not approved and you fail to show up for work, the time off will be considered unexcused.
2. **Call-Off:** This type of absence is one where you do not know in advance of the need to miss all or part of your normally scheduled shift. Examples include illness or injury, family emergency, or other unforeseen situation. ***You must contact the Branch Operations Manager, Supervisor, or Watch Commander (as outlined below) at least four-hours before the start of your shift – failure to do so will be considered a "no call/no show" which is grounds for immediate termination.*** The procedure for calling off is as follows:
 - a. **During normal business hours** – call the branch office and speak with the Operations Manager (some sites may require you to notify your site supervisor – follow the specific requirements of your post). You must speak personally with the Operations Manager (or Supervisor, as required by your post) – leaving a voicemail is not adequate notification. If



Dear New Employee,

I would like to welcome you as a new member of the Universal Protection Service team! I look forward to working with you as your Human Resource contact. I will be responsible for ensuring that all of your new hire and benefit information is processed.

Your New Hire Packet contains a lot of information to help orient you to the Company. Some of the documents must be reviewed, signed and returned to me and will become part of your employment record. Other items are enclosed for your reference and information only.

Below is a checklist of the specific items that need to **be reviewed, signed and returned to me** as soon as possible after your start date to ensure proper processing.

- | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> A. This Welcome Letter (sign below) | <input type="checkbox"/> M. Promissory Note – Uniforms Deposit |
| <input type="checkbox"/> B. Employment Agreement | <input type="checkbox"/> N. Restitution Agreement |
| <input type="checkbox"/> C. Personnel Action Notice (PAN – complete highlighted sections) | <input type="checkbox"/> O. Payroll Information Acknowledgement and Direct Deposit Authorization (if electing) |
| <input type="checkbox"/> D. W-4 Federal Withholding Tax Form | <input type="checkbox"/> P. Workers' Compensation Pamphlet Acknowledgement form |
| <input type="checkbox"/> E. DE-4 CA State Withholding Tax Form | <input type="checkbox"/> Q. Nextel Phone Training Acknowledgement |
| <input type="checkbox"/> F. I-9 Employment Eligibility Verification Form with supporting documentation (<i>Note: this document must be completed within 3 days of hire or we will be unable to continue your employment</i>) | <input type="checkbox"/> R. Attendance Policy Acknowledgement |
| <input type="checkbox"/> G. Medical History form | <input type="checkbox"/> S. Meal/Rest Period and On-Duty Meal Period Acknowledgement |
| <input type="checkbox"/> H. Emergency Contact form | <input type="checkbox"/> T. Harassment and Discrimination Acknowledgement form |
| <input type="checkbox"/> I. Drug-Free Workplace Acknowledgement | <input type="checkbox"/> U. No Solicitation of Customers or Employees Policy Acknowledgement |
| <input type="checkbox"/> J. Arbitration Agreement | <input type="checkbox"/> V. Handbook Acknowledgement Form |
| <input type="checkbox"/> K. Employment at Will Acknowledgement form | |
| <input type="checkbox"/> L. Promissory Note – Guard Registrations | |

In addition to the forms listed above that need to be returned to me, you are being provided with the following documents that are **for your reference only and are not required** to be returned:

- | | |
|--------------------------------------------------------------|----------------------------------------------------------------------------|
| <input type="checkbox"/> Employee Handbook | <input type="checkbox"/> Harassment and Discrimination Brochure and Policy |
| <input type="checkbox"/> Benefit Summary Booklet | <input type="checkbox"/> Workers' Compensation Brochure and Policy |
| <input type="checkbox"/> EDD State Disability Brochure #2515 | <input type="checkbox"/> CA Paid Family Leave Brochure |
| <input type="checkbox"/> Payroll Calendar & Brochures | <input type="checkbox"/> Personal Physician Designation |
| <input type="checkbox"/> Attendance/Absence Reporting Policy | |

Please sign here acknowledging that these items have been given to you during your new hire orientation:

New Employee Signature

Today's Date

I know that many of these forms, particularly the benefit enrollment information, can be overwhelming. Although we will review all of them in orientation, if you have questions later, please call me so we can set up time to answer all of your questions.

Sincerely,

Branch Human Resources Representative

Form W-4 (2005)

Purpose. Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Because your tax situation may change, you may want to refigure your withholding each year.

Exemption from withholding. If you are exempt, complete only lines 1, 2, 3, 4, and 7 and sign the form to validate it. Your exemption for 2005 expires February 16, 2006. See Pub. 505, Tax Withholding and Estimated Tax.

Note. You cannot claim exemption from withholding if (a) your income exceeds \$800 and includes more than \$250 of unearned income (for example, interest and dividends) and (b) another person can claim you as a dependent on their tax return.

Basic instructions. If you are not exempt, complete the **Personal Allowances Worksheet** below. The worksheets on page 2 adjust your withholding allowances based on itemized deductions, certain credits, adjustments to income, or two-

earner/two-job situations. Complete all worksheets that apply. However, you may claim fewer (or zero) allowances.

Head of household. Generally, you may claim head of household filing status on your tax return only if you are unmarried and pay more than 50% of the costs of keeping up a home for yourself and your dependent(s) or other qualifying individuals. See line E below.

Tax credits. You can take projected tax credits into account in figuring your allowable number of withholding allowances. Credits for child or dependent care expenses and the child tax credit may be claimed using the **Personal Allowances Worksheet** below. See Pub. 919, How Do I Adjust My Tax Withholding? for information on converting your other credits into withholding allowances.

Nonwage income. If you have a large amount of nonwage income, such as interest or dividends, consider making estimated tax payments using Form 1040-ES, Estimated Tax for Individuals. Otherwise, you may owe additional tax.

Two earners/two jobs. If you have a working spouse or more than one job, figure the total number of allowances you are entitled to claim on all jobs using worksheets from only one Form W-4. Your withholding usually will be most accurate when all allowances are claimed on the Form W-4 for the highest paying job and zero allowances are claimed on the others.

Nonresident alien. If you are a nonresident alien, see the instructions for Form 8233 before completing this Form W-4.

Check your withholding. After your Form W-4 takes effect, use Pub. 919 to see how the dollar amount you are having withheld compares to your projected total tax for 2005. See Pub. 919, especially if your earnings exceed \$125,000 (Single) or \$175,000 (Married).

