REQUEST FOR PROPOSAL

FOR

SECURITY SERVICES

TRANSCEND
SECURITY SOLUTIONS

Sandee Breiling
Director of Security
DC Ranch Association
20555 N. Pima Road, Suite 140
Scottsdale, AZ 85255

Re: Uniformed Security Professional Services – DC Ranch Community

Dear Sandee,

It is with great pride that we submit our proposal for the provision of security services to the DC Ranch Community Association. We hope that this may be the start of an exciting and productive relationship on what promises to be a meaningful undertaking.

Based on previous discussions we have had, and my overall, general knowledge of the security in place at DC Ranch, we are certain that the content and value you'll find in this proposal, more than qualifies Transcend Security Solutions to be considered as the succeeding security provider for DC Ranch.

Transcend Security Solutions was formed because the founders recognized the significant gaps, disconnect from the client, and the "cookie cutter," one size fits all mentality that plagues the security industry. We've taken the collective knowledge that we've gained by working for some of the largest and most reputable security providers in the world over several years, and improved every process and service mechanism to be certain we provide the best value for the dollar!

We recognize that our proposal may be considered lengthy, but we've gone to great detail in formulating an operating plan and method of approach that we believe will bring tremendous value to your security program. Because of this, we want to provide a content rich document that demonstrates our capabilities and assists you in the decision making process.

We are thrilled at the possibility in working with you, the DC Ranch Community Association, and the residents that reside within the entirety of the DC Ranch family of communities. We very much hope that you consider the Transcend Security Solutions team as a strong candidate for selection. Should you need any additional information or if you would like to meet in person to further discuss our capabilities, please do not hesitate to contact us.

Yours Sincerely,

Chris Vetter   *Shawn Crane*

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EXECUTIVE SUMMARY

Sometimes you don't have to look beyond a company's name to understand what its foundation is built on. Transcend Security is that kind of company. The definition of **Transcend – *"to go beyond the ordinary"*** influences everything we do as a Company. It guides us, it supports us, it leads us, and in the end, it has power over everything we do and perfectly mirrors the Founder's vision of how a service provider should continuously operate.

The Transcend vision is single-minded, whose one purpose is to go above and beyond what our clients expect, with everything we deliver. And most importantly, this vision is used as the standard when the Company adds to its family of Security Professionals. Our Security Professionals interact directly on a daily basis with the residents of the community they protect, consequently they play a large part is ultimately determining Company success or failure. Therefore, above all else, it is vital that the Company place a team of Security Professionals in the field who all possess qualifications that go above and beyond what minimum standards dictate, who are trained above and beyond what minimum standards dictate, and who are taken care of in such a way that they have a better quality of life both professionally and personally.

Transcend Security is an employee-centric company, whereby our employees come first; they are the core of our business model, and everything radiates from that core. Thus we as a Company focus on engaging our employees. Knowing what they may be going through at home, and learning what we can do to support them, is indispensable if we want to create and retain a superior workforce. Transcend believes that in order to be the best place to shop for security, you have to be the best place to work first.

Transcend Security was created and designed to specifically take advantage of the significant gaps, weaknesses, and inadequacies the Founder's witnessed from a distance, and experienced firsthand within the security industry over the past several years; in terms of professionalism, quality of Security Professionals, and overall customer service to the client.

Taking customer service to another level, Transcend Security is a proud and active member of both the Community Associations Institute (CAI), as well as the Arizona Association of Community Managers. We are active in these two organizations because of our commitment to stay abreast of HOA related matters, and the ever changing rules and regulations that occur within the industry as a whole. Transcend Founders are currently and have been in the past, members of various committees in both organizations.

Transcend Security is operationally driven by its six core business objectives, which are: Personnel, Training, Client Relations, Quality Management, Technology, and Value. These objectives form the Company's foundation and allow it to grow efficiently and effectively, while putting client needs, and our employee needs at the forefront. Moreover, the Company is genuinely committed to helping those in need, whether that need is overtly warranted or not, and we will never substitute integrity for capital gain. Staying true to our beliefs, while

continuously concentrating on the six core business objectives, will allow the Company to achieve its client's objectives and make good on its Mission Statement:

"To provide a level of service that transcends good work, and discovers the tremendous experience of doing great work."

The bullet points below provide an overview of our six core business objectives that operationally drive the Company from client procurement, to start date, to permanent operations. Each objective is outlined in more detail throughout this Proposal:

➢ **Personnel:** In order to make available the best security service it can to the client, Transcend Security Solutions is obligated to only hiring first-class Security Professionals. To facilitate this, the Company has partnered with the Criteria Corporation (a nationwide leader in talent management), to better manage its most important asset – human capital. Utilizing Criteria's state-of-the-art assessment tools increases the effectiveness of the employee selection and retention process. Criteria's "HireSelect" product features aptitude, personality, and skills evaluations that help to identify the best candidate for each position. This, combined with our stringent background check procedures, benefits package offered, and employee incentives provided (that are well beyond the industry norm), allows Transcend Security to attract the best available Security Professionals to service our clientele.

➢ **Training:** Certainly one of the most overlooked and undervalued components of a security program is Security Professional training. While most security providers take a "one program fits all" approach to training, Transcend Security customizes its training program to meet each client's specific needs. The Company accomplishes this through its partnership with TargetSolutions and their Professional Security Training Network (PSTN). TargetSolutions has long been a trusted provider of training solutions for the security industry. With one of the largest Security Professional training libraries of online courses in the industry, PSTN arms Security Professionals with the training and skills needed to ensure safety and the protection of assets. PSTN's online security professional training courses include real-world demonstrations and actual situations for Security Professionals to react to, and as a result increased engagement, higher retention, and compelling results.

➢ **Quality Management (Quality Control):** At Transcend Security Solutions, effectiveness and efficiency in achieving our quality objectives are accomplished by identifying, understanding and managing clients' specific needs. Therefore, the Company approaches quality management as an essential component of its success. The Company's Quality Management Program consists of four main components; Quality Planning (Plan), Quality Control (Do), Quality Assurance (Check) and Quality Improvement (Act). Quality Planning is an ever-evolving component that starts with the transition planning stage and site specific post orders, but it also is constantly adjusting and adapting in order to meet a client's needs and overall security objectives. Quality Control is achieved through regular announced and unannounced site visits to ensure that our Security Professionals are meeting the site requirements.

