



Hillcrest Business Association  
 Board of Directors Meeting  
 Public Meeting ~ July 9, 2013, 5pm  
 Joyce Beers Center, 1230 Cleveland Ave., San Diego CA 92103

Agenda

<b>Call to order and introductions</b>	G. Younger	2 minutes
<b>Public comment</b> (1 minute per speaker)		3 minutes
<b>Reports:</b>		
1. President's report	G. Younger	5 minutes
2. Executive Director's report	B. Nicholls	5 minutes
<b>Consent items</b> (action):	G. Younger	2 minutes
1. Approval of minutes (June 2013) <sup>1</sup>		
2. Approval of organizational financials (May 2013) <sup>2</sup>		
<b>Executive Committee items:</b>		
1. New board appointments (action)	B. Nicholls	5 minutes
2. Request to purchase tiles at the Pride Flag Monument on behalf of HBA board members (action)	J. Dicola	10 minutes
<b>Beautification items</b>		
1. Committee report	C. Moreno	5 minutes
<b>Marketing Committee items</b>		
1. Contract to create online member database (action) <sup>3</sup>	E. Reynoso	10 minutes
2. Request to begin process for creating quarterly movie nights at Park Blvd. and Essex Ct. (action)	B. Nicholls	10 minutes
<b>Special Events Committee items</b>		
1. Request to authorize independent contract for CityFest graphic design services (action) <sup>4</sup>	B. Nicholls	10 minutes
<b>Ad Hoc Flag Committee items</b>		
1. Committee update (information)	J. Hale	5 minutes

Attachments:

1. June 2013 minutes
2. May 2013 financials

3. Website database contract
4. Graphic design service contract



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BOARD OF DIRECTORS MEETING MINUTES

Tuesday, June 11, 2013  
Joyce Beers Community Center  
1220 Cleveland Ave., San Diego, CA 92103

**Board members in attendance:** Michael Brennan, Ron Baranov, Sean Cute, Jillian DiCola, Johnathan Hale, Alonzo Ortiz, Nicholas Papantonakis, Eddie Reynoso, Glenn Younger

**Board members absent:** Pete Katz, Robert Lane, Cecelia Moreno, Dalour Younan

**Others in attendance:** Fred Belinski, Anthony Bernal, Walter Chambers, Linda Fisher, Robert Rodriguez, Eli Cruia, Aaron Duke, Sharon Gail

**Staff in attendance:** Benjamin Nicholls, Cassandra Ramhap, Lisa Weir

**Public comment**

- A. Bernal from Council President Gloria's office gave updates including the passing of the budget yesterday and stated that he will be holding a community coffee in North Park.

**President's report**

- G. Younger stated that the Metro Development Corporation recently asked him to join a position on their board and that he has been working with staff on exploring a Mainstreet organization in Hillcrest.

**Executive Directors report**

- B. Nicholls distributed the HBA's activities for the month of May and stated that staff have been working to complete the Hillcrest Pride Flag monument on time and that the final community review has been completed. He also stated that staff have been working on the new Hillcrest Farmers Market layout and that additional cleaning has been requested in front of businesses, and that a bike corral has been added to the Hillcrest Farmers Market. He presented a memo to the group that outlined plans to form the Hillcrest Community Development Corporation.

**Action items**

- G. Younger presented the consent agenda, which included the May 2013 Board of Directors' meeting minutes and the April 2013 financials.
  - Motion to approve the May 2013 Board of Directors' meeting minutes and the April 2013 financials. J. Hale / A. Ortiz. 8/0/1. E. Reynoso abstained. The motion passed unanimously.
- B. Nicholls stated that there are a couple vacancies on the HBA Board and stated that we need a new secretary, because our current secretary has resigned. G. Younger appointed A. Ortiz as the new board secretary. He also introduced F. Belinski, who introduced himself and gave a quick bio.



- Motion to appoint F. Belinski to the HBA Board of Directors. R. Baranov / J. Hale. 9/0/0. The motion passed.
- W. Chambers presented a document concerning the Uptown Community Plan's Transportation Policy. A discussion occurred about the details of the proposal's priority plan. G. Younger requested that the HBA form a sub-committee to work with W. Chambers on his proposal.
- B. Nicholls stated that the HBA received a request from the Leather Pride community to fly the leather flag for Leather Pride the weekend of August 23-25, 2013.
  - Motion to approve the request that the Leather Pride Flag be flown the weekend of August 23-25, 2013 and that Ms. and Mr. Leather help to raise the flag on August 23, 2013. J. Hale / E. Reynoso. 9/0/0. The motion passed unanimously.
- N. Papantonakis stated that his restaurant company is interested in leading the HBA in creating a Green Committee that would focus on "greening" the HBA's special events and communicating "greening" with local businesses.
- B. Nicholls stated a sub-committee has been formed by Park Blvd business owners who are interested in improving Park Blvd. He said that they are working with us on a Light String project. It would be \$3,500 to purchase and install the light strings.
  - Motion to approve the installation. R. Baranov / N. Papantonakis. 9/0/0. The motion passed unanimously.
- J. Hale stated that the Hillcrest Pride Flag has no lighting at night. He said that a company installing electric charging stations and the Uptown Parking District are working to install power and that the HBA could tap into this power for lighting the flag.
  - Motion to approve a \$10,000 expense for electricity in median. 9/0/0. The motion passed unanimously.
- B. Nicholls stated that the Beautification Committee wants to replace dilapidated tree grates and install new grates.
  - Motion to approve the expenditure. P. Katz / N. Papantonakis. 9/0/0. The motion passed unanimously.

#### Information items

- J. Hale updated the group on the funding and the process of lighting the Hillcrest Pride Flag \$8,200.

The meeting adjourned at 6:12 p.m.

**HBIA**  
**Balance Sheet**  
As of May 31, 2013

	<b>May 31, 13</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
10020 · CHASE - Checking	0.85
10025 · CA. Bank & Trust	34,445.16
10035 · Comerica - Checking	191,038.61
10040 · CHASE - Money Market	
General	80,663.90
<b>Total 10040 · CHASE - Money Market</b>	<b>80,663.90</b>
<b>Total Checking/Savings</b>	306,148.52
<b>Accounts Receivable</b>	
12000 · Accounts Receivable	28,087.41
<b>Total Accounts Receivable</b>	<b>28,087.41</b>
<b>Other Current Assets</b>	
10120 · BID Receivable	3,844.50
10125 · MAD Receivable	17,544.68
10145 · Farmers Market Receivable	4,776.37
10155 · Prepaid Expense	7,211.85
10160 · Prepaid CityFest	500.00
10165 · Workers Compensation Deposit	842.00
<b>Total Other Current Assets</b>	<b>34,719.40</b>
<b>Total Current Assets</b>	368,955.33
<b>Fixed Assets</b>	
10200 · Office Furniture & Equipment	13,139.00
10220 · Accumulated Depreciation	-12,792.40
<b>Total Fixed Assets</b>	<b>346.60</b>
<b>TOTAL ASSETS</b>	<b>369,301.93</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	

**HBIA**  
**Balance Sheet**  
As of May 31, 2013

	<u>May 31, 13</u>
<b>Current Liabilities</b>	
<b>Other Current Liabilities</b>	
20210 · Accrued Expenses	308.00
20225 · SBEP Advance	1,514.85
20235 · City Fest Deferred Revenue	26,995.00
20240 · Deferred Revenue	10,000.00
<b>21000 · Payroll Liabilities</b>	
Vacation Payable	<u>3,681.33</u>
<b>Total 21000 · Payroll Liabilities</b>	<u>3,681.33</u>
<b>Total Other Current Liabilities</b>	<u>42,499.18</u>
<b>Total Current Liabilities</b>	<u>42,499.18</u>
<b>Total Liabilities</b>	42,499.18
<b>Equity</b>	
31100 · Unrestricted Net Assets	376,719.27
Net Income	<u>-49,916.52</u>
<b>Total Equity</b>	<u>326,802.75</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>369,301.93</u></u>