Recent name change? If your name on line 1 differs from that shown on your social security card, call 1-800-772-1213 to initiate a name change and obtain a social security card showing your correct name.

Personal Allowances Worksheet (Keep for your records.)

A Enter "1" for yourself if no one else can claim you as a dependent A _____

B Enter "1" if: B _____

- You are single and have only one job; or
- You are married, have only one job, and your spouse does not work; or
- Your wages from a second job or your spouse's wages (or the total of both) are \$1,000 or less.

C Enter "1" for your spouse. But, you may choose to enter "-0-" if you are married and have either a working spouse or more than one job. (Entering "-0-" may help you avoid having too little tax withheld.) C _____

D Enter number of dependents (other than your spouse or yourself) you will claim on your tax return D _____

E Enter "1" if you will file as head of household on your tax return (see conditions under Head of household above) E _____

F Enter "1" if you have at least \$1,500 of child or dependent care expenses for which you plan to claim a credit F _____

(Note. Do not include child support payments. See Pub. 503, Child and Dependent Care Expenses, for details.)

G **Child Tax Credit** (including additional child tax credit): G _____

- If your total income will be less than \$54,000 (\$79,000 if married), enter "2" for each eligible child.
- If your total income will be between \$54,000 and \$84,000 (\$79,000 and \$119,000 if married), enter "1" for each eligible child plus "1" additional if you have four or more eligible children.

H Add lines A through G and enter total here. (Note. This may be different from the number of exemptions you claim on your tax return.) H _____

For accuracy, complete all worksheets that apply. ▶

- If you plan to itemize or claim adjustments to income and want to reduce your withholding, see the **Deductions and Adjustments Worksheet** on page 2.
- If you have more than one job or are married and you and your spouse both work and the combined earnings from all jobs exceed \$35,000 (\$25,000 if married) see the **Two-Earner/Two-Job Worksheet** on page 2 to avoid having too little tax withheld.
- If neither of the above situations applies, stop here and enter the number from line H on line 5 of Form W-4 below.

Cut here and give Form W-4 to your employer. Keep the top part for your records.

Form W-4 Department of the Treasury Internal Revenue Service.	<h2 style="margin:0;">Employee's Withholding Allowance Certificate</h2> <p style="font-size: small; margin: 5px 0;">▶ Whether you are entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.</p>	OMB No. 1545-0010 <div style="font-size: 2em; font-weight: bold; margin: 10px 0;">2005</div>
1 Type or print your first name and middle initial <input style="width: 80%;" type="text"/> Last name <input style="width: 20%;" type="text"/>		2 Your social security number <input style="width: 100%;" type="text"/>
Home address (number and street or rural route) <input style="width: 95%;" type="text"/>		3 <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate. Note. If married, but legally separated, or spouse is a nonresident alien, check the "Single" box.
City or town, state, and ZIP code <input style="width: 95%;" type="text"/>		4 If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a new card. <input type="checkbox"/>
5 Total number of allowances you are claiming (from line H above or from the applicable worksheet on page 2) <input style="width: 50%;" type="text"/>		6 \$ <input style="width: 50%;" type="text"/>
7 I claim exemption from withholding for 2005, and I certify that I meet both of the following conditions for exemption. <ul style="list-style-type: none"> • Last year I had a right to a refund of all federal income tax withheld because I had no tax liability and • This year I expect a refund of all federal income tax withheld because I expect to have no tax liability. If you meet both conditions, write "Exempt" here <input style="width: 50%;" type="text"/>		
Under penalties of perjury, I declare that I have examined this certificate and to the best of my knowledge and belief, it is true, correct, and complete.		
Employee's signature (Form is not valid unless you sign it.) <input style="width: 90%;" type="text"/>		Date <input style="width: 100%;" type="text"/>
8 Employer's name and address (Employer: Complete lines 8 and 10 only if sending to the IRS.) <input style="width: 95%;" type="text"/>		9 Office code (optional) <input style="width: 100%;" type="text"/>
		10 Employer identification number (EIN) <input style="width: 100%;" type="text"/>

Deductions and Adjustments Worksheet

Note. Use this worksheet *only* if you plan to itemize deductions, claim certain credits, or claim adjustments to income on your 2005 tax return.

- 1 Enter an estimate of your 2005 itemized deductions. These include qualifying home mortgage interest, charitable contributions, state and local taxes, medical expenses in excess of 7.5% of your income, and miscellaneous deductions. (For 2005, you may have to reduce your itemized deductions if your income is over \$145,950 (\$72,975 if married filing separately). See *Worksheet 3* in Pub. 919 for details.) 1 \$ _____
- 2 Enter: $\left\{ \begin{array}{l} \$10,000 \text{ if married filing jointly or qualifying widow(er)} \\ \$7,300 \text{ if head of household} \\ \$5,000 \text{ if single or married filing separately} \end{array} \right\}$ 2 \$ _____
- 3 Subtract line 2 from line 1. If line 2 is greater than line 1, enter "-0-" 3 \$ _____
- 4 Enter an estimate of your 2005 adjustments to income, including alimony, deductible IRA contributions, and student loan interest 4 \$ _____
- 5 Add lines 3 and 4 and enter the total. (Include any amount for credits from *Worksheet 7* in Pub. 919) 5 \$ _____
- 6 Enter an estimate of your 2005 nonwage income (such as dividends or interest) 6 \$ _____
- 7 Subtract line 6 from line 5. Enter the result, but not less than "-0-" 7 \$ _____
- 8 Divide the amount on line 7 by \$3,200 and enter the result here. Drop any fraction 8 _____
- 9 Enter the number from the **Personal Allowances Worksheet**, line H, page 1 9 _____
- 10 Add lines 8 and 9 and enter the total here. If you plan to use the **Two-Earner/Two-Job Worksheet**, also enter this total on line 1 below. Otherwise, stop here and enter this total on Form W-4, line 5, page 1. 10 _____

Two-Earner/Two-Job Worksheet (See Two earners/two jobs on page 1.)

Note. Use this worksheet *only* if the instructions under line H on page 1 direct you here.

