

SECURITY SERVICES AGREEMENT

This Agreement is entered into between the Keller Independent School District (“KISD”) and Smith Protection Services, Inc. (“Smith”) on this 17th day of April, 2006.

WHEREAS, KISD wishes to retain a security services company to perform security services on property owned by KISD; and

WHEREAS, Smith has submitted a proposal to provide such services to KISD, all such representations being made by Smith in that proposal being relied upon by KISD in its determination to award the contract to Smith; and

WHEREAS, the parties wish to set forth the terms and conditions of their agreement in this Agreement;

NOW, THEREFORE in consideration of the mutual covenants and promises set forth herein the parties agree as follows:

1.

The term of this Agreement shall begin on April 17, 2006 and shall terminate on June 30, 2007. Upon the mutual agreement and consent of the parties, this Agreement may be extended for two additional one-year periods under the same terms and conditions set forth in this Agreement. Any request by either party for redetermination of price or other conditions may be considered only at the time of the proposed renewal and extension of the Agreement. Unless the parties agree to any change of terms and conditions, any additional extension of this Agreement shall be under the same terms and conditions stated herein.

2.

Smith agrees to provide security services to KISD, all such services to be compensated at the rate of \$13.75 per hour per security officer. The number of security officers, guard posts, their location, and the hours and nature of the security officers duties may vary from time to time to meet KISD’s requirements and needs. KISD shall designate an assistant principal at each campus location where security services shall be provided to be the administrative contact with Smith. Each officer so assigned shall work no more than 8 hours per day, 40 hours per week and no overtime shall be compensated for by KISD without prior written authorization. Services shall be provided only on school calendar days, not to exceed 178 days, without prior written authorization from KISD.

3.

KISD and Smith agree that specific expectations have been established for the security services to be provided at each campus. The parties agree that the primary focus of security services shall be student vehicle safety and security, securing student and faculty parking lots from intruders,

and regulating student traffic in and out of parking lots during school hours. Smith shall be expected to patrol parking areas, to be mobile as directed by campus administration, and to be visible to students and non-students. Smith shall be expected to monitor students and vehicles entering and leaving parking areas during school hours, inspecting to see that students leaving have proper passes, monitoring to see that all vehicles have valid parking stickers, and directing tardy students to the office for proper check-in. Smith security officers are expected to radio their position and activities to campus administration, report any suspicious or any unauthorized activities, and to request administrative or law enforcement assistance as required. Smith shall be expected to open and close gates to parking areas at times to be determined by each campus administration. Smith shall be expected to place and pick up traffic cones to regulate traffic as necessary. Smith shall be expected to tag vehicles that do not have current parking stickers.

4.

Security officers assigned by Smith to KISD shall perform each security related service as KISD may require, but shall be the sole employees of Smith, an independent contractor, and the hiring, training, uniforming, equipping, supervising, directing, and discharging of all security officers shall be the sole function and responsibility of Smith. All security officers employed under this agreement shall be compensated solely by Smith, and Smith shall be solely responsible for the payment of all federal and state taxes, Social Security and Medicare benefits, unemployment compensation taxes, overtime wages, and any other benefit or wage. KISD shall not be responsible for any payment to Smith for overtime services unless that overtime service has been expressly authorized in advance in writing by KISD.

5.

Smith shall assign security officers to each campus location requested by KISD, but KISD may require Smith to remove or substitute any security officer upon request by KISD.

6.

Smith shall only employ and assign to KISD, security officers who are registered or licensed with the Texas Commission on Private Security. Smith shall perform criminal history and background checks on all security officers assigned to KISD, and shall not assign any security officer to KISD who has been convicted of any felony, crime of moral turpitude, or any violation of any drug or controlled substance laws. In that regard, KISD is a drug-free, alcohol-free, tobacco-free and weapon-free facility by law and policy. All Smith security officers shall be expected to comply with all rules, regulations, policies, and laws applicable to KISD property in those and all other regards.

7.

As part of its security services to KISD, and included within the hourly rate quoted above in paragraph 2, Smith shall provide motor vehicles to its security officers for their use in the

performance of security services for KISD. KISD agrees to provide communication devices for security officers to contact and receive communications from KISD personnel. Smith is specifically not directed, requested, or to be compensated for the provision of any drug dogs as part of its security services.

8.

KISD is a political subdivision of the State of Texas and is accordingly a tax exempt organization. KISD shall not be responsible for payment to Smith for any sales tax imposed by the State of Texas for Smith's services.

9.