**HBIA**  
**Profit & Loss Budget vs. Actual**  
 July 2012 through May 2013

				<b>TOTAL</b>		
	<u>May 13</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '12 - May 13</u>	<u>Budget</u>	<u>Variance</u>
<b>Income</b>						
40010 - City Fest Income	0.00			154,854.91	130,000.00	24,854.94
40020 - Farmers Market	17,655.09	13,334.00	4,321.09	178,538.49	146,674.00	31,864.49
40030 - SBEP	3,437.46	2,358.00	1,079.46	21,034.15	19,074.00	1,960.15
40040 - MAD	11,406.22	6,578.00	4,828.22	81,379.59	84,229.00	-2,849.41
40045 - MAD Reserve	0.00	2,083.00	-2,083.00	0.00	23,417.00	-23,417.00
40050 - BID	9,297.78	8,052.00	1,245.78	102,125.99	105,998.00	-3,872.01
40055 - BID Carry Forward	3,844.50	2,333.00	1,511.50	17,278.95	25,663.00	-8,384.05
40070 - Hillcrest Map	0.00			975.00	4,300.00	-3,325.00
40080 - Newsletter/Advertising	0.00	85.00	-85.00	0.00	935.00	-935.00
40090 - Mardi Gras	0.00	0.00	0.00	-850.00	78,900.00	-79,750.00
40110 - Taste	0.00	14,750.00	-14,750.00	7,053.00	34,500.00	-27,447.00
40115 - Taste 'N Tinis	0.00			19,339.67	17,000.00	2,339.67
40120 - Interest	3.40	100.00	-96.60	120.27	1,100.00	-979.73
40125 - Amazing High Heel Race	1,250.00	2,000.00	-750.00	5,250.00	6,000.00	-750.00
40135 - Hillcrest Hoedown	0.00			32,829.92	38,700.00	-5,870.08
40140 - Banner Space	0.00	667.00	-667.00	5,952.00	7,337.00	-1,385.00
40145 - Pride Flag	0.00			7,750.00		
40155 - Pride of Hillcrest	8,000.00			134,783.14		
40180 - Other Income	52.00	167.00	-115.00	1,559.00	1,837.00	-278.00
<b>Total Income</b>	<u>54,946.45</u>	<u>52,507.00</u>	<u>2,439.45</u>	<u>769,974.11</u>	<u>725,664.00</u>	<u>44,310.11</u>
<b>Expense</b>						
<b>50000 - Personnel</b>						
50005 - Salaries	15,983.08	13,490.00	2,493.08	152,172.91	142,820.00	9,352.91
50025 - Employer Taxes - Federal	1,222.71	1,587.00	-364.29	11,893.23	16,953.00	-5,059.77
50030 - Employer Taxes - State	0.00	0.00	0.00	1,302.00	2,491.00	-1,189.00
50035 - Health Insurance	0.00	788.00	-788.00	7,623.30	8,668.00	-1,044.70
50040 - Workers Comp Insurance	0.00	193.00	-193.00	1,598.28	2,123.00	-524.72
<b>Total 50000 - Personnel</b>	<u>17,205.79</u>	<u>16,058.00</u>	<u>1,147.79</u>	<u>174,589.72</u>	<u>173,055.00</u>	<u>1,534.72</u>
<b>50045 - Operating</b>						
50050 - Rent Office Space	723.00	726.00	-3.00	8,676.00	7,986.00	690.00
50055 - Storage	275.00	150.00	125.00	2,745.00	1,650.00	1,095.00
50060 - Accounting	1,843.15	1,834.00	9.15	20,234.05	20,174.00	60.05

**HBIA**  
**Profit & Loss Budget vs. Actual**  
 July 2012 through May 2013

				<b>TOTAL</b>		
	<u>May 13</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '12 - May 13</u>	<u>Budget</u>	<u>Variance</u>
50065 - Audit	0.00			6,000.00	7,500.00	-1,500.00
50070 - Equipment Purchase	639.84			3,340.92	2,700.00	640.92
50075 - Intern/Consultant	756.00	417.00	339.00	5,971.00	4,587.00	1,384.00
50080 - Bank & Credit Card Charges	63.21	50.00	13.21	440.96	550.00	-109.04
50085 - Repair and Maintenance	185.00	100.00	85.00	1,652.76	1,100.00	552.76
50090 - Office Supplies	577.20	268.00	309.20	2,713.46	2,948.00	-234.54
50095 - Postage and Delivery	0.00	42.00	-42.00	438.30	462.00	-23.70
50100 - Printing/Photocopy	10.38	340.00	-329.62	1,916.49	3,740.00	-1,823.51
50120 - Meetings	74.78	252.00	-177.22	2,582.64	2,772.00	-189.36
50125 - Legal	0.00	167.00	-167.00	1,714.20	1,837.00	-122.80
50130 - Telephone & Internet	906.24	447.00	459.24	7,253.11	4,917.00	2,336.11
50135 - Parking/Mileage	205.00	200.00	5.00	2,231.00	2,200.00	31.00
50140 - Depreciation	0.00	100.00	-100.00	173.30	1,100.00	-926.70
50330 - D & O / Liability Insurance	-539.50	489.00	-1,028.50	7,283.67	6,579.00	704.67
<b>Total 50045 - Operating</b>	<b>5,719.30</b>	<b>5,582.00</b>	<b>137.30</b>	<b>75,366.86</b>	<b>72,802.00</b>	<b>2,564.86</b>
<b>51000 - Neighborhood/Promotion</b>						
51515 - CityFest	660.00			107,211.69	85,000.00	22,211.69
51525 - Promotion/Marketing	1,160.00	2,033.00	-873.00	19,814.47	22,363.00	-2,548.53
51526 - Taste	4,756.24	2,850.00	1,906.24	12,512.12	7,700.00	4,812.12
51527 - Taste 'N Tinis	498.75			12,584.08	15,000.00	-2,415.92
51528 - Amazing High Heel Race	81.00	1,000.00	-919.00	649.00	2,000.00	-1,351.00
51530 - Banners	0.00	100.00	-100.00	6,299.95	3,500.00	2,799.95
51535 - Web Site Communications	0.00	67.00	-67.00	1,919.72	937.00	982.72
51540 - Business Mixers/Open House	0.00	116.00	-116.00	2,393.28	1,276.00	1,117.28
51545 - Newsletter	0.00	225.00	-225.00	2,312.54	2,475.00	-162.46
51555 - Farmer's Market	1,282.40	1,234.00	48.40	27,038.46	13,574.00	13,464.46
51565 - Hillcrest Map	0.00			7,484.50	4,300.00	3,184.50
51570 - Hillcrest Hoedown.	0.00			45,232.74	36,500.00	8,732.74
51575 - Pride Flag Project	1,323.50			42,762.59		
51800 - Pride of Hillcrest	840.00			111,047.69		
51870 - Mardi Gras	0.00	0.00	0.00	6,888.14	48,991.00	-42,102.86
51875 - Mardi Gras Profit Share	0.00	0.00	0.00	0.00	15,000.00	-15,000.00
<b>Total 51000 - Neighborhood/Promotion</b>	<b>10,601.89</b>	<b>7,625.00</b>	<b>2,976.89</b>	<b>299,599.28</b>	<b>258,616.00</b>	<b>40,983.28</b>

**HBIA**  
**Profit & Loss Budget vs. Actual**  
 July 2012 through May 2013

				TOTAL		
	May 13	Budget	Variance	Jul '12 - May 13	Budget	Variance
<b>53000 - Physical Improvements</b>						
53125 - Hillcrest Sign Utilities/Maint.	48.00	67.00	-19.00	606.16	737.00	-130.84
53130 - Security	3,165.40	3,000.00	165.40	34,819.40	33,000.00	1,819.40
53135 - Street Cleaning	7,816.00	3,167.00	4,649.00	41,820.29	43,837.00	-2,016.71
53137 - Pressure Washing	3,998.00	1,321.00	2,677.00	21,691.00	23,481.00	-1,790.00
53150 - Dumpsters	395.12	301.00	94.12	3,381.42	3,311.00	70.42
53152 - Flower Baskets (Purchase)	408.11	0.00	408.11	13,304.11	26,000.00	-12,695.89
53155 - Tree Trimming & Maintenance	6,333.00	1,880.00	4,453.00	31,064.00	21,486.00	9,578.00
53160 - Capital Projects	0.00	2,085.00	-2,085.00	0.00	22,935.00	-22,935.00
53161 - Special Projects	3,979.79	7,100.00	-3,120.21	15,290.77	78,100.00	-62,809.23
53165 - Contingency	0.00	4,314.00	-4,314.00	1,805.93	47,454.00	-45,648.07
<b>Total 53000 - Physical Improvements</b>	<u>26,143.42</u>	<u>23,235.00</u>	<u>2,908.42</u>	<u>163,783.08</u>	<u>300,341.00</u>	<u>-136,557.92</u>
<b>Total Expense</b>	<u>59,670.40</u>	<u>52,500.00</u>	<u>7,170.40</u>	<u>819,890.63</u>	<u>804,814.00</u>	<u>15,076.63</u>
	<u><b>-4,723.95</b></u>	<u><b>7.00</b></u>	<u><b>-4,730.95</b></u>	<u><b>-49,916.52</b></u>	<u><b>-79,150.00</b></u>	<u><b>29,233.48</b></u>