- 1 Enter the number from line H, page 1 (or from line 10 above if you used the **Deductions and Adjustments Worksheet**) 1 _____
- 2 Find the number in **Table 1** below that applies to the **LOWEST** paying job and enter it here 2 _____
- 3 If line 1 is **more than or equal to** line 2, subtract line 2 from line 1. Enter the result here (if zero, enter "-0-") and on Form W-4, line 5, page 1. Do not use the rest of this worksheet 3 _____

Note. If line 1 is *less than* line 2, enter "-0-" on Form W-4, line 5, page 1. Complete lines 4-9 below to calculate the additional withholding amount necessary to avoid a year-end tax bill.

- 4 Enter the number from line 2 of this worksheet 4 _____
- 5 Enter the number from line 1 of this worksheet 5 _____
- 6 Subtract line 5 from line 4 6 _____
- 7 Find the amount in **Table 2** below that applies to the **HIGHEST** paying job and enter it here 7 \$ _____
- 8 Multiply line 7 by line 6 and enter the result here. This is the additional annual withholding needed 8 \$ _____
- 9 Divide line 8 by the number of pay periods remaining in 2005. For example, divide by 26 if you are paid every two weeks and you complete this form in December 2004. Enter the result here and on Form W-4, line 6, page 1. This is the additional amount to be withheld from each paycheck 9 \$ _____

Table 1: Two-Earner/Two-Job Worksheet

Married Filing Jointly						All Others	
If wages from HIGHEST paying job are—	AND, wages from LOWEST paying job are—	Enter on line 2 above	If wages from HIGHEST paying job are—	AND, wages from LOWEST paying job are—	Enter on line 2 above	If wages from LOWEST paying job are—	Enter on line 2 above
\$0 - \$40,000	\$0 - \$4,000	0	\$40,001 and over	30,001 - 36,000	6	\$0 - \$6,000	0
	4,001 - 8,000	1		36,001 - 45,000	7	6,001 - 12,000	1
	8,001 - 18,000	2		45,001 - 50,000	8	12,001 - 18,000	2
	18,001 and over	3		50,001 - 60,000	9	18,001 - 24,000	3
\$40,001 and over	\$0 - \$4,000	0		60,001 - 65,000	10	24,001 - 31,000	4
	4,001 - 8,000	1		65,001 - 75,000	11	31,001 - 45,000	5
	8,001 - 18,000	2		75,001 - 90,000	12	45,001 - 60,000	6
	18,001 - 22,000	3		90,001 - 100,000	13	60,001 - 75,000	7
	22,001 - 25,000	4		100,001 - 115,000	14	75,001 - 80,000	8
	25,001 - 30,000	5		115,001 and over	15	80,001 - 100,000	9
						100,001 and over	10

Table 2: Two-Earner/Two-Job Worksheet

Married Filing Jointly		All Others	
If wages from HIGHEST paying job are—	Enter on line 7 above	If wages from HIGHEST paying job are—	Enter on line 7 above
\$0 - \$60,000	\$480	\$0 - \$30,000	\$480
60,001 - 110,000	800	30,001 - 70,000	800
110,001 - 160,000	900	70,001 - 140,000	900
160,001 - 280,000	1,060	140,001 - 320,000	1,060
280,001 and over	1,120	320,001 and over	1,120

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. The Internal Revenue Code requires this information under sections 3402(f)(2)(A) and 6109 and their regulations. Failure to provide a properly completed form will result in your being treated as a single person who claims no withholding allowances, providing fraudulent information may also subject you to penalties. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, to cities, states, and the District of Columbia for use in administering their tax laws, and using it in the National Directory of New Hires. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Code section 6103.

The time needed to complete this form will vary depending on individual circumstances. The estimated average time is: Recordkeeping, 45 min.; Learning about the law or the form, 12 min.; Preparing the form, 58 min. If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to: Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6406, Washington, DC 20224. Do not send Form W-4 to this address. Instead, give it to your employer.

You are not required to provide the information requested on a form that is subject to



PERSONNEL ACTION NOTICE (PAN)

Effective Date of Action: _____

Name: _____ Location: _____
Department: _____ Supervisor: _____ Account: _____

I. PERSONAL INFORMATION – To be completed by new employee at time of hire or when info changes

NEW HIRE INFORMATION NAME CHANGE ADDRESS CHANGE PHONE CHANGE

Address: _____
(Street) (City/State) (Zip Code)
Phone Number: () _____ Alternate Number: () _____
Date of Birth: _____ Sex: M F Driver's License/ID: State: # _____ Expires: _____
Social Security #: _____ Guard License: # _____ Expires: _____ Other certificates: CPR:
Name Change From: _____ Name Change To: _____ First Aid:

II. EMPLOYMENT INFORMATION – To be completed by Company Representative

NEW HIRE REHIRE F/T P/T # Hrs./Wk.: _____ Temporary Benefits: Yes No
Date of Hire: _____ Union Status: Non-Union Union _____

Race: White American Indian/Alaskan Black Hispanic Pacific Islander Benefits Effective Date: 6 months from date of hire
EEO-1 Code: 1 2 3 4 5 6 7 8 9 Other: _____
Position: _____ Classification: Exempt Non-Exempt
Salary: _____ per hour pay period year Payroll Type: Guard Admin
Car Allowance per Month: _____ Other (Explain With Attachment) _____
 New Position Replacement _____
(Name of Employee Being Replaced)

III. POSITION, STATUS AND WAGE CHANGES – To be completed by Company Representative

WAGE CHANGE POSITION CHANGE DEPT/LOCATION CHANGE SHIFT CHANGE OTHER
 Promotion Merit Adjustment Other: _____

Salary: From: _____ To: _____
(Per Hour Pay Period) (Per Hour Pay Period)
Car Allowance: From _____ To _____ Other Income (i.e. Bonus) _____
Current Position: _____ Current Department: _____
New Position: _____ New Department: _____
Reason: _____ Status Change To: F/T P/T
Effective Date: _____ # Hrs./Wk. _____ Benefits: Yes No
Current Status: Non-Union Account Union Account New Status: Non-Union Account Union Account

