

SECURITY SERVICES AGREEMENT

BY AND BETWEEN

PROTECTIVE SERVICE SYSTEMS, INC.

and

ILLINOIS INTERNATIONAL PORT DISTRICT

EFFECTIVE

MARCH 21, 2014

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SECURITY SERVICES AGREEMENT

THIS AGREEMENT by and between **PROTECTIVE SERVICE SYSTEMS INC.** ("Protective"), a duly licensed security guard contractor, in the State of Illinois, and the **ILLINOIS INTERNATIONAL PORT DISTRICT**, an Illinois Municipal Corporation ("Client").

RECITALS

Protective is engaged in the business of providing security services including uniformed guards to patrol private and public property. Protective is licensed **and** authorized to perform such services under the Illinois Private Detective, Private Alarm and Private Security Act of 1983, Ill. Rev. Stat. Ch. 111 Par. 2651, *et. seq.* (1989).

Client is the Illinois International Port District, an Illinois Municipal Corporation and the owner of the property at Lake Calumet, Iroquois Landing and Harborside Golf Complex. Harborside Golf complex is not a site covered under this agreement as there is a separate agreement covering that site between Kemper Sports, lessee of Harborside Golf Complex, and Protective.

The purpose of this Agreement is to state the terms and conditions under which Protective will furnish security services, including uniformed guards, to protect property owned by the Client, located at Lake Calumet, Iroquois Landing, and Doty Road hereinafter referred to as the "Protected Property."

In consideration of the mutual promises contained herein Protective agrees to perform the following security services for Client, the Illinois International Port District, Chicago, Illinois:

1. SERVICES.

Security guards will be responsible for access control and must understand MARSEC levels and their required actions. Security personnel shall be fully trained in all appropriate



means, methods, and manners of providing security services. Staff would also be responsible for conducting Homeland Security drills at least once every three (3) months, as required by MARSEC 33CFR105.220.

- 1) Iroquois Landing (95th Street and the Lake)
- 2) Lake Calumet (130th Street and Butler Drive, just off the Bishop Ford Freeway)
- 3) 12700 S. Doty Rd. East 24/7
- 4) 12100 S. Doty Rd East 4A — 3P 6 days a week or as needed.

Protective Services will provide a number of security guards as designated by the Port District. This number and the hours are subject to change by the Port District, however Iroquois Landing coverage needs to be 24/7 plus an additional guard from 6A-2P, and Lake Calumet must be 24/7 with an additional guard 6A-2P as needed.

12700 S. Doty needs to be one guard per 8-hour shift, 24 hours per day, 7 days per week

12100 S. Doty needs to be one guard 4A-3P, Monday through Friday, and occasional Saturdays 4A-10p, or extra hours as needed

Protective shall also provide a minimum of forty (40) hours per week supervision of its security officers at no charge to the Client. The supervisor shall be responsible for the direct supervision of Protective's guards in accordance with paragraph 7.

Client reserves the right to change the number of security officers, security officer posts, locations, hours, days, and services as Client deems required at the hourly rate specified in paragraph nine (9) below.

2. SECURITY AND LOSS PREVENTION.

It is Protective's function and responsibility to:

- (A.) Use its best efforts in checking for prevention and detection of theft, vandalism, fire and unauthorized entry or trespass on the Client's property; and

- (B.) Protect Client's property from vandalism and theft and to perform such protective services in accordance with industry practice and standards.

It is understood and agreed by the parties hereto that Protective is not an insurer. Protective is being paid to provide a service, and the amounts being charged by Protective are not sufficient to guarantee that no loss will occur. It is further understood that Protective does not patrol the property but screens visitors and employees entering the property and does not search vehicles.

3. PROTECTIVE'S INSURANCE COVERAGE.

Protective shall furnish and keep in full force and effect at all times during the term of this Agreement the following types and amounts of insurance with insurers licensed and authorized to do business in the State of Illinois and to cover any and all persons employed by Protective with respect to the services to be performed herein.

- 1) Bodily injury and property damage combined, \$1 million.
- 2) Personal injury, \$1 million.
- 3) Automobile, \$1 million.
- 4) Workman's Compensation, \$1 million.
- 5) Umbrella Coverage \$1 million.

Client shall be named as an additional insured on the insurance policies. Protective shall deliver evidence of such insurance to Client prior to the commencement of this Agreement. Protective's insurance carriers or agents shall give the Client at least thirty (30) days' notice prior to canceling or modifying the policies issued to Protective with Client as an additional insured.