**HBIA**  
**Profit & Loss by Class**  
 July 2012 through May 2013

	110 GENERAL	220 SPECIAL EVENTS	410 BID CONTRACT	510 MAD	610 SBEP	TOTAL
<b>Income</b>						
<b>40010 - City Fest Income</b>						
Beer & Wine	0.00	28,023.90	0.00	0.00	0.00	28,023.90
Booth	0.00	77,087.70	0.00	0.00	0.00	77,087.70
<b>Grants</b>						
Commission for Arts & Culture	0.00	11,979.00	0.00	0.00	0.00	11,979.00
SBEP City Services	0.00	12,588.84	0.00	0.00	0.00	12,588.84
TOT City & County	0.00	10,000.00	0.00	0.00	0.00	10,000.00
<b>Total Grants</b>	<b>0.00</b>	<b>34,567.84</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>34,567.84</b>
<b>Sponsorship</b>						
ATM	0.00	175.50	0.00	0.00	0.00	175.50
Coors	0.00	7,000.00	0.00	0.00	0.00	7,000.00
Starbucks	0.00	3,000.00	0.00	0.00	0.00	3,000.00
William Grant & Sons	0.00	5,000.00	0.00	0.00	0.00	5,000.00
<b>Total Sponsorship</b>	<b>0.00</b>	<b>15,175.50</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>15,175.50</b>
<b>Total 40010 - City Fest Income</b>	<b>0.00</b>	<b>154,854.94</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>154,854.94</b>
<b>40020 - Farmers Market</b>	<b>178,538.49</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>178,538.49</b>
<b>40030 - SBEP</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>21,034.15</b>	<b>21,034.15</b>
<b>40040 - MAD</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>81,379.59</b>	<b>0.00</b>	<b>81,379.59</b>
<b>40050 - BID</b>	<b>0.00</b>	<b>0.00</b>	<b>102,125.99</b>	<b>0.00</b>	<b>0.00</b>	<b>102,125.99</b>
<b>40055 - BID Carry Forward</b>	<b>0.00</b>	<b>0.00</b>	<b>17,278.95</b>	<b>0.00</b>	<b>0.00</b>	<b>17,278.95</b>
<b>40070 - Hillcrest Map</b>	<b>975.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>975.00</b>
<b>40090 - Mardi Gras</b>	<b>0.00</b>	<b>-850.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-850.00</b>
<b>40110 - Taste</b>	<b>0.00</b>	<b>7,053.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7,053.00</b>
<b>40115 - Taste 'N Tinis</b>	<b>0.00</b>	<b>19,339.67</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>19,339.67</b>
<b>40120 - Interest</b>	<b>120.27</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>120.27</b>
<b>40125 - Amazing High Heel Race</b>	<b>0.00</b>	<b>5,250.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5,250.00</b>
<b>40135 - Hillcrest Hoedown</b>	<b>0.00</b>	<b>32,829.92</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>32,829.92</b>
<b>40140 - Banner Space</b>	<b>5,452.00</b>	<b>500.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5,952.00</b>
<b>40145 - Pride Flag</b>	<b>7,750.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7,750.00</b>
<b>40155 - Pride of Hillcrest</b>	<b>0.00</b>	<b>134,783.14</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>134,783.14</b>
<b>40180 - Other Income</b>	<b>1,559.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,559.00</b>
<b>Total Income</b>	<b>194,394.76</b>	<b>353,760.67</b>	<b>119,404.94</b>	<b>81,379.59</b>	<b>21,034.15</b>	<b>769,974.11</b>

**HBIA**  
**Profit & Loss by Class**  
 July 2012 through May 2013

	110 GENERAL	220 SPECIAL EVENTS	410 BID CONTRACT	510 MAD	610 SBEP	TOTAL
<b>Expense</b>						
<b>50000 · Personnel</b>						
50005 · Salaries	61,877.71	38,480.71	32,450.94	0.00	19,363.55	152,172.91
50025 · Employer Taxes - Federal	4,917.95	2,968.99	2,508.38	0.00	1,497.91	11,893.23
50030 · Employer Taxes - State	603.97	258.70	266.64	0.00	172.69	1,302.00
50035 · Health Insurance	6,893.37	729.93	0.00	0.00	0.00	7,623.30
50040 · Workers Comp Insurance	729.13	201.17	667.98	0.00	0.00	1,598.28
<b>Total 50000 · Personnel</b>	<b>75,022.13</b>	<b>42,639.50</b>	<b>35,893.94</b>	<b>0.00</b>	<b>21,034.15</b>	<b>174,589.72</b>
<b>50045 · Operating</b>						
50050 · Rent Office Space	4,208.00	0.00	4,468.00	0.00	0.00	8,676.00
50055 · Storage	2,745.00	0.00	0.00	0.00	0.00	2,745.00
50060 · Accounting	11,933.09	1,649.74	6,651.22	0.00	0.00	20,234.05
50065 · Audit	0.00	0.00	2,625.00	3,375.00	0.00	6,000.00
50070 · Equipment Purchase	3,340.92	0.00	0.00	0.00	0.00	3,340.92
50075 · Intern/Consultant	0.00	5,971.00	0.00	0.00	0.00	5,971.00
50080 · Bank & Credit Card Charges	440.96	0.00	0.00	0.00	0.00	440.96
50085 · Repair and Maintenance	1,652.76	0.00	0.00	0.00	0.00	1,652.76
50090 · Office Supplies	2,250.96	0.00	462.50	0.00	0.00	2,713.46
50095 · Postage and Delivery	438.30	0.00	0.00	0.00	0.00	438.30
50100 · Printing/Photocopy	1,527.13	0.00	389.36	0.00	0.00	1,916.49
50120 · Meetings	2,582.64	0.00	0.00	0.00	0.00	2,582.64
50125 · Legal	1,714.20	0.00	0.00	0.00	0.00	1,714.20
50130 · Telephone & Internet	5,256.27	0.00	1,996.84	0.00	0.00	7,253.11
50135 · Parking/Mileage	2,231.00	0.00	0.00	0.00	0.00	2,231.00
50140 · Depreciation	173.30	0.00	0.00	0.00	0.00	173.30
50330 · D & O / Liability Insurance	5,367.47	0.00	1,916.20	0.00	0.00	7,283.67
<b>Total 50045 · Operating</b>	<b>45,862.00</b>	<b>7,620.74</b>	<b>18,509.12</b>	<b>3,375.00</b>	<b>0.00</b>	<b>75,366.86</b>
<b>51000 · Neighborhood/Promotion</b>						
51525 · Promotion/Marketing	5,249.82	0.00	14,564.65	0.00	0.00	19,814.47
51526 · Taste	470.74	12,041.38	0.00	0.00	0.00	12,512.12
51527 · Taste 'N Tinis	0.00	12,584.08	0.00	0.00	0.00	12,584.08
51528 · Amazing High Heel Race	0.00	649.00	0.00	0.00	0.00	649.00
51530 · Banners	6,299.95	0.00	0.00	0.00	0.00	6,299.95