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This is further ensured by on-going, additional training through PSTN on a yearly basis, or sooner if warranted. Quality Assurance is achieved through Monthly, Quarterly and Annual service reviews with each client. The Transcend Client Scorecard helps to identify and build on Company strengths and weaknesses. Quality Improvement is a critical step in the Quality Management cycle. If service issues are identified either by Company management or by the client, a Quality Improvement plan is put into place immediately. The Quality Improvement plan establishes measurable objectives to be completed in order to improve service effectiveness, performance, accountability and/or any other specific indicators of quality in service or processes.

➢ **Client Relations:** Every security program is unique. Whether it's through the scope of work, the training requirements, the technology, or the unique skill set of the personnel required, Transcend Security's goal is to continuously work with our clients to build a security program that not only meets their current security needs, but also anticipates their security needs in the future.

➢ **Technology:** Once the Company has determined the needs of a client, management works with that client and its technology partners to implement appropriate technology offerings, which will enhance and ultimately make better, that clients security blueprint on the whole. From GPS guard tracking systems, to electronic reporting, to remote video monitoring, to virtual scheduling, and everything in between, Transcend Security is ultimately the single source for all of its clients security needs.

➢ **Value:** Beyond just pricing, we believe that Transcend Security Solutions provides the best overall value in the security industry. The Company provides a complete security program with value-added services at a fair and reasonable cost. Transcend Security may not always be lowest priced option, but then again, the Company wasn't founded to cut corners. It was founded to provide a better service offering in the security arena.

About DC Ranch

DC Ranch is a Master Planned Community located in North Scottsdale and is made up of 25 neighborhoods within four residential villages: Country Club, Desert Camp, Silverleaf and Desert Parks. The community covers approximately 4,400 acres, comprised of single-family homes, condominium developments, commercial facilities, and common community and recreational facilities. The community includes five manned gatehouses, 13 unmanned gates, one un-gated neighborhood, and two community centers. Presently, the community association membership consists of approximately 2,600 residents and lot owners. The community will build out at approximately 3,000 homes.

If awarded this contract, security service shall commence on January 1, 2015 at 0001 hours and shall continue through December 31, 2015 11:59 hours. Additional contractual years may be awarded within the contract. Contract years cannot exceed (3) three years without reopening the bid process.

DC Ranch Security Objectives

Transcend Security will accomplish the following set objectives for DC Ranch:

✓ Security personnel shall enforce policies and procedures using the most current technology provided, while providing exceptional customer service.

✓ Construction admittance shall be controlled through proper communication and identification on a daily basis at all neighborhood entrances.

✓ Security personnel shall conduct themselves professionally through proper appearance using courteous and respectable behavior.

✓ Security personnel shall actively patrol the community and access points (i.e. path and trails, streets) using different modes of transportation (i.e. by foot, golf cart, bicycle or vehicle).

✓ Guests shall be welcomed with professionalism in accordance with DC Ranch security procedures. They are to be logged into access systems, checked and authorized through resident contacts, and guided to their destination, if needed.

✓ Guards shall greet all residents and guests warmly and handle all situations respectfully and firmly.

✓ Guards shall be knowledgeable of all physical locations, characteristics and amenities within all neighborhoods.

✓ Guards shall be trained and ready to assist in emergency situations and be able to identify when to call appropriate parties for resolution or further assistance.

PERSONNEL

The quality of the Security Professionals we bring to DC Ranch begins long before you see them within your community. Transcend Security has resolved to make the recruitment and training of our Security Professionals the key to its, and ultimately, your security programs success; in that, the Company has gone to great lengths and vetted countless resources to make sure it has the finest recruiting, screening, hiring and on-boarding initiatives in place to provide DC Ranch with well qualified, and superior personnel. Additionally, we recognize that the success of our Company begins with the service that our Security Professionals provide to you, our client. Therefore, as a company, we are committed to treating each one of our employees with the utmost respect and appreciation while providing them with the benefits and incentives that we feel, go further than that of our competitors.

Specifically, DC Ranch calls for the following staff requirements:

➢ **Employees** – Transcend will produce approximately 37 employees (staff) to DC Ranch.

   ✓ **NOTE**: DC Ranch Association retains the right to have any contracted employee removed from the community upon request made through the Security Company's manager or supervisor.

➢ **Management** – Transcend shall provide one Security Manager to oversee general security operations and supervision of the staff and community. This Manager who will report directly to the Director of Security who is employed by the DC Ranch Association. The Security Manager shall be provided with a cell phone by Transcend, and may be supported by additional Shift Supervisors as needed. Transcend shall also provide a minimum of two (2) computers and one (1) printer, along with any associated supplies, repairs or replacements for the sole use of Transcend. Transcend will also provide basic office supplies for the use at four (4) of the manned gates staff related to administration (i.e. pens, notepads, paper clips, ink for printers and staples). All supplies needed at the West Gate will be provided by DC Ranch Association.

➢ **Total Billable Hours** – 1,464 hours per week

RECRUITING

Client satisfaction begins with the abilities and attitudes of committed employees, and establishing the right recruitment strategy is essential in order to create a positive internal culture devoted to success. For these reasons, Transcend Security invests heavily in our recruiting efforts in order to ensure that we attract and hire the best Security Professionals to protect you and your valuable assets. A few of our recruiting sources are identified below.

- ## Traditional Job Boards

  Utilizing traditional web based job boards, Transcend Security is able to reach literally hundreds of potential employees 24 hours per day, 7 days per week. Potential employees are directed to apply through our website, or in person at our office using one of our employment terminals. From there, candidates are required to complete our rigorous pre-employment testing described below. Once complete, we utilize our applicant tracking system to progress qualified candidates through the hiring process.

- ## College Recruiting

  It's no surprise that college students are graduating and finding that the job market isn't as welcoming as they had initially hoped it would be. With the percentage of unemployed and underemployed recent college graduates approaching 57%, more and more students are flocking to career fairs to have a shot at landing a job after graduation. Career fairs continue to be a great way for companies to meet educated and motivated individuals who are looking for employment. At Transcend Security, we can offer these graduates, or graduates to be, meaningful employment in a sustainable industry that provides plenty of career growth.

- ## Wounded Warrior Project

  Transcend Security is honored to partner with the Wounded Warrior Project (WWP) and their Warriors to Work program in our recruiting efforts.