4. TERM.

The initial term of this Agreement shall be for one year commencing March 21, 2014 through December 31, 2014. Client has the option of extending this agreement for two (2)



additional, one (1) year renewals at the same rate as set forth in paragraph 9 below. Client shall be deemed to have exercised its option to continue this agreement for the next calendar year unless written notice is delivered to Protective prior to December 1st of the current year. Notwithstanding, client retains the right to terminate this agreement on thirty (30) days written notice.

5. PROTECTIVE EMPLOYEES.

Protective shall furnish its own employees, shall have sole direction of its employees and shall perform its services hereunder as an independent contractor and not as an agent or employee of Client. Protective will have the sole responsibility of paying the salaries, taxes and all other expenses relating to its employees. With regard to employees, Protective will, at the request of Client, replace any employee assigned to the Client, if the Client determines that the employee does not adequately perform his duties.

6. QUALIFICATIONS AND TRAINING.

Protective hereby agrees to provide qualified and trained security officers to perform the services required herein. Protective hereby agrees and warrants that all employees assigned to Client's premises shall be fully trained in all appropriate means, methods, and manners of providing security services. Protective will exercise due diligence in investigating and screening the backgrounds of the employees to be assigned to the Port District to determine if the individual has a criminal history or suffers from a physical or mental ailment or illness which affects their ability to perform the security services required here. The Port District retains the right to replace any individual guard or supervisor. All guards and supervisors are required to have Illinois Department of Registration and Education Permanent Employee Registration Card for Private

Detectives, Alarm, and Security Personnel (PERC, Blue Cards) and shall reside in Illinois. Copies of the PERC Blue Cards are to be provided to the Port District before any employee begins. Additionally, security guards are required to have a high school degree and must have a valid TWIC card and Homeland Security Training in accordance with 33 CFR 105.210 and NVIC 03-07 TWIC Guidance, Enclosure 3, Paragraph 3.3(g)(2). Staff must have advanced classes in Homeland Security.

7. PROTECTIVE SUPERVISORY PERSONNEL.

Protective's supervisors shall be responsible for the direct supervision of Protective's guards and personnel assigned to Client. The supervisors shall be available to report to and confer with Client's designated employees. In addition to a site and communication equipment checks with security personal, the supervisor will spend a minimum of forty hours at the Port District per week processing and summarizing reports and data collected by the security guards and coordinating their activities.

8. UNIFORMS AND EQUIPMENT.

Security personnel will not be provided with a vehicle, however will need a vehicle to move to various locations of each of the facilities. The cost of the vehicle shall be included in the hourly rate specified in paragraph 9 below. The guards are will be unarmed. They will be required to be completely outfitted with a uniform **and** a badge bearing the words, "Security Officer" and the employee's name. Protective Services will provide communications equipment and designate in its proposal the type of equipment intended to be provided, (i.e., mobile phones, walkie talkies, etc.). The security guards will be responsible for completing log forms and incident forms and will not be allowed radio, television, books, or newspapers at their stations. Security guards will be responsible for access control and must understand MARSEC levels and their required actions. Security



personnel shall be fully trained in all appropriate means, methods, and manners of providing security services. Staff would also be responsible for conducting Homeland Security drills at least once every three (3) months, as required by MARSEC 33CFR105.220.

9. COMPENSATION.

Client shall pay Protective \$16.44 per hour per security officer. The hourly rate shall include: a minimum of 40 hours supervisory service, uniforms, an unmarked vehicle, hand held radio, mobile telephone, pager or other communication equipment.

10. BILLING.

Protective shall deliver to the Client semi-monthly time sheets covering all hours spent by its employees in carrying out the terms of this Agreement. Protective shall invoice Client on the first (1st) and sixteenth (16th) day of each month for services performed during the previous billing period. Payment will be made in 7 to 10 business days after receipt of the invoice.

11. HIRING OF PROTECTIVE EMPLOYEES.

Protective incurs considerable expense in recruiting, screening, hiring, and training its security personnel, Client agrees not to employ directly or indirectly through a third party any current or former Protective employee during the term of this Agreement and one (1) year thereafter for the purposes of performing security or consulting services directly or indirectly for Client.

12. HAZARDOUS AREAS.

Client will provide Protective with a map and directory of its leases to inform Protective's employees of the different areas and operations at Lake Calumet, Iroquois Landing and Doty Road. To the best of its ability, Client will advise Protective of any known toxic or hazardous substances located on any portion of the Illinois International Port District to avoid injury to Protective's employees and their property.



13. PROTECTIVE LIABILITY.

It is hereby understood and expressly agreed that Protective shall be liable to Client for all personal injuries, property damages, and third party claims caused by the negligence, gross negligence, or willful and wanton conduct on the part of its officers, agents, employees, security officers, or representatives, but not as to any claims caused by client.