**HBIA**  
**Profit & Loss by Class**  
 July 2012 through May 2013

	<b>110 GENERAL</b>	<b>220 SPECIAL EVENTS</b>	<b>410 BID CONTRACT</b>	<b>510 MAD</b>	<b>610 SBEP</b>	<b>TOTAL</b>
<b>51535 · Web Site Communications</b>	1,919.72	0.00	0.00	0.00	0.00	1,919.72
<b>51540 · Business Mixers/Open House</b>	886.52	0.00	1,506.76	0.00	0.00	2,393.28
<b>51545 · Newsletter</b>	0.00	0.00	2,312.54	0.00	0.00	2,312.54
<b>51555 · Farmer's Market</b>	27,038.46	0.00	0.00	0.00	0.00	27,038.46
<b>51565 · Hillcrest Map</b>	7,484.50	0.00	0.00	0.00	0.00	7,484.50
<b>51570 · Hillcrest Hoedown.</b>	0.00	45,232.74	0.00	0.00	0.00	45,232.74
<b>51575 · Pride Flag Project</b>	42,762.59	0.00	0.00	0.00	0.00	42,762.59
<b>51800 · Pride of Hillcrest</b>	0.00	111,047.69	0.00	0.00	0.00	111,047.69
<b>51870 · Mardi Gras</b>	0.00	6,888.14	0.00	0.00	0.00	6,888.14
<b>Total 51000 · Neighborhood/Promotion</b>	<b>92,112.30</b>	<b>188,443.03</b>	<b>18,383.95</b>	<b>0.00</b>	<b>0.00</b>	<b>298,939.28</b>
<b>51520 · City Fest</b>						
<b>Advertising</b>	0.00	6,206.02	0.00	0.00	0.00	6,206.02
<b>Ambulance</b>	0.00	800.00	0.00	0.00	0.00	800.00
<b>BID Crew &amp; Equipment</b>	0.00	3,055.18	0.00	0.00	0.00	3,055.18
<b>City Fees (SDPD/Fire)</b>	0.00	16,027.10	0.00	0.00	0.00	16,027.10
<b>Cleaning Fees</b>	0.00	658.57	0.00	0.00	0.00	658.57
<b>Concessions</b>	0.00	6,156.09	0.00	0.00	0.00	6,156.09
<b>Entertainment</b>	0.00	10,049.00	0.00	0.00	0.00	10,049.00
<b>Equipment Rental</b>	0.00	506.43	0.00	0.00	0.00	506.43
<b>Event Management</b>	0.00	10,545.00	0.00	0.00	0.00	10,545.00
<b>Ice Trailer</b>	0.00	654.50	0.00	0.00	0.00	654.50
<b>Permits</b>	0.00	180.00	0.00	0.00	0.00	180.00
<b>Power</b>	0.00	8,035.96	0.00	0.00	0.00	8,035.96
<b>Promotions</b>	0.00	6,320.02	0.00	0.00	0.00	6,320.02
<b>Radios</b>	0.00	285.00	0.00	0.00	0.00	285.00
<b>Rentals</b>	0.00	150.00	0.00	0.00	0.00	150.00
<b>Safety Equipment</b>	0.00	3,591.30	0.00	0.00	0.00	3,591.30
<b>Security</b>	0.00	6,170.17	0.00	0.00	0.00	6,170.17
<b>Shuttle Services</b>	0.00	1,733.22	0.00	0.00	0.00	1,733.22
<b>Sound &amp; Lights</b>	0.00	10,900.00	0.00	0.00	0.00	10,900.00
<b>Staging</b>	0.00	10,868.43	0.00	0.00	0.00	10,868.43
<b>Supplies/Printing</b>	0.00	806.98	0.00	0.00	0.00	806.98
<b>Toilets/Sinks</b>	0.00	3,512.72	0.00	0.00	0.00	3,512.72
<b>Total 51520 · City Fest</b>	<b>0.00</b>	<b>107,211.69</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>107,211.69</b>

**HBIA**  
**Profit & Loss by Class**  
 July 2012 through May 2013

	<b>110 GENERAL</b>	<b>220 SPECIAL EVENTS</b>	<b>410 BID CONTRACT</b>	<b>510 MAD</b>	<b>610 SBEP</b>	<b>TOTAL</b>
<b>53000 · Physical Improvements</b>						
53125 · Hillcrest Sign Utilities/Maint.	0.00	0.00	0.00	606.16	0.00	606.16
53130 · Security	0.00	0.00	0.00	34,819.40	0.00	34,819.40
53135 · Street Cleaning	8,038.04	0.00	19,965.33	13,816.92	0.00	41,820.29
53137 · Pressure Washing	2,530.67	0.00	9,030.46	10,129.87	0.00	21,691.00
53150 · Dumpsters	324.00	0.00	1,861.22	1,196.20	0.00	3,381.42
53152 · Flower Baskets (Purchase)	11,156.11	0.00	2,148.00	0.00	0.00	13,304.11
53155 · Tree Trimming & Maintenance	492.04	0.00	13,612.92	16,959.04	0.00	31,064.00
53161 · Special Projects	14,813.77	0.00	0.00	477.00	0.00	15,290.77
53165 · Contingency	1,805.93	0.00	0.00	0.00	0.00	1,805.93
<b>Total 53000 · Physical Improvements</b>	<b>39,160.56</b>	<b>0.00</b>	<b>46,617.93</b>	<b>78,004.59</b>	<b>0.00</b>	<b>163,783.08</b>
<b>Total Expense</b>	<b>252,156.99</b>	<b>345,914.96</b>	<b>119,404.94</b>	<b>81,379.59</b>	<b>21,034.15</b>	<b>819,890.63</b>
	<b>-57,762.23</b>	<b>7,845.71</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-49,916.52</b>

**ONLINE ADVERTISING WEBSITE DEVELOPMENT AGREEMENT  
(DEVELOP AND HOST CLIENT-BRANDED DIRECTORY)**

THIS AGREEMENT (“Agreement”) is made and entered into this \_\_\_ day of July, 2013 (“Contract Date”) by and between LOCAL THUNDER / ADVANCED MEDIA INTERNATIONAL, LLC, a Delaware limited liability company, with offices at 443 Congress Street, 5<sup>th</sup> Floor, Portland, ME 04101 (“Developer”) and Hillcrest Business Association, a business improvement district with offices at 3737 5<sup>th</sup> Avenue, Suite 202, San Diego, CA 92107 (“Client”). The date the Developer agrees that our service will be available to the Client (“Effective Date”) will be \_\_\_\_\_ 2013

**1. Services**

**1.1 On-Line Directory Services**

Developer agrees to provide Client with those services for development, maintenance and hosting of a Client branded On-Line Directory (the “Directory”) on the World Wide Web portion of the Internet described herein and in Exhibit 1 hereto (the “Directory Services”) and to provide Client with those additional development and/or maintenance services, if any, described in Exhibit 2 hereto, as and when mutually agreed-upon upon in writing by the Parties (the “Additional Services”). (The Directory Services and the Additional Services are hereinafter referred to collectively as the “Services.”) Client agrees that Developer is responsible only for providing the Services and Developer is not responsible for providing any services or performing any tasks not specifically set forth in Exhibit 1 or Exhibit 2 hereto.

**1.2 Showcases**

The Directory Services shall include the development of customized branded storefront pages (“Showcases”) within the Directory for Advertisers. The scope of the services to be provided by Developer to develop Showcases is described in Exhibit 1.

**2. Directory Development and Implementation**

**2.1 Specifications and Timeline**

Developer, in consultation with Client, shall prepare written specifications for the Directory (the “Specifications and Timeline”). The Specifications and Timeline shall consist of, among other things, a Client branded design for the Directory, a flow-chart of the pages for the Directory, a mutually agreeable timeline schedule for site implementation as set forth in Exhibit 1 or Exhibit 3, and the placement of any content or other materials that are to be incorporated into the Directory. The Specifications and Timeline shall be defined subject to any restrictions or limitations set forth in Exhibit 1 and/or Exhibit 2. The Specifications and Timeline that have been mutually agreed upon by the Parties in writing shall be attached hereto as Exhibit 3. If the Parties are unable to agree in writing to mutually acceptable Specifications and Timeline, after using good faith efforts, on or before thirty (30) days after the Effective Date, either party may terminate this Agreement by providing written notice to the other party.

**2.2 Client and Advertiser Content**

“Client Content” shall mean any materials provided by Client for incorporation in the Directory. “Advertiser Content” shall mean any materials provided by Advertisers for incorporation into the Showcases on the Directory. Client Content and Advertiser Content (collectively, “Content”) includes, but is not limited to, images, photographs, trademarks, logos, illustrations, graphics, audio clips, video clips or text. Client and Advertisers shall deliver Content to Developer in an electronic file format specified and accessible by Developer (e.g., .txt, .gif) or as otherwise specified in the Specifications. Any services required to convert or input Content not set forth in the Specifications shall be charged as Additional Services.

**2.3 Client Directory Development**

Upon completion of mutually agreeable Specifications, and upon Developer’s receipt of the Client Content, Developer shall commence tasks associated with the development of the initial version of the Directory (“Initial Version”). The Directory will not include any actual Showcases but may include a mock up of one or more Showcases. Client will be asked to approve the final Directory before promoting the Directory to Advertisers. If Client requests that Developer make

revisions to the Initial Version within the scope of the Specifications, Developer will use commercially reasonable efforts to implement such revision requests. If Client requests Developer to implement any revisions to the Directory that deviate in any material respect from the Specifications, the Developer will use commercially reasonable efforts to implement such revision requests once the Parties have mutually agreed on details and costs of such implementation.