  The Wounded Warrior Project is a veteran's service organization that offers a variety of programs, services and events for wounded veterans of the military following the events of September 11th, 2001. The WWP operates as a nonprofit organization with a mission to "honor and empower Wounded Warriors" of the United States Armed Forces, as well as provide service and programs for the family members of its registered "alumni," as its registered veterans are called.

  When service members become wounded, ill or injured, they often face a change in their military career trajectory. While approximately 50 percent return to their military careers, many separate from service and begin new careers in the civilian workforce. These warriors are well-trained, highly qualified professionals who can become assets to any organization.

  What is most important is that rather than preventing these warriors from contributing to society, their injuries often make them more resilient, determined and ready to serve. Warriors typically possess strong leadership qualities, flexibility to work in teams or independently, respect for procedures and accountability, and are results oriented. Through the Warriors to Work program, Transcend Security is able to get connected with Warriors interested in transitioning to the civilian workforce. WWP matches us with Wounded Warriors who possess the skills and experience needed to meet our unique job requirements.

- ## Employee Referral Bonuses

    Typically, our best recruiting source comes in the form of an internal employee referral. Applicants referred through this process tend to have a more realistic picture of the duties and responsibilities required to be a Security Professional and they have a greater understanding of our organization.

    Therefore, we offer a $100.00 employee referral bonus to employees that refer a qualified candidate that results in permanent employment. This bonus is paid out on the employees' paycheck following 90 days of consecutive employment by the referred employee. The other great thing about this program is that there is simply no limit to the number of referrals one employee can provide.

APPLICANT SCREENING

We have all heard it time and time again; a company's employees are its most important asset; which makes hiring and retaining the best talent, more important than ever. In an industry with more than 1 million Security Professionals nationwide and more than 26,000 in Arizona alone, we recognized that at Transcend Security, we had to find a way to differentiate ourselves from the competition. We had to find a way to ensure that we as a company truly are doing something different and not just hiring to fill a post, but rather, hiring quality Security Professionals to support a client and their specific service needs. We needed to find a way to bridge the gap, and a major step in that process is taking our recruits, and effectively and efficiently moving them through the application stage.

This is where our relationship with the Criteria Corporation came into play. The Criteria Corporation is a leading provider of web-based pre-employment testing services. Their mission is to make high-quality pre-employment testing solutions accessible to companies of all sizes. Their testing system, HireSelect, is a SaaS (software as a service) solution that enables Transcend Security to better manage our most important asset — our human capital — by providing state-of-the-art assessment tools to increase the effectiveness of our Security Professional selection and retention process.

HireSelect features aptitude, personality, and skills pre-employment tests and was developed utilizing Criteria Corps. Scientific Advisory Board which is made up of leading psychologists and test development experts from Harvard University, Penn State University, Stanford University, and the Wharton School at the University of Pennsylvania. HireSelect delivers a service that demystifies the employee testing process while simultaneously adhering to the highest scientific standards. By utilizing HireSelect as part of our pre-employment testing, it helps us make more informed hiring decisions. The result is more productive employees, reduced turnover, and less time and money spent on hiring and training costs. This is another way that Transcend Security exceeds ordinary expectations!

The duties and mandates of Security Professionals vary widely. Regardless of this vast range, all Security Professionals have the same basic responsibilities: to protect property/community

and customers/residents in a public or private space. Many Security Professionals are retired law-enforcement officers; others have experience in loss prevention or criminology. A keen eye, professional attitude, and quick response time are the keys to success in this position. Security Professionals need to be able to scan a situation without being distracted, recognize a threat and respond appropriately, and maintain an efficient, capable air. Many of the skills necessary to succeed in security work cannot be identified on a resume or in a job interview. Attributes such as vigilance and focus cannot be determined in a one-on-one conversation, but they can be revealed using aptitude and skills tests. The following are the assessments Transcend Security requires all applicants to complete in order to accomplish our goal of bringing you the best candidates possible:

- ## Aptitude Assessment

    Aptitude assessments assess cognitive ability, which research shows is the single best predictor of job performance. Our employment aptitude test measures problem-solving ability, critical thinking, attention to detail and learning ability. All Security Professionals seeking employment with Transcend Security are required to complete the following assessment:

    - ➢ **Attention Skills Test:** The Attention Skills Test measures a person's concentration and ability to sustain focus on one or more tasks while avoiding distractions and predict employee success. It consists of four subtests;

        - ✓ **Divided Attention** – The Divided Attention test measures a Security Professionals ability to "multi-task" or concentrate on two or more things simultaneously. Divided Attention abilities are critical for Security Professionals where they are constantly shifting focus while paying attention to details.

        - ✓ **Selective Attention (Vigilance)** – The Vigilance test measures a Security Professionals ability to maintain concentration on a task for a sustained period of time (ex. video surveillance.

        - ✓ **Selective Attention (Filtering)** –The Filtering test measures a Security Professionals ability to focus on important information and ignore irrelevant distractions. Together with the Vigilance Task, Filtering provides an indication of the test subject's selective attention, the ability to sustain concentration and ignore distraction, a characteristic important to the job performance of a Security Professionals.

        - ✓ **Perceptual Reaction Time** - The perceptual reaction time task measures one of the most basic cognitive processes: perceptual reaction time, or the speed at which a person recognizes and responds to a stimulus.

- ## Personality Assessment

The Workplace Productivity Profile (WPP) is a personality assessment that is used to help predict whether an individual will be a conscientious, productive and reliable employee. It is used primarily for positions where rule adherence and trustworthiness are of primary importance. Like other integrity tests, the WPP can be used to predict overall performance as well as to screen out candidates judged to be more prone to possible disciplinary problems. The WPP measures four traits: Conscientiousness, Perseverance, Integrity/Honesty, and Attitudes towards Theft and Fraud. The first two traits (Conscientiousness and Perseverance) relate to a person's likely work habits. The latter two (Honesty and Attitudes towards Theft) relate to a person's integrity and perceived risk of engaging in counterproductive work behaviors (CWBs) such as theft, time-wasting, and fraud.

The WPP consists of 50 self-report items and typically takes less than ten minutes to complete. An internal "faking" scale measures the extent to which a candidate is exaggerating strengths or minimizing weaknesses - and the scores of those applicants are automatically adjusted when appropriate. Sample score results are shown below.