IV. LEAVE OF ABSENCE AND TERMINATIONS – To be completed by Company Representative

Type of Leave: FMLA Pregnancy Disability Personal Military Workers Comp Other
Date Leave Starts: _____ Expected Return Date: _____ Notes: _____
Last Day Worked: _____ Voluntary Discharge Layoff End of Temp. Assignment
Termination Date: _____
Reason: _____
Uniform Deposit Due: _____ Other Pay Due: _____
Permanent Address: _____

V. APPROVAL SIGNATURES

Employee Signature: _____ Date: _____

Supervisor (Print Name) Date

President Date

Regional Manager/Vice President (Print Name) Date

Human Resources – Print Name Date



EMPLOYMENT AGREEMENT

In consideration of my employment with Universal Protection Service (hereinafter referred to "UPS"), I hereby agree as follows:

1. Nondisclosure of Confidential Information. UPS has and will continue to develop, compile and own certain Confidential Information (as defined below) that has a great value in and to its business. You may have access to Confidential Information of UPS and UPS's clients ("Clients") during the course of your employment. You and UPS acknowledge and agree that in the course of working with each other pursuant to your employment, you will have access to Confidential Information of UPS, that such Confidential Information is the property of UPS and shall remain confidential. You will have access to Confidential Information of UPS's clients. Clients shall mean any persons or entities for whom UPS performs services or from whom UPS obtains information.

You hereby agree that you will not publish, disclose, disseminate nor communicate, at any time during or after the termination of your employment, to any third party or make any use of the Confidential Information, except for the benefit of UPS. You hereby understand and agree that the Confidential Information is important material, and gravely affects the effective and successful conduct of UPS's business and goodwill and that any unauthorized use of UPS's Confidential Information (and that of its Clients) shall constitute unfair competition and a material breach of the terms of your employment. You shall be liable for any and all damages incurred as a result of any such unauthorized use.

2. Definitions of Confidential Information. For purposes of your employment with UPS, "Confidential Information" means any and all information and data concerning UPS's marketing, sales techniques, models, processes, formulas, pricing, trade secrets, innovations, inventions, discoveries, improvements, research or development and test results, specifications, data, know-how, formats, marketing plans, business plans and strategies, forecasts, financial information, budgets, projections, vendor lists, existing and prospective Clients and supplier identities, information, characteristics, agreements and employee and payroll information. Such information may be contained in material such as customer, price and supplier lists; reports; or computer programs; or may constitute unwritten information, techniques, processes, practices or knowledge.

Confidential Information includes (a) not only information disclosed by UPS, or its Clients to you in the course of employment, but also information developed or learned by you during the term of your employment with UPS; (b) information that has or could have commercial value or other utility in the business in which UPS, or its Clients are engaged or in which they contemplate engaging; and (c) information of which the unauthorized disclosure could be detrimental to the interests of UPS or its Clients, whether or not such information is identified as Confidential Information by UPS or its Clients. In the event you claim you knew of any information identified as Confidential Information before signing this employment agreement, the restrictions set forth in this offer shall be of no force and effect. However, you shall notify UPS in writing of your prior knowledge of such information upon disclosure by UPS and shall bear the burden of proof of establishing such prior knowledge to the satisfaction of UPS.

3. Non-competition During Employment. You shall not engage, in any way, either directly or indirectly, in any business or employment activity similar to or which is directly or indirectly competitive with the business of UPS, on behalf of yourself or any other person or entity, during the term of your employment.
4. Document Retention and Return. You shall maintain, in good and legible condition, all materials,

Employment Agreement

supplies, and other property provided to you by UPS. These materials shall, however, remain the property of UPS. In the event of termination of your employment with UPS, you agree to deliver promptly to UPS all notebooks, documents, memoranda, reports, files, correspondence, keys and other property belonging to UPS relating to the business of UPS, which are in your possession or under your control.

5. Confidential Information of Others. You represent and warrant that you will not disclose to UPS, use, or induce UPS to use, any Confidential Information of others. You represent that you have returned all property and Confidential Information belonging to all prior employers, businesses, entities and persons with whom you have had a business relationship.
6. At-Will Employment Status. By signing below you acknowledge and understand that your employment with UPS is "at-will" and that the terms and conditions of your employment may be changed at any time with or without cause and with or without notice, including but not limited to termination, promotion, demotion, transfer, compensation, benefits, duties and location of work. Your status as an "at will" employee remains in effect during your entire employment with UPS and cannot be changed or revoked except through a written agreement signed by the President/CEO of UPS.
7. You represent that you have no agreements with or obligations to others that may be in conflict with your obligations under this Agreement.
8. This Agreement shall inure to the benefit of the successors and assigns of UPS and the discharge of your obligations hereunder shall become obligations of your executors, administrators or other legal representatives.

Signed at _____
(city, state)

(Signature of Employee)

This _____ day of _____, 20____

UPS Representative Witness Signature: _____



DRUG FREE WORKPLACE POLICY

Universal Protection Service is a drug free workplace. The nature of our business requires that all employees be in a condition to perform their jobs safely and efficiently, free from any impairment caused by alcohol or drugs.

We maintain a zero tolerance to the use of alcohol or drugs by employees during working hours or on any Company property (including property maintained by clients of Universal Protection or in company vehicles). Such use is absolutely prohibited. The term "use" includes consuming, possessing, selling, concealing, agreeing or arranging to buy or sell, being under the influence, or reporting for duty under the influence of alcohol or drugs to any degree.

It is our policy to conduct a drug and alcohol-screening test upon offer of employment. Any applicant who tests positive for illegal or non-prescribed drugs or alcohol shall be rejected for employment. Additionally, we maintain the right to conduct drug and alcohol testing throughout the employment period on the basis of reasonable suspicion and as part of our post-accident investigation process.

Any employee who is suspected of violating our Drug Free Workplace Policy will be subject to immediate suspension, pending investigation. Employees found to be in violation of this policy, or who refuse to consent to drug/alcohol testing upon request by the Company, will be terminated.

By signing below you acknowledge that you have read and understand the Company's Drug Free Workplace policy and that you agree to all requirements of this policy, including reasonable suspicion and post-accident drug/alcohol testing during your employment.