#### 2.4 Advertiser Agreement

Prior to Developer designing, developing, hosting or performing any Services for a Advertiser or in connection with a Showcase, Developer and such Advertiser shall enter into an agreement (“Advertiser Agreement”) in the form of an electronically signed Advertiser Agreement, which shall give Developer the authority to bill the Advertiser for the Services on a monthly basis once the Showcase is created and approved. Acceptance by an Advertiser of its Showcase shall be governed by the Advertiser Agreement. Developer may immediately terminate any and all Services for an Advertiser that violates its Advertiser Agreement.

#### 2.5 Powered by Local Thunder

The Directory shall state that it is “Powered by Local Thunder” on the bottom of all pages of the Site.

#### 2.6 Marketing

Promotion:

- Client will use commercially reasonable efforts to market and promote the Directory to ensure optimal success.

Public Relations:

- Developer may reference Client as a customer in printed and electronic marketing materials.
- Developer may issue a mutually agreeable press release announcing Client as a customer.
- Developer may issue a mutually agreeable press release upon the successful implementation and launch of Client’s Directory.

#### 2.7 Terms of Use and Privacy Policy

The Directory will include a Terms of Use and a Privacy Policy that mutually agreed to by the Parties.

### 3. **Hosting Services**

#### 3.1 Hosting

Developer agrees to provide Client with hosting services for the Directory, as set forth or described in Exhibit 1 hereto (the “Hosting Services”). Developer shall provide the Hosting Services so that the Directory is accessible to third parties via the World Wide Web portion of the Internet.

#### 3.2 Availability of Directory

Unless otherwise indicated in Exhibit 1 hereto, Developer will use all commercially reasonable efforts to cause the Directory to be accessible to third parties via the World Wide Web portion of the Internet twenty-four (24) hours a day, seven (7) days a week, except for scheduled maintenance and required repairs, and except for any loss or interruption of Hosting Services due to causes beyond the control of Developer or which are not reasonably foreseeable by Developer, including, but not limited to, interruption or failure of telecommunication or digital transmission links and Internet slow-downs or failures.

#### 3.3 Updates

As part of the Hosting Services, Developer shall provide Client with a procedure to allow Client to transmit revisions, updates, deletions, enhancements or modifications to site templates (the “Updates”) to a staging server designated

by Developer (the "Staging Server"). Developer shall update the Developer Server with the Updates according to a schedule agreed upon by the Parties, in writing, provided that (i) Client is not in default of its payment obligations hereunder, (ii) such Updates do not violate any terms of this Agreement, the Terms of Use, or the Privacy Policy, and are within the scope of the Hosting Services under this Agreement; and (iii) such Updates are in a form that may be placed on the Developer Server and accessed over the Internet. If the Updates are not within the scope of the Hosting Services under this Agreement, such Updates shall not be made unless and until the Parties enter into a separate agreement, which may be by exhibit to this Agreement, setting forth the terms and conditions of such Updates.

### 3.4 Maintenance

Developer will provide Directory maintenance and support to Client and Advertisers in accordance with Exhibit 1.

## 4. License and Proprietary Rights

### 4.1 Proprietary Rights of Client.

(a) Client Content shall be owned exclusively by Client and shall remain the sole and exclusive property of Client including, without limitation, all copyrights, trademarks, patents, trade secrets, and any other proprietary rights. Advertiser Content shall be owned exclusively by Advertiser and shall remain the sole and exclusive property of Advertiser, including without limitation, all copyrights, trademarks, patents, trade secrets and any other proprietary rights. Except as expressly provided in this Section 4.1, nothing in this Agreement shall be construed to grant Developer any ownership right in, or license to, the Content provided by Client and Advertisers to Developer. Client hereby grants to Developer a non-exclusive, worldwide, royalty-free license for the Initial Term and any Renewal Term (as those terms are hereinafter defined) to edit, modify, adapt, translate, exhibit, publish, transmit, participate in the transfer of, reproduce, create derivative works from, distribute, perform, display, and otherwise use Client Content and the Advertiser Content solely for the purpose and only as necessary to render the Services to Client under this Agreement.

(b) "Client Directory" means (i) the unique look and feel of the Directory developed specifically for Client by Developer using the Developer Materials (defined below); (ii) all of the Content and other content available on the Directory (including all original images, text, audio and video); provided that Client Directory does not include any rights of Developer or any third parties in the Developer Materials or other underlying code, tools or materials necessary to effect the look and feel of the Directory; and provided further that Client Directory does not include any Advertiser Content, Advertiser Pages or any other advertisements, microsites, web pages, showcases or other promotional materials developed by or on behalf of Developer and related specifically to any Advertiser (such Advertiser Pages and any other advertisements, microsites, web pages, showcases and other promotional materials referred to herein as "Advertisements"). Client Directory does not include any stock graphics, clip art, stock photos, sounds or videos provided by Developer. As between Client and Developer, Client will own all right, title and interest, including copyright, in and to the Client Directory for all purposes throughout the world (such Client Directory having been commissioned as "work made for hire," as that term is defined in the Copyright Act). In the event the Client Directory is, for any reason, deemed not to be "work made for hire," Developer agrees to assign to Client all right, title, interest and copyright in and to the Client Directory. Developer hereby appoints Client as its attorney-in-fact for purposes of executing any documentation necessary to effectuate the transfer of these rights. Developer warrants that Client will receive free and clear title to all of the Client Directory.

4.2 Proprietary Rights of Developer. All materials other than Content and the Client Directory, including but not limited to any computer software (in object code and source code form), data, Advertisements, showcases, webpages, microsites, promotional materials or information developed or provided by Developer or its suppliers prior to or pursuant to this Agreement, and any know-how, methodologies, equipment, or processes used by Developer to provide the Services to Client, including, without limitation, all copyrights, trademarks, patents, trade secrets, and any other proprietary rights inherent therein and appurtenant thereto (collectively "Developer Materials") shall remain the sole and exclusive property of Developer or its suppliers. Client acknowledges and agrees that Developer is in the business of designing and hosting Directories, and that Developer shall have the right to provide to third parties services that are the same or similar to the Hosting Services, and to use or otherwise exploit any Developer Materials in providing such services.

4.3 Confidentiality. Each Party agrees that during the course of this Agreement, information that is confidential or proprietary may be disclosed to the other Party, including, but not limited to, software, technical processes

and formulas, source codes, product designs, sales, cost and other unpublished financial information, product and business plans, advertising revenues, usage rates, advertising relationships, projections, and marketing data (“Confidential Information”). Confidential Information shall not include information that the receiving Party can demonstrate (a) is, as of the time of its disclosure, or thereafter becomes part of the public domain through a source other than the receiving Party, (b) was known to the receiving Party as of the time of its disclosure, (c) is independently developed by the receiving Party, or (d) is subsequently learned from a third party not under a confidentiality obligation to the providing Party. Except as provided for in this Agreement, each Party shall not make any disclosure of the Confidential Information to anyone other than its employees who have a need to know in connection with this Agreement. Each Party shall notify its employees of their confidentiality obligations with respect to the Confidential Information and shall require its employees to comply with these obligations. The confidentiality obligations of each Party and its employees shall survive the expiration or termination of this Agreement.

4.4 Developer Data Rights. Notwithstanding anything to the contrary contained herein, Client agrees that Developer shall own and may use and/or disclose in its discretion any information it may obtain in the course of performing the Services regarding the identity, business, preferences, location or interests of Advertisers and Consumers; provided such use shall not contravene any state, federal or local law, or the terms of the Advertiser Agreement, the Terms of Use or the Privacy Policy.

## 5. **Privacy and Ownership of Consumer Data.**

### 5.1 Privacy Policies and Compliance

Client and Developer are committed to protect the privacy of Consumer information (“Consumer Data”) that is collected through the performance of this Agreement. Developer will conspicuously post on Directory during the term, a Privacy Policy and Terms of Use that discloses Developer’s collection and use of personal information. Client agrees to review such Privacy Policy and Terms of Use, as may be amended from time to time, and to take steps to ensure that Client accurately communicates the terms of such policies to its members.