CANDIDATE INFORMATION	RESULTS SUMMARY	
Name: Bill Sample	Overall Rating	
Position: Security Professional	**Medium**	
Test Date: January 1, 2014		
Test Event ID: CR-8749-REOF		
RESULTS EXPLANATION: Applicants who receive Medium Ratings will generally be dependable employees. Bill's strengths include high scores in Attitudes Towards Theft, suggesting he/she is likely to be trustworthy. See the body of this report for more details.		
Validity and Response Style The WPP contains an internal validity scale known as the Self-Enhancing Scale which is designed to detect and, where applicable, correct for instances in which individuals exhibit tendencies to "fake" the test, or present themselves in an overly positive light. Bill's score of 46th percentile on the Self-Enhancing scale means Bill showed no tendency to self-enhance, and was generally forthright and candid in his/her style of self-presentation. Because Bill exhibited no tendency to self-enhance, his/her scores have not been adjusted.		
SCORE EXPLANATION		
CONSCIENTIOUSNESS **28th** Percentile	This scale is an indicator of a person's tendencies with respect to being deliberate, self-disciplined, organized and dependable. High scorers tend to be reliable, hard-working and goal oriented. They also are likely to be organized and to be rule-followers. Low scorers tend to be less cautious, and are often described by others as laid back, fun-loving and colorful; in a work environment, however, they may be less goal oriented, and can be impulsive and not inclined to plan things in advance. Bill's score of 28th percentile is in the middle range for Conscientiousness.	
PERSERVERANCE **47th** Percentile	This scale measures a person's tendencies with respect to being diligent, having consistent interests and persevering in the face of adversity. High scorers tend to be diligent, hardworking, goal oriented and not easily discouraged. They also maintain consistent interests and focus on long-term goals. Low scorers tend to change interests frequently and may be more inclined to change courses rather than press on when faced with setbacks or adversity. Bill's score of 47th percentile is in the middle range of Perseverance.	
HONESTY/INTEGRITY **32nd**	This scale measures a person's beliefs in the importance of adhering to rules and laws, and with respect to the value of honesty. High scorers favor the consistent application of laws and moral rules, and tend to place a high value on honesty and integrity in their dealings with others. They also tend to be respectful of authority.	

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Percentile	Lower scores tend to endorse more flexible attitudes to rules, often allowing for exceptions. They also tend to be distrustful of others. Bill's score of 32nd percentile is in the middle range for Integrity/Honesty
Attitudes Towards Thefts **71st** Percentile	This scale provides an indication of a person's attitudes towards theft, fraud, and other forms of dishonest financial dealings. Individuals who score highly in this scale show little tolerance for theft or fraud. They do not see theft or fraudulent behavior as common or excusable, and they do not report any inclination of their own to carry out theft. They are deemed to be at relatively low risk of engaging in counterproductive work behaviors. Low scorers on this scale see theft and fraud as commonplace in the workplace and are less adamant in denying that they would engage in counterproductive work behaviors. Bill's score of 71st percentile is in the high range for Attitudes Towards Theft.

- ## Basic Skills Assessments

Basic skills assessments measure a Security Professional's job-related competencies ranging from broader job-readiness predictors such as reading, math, attentional to detail and communication skills to more specific acquired proficiencies such as typing and computer skills. Our assessments contain a specific suggested score range for Security Professionals based on normative data gathered from across the country. The basic assessments include the following:

  ➢ **Basic Skills Test:** The Basic Skills Test (BST) measures the basic math and verbal skills that are required to succeed as a Security Professional. The BST is a 20-minute, 40-item test that measures basic grammar, spelling, math, and language skills. It offers a quick way to assess the job readiness of candidates as well as their trainability. A sample question from the BST is shown to the right. Upon completion of the test, a sample score report would illustrate the following:

CANDIDATE INFORMATION	RESULTS SUMMARY	
Name: Bill Sample	Raw Score	Percentile
Position: Security Professional		
Test Date: January 1, 2014	**33**	**47**
Test Event ID: CR-8749-REOF		
SUGGESTED BST SCORE RANGE BY POSITION		
Position	Score Range	In Range?
Security Professional	32 – 39	Yes
RESULTS EXPLANATION: Bill Sample achieved an overall score of 33, which means Bill answered 33 questions correctly. This corresponds to a percentile rank of 47, meaning Bill scored better than 47% of the people who have taken this test. Below are the details of how Bill performed in specific sub-categories.		
VERBAL RAW SCORE: Competency in basic verbal skills, including reading comprehension, grammar, attention to detail, spelling and punctuation.	VERBAL MATH SCORE: Competency in basic quantitative skills, including arithmetic and numerical problem-solving.	

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- ➢ **Computer Literacy and Internet Knowledge:** The Computer Literacy and Internet Knowledge Test (CLIK) is an assessment of basic computer skills. It measures a Security Professionals proficiency with using Internet browsers and common desktop applications such as email and word processing programs. It is a 10-minute test consisting of two 3-minute task-oriented simulations, followed by ten multiple choice questions. Since it is designed as a test of the kind of basic computer literacy that is required in many work environments, it can be used for any position which requires basic computer skills, such as lobby ambassador, gate attendant, command/console operators, etc.

  Each Security Professional is given a raw score and a proficiency score. The raw score indicates how many questions (out of 20) the individual answered correctly; there is no deduction for incorrect answers. The raw scores are further categorized into three possible proficiency rankings, as follows:

  - ✓ 0-13: Not Proficient
  - ✓ 14-17: Proficient
  - ✓ 18-20: Highly Proficient

- ➢ **Standard Typing Test:** The Typing Test measures an individual's typing speed and accuracy. The test-taker is presented with a passage and given one minute to type as much of the passage as possible. The test generates three scores: Words per Minute (WPM), Number of Errors, and Adjusted Words per Minute (WPM - Errors).

APPLICANT INTERVIEW

Once we have identified our top tier candidates, one-on-one interviews will be scheduled with each of the qualified candidates. Currently, all candidates are interviewed by the President and Vice President of Transcend Security. A systematic approach is taken to ensure we have a consistent evaluation process and to be certain the candidate is able to mentally and physically meet the requirements of the post for the DC Ranch Community.

Once the best candidate is identified, we move him/her along to the background check and training process.

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BACKGROUND CHECK

We've identified how we go to great lengths to vet the best possible candidates; now with the final step of a thorough background and drug screening process in place, we can ensure we are not only compliant with state and federal regulations, but we'll also discuss in more detail the ways that our comprehensive processes solidify our candidate selection process.