Smith agrees to provide and maintain comprehensive general liability insurance in at least a minimum amount of \$250,000.00 for general liability claims and \$500,000.00 for bodily injury claims with insurers authorized to do business in the State of Texas, throughout the term of this Agreement and for a minimum period of at least two years after its expiration or termination. KISD shall be named as an additional insured on any such policy, and a waiver of subrogation in favor of KISD shall be provided by Smith in connection with such insurance. In addition, Smith shall be required to provide Worker's Compensation insurance for all employees or equivalent self-insurance acceptable under Texas law. Such insurance shall also include a waiver of subrogation in favor of KISD for any claims arising out of injuries to Smith employees while performing services for KISD. Smith shall also provide automobile liability insurance on all vehicles and employees driving such vehicles in a minimum amount of at least \$100,000.00 for each person, \$300,000.00 for each single occurrence for bodily injury death, and \$100,000.00 for each single occurrence of injury to or destruction of property. KISD shall also be named an additional insured under such coverage and a waiver of subrogation in favor of KISD shall be provided by Smith. IN ADDITION, TO THE FULLEST EXTENT PERMITTED BY LAW, SMITH SHALL INDEMNIFY, DEFEND, AND HOLD HARMLESS KISD, ITS EMPLOYEES, AGENTS, TRUSTEES AND REPRESENTATIVES, FROM AND AGAINST ALL CLAIMS, DAMAGES, LOSSES, AND EXPENSES, INCLUDING ATTORNEYS FEES, ARISING OUT OF OR RESULTING FROM SMITH'S PERFORMANCE OF SECURITY SERVICES FOR KISD, INCLUDING WITHOUT LIMITATION CLAIMS ALLEGING NEGLIGENCE BY KISD, ITS EMPLOYEES, AGENTS, TRUSTEES AND REPRESENTATIVES. All insurance coverage obtained by Smith under this Agreement shall include coverage for such indemnities.

10.

KISD limits all purchases with the use of properly drawn or authorized purchase orders. KISD is not responsible for services or products that are not authorized by this method. Accordingly, Smith shall submit monthly invoices for payment containing the purchase order number for such services. All invoices for payment shall be provided not later than the 5th day of each month for the preceding month's services. All payments on such invoices shall be due within

thirty (30) days following receipt and verification of the invoices. Interest on any past due payments shall be compensated as provided by Texas Government Code §2251.025.

11.

Smith's proposal to KISD for the provision of security services shall be incorporated within and become a binding term of this Agreement. In the event of any conflict between this Agreement and Smith's proposal, the terms of this Agreement shall prevail.

12.

This agreement may be terminated by either party upon provision of thirty (30) days notice to the other party. Notice to KISD shall be provided to Keller Independent School District, Attn: Assistant Superintendent for Business Operations, 350 Keller Parkway, Keller, Texas 76248. Any notice to Smith Protection Security, Inc. shall be sent to 2120 West Vickery, Fort Worth, Texas 76102.

13.

This agreement may be terminated at any time for good cause or for breach of any term of this Agreement. In the event of any such breach, notice of the alleged breach shall be provided to the breaching party. Such notice shall afford a fourteen (14) day opportunity for cure of any such breach. In the event that the breach is not cured within fourteen (14) days, the non-breaching party may terminate the Agreement immediately or with thirty (30) days notice, at that party's election. In the event that Smith shall breach the Agreement and KISD shall incur additional expenses or charges for retaining replacement services, Smith shall be responsible for such difference in price during the remainder of the original term of the Agreement or for the remainder of that extended or renewal term if termination occurs during an extended or renewal term.

14.

This Agreement shall be interpreted and enforced under the laws of the State of Texas. Venue for any dispute between the parties to this Agreement shall be in state district courts in Tarrant County, Texas. The prevailing party for any dispute arising out of this Agreement may recover reasonable and necessary attorneys fees, as provided by Texas Local Government Code §271.159.

15.

It shall be a prerequisite to litigation of any claims arising under this Agreement that Smith exhaust any administrative remedies afforded by KISD Policy GF (LOCAL). In the event that any such complaint is not resolved through the grievance process afforded by KISD policy, mediation shall be a prerequisite to the institution of any litigation to resolve claims arising under this

Agreement. Any demand for mediation shall be made within a reasonable time after the claim, dispute, or other matter in question has arisen and following the completion of any grievance process afforded under District Policy GF (LOCAL). In no event shall a demand for mediation be made after the date when institution of legal or equitable proceedings based upon such claim, dispute, or other matter in question would be barred by the statute of limitations applicable to said claim.

16.

If any portion of this Agreement is determined to be invalid, void or without effect, that portion shall be severable and all other portions of this agreement shall remain in full force and in effect as if the severed provision had not been included herein.

IN WITNESS WHEREOF, the parties hereto execute this agreement as of the _____ day of _____, 2006.

KELLER INDEPENDENT SCHOOL DISTRICT

SMITH PROTECTION SECURITY, INC.

By: _____
Printed Name: _____
Title: _____

By: _____
Printed Name: _____
Title: _____