14. NO ASSIGNMENT.

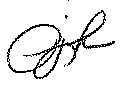
This is a personal service agreement and it cannot be assigned, transferred, encumbered, or subcontracted by either party without the prior written consent of the other party.

15. NO THIRD PARTY BENEFICIARY.

It is the intention of the parties to this Agreement that no third-party shall have the benefit of or any rights under any of the Provisions of this Agreement.

16. NO-DISCRIMINATION.

Protective, in performing under this Agreement, shall not discriminate against any worker, employee or applicant or any member of the public, because of race, creed, sex, age, color or national origin, nor otherwise commit an unfair employment practice. Protective will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, creed, color, religion, age, sex or national origin. Such action shall include, but not be limited to, the following: employment, promotion, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay, or other forms of compensation; and selection for training including apprenticeship. Protective agrees to post at Protective's place of business, in conspicuous places available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause. Protective covenants and agrees that in all matters pertaining to the performance of this Agreement, Protective shall, at all times, conduct its business in a manner which assures fair, equal and nondiscriminatory



treatment of all persons, without respect to race, sex, age, color, creed or national origin.

Protective will maintain open hiring and employment practices and will welcome applications for employment in all positions from qualified individuals who are members of all races, national origin, sexes and ages.

Protective will comply strictly with all requirements of applicable federal, state and local laws or regulations relating to the establishment of non-discriminatory requirements in hiring and employment practices without discrimination as to any person's race, sex, age, creed, color or national origin.

17. NO SEXUAL HARASSMENT.

It is the Client's policy that any and all forms of sexual harassment are strictly prohibited. This prohibition is applicable to Protective and its activities at the Port District. Protective will investigate and take appropriate action on all complaints of sexual harassment by Protective employees at the Port District.

18. DEFAULT AND LITIGATION COSTS.

A party will be in default under the terms of this Agreement if they breach or fail to fulfill a material condition or requirement of this Agreement within ten (10) days of written notice from the other party. In the event of a default, the non-defaulting party shall have all rights and remedies available to it in both law and equity, including the termination of this Agreement. In the event a party initiates litigation to enforce the terms of this Agreement, the prevailing party shall be entitled to be reimbursed for their reasonable attorneys' fees and costs.

19. SURVIVAL.

Except to the extent specifically stated to the contrary elsewhere in this Agreement, all representations, warranties, agreements and obligations of the parties contained in this Agreement



shall survive the termination or expiration of this Agreement for one year thereafter. This Agreement and all the Provisions hereof shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns.

20. NOTICES.

All notices and payments required hereunder may be hand delivered or mailed. If mailed, they shall be sent by U.S. mail, certified mail return receipt requested or by a recognized national delivery service such as Federal Express, DHL, Airborne or U.S. Express Mail, overnight delivery. Notice shall be deemed received on the date delivered and shown on the return receipt or delivery service receipt. All notices shall be sent to the following respective addresses:

To Client:

Illinois International Port District
3600 E. 95th Street
Chicago, Illinois 60617

To Protective:

Protective Service Systems, Inc.
% Nicole M. English
Registered Agent
222 N. Caroline
Elmhurst, Illinois 60126

With a Copy to:

Neal & Leroy, LLC
Attention: Michael D. Leroy
203 N. LaSalle Street
Suite 2300
Chicago, Illinois 60601

or to such other respective addresses as either party hereto may hereafter from time to time designate in writing.

21. ENTIRE AGREEMENT.

This Agreement sets forth the entire agreement of the parties hereto and cannot be changed or modified, except another agreement, in writing, signed by the Party sought to be changed therewith or by its duly authorized agent.



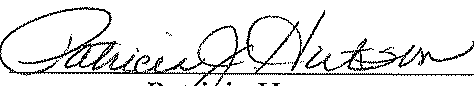
22. GOVERNING JURISDICTION.

This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

IN WITNESS THEREOF, the parties have executed this agreement by the respective authorized officers on the dates written below.

PROTECTIVE SERVICE SYSTEMS, INC.,
an Illinois Corporation

ILLINOIS INTERNATIONAL PORT
DISTRICT, an Illinois Municipal
Corporation

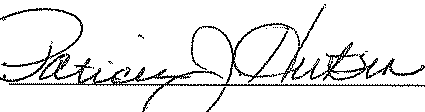
By 
Patricia Hutson,
President and Secretary

By: 
Chairman

Date: May 13, 2014

Date: May 16, 2014

ATTEST:

By 
Secretary


Secretary