Notwithstanding any provision of this Agreement to the contrary, each party shall comply with all applicable laws, rules, and regulations governing privacy and/or data protection of User Data relating to performance of its obligations hereunder, including but not limited to (to the extent applicable) the Gramm-Leach-Bliley Act of 1999 (GLBA), the Children’s Online Privacy Protection Act of 1998 (COPPA) and Chapters 93H and I of the Massachusetts General Laws, as implemented by 201 CMR § 17.01 et seq and Chapter 16 of the Maine Revised Statutes as set forth in 9-B MRSA 161 et seq.

### 5.2 Ownership of Consumer Data.

Notwithstanding anything to the contrary contained herein, Client agrees that Developer shall own and may use and/or disclose in its discretion any information it may obtain in the course of performing the Services regarding the identity, business, preferences, location or interests of Advertisers and Consumers; provided such use shall not contravene any state, federal or local law, or the terms of the Advertiser Agreement, the Terms of Use or the Privacy Policy.

## 6. **Nature of Content**

### 6.1 Content

Client assumes sole responsibility for (a) acquiring any authorization(s) necessary for use of the Client Content, (b) the accuracy of Client Content and any descriptive claims, warranties, guarantees, nature of business, and address where business is conducted, and (c) ensuring that the Client Content does not infringe or violate any trademark, service mark, patent, copyright or other proprietary or personal right of any third party. Developer reserves the right, in its sole discretion, to exclude or remove from the Directory any hypertext links to third party Directories, any Client Content and/or Advertiser Content on the Directory, or other content not supplied by Developer which, in Developer’s sole reasonable discretion, may violate or infringe any law or third party rights or which otherwise exposes or potentially exposes Developer to civil or criminal liability or public ridicule, provided that such right shall not place an obligation on Developer to monitor or exert editorial control over the Directory.



## 6.2 Limitations on Content

Client will not upload, distribute or otherwise publish on the Directory any Client Content that is libelous, defamatory, obscene, pornographic, slanderous, threatening, harassing, abusive, embarrassing to any person or entity or otherwise inappropriate in the judgment of Developer. Client hereby represents and warrants that it has read and understands the Terms of Use and Privacy Policy, and that no Client Content will be provided, no information collected, used, or distributed, and no contests, promotions or Trade Items (as defined below) run or provided by Client, its employees or agents on the Directory that will (a) violate, or result in a violation of, contravene, breach, hinder, or impair in any way any terms or provisions of the Privacy Policy or Terms of Use that will govern the Directory, as the same may be amended, or (b) be misleading or constitute unfair or deceptive advertising or trade practices or violate any federal, state or local law or regulation. Any materials placed on the Directory by Client that do not satisfy the foregoing requirements shall be deemed to be a material breach of this Agreement and may be removed from the Directory by Developer without notice. Client agrees that it will, and it will cause Advertisers to, honor, adhere to, and fulfill the terms and conditions of any contests or promotions posted on the Directory, including without limitation the Showcases.

## 6.3 Right to Monitor

Developer reserves the right (but is not obligated) to (a) monitor Client and Advertiser privacy practices and all Content posted to the Directory; and (b) investigate any allegation that Client or any Advertiser Content or practice does not conform to the policy set forth in this Agreement, the Terms of Use, the Privacy Policy, or any law or regulation and determine in its sole discretion to remove or request the removal of such Content. Client agrees to give Developer full cooperation and access necessary to do any of the foregoing. Developer has no liability or responsibility to Consumers or any other person or entity for performance or non-performance of any of the aforementioned activities. Chat rooms, bulletin boards and discussion forums shall not be included in the Directory and may not be implemented by or on behalf of Client or Advertisers without prior written approval of Developer.

## 7. Trade Items

### 7.1 Trade Items on Directory

The parties agree and acknowledge that coupons, gift certificates (“Gift Certificates”), promotional offers and the like issued by Client or Advertisers (collectively, the “Trade Items”) may be posted on the Directory by Client and/or Advertisers and sold or offered to Consumers free or, in the case of Gift Certificates, at a discount. Developer agrees to administer the sales of Gift Certificates to Consumers, to provide customer service to Consumers in connection with the Gift Certificates, to collect revenues generated by the sales of Gift Certificates, and to account for and remit such revenue, all in accordance with Exhibit 1 hereto.

### 7.2 Trade Item Format

Trade Items, such as Gift Certificates, will be provided to Trade Item Purchasers online in printable form. Online Gift Certificates will identify the applicable Advertisers and the amount of the Gift Certificate; will carry a unique identification number; and will indicate that it must be printed out, and provide instructions for where and how it must be redeemed. Gift Certificates and other Trade Items shall bear such other legends and be subject to such rules as Developer may determine. Developer will provide Client and Advertisers with an authentication procedure to authenticate Trade Items. Client shall be liable for, and hereby releases Developer from, any and all cost, damage, claim, or loss that may occur from Client’s failure to authenticate any online Client Trade Item prior to redemption by Client.

### 7.3 Payment Processing and Disbursement

Developer shall select at its sole discretion one or more vendors and financial institutions to serve the roles of: (a) card processing vendor, (b) third-party custodian of card payment proceeds (“Custodian”) and (c) the transaction accepting bank. Payment card data shall be directly captured by such card processing vendor or by an approved interface accepted by it. Developer will design the Directory so that (i) the consumer payment portion of a transaction is directed to the Custodian, (ii) the Gift Certificates are issued to the Consumer upon the completion of Consumer’s payment card transaction. The third-party Custodian will disburse payments to the Developer and the Advertisers as agreed upon and authorized by Developer.

## 8. Fees and Taxes

### 8.1 Services Fees

Developer shall charge Advertisers for Services in the amounts, and shall pay Client the amounts, all as set forth in Exhibit 4 hereto. Developer expressly reserves the right to change its rates charged hereunder for the Services at any time including during any Renewal Term (as defined herein).

### 8.2 Additional Services Fees; CMS Service Fees

Unless otherwise agreed in writing, Client shall pay to Developer all fees for Additional Services that are mutually agreed to in writing in advance on a time and materials basis as invoiced by Developer. If applicable, Client shall pay to Developer the CMS Services Fees set forth in Addendum B.

### 8.3 Taxes

Client shall pay or reimburse Developer for all sales, use, excise, and all other taxes and all duties, whether international, national, state or local, however designated, which are levied or imposed on the amounts described in Section 7.2, above, by reason of the performance by Developer under this Agreement; excluding, however, income taxes on profits which may be levied against Developer. Developer may offset against payments owing to Client any taxes or duties Client owes hereunder.

## 9. Warranties

### 9.1 Developer Warranties

Developer represents and warrants that (a) Developer has the power and authority to enter into and perform its obligations under this Agreement, and (b) Developer's Services under this Agreement shall be performed in a professional and workmanlike manner.

### 9.2 Client Warranties

Client represents and warrants that: (a) Client has the power and authority to enter into and perform its obligations under this Agreement; (b) the Client Content does not and will not contain any content, materials, advertising or services that are inaccurate or that infringe on or violate any applicable law, regulation or right of a third party, including, without limitation, export laws, or any proprietary, contract, moral, or privacy right or any other third party right, and (c) that Client owns the Client Content or otherwise has the right to place the Client Content on the Directory. Should Client receive notice of a claim regarding the Directory, Client shall promptly provide Developer with written notice of such claim.

### 9.3 Disclaimer of Warranty

EXCEPT FOR THE LIMITED WARRANTY SET FORTH IN SECTION 9.1, DEVELOPER MAKES NO WARRANTIES HEREUNDER, AND DEVELOPER EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND THE IMPLIED WARRANTY OF NON-INFRINGEMENT. DEVELOPER DOES NOT WARRANT THAT THE DEVELOPER MATERIALS WILL MEET LICENSEE'S REQUIREMENTS, THAT THE DEVELOPER MATERIALS WILL OPERATE IN THE COMBINATIONS WHICH CLIENT MAY SELECT FOR USE, THAT THE OPERATION OF THE DEVELOPER MATERIALS OR DIRECTORY WILL BE UNINTERRUPTED OR ERROR-FREE, OR THAT ALL ERROR CONDITIONS WILL BE CORRECTED.