Employee Signature

Date

Print Employee Name

Branch Name

Witness Signature

Date



ARBITRATION AGREEMENT

Subject only to the exceptions set forth below, any and all disputes or claims between **Universal Protection Service** ("the Company") and _____ ("Employee"), (collectively referred to as "the parties") shall be resolved by arbitration before a neutral arbitrator in accordance with the National Rules for the Resolution of Employment Disputes set forth by the American Arbitration Association ("AAA"). This shall include any and all disputes (except as expressly set forth below) related to the employment relationship between the Company and Employee and/or termination of that relationship including, but not limited to, claims for alleged discrimination, harassment, defamation, invasion of privacy, termination or discrimination in alleged violation of public policy, violation of the Fair Employment and Housing Act, violation of Title VII of the Civil Rights Act, whistleblower claims, alleged wage and hour violations, etc.

The arbitrator shall issue a written arbitration decision in connection with any arbitration between the Company and Employee that will include the essential findings and conclusions upon which the award is based. There is no jury. All remedies allowed by law will be available under this arbitration agreement. Employee will not be required to pay any type of expense that Employee would not be required to bear if Employee brought the action in court.

The parties agree that discovery will be allowed pursuant to Code of Civil Procedure section 1283.05 and rule 7 of AAA's National Rules for the Resolution of Employment Disputes. In addition, the parties agree that each side will be allowed to take at least one deposition and that the arbitrator has the discretion to order additional depositions as the arbitrator considers necessary to a full and fair exploration of the issues in dispute, consistent with the expedited nature of arbitration.

The following claims only are not intended to be included in this arbitration provision: (a) Claims subject to the exclusive remedy under the Workers' Compensation Act; (b) unemployment claims; (c) claims subject to exclusive determination under the Employees Retirement Income Security Act (ERISA).

Further, notwithstanding the foregoing, should the Company determine that it is necessary or appropriate to seek injunctive or provisional relief the Company may do so as allowed by the California Arbitration Act by filing an action in court in accordance with Code of Civil Procedure section 1281.8.

The arbitration called for by this section shall be conducted at the nearest office of AAA to the location where Employee works, or formerly worked for the Company, or at such other place as designated by that office of AAA as the parties may mutually agree.

If an term or provision of this Agreement is determined to be illegal, unenforceable or invalid in whole or in part for any reason, such illegal, unenforceable or invalid provision or part

thereof shall be stricken from this Agreement, and such provision shall not affect the legality, enforceability or validity of the remainder of this Agreement.

I, _____, have read and understood the Company's Arbitration Agreement and acknowledge and agree to be bound by the provisions of same.

Dated

Employee's Signature

Dated

Company Representative Signature

Company Representative Name Printed
Universal Protection Service



EMPLOYMENT AT WILL

Employment at **Universal Protection Service** is employment at-will. This means that employment may be terminated with or without cause at any time by either you or **Universal Protection Service**. Terms and conditions of employment with the Company may be modified at the sole discretion of **Universal Protection Service**.

Other than the President/CEO of the Company, no one has the authority to make any agreement for employment other than for employment at-will or to make any agreement limiting **Universal Protection Service's** discretion to modify the terms and conditions of employment. Only the President/CEO has the authority to make any such agreement and then only in writing. No implied contract concerning any employment-related decision or term or condition of employment can be established by any other statement, conduct, policy or practice.

Examples of the types of terms and conditions of employment which are within the sole discretion of **Universal Protection Service** include, but are not limited to: promotion; demotion; transfers; hiring decisions; compensation; benefits; qualifications; discipline; layoff or recall; rules; hours and schedules; work assignments; job duties and responsibilities; performance reviews; production standards; subcontracting; reduction, cessation or expansion of operations; sale, relocation, merger or consolidation of operations; determinations concerning the use of equipment, methods or facilities; or any other terms and conditions that **Universal Protection Service** may determine to be necessary for the safe, efficient and economical operation of its business.

I hereby agree to observe and abide by the Company's Conditions of Employment and all company policies and procedures.

Employee Name Printed

Dated

Employee Signature

Company Representative

Dated



PROMISSORY NOTE – GUARD REGISTRATION

SECTION I: To be completed by all Employees.

Check the appropriate box:

- Employee already has valid Guard License – No application or loan for fees is necessary
- Employee has paid the application fee directly to UPS – no loan necessary (note the amount paid by the employee and the form of payment: _____)
- Employee requires a new Guard License Application or renewal and requests to have the fees loaned to them by UPS – **complete Section II.**

SECTION II:

As an employee, you are required to submit an application to the Bureau of Security and Investigative Services (BSIS) for Guard Registration. The fees, which are subject to change at any time without notice, are listed below:

- 1) Guard card renewal license application fee - \$35.00.
- 2) New guard card license application fee - \$50.00
- 3) Livescan application fee - \$56.00 - \$74.00 (depending on location for scanning fingerprints for DOJ/FBI background checks)

I, _____, understand that I must have a valid guard card in order to
 (Print Name)
 work for Universal Protection Service. I request Universal Protection Service to loan me
 \$_____ for my BSIS Guard Card Application and Livescan Application, and to pay this fee
 on my behalf. I agree to have this loan deducted from my first two (2) paychecks. If I have not
 completed repayment of this loan after my first two (2) paychecks, I agree to have Universal
 Protection Service continue with deductions until the loan is paid in full.

I further understand that this is a loan and Universal Protection Service may use all means
 necessary to collect unpaid balances if I terminate employment prior to paying this loan in full.

SECTION III: To be completed by all Employees

 (Signature of Applicant)

 (Date)

 (Signature of Human Resource Coordinator)



PROMISSORY NOTE – UNIFORM DEPOSIT

SECTION I: To be completed by all Employees

Name: _____ Location: _____

SECTION II:

As a condition of employment, I understand that I am required to wear an authorized Universal Protection Service uniform while on duty. Uniforms are provided to me by the Company, as is a bi-weekly allowance to provide for cleaning and purchase of supplemental required items. As collateral for the value of such uniforms, I hereby authorize the Company to deduct a Uniform Deposit in the amount of \$300.00 if hired on a full-time basis (average of 30 or more hours per week), to be made via bi-weekly payroll deductions in the amount of \$30.00 per pay period commencing on my first paycheck (or as soon as practical thereafter) and continuing until the entire balance has been satisfied. If hired on a part-time basis (less than an average of 30 hours per week), I hereby authorize the Company to deduct a Uniform Deposit in the amount of \$150.00, to be made via bi-weekly payroll deductions in the amount of \$15.00 per pay period, commencing on my first paycheck and continuing until the entire balance has been satisfied.