Many in the security industry get by with the background screening conducted by Arizona Department of Public Safety (DPS) prior to issuing a Guard Card. While this is a good start, it's meant to be just that, a starting point. The DPS background check requires that applicants have a high school diploma or GED, proof of residency, submission of a fingerprint card, no dishonorable discharges from the Armed Forces and no convictions of felonies or domestic violence misdemeanors.

This process just doesn't provide the depth of detail that it should to help us meet our objective of hiring the best qualified candidate to protect you and your assets. It doesn't tell us anything about their employment experiences and it doesn't provide any insight to the person's character. Because we feel these are important considerations in the hiring process, we've partnered with Good Hire to complete our own background checks. Good Hire is one of the world's largest providers of employment screening services and they specialize in efficiently implementing, managing and controlling the screening process. They provide easy to use yet comprehensive screening solutions with turnaround times of approximately two days.

We've contracted with Good Hire to provide the following duplicate and additional services to make sure we capture as much detail to help us make the best hiring decisions:

- ✓ Criminal Felony & Misdemeanor – 7 Years with unlimited counties
- ✓ Social Security Number Validation
- ✓ Professional Reference Check Report – 3 References Minimum
- ✓ Education Report (Highest Degree)
- ✓ Widescreen Plus National Criminal Search
- ✓ Social Security Number Trace
- ✓ 7 year employment history verification with all employers
- ✓ Sex Offender Registry Search

- ## Drug Screening

    Upon successful completion of the background check, all applicants must pass a drug test before beginning training or receiving an offer of employment. Refusal to submit to testing will result in disqualification of further employment consideration.

We complete all testing in-house and utilize a six panel oral saliva drug test. The test is simple to use and provides immediate test results and is next to impossible to manipulate. If a candidate does not pass the initial test, we will offer to send him/her to a third party clinic for additional testing. Additionally, all employees are tested randomly on an annual basis or per contractual requirements.

Our six panel oral saliva drug test tests for the following:

- ✓ Cocaine
- ✓ Amphetamines
- ✓ Methamphetamines
- ✓ Marijuana
- ✓ Opiates
- ✓ Phencyclidine

EMPLOYEE BENEFITS

As previously touched upon, Transcend Security is an employee-centric company, whereby our employees come first; they are the core of our business model, and everything radiates from that core. Transcend believes that in order to be the best place to shop for security, you have to be the best place to work first. And this is aided by an employee benefits programs that will assist us in attracting and retaining top quality personnel. The Transcend medical benefits program is compliant with state and federal regulations. Our purpose is to always make available, affordable medical, dental and vision plans. The following is a summary of our medical benefits and coverage.

- ## Summary of Benefits and Coverage

Below is a summary of the medical benefits available to all full-time (30 hours per week or more) Security Professionals working for Transcend Security. The plan provider is Health Net of Arizona and the plan is an HMO Silver plan which is ACA (Affordable Care Act) compliant. Transcend Security pays a minimum of 50% of the employee premium.

Important Questions	Answers	Why This Matters:
What is the overall deductible?	$2,000 member/$4,000 family per calendar year.	You must pay all the costs up to the deductible amount before this plan begins to pay for covered services you use. See the chart below for how much you pay for covered services after you meet the deductible.
Are there other deductibles for specific services?	Yes. $500 brand prescription drug deductible/member.	You must pay all of the costs for these services up to the specific deductible amount before this plan begins to pay for these services.
Is there an out-of-pocket limit on my expenses?	Yes. $6,350 member/$12,700 family per calendar year.	The out-of-pocket limit is the most you could pay during a coverage period for your share of the cost of covered services.

Important Questions	Answers	Why This Matters:
What is not included in the out-of-pocket limit?	Premiums and health care this plan doesn't cover.	Even though you pay these expenses, they don't count toward the out-of-pocket limit.
Is there an annual limit on what the plan pays?	No.	The chart below describes any limit on what the plan will pay for specific covered services, such as office visits.
Does this plan use a network of providers?	Yes. List of preferred providers, see www.healthnet.com or 1-800-289-2818.	If you use an in-network doctor or other health care provider, this plan will pay some or all of the costs of covered services.
Do I need a referral to see a specialist?	No.	You can see the specialist you choose without permission from this plan.
Are there services this plan doesn't cover?	Yes.	Some of the services this plan doesn't cover are listed below. See plan documents for a full list of excluded services.

Copayments/Coinsurance Rates – Must use in-network providers

Common Medical Event	Services You May Need	Your Cost If You Use an In-Network Provider	Limitations & Exceptions
If you visit a health care provider's office or clinic	Primary care visit to treat injury or illness	$30/visit	- None
	Specialist visit	$50/visit	- None
	Other practitioner office visit	Chiropractic - $50/visit; Acupuncture – Not covered	Limited to 20 visits per calendar year.
	Preventative care, screening, immunization	No charge	- None
If you have a test	Diagnostic test (x-ray, blood work)	Office Xray - $50/Visit, Office Lab - $50/Visit, Hospital – 20% co-ins	Requires referral
	Imaging (CT/PET scans, MRIs)	Office - $250/procedure, Hospital – 20% co-ins	Requires prior authorization
If you need drugs to treat your illness or condition	Generic drugs	$20/retail order $60/ mail order	Supply/order: 30 day (retail); 30-90 day (mail order). If you select a brand name drug that has a generic equivalent, your cost will be higher. May require prior auth.
	Preferred brand drugs or preferred insulin	$40/retail order $120/ mail order	
	Non-preferred brand	$70/retail order $210/ mail order	
	Specialty drugs	20% co-ins/order	
If you have outpatient surgery	Facility fee (e.g. ambulatory surgery center)	20% co-ins	Requires prior authorizations
	Physician/surgeon fees	20% co-ins	- None
If you need immediate medical attention	Emergency room services	$400/visit	Copay waived if admitted as inpatient.
	Emergency medical transportation	No charge	- None
	Urgent care	$50/visit	- None
If you have a hospital stay	Facility fee (e.g., hospital room)	20% co-ins	Requires prior authorization.
	Physician/surgeon fee	20% co-ins	- None