## 10. Indemnification

### 10.1 Client

Client agrees to indemnify, defend, and hold harmless Developer, its directors, officers, employees and agents, and defend any action brought against same with respect to any claim, demand, cause of action, debt or liability, including reasonable attorneys' fees, to the extent that such action is based upon a claim: (i) that, if true, would constitute a breach of any of Client's representations, warranties, or agreements hereunder; (ii) that arises out of the negligence or willful

misconduct of Client; (iii) that the Content infringes or violates any rights of third parties, including without limitation, rights of publicity, rights of privacy, patents, copyrights, trademarks, trade secrets, and/or licenses; (iv) that arises out of the issuance, failure to honor, or the redemption by Client of any Client Trade Item or out of any product bought with or obtained in exchange for any Client Trade Item; (v) that arises out of the failure of Client to comply with Unclaimed Property Law.

## 10.2 Developer

Developer agrees to indemnify, defend, and hold harmless Client, its directors, officers, employees and agents, and defend any action brought against same with respect to any claim, demand, cause of action, debt or liability, including reasonable attorneys' fees, to the extent that such action arises out of a claim (i) that Client's authorized use of any Developer Materials infringe the U.S. patent, copyright or trademark rights of any third party ("IP Claim"), (ii) that, if, true, would constitute the gross negligence or willful misconduct of Developer or (iii) that, if true, would constitute a breach of any of Developer's representations, warranties, or agreements hereunder. In the defense or settlement of any IP Claim claim, Developer may in its discretion either obtain for Client the right to continue using the Developer Materials, replace or modify the Developer Materials so that they become non-infringing or, if Developer determines that such remedies are not reasonably available, remove the infringing portion of the Developer Materials, accept its return and refund the prorated portion of any prepaid, but unused fees for the use or support of such Developer Materails. Developer shall have no liability hereunder if any IP Claim is based on (i) a modification of the Developer Materials by anyone other than, or a combination of the Developer Materials with any product or service not provided by, Developer; or (ii) use of the Developer Materials in any manner not authorized herein. This Section 10.2 states Developer's entire liability and Client's exclusive remedy for any IP Claim.

## 10.3 Notice

In claiming any indemnification hereunder, the indemnified party shall promptly provide the indemnifying Party with written notice of any claim which the indemnified Party believes falls within the scope of the foregoing paragraphs. The indemnified Party may, at its own expense, assist in the defense if it so chooses, provided that the indemnifying Party shall control such defense and all negotiations relative to the settlement of any such claim and further provided that any settlement intended to bind the indemnified Party shall not be final without the indemnified Party's written consent, which shall not be unreasonably withheld.

## 11. **Limitation of Liability**

DEVELOPER SHALL HAVE NO LIABILITY FOR UNAUTHORIZED ACCESS TO, OR ALTERATION, THEFT OR DESTRUCTION OF, THE DIRECTORY OR ANY DATA FILES, PROGRAMS OR INFORMATION THROUGH ACCIDENT, FRAUDULENT MEANS OR DEVICES. DEVELOPER SHALL HAVE NO LIABILITY WITH RESPECT TO DEVELOPER'S OBLIGATIONS UNDER THIS AGREEMENT OR OTHERWISE FOR CONSEQUENTIAL, EXEMPLARY, SPECIAL, INCIDENTAL, OR PUNITIVE DAMAGES EVEN IF DEVELOPER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THIS LIMITATION APPLIES TO ALL CAUSES OF ACTION IN THE AGGREGATE, INCLUDING, WITHOUT LIMITATION, TO BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, STRICT LIABILITY, MISREPRESENTATIONS, AND OTHER TORTS. CLIENT AGREES THAT DEVELOPER'S LIABILITY FOR ANY AND ALL DAMAGES SHALL IN NO EVENT EXCEED THE AMOUNT OF FEES CLIENT PAID TO DEVELOPER, IF ANY, UNDER THE THIS AGREEMENT, INCLUDING ANY ADDENDUM OR EXHIBIT HERETO.

## 12. **Termination and Renewal**

### 12.1 Term

This Agreement shall be effective when signed by the Parties and thereafter shall remain in effect for one (1) year from the Effective Date, unless earlier terminated as otherwise provided in this Agreement and/or in Exhibit 4 (the "Term"). Thereafter, this Agreement shall automatically renew for successive one (1) year periods on each anniversary of the effective date unless one of the parties provides a thirty (30) day advance written notice of non-renewal.

## 12.2 Termination

Either Party may terminate this Agreement if a bankruptcy proceeding is instituted against the other Party which is acquiesced in and not dismissed within thirty (30) days, or results in an adjudication of bankruptcy, or the other Party materially breaches any of its representations, warranties or obligations under this Agreement, and such breach is not cured within thirty (30) days of receipt of notice specifying the breach, except that there shall be no cure period for failures of payment obligations. Either Party may terminate this Agreement immediately upon notice to the other in the event that the other party voluntarily ceases to conduct its business.

## 12.3 Effect of Termination

Upon the expiration or termination of this Agreement for any reason, Developer will cease use of Client Content within thirty (30) days of termination, and will remit all fees due and owing pursuant to Exhibit 4 as of the effective date of termination. Notwithstanding the foregoing, Developer may continue to provide Services to Advertisers, and to maintain and market Showcases on a non-Client identifying website, unless and until such Advertiser(s) terminates the Advertiser Agreement(s) with Developer.

## 13. No Third-Party Beneficiaries

The parties agree that this Agreement is for the benefit of the parties hereto and it is not intended to confer any rights or benefits to any third party and that there are no third-party beneficiaries of this Agreement.

## 14. Miscellaneous

### 14.1 Entire Agreement

This Agreement and attached Schedules constitute the entire agreement between Client and Developer with respect to the subject matter hereof and there are no representations, understandings or agreements which are not fully expressed in this Agreement.

### 14.2 Cooperation

The Parties acknowledge and agree that successful completion of the Services shall require the full and mutual good faith cooperation of each of the Parties.

### 14.3 Independent Contractors

Developer and its personnel, in performance of this Agreement, are acting as independent contractors and not employees or agents of Client.

### 14.4 Amendments

No amendment, change, waiver, or discharge hereof shall be valid unless in writing and signed by the Party against which such amendment, change, waiver, or discharge is sought to be enforced.

### 14.5 Force Majeure

Except for the payment of fees by Client, if the performance of any part of this Agreement by either Party is prevented, hindered, delayed or otherwise made impracticable by reason of any flood, riot, fire, judicial or governmental action, labor disputes, act of God or any other causes beyond the control of either Party, that Party shall be excused from such to the extent that it is prevented, hindered or delayed by such causes.

### 14.6 Maine Law

This Agreement shall be governed in all respects by the laws of the State of Maine without regard to its conflict of laws provisions, and Client and Developer agree that the sole venue and jurisdiction for disputes arising from this

Agreement shall be the appropriate state or federal court located in the State of Maine, and Client and Developer hereby submit to the jurisdiction of such courts.

#### 14.7 Assignment

Client shall not assign, without the prior written consent of Developer, its rights, duties or obligations under this Agreement to any person or entity, in whole or in part, whether by assignment, merger, transfer of assets, sale of stock, operation of law or otherwise, and any attempt to do so shall be deemed a material breach of this Agreement.

#### 14.8 Notice

Any notice provided pursuant to this Agreement, if specified to be in writing, shall be in writing and shall be deemed given (i) if by hand delivery, upon receipt thereof, (ii) if mailed, ten (10) days after deposit in the United States mails, postage prepaid, certified mail, return receipt requested, (iii) if by facsimile transmission, upon electronic confirmation thereof, or (iv) if by next day delivery service, upon such delivery. All notices shall be addressed as follows (or such other address as either Party may in the future specify in writing to the other):

In the case of Developer:

Local Thunder / Advanced Media International, LLC  
443 Congress Street, 5<sup>th</sup> Floor, Portland, ME 04101  
Fax: (207) 775-4800  
Attention: Accounting / Contracts

In the case of Client:

Hillcrest Business Association  
3737 5<sup>th</sup> Avenue  
Suite 202  
San Diego, CA 92103  
Phone: (619) 299-3330  
Fax: (619) 299-4230  
Attention: Benjamin Nicholls

#### 14.9 Waiver

The waiver of any failure of either Party to exercise any right in any respect provided for herein shall not be deemed a waiver of any further right hereunder.

#### 14.10 Severability

If any provision of this Agreement is determined to be invalid under any applicable statute or rule of law, it is to that extent to be deemed omitted, and the balance of the Agreement shall remain enforceable.

#### 14.11 Counterparts

This Agreement may be executed in several counterparts, all of which taken together shall constitute the entire agreement between the Parties hereto.

#### 14.12 Headings

The section headings used herein are for reference and convenience only and shall not enter into the interpretation hereof.