I understand that these funds will be separately tracked and held as a bond in a trust account for my benefit, and that interest will accrue on my deposit. Upon termination of employment, I agree to return all uniforms issued to me in good condition within five (5) Jays of my last date worked. My uniform deposit, with accrued interest, will be refunded to me as soon as documented and released (or as soon as possible), but not later than thirty (30) days from receipt of my uniforms. I understand and agree that failure to return the Company uniforms in acceptable condition is considered willful misconduct and my uniform deposit may be withheld in full or in part. Further, I understand and agree that failure to return my uniforms within 180 days of my last day worked will be considered abandonment of my deposit and I hereby authorize the Company to liquidate the bond without further legal proceedings.

This note shall be construed and enforced according to the laws of the State of California.

If payment of the indebtedness evidenced by this note, or any part thereof, shall not be made when due, the employee hereby authorizes and empowers any attorney of any court of record within the United States of America to appear for the employee in any court, or before any clerk thereof, and waive the issue and service of process and confess judgement against the employee in favor of Universal Protection Service for the amount then due thereon, the costs of suit, reasonable attorney's fees and reasonable related expenses, hereby waiving and releasing all rights of exemption, appeal and stay of execution.

SECTION III: To be completed by all Employees

Signature of Applicant

Date Signed

Signature of Human Resource Coordinator or Witness

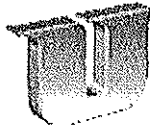
RESTITUTION AGREEMENT/EQUIPMENT USE

I, _____, agree to make restitution on any charges or fees (including, but not limited to, telephone charges, lost or damaged uniform items, or failure to return uniforms issued) incurred during my employment with **Universal Protection Service**. If the charges or fees are discovered after my separation from the Company (either by voluntary resignation or termination), the Company is to notify me by mail of the charges or fees. If I refuse to respond to the correspondence within two weeks, I realize the Company has a right to pursue the matter through legal channels. If it must be pursued through legal channels, I realize I may also be subject to paying court costs and legal fees incurred for the recovery.

- I further understand that use of the client's phone for any reason other than emergency is strictly prohibited at all times.
- All business phones are tracked with dates and times calls are made, and any unauthorized use of phones will result in restitution of the time spent making the calls and costs of the calls made.
- Unauthorized use of the client's email, voicemail, computers, fax machine or any other such systems is strictly prohibited at all times. If a computer is provided for business purposes, no personal business may be used on the machine at any time (including, but not limited to, checking/sending personal emails, accessing non-business related websites, loading personal software, or playing computer games).
- Receiving or sending communications on personal cell phones, pagers or other two-way communication devices may not be done at any time while on duty.

Employee Signature

Date



**Universal
Protection
Service**

Interoffice Memorandum

To: All New Security Professionals
From: Payroll Department
Re: Pay Day Information

Universal Protection Service pays its' hourly employees on a bi-weekly basis, which is every two weeks. For example, hours worked during the 2-week pay period of February 7 through February 20 would be paid to you on your February 27th paycheck. You will receive a calendar along with this memo that shows the pay dates and ending pay periods for the entire year. A new payday calendar is published each year.

Universal Protection Service's payroll account is with Bank of America. We are able to offer you the option to have your paycheck direct deposited to your checking or savings account, or you can elect to use Bank of America's Cash Pay VISA program. You will receive a brochure on each of these options in your new hire packet. Alternatively, you can elect to have your check delivered to your branch office where you may pick it up each payday.

Please check which of the three (3) available options you prefer below:

- I elect to have my paycheck direct deposited into my own bank account. Universal Protection Service will provide me with the proper forms to sign up for this free service.
- I elect to have my paycheck deposited into a Cash Pay VISA account. Universal Protection service will provide me with information regarding this service.
- I do not want to have direct deposit or Cash Pay, and elect to pick up my check at the branch each payday.

I understand that Universal Protection Service's paydays are bi-weekly and I have received a payday calendar for my reference. I further understand that upon my separation from Universal Protection Service, my final paycheck will not be direct deposited and that I must pick up my final paycheck at the branch office to complete separation paperwork and return all company issued property and uniforms.

Employee Name Printed

Date Signed

Employee Signature

Branch Location



**M E A L A N D R E S T P E R I O D P O L I C Y
& O N - D U T Y M E A L P E R I O D A G R E E M E N T**

Universal Protection Service is committed to ensuring non-exempt employees take meal and rest periods as outlined in our policy and in accordance with all applicable laws. One 10-minute rest period is provided for every four hours worked (or major portion thereof), unless otherwise agreed to in a collective bargaining agreement which provides for a different amount of rest break time. Rest periods are normally scheduled as close to the middle of the four-hour period as possible, but the exact schedule may vary according to business needs and must be coordinated with your supervisor and co-workers to maintain adequate coverage at all times. If a work-related emergency requires you to end a break early, you may take a "make-up break", for a full ten minutes, as soon as your supervisor determines that the emergency is over and releases you to go back on break.

Your rest periods must be documented on either your individual Daily Activity Report (DAR) or the central post's DAR, as required by your assigned post. Rest breaks may not be waived, may not be combined with meal breaks, and may not be skipped in order to arrive at work late or leave work early.

Non-exempt employees who work over five hours are required to take a 30-minute meal break. These meal periods will start within the first five hours of your work, and the precise schedules will be determined by your supervisor and may vary depending on the needs of the post to which you are assigned. Meal periods are generally unpaid and you are required to sign out during your meal break. The nature of the work at some posts will prevent you from being relieved of all duty during the meal period, and you may therefore be required to take an on-duty meal period that is paid and counted as time worked. You will be notified if your meal period is paid (on-duty) or unpaid at your specific post assignment.

Our policy further requires that employees arrive for work on time, in uniform, ready to begin work at the start of their shift. In no instance do we authorize employees to show up for and begin working more than 10 minutes before the start of their shift.