Common Medical Event	Services You May Need	Your Cost If You Use an In-Network Provider	Limitations & Exceptions
If you have mental health, behavioral health, or substance abuse needs	Mental/Behavioral health outpatient services	$20/visit	May require prior authorization.
	Mental/Behavioral health inpatient services	20% co-ins	Requires prior authorization
	Substance abuse disorder outpatient services	$20/visit	Requires prior authorization
	Substance abuse disorder inpatient services	20% co-ins	Requires prior authorization
If you are pregnant	Prenatal and postnatal care	PCP - $30/visit Specialist - $50/visit	Copay waived after initial office visit
	Delivery and all inpatient services	20% co-ins	Coverage includes abortion services. Requires prior authorization.
If you need help recovering or have other special needs	Home health care	No charge	Requires prior auth.
	Rehabilitation services	Inpatient – 20% co-ins Outpatient - $50/visit	Outpatient – Maximum 60 visits per calendar year. Requires prior authorization.
	Habilitation services	Inpatient – 20% co-ins Outpatient - $50/visit	Outpatient – Maximum 60 visits per calendar year. Requires prior authorization.
	Skilled nursing care	20% co-ins	Limited to 100 days per member, per year. Requires prior authorization.
	Durable medical equip.	20% co-ins	Requires prior authorization.
	Hospice services	Inpatient – 20% co-ins In-home- no charge	Requires prior authorization.

In addition to the above, the Company currently provides our Security Professionals with the following benefits:

➢ **Company Match IRA** – The future of our employees is important us! That's why we offer all full-time employees the option to enroll in our SIMPLE IRA plan after 90 days of employment. Transcend Security will match an employee's pre-tax contribution up to 3%.

➢ **Free Life and AD&D Coverage** – We provide all full-time employees with a free, guaranteed issued, $10,000 life and AD&D insurance policy. Employees also have the option purchase additional coverage for dependents at a nominal cost.

➢ **Paid Vacation** – Security Professionals will accrue one (1) week of paid vacation during years 1-5, two (2) weeks in years 6-10 and three (3) weeks of vacation after

they reach their 10 year anniversary. Unlike other security providers, Transcend Security encourages their employees to take advantage of their vacation as we believe it keeps them healthy and productive. Therefore, we actually pay our Security Professionals when the vacation is used. It is not paid out as an Anniversary Bonus. We do, however, pay accrued vacation on an annual basis if it is not used.

> **Paid Sick Time – A first in the industry!** At Transcend Security we recognize the value of having healthy and happy employees. We also realize how important a benefit it is to allow Security Professionals the opportunity to take PAID time off when they are sick or need to attend to personal needs. After all, there is nothing worse than having someone working at your site that is sick and passing along contagious germs or worse. That's why all Security Professionals at Transcend Security get paid sick leave. Sick leave is accrued at two (2) days per year and can be used in accordance with company policy.

UNIFORMS

For service at the DC Ranch Community, Transcend Security will provide uniforms for all security guards. These uniforms shall consist of black pants, belt, black shoes and white shirts. Long sleeve uniforms will be provided to individuals with arm tattoos. All Uniforms (and subsequent changes) are to be approved by DC Ranch Association and must meet the Arizona Department of Public Safety Uniform Requirements. Our Company general orders require that our personnel keep their uniforms pressed and clean at all times. The uniforms that will be provided to each Security Professional are provided at no charge to them, and will require no deposit. This is not industry norm, as many security providers force employees to pay for their uniforms and/or provide a deposit; a deposit that could go as high as $250.00. Their shoes, which are also issued at no cost, are to always be polished. And male Security Professionals are to be clean-shaven with neat haircuts.

We pride ourselves on the appearance of our personnel, as they are representing our Company in your community. Upon request, we are able to provide custom uniforms if requested. Custom uniforms do require prior approval through the Arizona Department of Public Safety and may add additional cost, so please make sure to discuss this with us early in the process.

Every Security Professional assigned to the DC Ranch Community will be issued the following standard uniforms with replacements as needed:

✓ 5 - Long/Short Sleeve Dress Shirts	✓ 1 – Badge
✓ 5 - Fitted Trousers	✓ 1 – Bomber Jacket with Zip Out Lining
✓ 1 – Commando Sweater	✓ 1 – Duty Belt
✓ 2 – Ties	✓ 1 – Name Badge
✓ 1 – Tie Bar	✓ 1 – Pair of Black Polishable Shoes

TRAINING

At Transcend Security, we believe that proper training is an element of security that many companies, and even clients, overlook and take for granted. In the security industry, training, along with the selection of personnel, is the largest contributor to the success or failure of a security program. Yet in most cases, security providers tend to "skimp" on training because it's an added cost that either increases their hourly bill rate or takes away from their bottom-line profits. Of course they all provide the minimum amount of training as required by state compliance; but is that what you really want? Do you want a company that is only committed to meeting the minimum standards safeguarding your assets? Below, we offer a summary of the current gaps in the industry along with the steps we at Transcend Security took to bridge that gap. **NOTE:** Training for all guards will be conducted through joint efforts of the DC Ranch Association and Transcend Security. Additional training series may be required throughout the contract during which all guards will be paid at normal hourly rates.

> **Current Industry Gap:** Experiences tell us that many of the security companies, even the large reputable ones, provide their Security Professionals with the minimum amount of training as required by the Arizona Department of Public Safety. What's worse, is that typically this training is taught as part of the "New Hire Orientation." What does that mean exactly? It means that you have a Human Resource Professional or Administrative Assistant instructing Security Professionals on proper security techniques. This training is done through a series of dated videos, lectures and/or workbooks. And in most cases, the "instructor" presses play on the video and leaves the room while the "training" is being conducted. Said another way, it means that you have someone that has no real security experience with antiquated systems teaching Security Professionals how to protect your most valuable assets.
>
> Additionally, you'll see on paper that many providers offer a variety of additional site/account specific training classes for their Security Professionals that they either include or can offer for an additional cost. However, it's rare that anyone ever actually follows up to ensure this training is completed. In the cases where it is completed, there are no evaluations for the retention and understanding of this newly gained knowledge; the Security Professionals simply receive a certificate stating they completed the program.

> **The Transcend Solution:** At Transcend Security, we recognized the gap in the security industry and went to great lengths to provide a solution that delivers beyond your ordinary expectations without adding exorbitant costs. That's why we partnered with TargetSolutions and their Professional Security Training Network (PSTN).
>
> TargetSolution's Professional Security Training Network has long been a trusted provider of training solutions for Security Professionals and Law Enforcement

Agencies. Through them, Transcend Security, and our clients, have access to the largest Security Professional training courses in the industry.