#### 14.13 Approvals and Similar Actions

Where agreement, approval, acceptance, consent or similar action by either Party hereto is required by any provision of this Agreement, such action shall not be unreasonably delayed or withheld.

14.14 Survival

All provisions of this Agreement relating to warranties, confidentiality, non-disclosure, proprietary rights, limitation of liability, indemnification obligations and payment obligations shall survive the termination or expiration of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Addendum A to be executed by their duly authorized representatives as of the date first written above.

**HILLCREST BUSINESS  
ASSOCIATION**

By: \_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**LOCAL THUNDER /  
ADVANCED MEDIA INTERNATIONAL, LLC**

By: \_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## EXHIBIT 1

### DIRECTORY SERVICES

- A. **Development Services:** Developer shall provide services necessary to design and implement the Client Directory. Developer has allocated 10 hours of professional services for these tasks. Any requests by the Client resulting in an excess of 10 hours to design and implement the Client Directory may result in additional fees as outlined in Exhibit 4.

The 10 Hours of Developer design and implementation services shall include:

- Design and implementation of branding and Directory based on existing logo provided by Client for inclusion in a pre-established website template provided by Developer.
- Client will set up and provide Developer with a tertiary domain name for the new Directory, attached to Developer's existing Directory website. The Client Directory will be dropped into Developer's Directory.
- Client may choose from existing colors palettes for website template as provided by Developer. Client may also specify colors for elements defined by the Developer.
- Any major adjustments to a template website, including, but not limited to, creating additional graphics or redesign of specific elements within a suggest layout may incur additional fees.

Should Client choose to design a site for which a template has not been created, Developer will provide necessary specifications and assistance for the Client's designer. Implementation of the custom site design will require further evaluation to determine implementation timeline. Additional fees may apply.

Upon completion and sign-off by the Client of the Client Directory, Client may request design changes to the Client Directory not to exceed four hours every calendar quarter (3 months). Any design changes requested by the Client will first be placed for Client review on the Developer's Staging Server. Design changes to the Client's Directory shall not be promoted to the Client's live Directory without written authorization consistent with Section 3.3 of the Agreement.

- B. **Hosting Services:** Developer shall provide the following Hosting Services:

- Local Thunder product infrastructure resides in a top tier data center, providing 24/7 video surveillance, electronic key readers, redundant and automatic environmental systems, and multiple redundant OC-192 connections to the Internet backbone.
- 24/7 system monitoring, historically maintaining a 99.9% uptime.
- System security is proactively monitored and maintained according to strict security guidelines.
- All systems are redundant and backed up daily to multiple locations.
- Customer access to the systems are protected via SSL, using an encrypted session ID cookie to uniquely identify each user.
- All hardware and software maintenance is performed on one (1) Sunday per month during non-peak hours of operations.

C. **Directory Maintenance and Support:** Developer shall provide the following Maintenance and Support Services to Client and Advertisers:

Client support will include the following:

- Client support will be accessed by toll free telephone support and email. Support will be provided Monday thru Friday, 8 am to 4 pm Pacific Time.
- Client support will include construction, maintenance, and reporting for Surveys, Showcases, Banner ad management, and the Shopping Cart.
- Client support will also include targeted emails. Content for the emails will be automatically generated from Directory Content.
- Client support will include training, sales assistance in advertiser implementation, and reporting for sales regarding advertiser implementations.

Showcase development will include the following components:

- Up to sixteen logos or images.
- One business description.
- One or more location listing.
- Up to sixteen stories. Stories may include text, expiration dates depending on type, logos, and links. Stories may be designated as generic, coupons, sale/events or multimedia. Stories may contain links to external pages, sub-pages, and/or uploaded files.
- Multimedia stories may contain a single audio or video clip up to 16MB max. Audio and video clips must be uploaded by Developer.

Advertiser support will include the following:

- Electronic gift certificate redemption and support can be accessed 24/7 thru a toll free phone number.
- Advertiser support will be provided by toll free telephone, and email Monday thru Friday 8 am to 4 pm Pacific Time.
- Advertiser support will include all training for Safe/Gen<sup>®</sup> electronic Gift Certificate redemption.
- Advertiser support will include all training for Ad/Gen<sup>®</sup> Showcases building. The advertiser will have 24/7 access to their adpage thru the Developer administration site.
- Advertiser support will also build and update adpages for Advertisers per their request. Content will be provided by Advertisers, and all work completed by Advertiser support will require final approval from the Advertiser before being made live on the Client Directory. Developer reserves the right to reject any Client or Advertiser Content in accordance with Section 5.2 of the Agreement.

D. **Consumer Support:** Developer shall provide the following Consumer Support:

- Consumer support will be available 24/7. Consumer support will be provided via toll free phone, or email.
- A contracted third party may handle Consumer support.

The following situations will be handled by Consumer support:

- Technical questions/difficulties
- Refunds
- Complaints
- Advertiser problems: Consumer support will make one attempt to resolve any trade issues with advertisers. If that attempt fails the issue will be escalated to the Client for resolution. The Trade Item will not be sold until resolution.

The following situations will not be handled by Consumer support:

- Manual credit card transactions for sales
- Phone sales



**EXHIBIT 2**

**ADDITIONAL SERVICES**

### EXHIBIT 3

#### CLIENT RESPONSIBILITIES

##### Upon Execution of Agreement:

**Client will provide to Developer a list of all members of its organization.** In database format, member information should include the following:

- Business name, address, phone number, website
- Contact name, phone number, and email for each business
- Category (restaurant, gallery, etc.) and sub-categories, if applicable (*i.e.* for the restaurant category, the sub-categories might this would be Italian, Chinese, French, etc.)

From this list, Developer will provide each member with a basic ad listing in the Developer online Directory that will act as the primary Directory for the Client's Web Site. The Services provided by Developer are identified in Exhibit 1.

After the on-line directory is built, the Client will be responsible for maintaining the member listing including but not limited to all name, logo and description changes to the directory using Developer supplied software.

Developer will upsell each member (Advertiser) with an enhanced marketing Showcase (as outlined in Exhibit 1), from which Developer will charge each Advertiser a fee in accordance with Exhibit 4.

##### Marketing – Letter of Endorsement:

Client will provide a letter of introduction and endorsement to all its members to be communicated via e-mail or other available means. (Developer has templates available for Client's use.) Included in this letter will be a brief description about Local Thunder so that the members will be familiarized with the company and Local Thunder's services. From time to time, developer will call upon Client to provide additional marketing support including, but not limited to, group presentations and further electronic communication to members in order to attain advertiser count goals.

## EXHIBIT 4

### FEES

Service Fee: Base Directory Service Fee, for the Services described in Section A of Exhibit 1 payable upon the signing of the contract:

\$5,000

All additional design work shall be on a time and materials basis at Developer's then current rates (currently \$130/hr. for design work and all other professional services).

#### Rate Card for Advertisers:

- Client understands and agrees that Developer will charge each Advertiser a recurring **monthly** fee for an enhanced presence on the Directory. Each Advertiser will be charged in advance for the upcoming month's service. The monthly subscription fees are as follows:
  - Basic Subscription \$59/ month
  - Premium Subscription \$79/ month
- Deals (Electronic Gift Certificate) Fees: All Deals (electronic gift certificates) sold on the Website will be subject to an 8% transaction fee. Accordingly, 92% of all net proceeds will be remitted monthly directly to the Advertiser. Developer, at its option, will accept trade (Gift Certificates and/or Trade Items) in lieu of monetary payment.

# Lisa C. Weir

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Email | LisaCWeir@gmail.com

Linkedin | Lisa C. Weir

Facebook.com/LisaCweir

Mobile | (571) 239 5085

TO: Hillcrest Business Association

RE: CityFest Contract

2433 A Street  
San Diego CA 92103

July 5, 2013

This contract outlines the support that the contractor, Lisa C. Weir, will provide the company, Hillcrest Business Association, from the dates of July 15, 2013 to August 11, 2013.

Project	Projected Hours	Due Date
CityFest Posters & Postcards	8-10	7/26/13
CityFest Web, Email and Social Networking Graphics	4-6	8/2/13
CityFest Ad Matrix & Design	6	8/9/13
CityFest Misc (day of signage, etc)	8	8/9/13
Coordinating printing & productoin with vendors	3	TBD
Misc (additional design, consulting & training for new hire and current staff)	12	TBD

Rate \$45 per hour = 41 - 45 hours // \$1845 -2025

Work outside the scope of this contract will be agreed upon on advance.