By signing below you acknowledge that you have read and understand the Company's Meal and Rest Period policy and that you agree to all requirements of this policy and the specific requirements of your assigned post. Employees who are assigned to a post requiring an on-duty meal period may revoke their agreement to an on-duty meal period in writing at any time.

Employee Signature

Date

Print Employee Name

Branch Name

Company Representative Signature

Date



HARASSMENT AND DISCRIMINATION

POLICY

All employees have the right to a work environment free from discrimination or harassment because of race, color, religion, sex, age, national origin, handicap, disability, marital status or veteran status, or any other category protected by law. It is the policy of Universal Protection Service to ensure that no employee or applicant for employment with the Company is discriminated against in recruitment, hiring, training or promotion because of any category protected by law provided that the employee or applicant is qualified and meets the physical requirements established by the Company for the job. It is also the policy of UPS to provide a workplace free of unlawful and improper harassment of employees by other employees, supervisors, managers, customers, vendors, independent contractors or others doing business with or for the Company based on these factors. Harassment is considered an act of misconduct and may subject an individual to disciplinary action, up to and including immediate termination. All supervisors and managers are responsible for implementing and monitoring compliance with this policy.

PROVISIONS

Harassment is defined as unwelcome or unsolicited verbal, physical or sexual conduct where submission is an explicit or implicit condition of employment, where submission or rejection of such conduct is used as the basis for making employment decisions, or which has the purpose or effect of substantially interfering with an employee's job performance, or which creates an intimidating, hostile or offensive working environment.

Some examples of behavior that may be considered as harassment, depending upon the facts and circumstances, include but are not limited to the following:

- ▶ Verbal harassment: (e.g., derogatory or vulgar comments or jokes regarding race, sex, religion, ethnic heritage, age, physical appearance; threats of physical harm; distribution of written or graphic material having such effects).
- ▶ Physical harassment: (e.g., hitting, pushing, touching or other physical contact, or threats of such action; blocking or impeding movement).
- ▶ Sexual harassment: (e.g., unwelcome or unsolicited sexual advances, demands for sexual favors, touching or other verbal or physical conduct of a sexual nature; display of offensive material; leering; making sexual gestures). Actual or threatened retaliation.

PROCEDURE

1. Employees who feel they may have been harassed should tell the person harassing them to stop and attempt to resolve the matter directly.
2. If the problem continues, or the employee does not feel they can discuss it directly with the individual, it is their responsibility to promptly notify any member of our Harassment Investigation Team. Specifically, complaints must be reported to any one of the following:
 - a. the employee's Branch or General Manager;
 - b. the Regional Vice President;
 - c. Corporate HR Director
 - d. Vice President HR; or
 - e. Vice President/COO.

This team is trained to respond to complaints. In the event an employee is dissatisfied with the results achieved in a complaint, or is reluctant to take the complaint to the Harassment Investigation Team, they may make a written complaint directly to the President/CEO by mail to 1551 N. Tustin Ave. #650, Santa Ana, CA 92705.

Reporting incidents to any other supervisor besides those on the Harassment Investigation Team (such as a Field Manager, Watch Commander, or Security Director) will not be considered adherence to this policy. You will be required to put your specific complaints in writing. Our policy further prohibits retaliation for making a complaint or participating in any investigation.

ACKNOWLEDGEMENT OF HARASSMENT & DISCRIMINATION POLICY

I hereby acknowledge that I have received a copy of Universal Protection Service's policy on employment discrimination and harassment (tri-fold brochure with DFEH information and Company Policy) and I agree to comply with all aspects of the policy including the reporting procedures.

I will not create nor will I participate in any form of harassment or discrimination in the workplace. If I should become the victim of harassment, I will immediately report the incident to any member of the Harassment Investigation Team as listed above. If I am a supervisor or a manager, I understand that I am responsible for taking prompt and effective action as soon as I know or suspect harassment is taking place, including reporting to the Harassment Investigation Team.

I understand that unlawful harassment and discrimination is not tolerated by the Company, is against the law, and that anyone who engages in such behavior will be subject to disciplinary action up to and including immediate termination of employment.

Date

Signature

Branch Location

Printed Name



No Solicitation of Customers or Employees Policy

The employee agrees that all customers of Universal Protection Service (the "Company") to which the employee has or will provide services during the employee's employment with Universal Protection Service, and all prospective customers, shall be solely the customers of the Company.

The employee agrees that, for a period of one year immediately following the termination of employment with the Company, he/she shall neither directly nor indirectly solicit business for products or services that compete with those of Universal Protection Service, from any of the Company's customers with whom the employee had contact during his or her employment.

The employee further agrees that for a period of one year after termination of employment, the employee will not directly or indirectly induce or solicit any of the Company's employees to leave their employment.

I have read, understand and agree to the terms stated above.

Employee Signature

Date

Witness Signature/Title

Date



Upon receipt of your Universal Protection Service Handbook, please read, sign below, and return this Acknowledgement to your Human Resources Department. This will be placed in your personnel file.

ACKNOWLEDGMENT OF RECEIPT

I, _____, acknowledge that I have received a copy of the **Universal Protection Services Security Professional's Employee Handbook**. The handbook contains policies and rules that apply to me, unless otherwise stated in a union or other employment contract. I agree to read the handbook in its entirety and abide by the rules set forth while employed with the Company.

I understand that, other than the at-will employment relationship, any statements contained in the Handbook are not intended to create any contractual or other legal obligations. I understand that Universal Protection Service may modify or rescind any of its policies, benefits, or practices described in the Handbook at any time with or without notice, except for its policy of at-will employment and those policies required by law.

I understand that Universal Protection Service makes available arbitration for resolution of grievances. I also understand that as a condition of employment and continued employment, I agree to submit any disputes related to the employment relationship and/or termination of that relationship, including but not limited to claims of sexual harassment, wrongful termination in violation of public policy, discrimination, defamation, or invasion of privacy to the arbitration process. I also agree to abide by and accept the final decision of the arbitration panel as the ultimate resolution of my complaint for any and all events that arise out of employment or termination of employment.

I also understand and acknowledge that I have the right to terminate my employment for any reason at any time and Universal Protection Service retains a similar right. Thus, either Universal Protection Service or I can terminate the employment relationship at any time, with or without prior notice, and for any reason not prohibited by statute. All employment is continued on that basis. The at-will nature of our relationship can be changed only by an express written agreement signed by both myself and the President of Universal Protection Services.

I understand that this Handbook supersedes any other policies that I may have received during my employment with Universal Protection Service. I understand that it outlines the policy, procedures and practices of Universal Protection Service and for the duration of my employment I am required to maintain adherence to these and any revised policies or procedures that I may receive in the future.

Signed,

Employee Name (Please print): _____

Employee's Signature: _____

Date: _____



DRUG FREE WORKPLACE POLICY

Universal Protection Service is a drug free workplace. The nature of our business requires that all employees be in a condition to perform their jobs safely and efficiently, free from any impairment caused by alcohol or drugs.

We maintain a zero tolerance to the use of alcohol or drugs by employees during working hours or on any Company property (including property maintained by clients of Universal Protection or in company vehicles). Such use is absolutely prohibited. The term "use" includes consuming, possessing, selling, concealing, agreeing or arranging to buy or sell, being under the influence, or reporting for duty under the influence of alcohol or drugs to any degree.

It is our policy to conduct a drug and alcohol-screening test upon offer of employment. Any applicant who tests positive for illegal or non-prescribed drugs or alcohol shall be rejected for employment. Additionally, we maintain the right to conduct drug and alcohol testing throughout the employment period on the basis of reasonable suspicion and as part of our post-accident investigation process.

Any employee who is suspected of violating our Drug Free Workplace Policy will be subject to immediate suspension, pending investigation. Employees found to be in violation of this policy, or who refuse to consent to drug/alcohol testing upon request by the Company, will be terminated.

By signing below you acknowledge that you have read and understand the Company's Drug Free Workplace policy and that you agree to all requirements of this policy, including reasonable suspicion and post-accident drug/alcohol testing during your employment.

Employee Signature

Date

Print Employee Name

Branch Name

Witness Signature

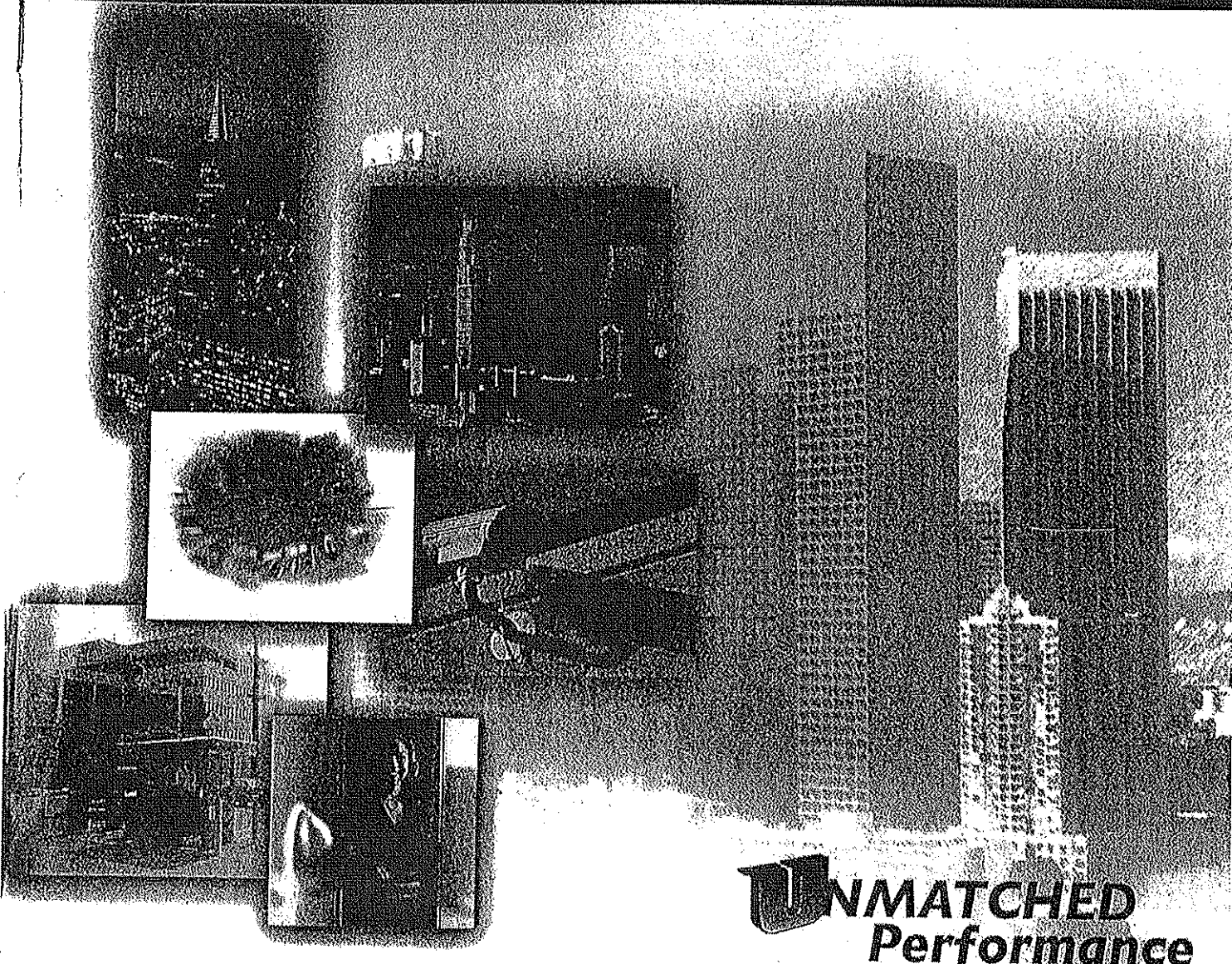
Date



**Universal
Protection
Service**

Employee Handbook

Security Professionals



**UNMATCHED
Performance**

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EXHIBIT 8

Exhibit 10

Company Partners

1. Historic Core Business Improvement District Property Owners Association, Inc., a California non-profit corporation.
2. South Park Business Improvement District, a California non-profit corporation

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WELLS
FIDELITY INVESTMENT
CORPORATION
100 WALL STREET
NEW YORK, NY 10038
TEL: 212 850 0000
WWW.WELLSFARGO.COM