By way of our partnership with TargetSolution's PSTN, Transcend Security is able to provide the Security Professionals assigned to the DC Ranch Community with the real-word, relevant training and skills needed to ensure safety. These online interactive training courses are based on actual security situations for Security Professionals to react to; thereby increasing engagement, retention and results. The PSTN Instructors are Certified Protection Professionals, Law Enforcement Professionals, Industry Specialists or College Professors specializing in criminal studies.

PRE-ASSIGNMENT TRAINING

Currently, Arizona Law requires all Security Professionals to be licensed prior to wearing a uniform or standing post. In order to obtain a license, Security Professionals must complete an approved eight (8) hour training course which, in most cases, is provided by a licensed Security Agency. The curriculum must consist of the following material:

- ✓ Orientation
- ✓ Uniforms
- ✓ Use of Force
- ✓ Crime Scene
- ✓ First Response

- ✓ Criminal Law
- ✓ Communications
- ✓ General Procedures
- ✓ Ethics

Transcend Security is proud to say that our training curriculum has been reviewed and approved through the Arizona Department of Public Safety.

That said, much of the required training is spent on reviewing the law and laws pertaining to Security Professionals according the Arizona Revised Statutes. However, not a whole lot of time is spent focusing of the actual duties, responsibilities and techniques of a Security Professional. In other words, there isn't a whole lot of hands-on training required.

At Transcend Security, our goal is to provide our clients with a level of service that exceeds the industry standards. For this reason, we've incorporated an additional 12 hours of training into our pre-assignment training through our Basic Security Officer Training Series (BSOTS). So not only are we providing you with Security Professionals that meet the DPS Licensing

requirements, but also possess 150% more training in actual security experience than most others provide. Our BSOTS program has been outlined below.

- ## Basic Security Officer Training Series

  At Transcend Security, our Basic Security Officer Training Series (BSOTS) is a 12 part training program certified and endorsed by the International Foundation of Protection Officers. The 12, one (1) hour BSOTS courses include engaging, up-to-date lessons on the following:

  - ➢ **Asset Protection and Security (60 Minutes):** This course examines basic security terms, basic security functions, business organization principles, history and tradition of security and types of security operations professionalism. Upon completion of this course, Security Professionals will be able to:

    - ✓ Define basic terms associated with the security function
    - ✓ Provide an overview of the history of security from ancient times to the present
    - ✓ Explain the various types of security operations that exist in the current marketplace
    - ✓ Define the basic function of the security service
    - ✓ Understand the importance and meaning of the word professionalism

  - ➢ **Report Writing (60 Minutes):** This course examines management's use of reports, the 5 C's of report writing, taking proper field notes, writing descriptions, interrogatories and common problems with report writing. Upon completion of this course, Security Professionals will be able to:

    - ✓ Examine the varied and diverse uses of security reports
    - ✓ Understand the concept known as the five C's
    - ✓ Demonstrate the proper method for taking accurate field notes
    - ✓ Explain how to properly describe an object and a person
    - ✓ Understand the importance and uses of the investigative interrogatories
    - ✓ Explain the rules to follow in order to avoid problems in report writing

  - ➢ **Civil Law and Civil Liability (60 Minutes):** This course examines the differences between criminal and civil law, negligence, vicarious liability and intention torts. Prevention and avoiding civil liability, deputization, detention, merchant privileges, juvenile detention and use of force. Upon completion of this course, Security Professionals will be able to:

    - ✓ Define the term tort and differentiate it from a crime
    - ✓ Explain what negligence is and how it relates to the security profession
    - ✓ Define vicarious liability

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- ✓ Give examples of the types of intentional torts that result in lawsuits against Security Professionals.
- ✓ Define probable cause and arrest
- ✓ Give examples of various forms of detention in the security business
- ✓ Explain the limitations on a Security Professionals ability to search and seize evidence

- ➢ **Criminal Law and Criminal Liability (60 Minutes):** This course examines the elements of a crime, burden of proof and criminal liability, crimes faced by security practitioners, concepts of legal authority, protection of property, and use of force. Upon completion of this course, Security Professionals will be able to:

  - ✓ Define the elements that are common to all crimes
  - ✓ Understand the seven principles of a crime
  - ✓ Explain what an affirmative defense is
  - ✓ List some of the criminal charges that are most often filed against Security Professionals
  - ✓ Understand the concept of legal authority
  - ✓ Define and explain what an arrest is
  - ✓ Explain the questions that must be answered when a use of force issue is investigated

- ➢ **Ethics, Deportment and Professional Conduct (60 Minutes):** This course examines what it means to be a professional, certification programs, Security Professional discretion, code of ethics, recognizing an ethical problem and standards of Security Professional conduct. Upon completion of this course, Security Professionals will be able to:

  - ✓ Define what is meant by the word professionalism
  - ✓ Describe ethics in the context of a security professional
  - ✓ Understand the impact of the discretionary decision-making process
  - ✓ Describe and explain a code of ethics
  - ✓ Define the conditions that are present to cause unethical action to occur
  - ✓ Recognize the beginnings of an ethical dilemma
  - ✓ Define department as it applies to the security profession

- ➢ **Human and Public Relations (60 Minutes):** This course examines a client-centered security attitude, the public we serve, tactics to build client-oriented security, dealing with angry people and improving relationships with law enforcement. Upon completion of this course, Security Professionals will be able to:

  - ✓ Define public relations as it impacts the security function
  - ✓ Explain the concept of client-centered security

- ✓ Explain the needs of all people
- ✓ Understand the basic components of dealing effectively with an angry person
- ✓ Understand the importance of a solid working relationship with the law enforcement community

- ➢ **Investigations (60 minutes):** This course examines the practices for investigations, preliminary and follow-up investigations, interviewing skills, preservation of evidence, chain of custody and testifying in court. Upon completion of this course, Security Professionals will be able to:

  - ✓ Define the mission and/or goal of an investigation
  - ✓ Explain the process used to conduct a proper preliminary investigation
  - ✓ Demonstrate the proper method of conducting a field interview with a witness
  - ✓ Define the roles and functions of evidence in an investigation
  - ✓ Explain the three basic types of evidence that will be found during an investigation
  - ✓ Explain the importance of preserving the evidence and the chain of custody
  - ✓ Demonstrate the proper method for giving testimony from the witness stand in a courtroom

- ➢ **Physical Security and Crime Prevention (60 Minutes):** This course examines the basic components of security, threat assessment, military model, barriers, lighting and locks, fencing, gates, alarms and aggressive protection. Upon completion of this course, Security Professionals will be able to:

  - ✓ Explain the physical security process
  - ✓ Understand and explain the military model of defense lines
  - ✓ Explain the objectives of a barrier
  - ✓ Understand and explain the importance of proper security lighting
  - ✓ Understand the basic components of a lock system
  - ✓ Define the basic types of fencing
  - ✓ Explain the components of aggressive protection

- ➢ **Patrol and Fixed Posts (60 Minutes):** This course examines the purposes and techniques of patrol, use of senses, rules of observation and perception, patrolling in darkness, fixed post duty and practical tactics. Upon completion of this course, Security Professionals will be able to:

  - ✓ Understand the basic elements of the patrol function
  - ✓ Explain and illustrate the different types of patrols
  - ✓ Explain the importance of observation and perception
  - ✓ Explain the rules of observation and perception
  - ✓ Define the factors that affect observations and perception

✓ Explain the proper use of the Cooper Color Code
✓ Outline the guidelines to follow for fixed post duty

➢ **Fire Protection and Life Safety (60 Minutes):** This course examines basic classifications of fire, fire hazards on patrol, detection systems and use of fire extinguishers, fire prevention, safety investigation and HazMat. Upon completion of this course, Security Professionals will be able to:

✓ Explain the fire tetrahedron
✓ Define the basic classes of fire
✓ Explain the stages of fire
✓ Define the concept of fire prevention
✓ Explain the function of fire detection and alarm systems
✓ Define the basic classifications of fire extinguishers
✓ Define the basic components of proper situation response
✓ Articulate the major causes of accidents in workplace

➢ **Emergency Situations (60 Minutes):** This course examines the handling of emergency situations, proper traffic control, response to traffic accidents, securing and protecting incident scenes, crowd management, bomb threats, and functions of security. Upon completion of this course, Security Professionals will be able to:

✓ Explain the basics of what a Security Professional must know to handle an emergency situation
✓ Demonstrate the proper methods of traffic control
✓ Explain the proper way to respond to a report of a traffic accident
✓ Explain and demonstrate the proper procedures for securing and protecting an incident scene
✓ Define the concept and components of crowd management
✓ Explain the basic procedures used in responding to a reported bomb threat
✓ Articulate the basic functions of security with regard to natural disaster
✓ Define and explain the conditions that can cause an incident of workplace violence
✓ Define some of the warning signs of workplace violence

➢ **Communications (60 minutes):** This course examines the process of communication, communication and courtesy, interpersonal communication, overcoming the barriers to communication, written communication, emergency communication and communications equipment. Upon completion of this course, Security Professionals will be able to:

✓ Explain the steps in the communication process
✓ Articulate the importance of courtesy in the communication process
✓ Define interpersonal communications

✓ Define the common barriers to effective communications
✓ Understand the steps to overcoming communications barriers
✓ Explain the reasons why written communications fail

➢ **Customer Service as a Security Function (60 Minutes):** When you provide security to your clients, you are providing them with a service. As such, you want that service to be perceived as ideal, tailored to your clients, and designed to fit their needs. Ideal service does not simply occur; you must have a strategy in place that will allow you the flexibility to blend what you do as a security provider into excellent service for each client. This course reviews service expectations, examines the unique characteristics of security service and explains the attributes a client seeks when selecting a security provider. Upon completion of this course, Security Professionals will be able to:

✓ Define the two basic types of services provided in today's market place
✓ Describe the four-corner paradigm that makes up the workplace environment
✓ Explain the unique characteristics of the security service
✓ Define the five attributes that a client wants to see in a security service provider
✓ Explain the importance of model-coach-fade

➢ **Juveniles and Gangs (60 Minutes):** This course examines: Loitering and Juvenile Behavior, Approaches to Juvenile Problems, What constitutes a gang, Gang ID Graffiti, Gang Wanna-be. Upon completion of this course, Security Professionals will be able to:

✓ Recognize juvenile problem areas
✓ Understand factors that are generally considered to constitute gangs and gang members
✓ Understand juvenile behavior as it relates to the shopping mall

• **Site Specific Training: Residential Gate Guarded Communities**

Residential – Gate Guarded communities require professional security planning and protection to minimize risks of theft, vandalism, and property damage. Each community has a unique location, layout, traffic flow, specialized facilities and customized bylaws. In addition, homeowner preferences must be considered when providing armed and unarmed guard services. Security Professionals taking the residential – gate guarded community training will learn about access control, dispatch operations and customer service skills which they can use when interacting with residents and guests.

➢ **Access Control: The Security Officer's Role (60 minutes):** Access control is the both the most basic and most important function of security. And while

technology is a great asset and cool, it is the Security Professional who truly drives access control. In this program, Jim Crumbley, CPP, PPS, provides an overview of access control concepts as well as on-the-job specifics to demonstrate how and why security officers are critical to effective access control. Upon completion of this course, Security Professionals will be able to:

- ✓ Explain the importance of access control and give examples of when access control was or is not effective
- ✓ Define and discuss the purpose and effectiveness of the various forms of access control
- ✓ Explain the importance of customer service and how it can be used for access control
- ✓ Describe the basics for handling aggressive behavior and office safety issues related to confrontations
- ✓ Explain the legality of trespassing issues and enforcement of no-trespassing zones

➤ **Handling Customer Complaints (60 minutes):** How do you handle customer complaints? Are you prompt, polite and professional? Are you doing your best to handle the situation? This program reviews the principles and practices of handling complaints and describes how to effectively use interpersonal communication. It also explains the STARS acronym and how it relates to effective customer service. Upon completion of this course, Security Professionals will be able to:

- ✓ Demonstrate an understanding of the Security Professionals role in handling customer complaints
- ✓ Identify the principle and practices of handling complaints in a prompt, polite and professional manner

➤ **Traffic Control and Safety (60 minutes):** Controlling traffic is an exciting, yet very dangerous, assignment. Make sure you do it as safely as you can with help from Orlando Police Department safety trainer Joe Robinson. In this program, Joe and host Dave Smith walk you through safety equipment, the safe use of cones and flares, and how to direct traffic in both daytime and nighttime settings. Upon completion of this course, Security Professionals will be able to:

- ✓ Identify the proper signals used to direct traffic
- ✓ Display how to set up a cone pattern
- ✓ Understand the dangers of directing traffic at night
- ✓ Recognize the basic rules that apply to flare usage and patterns

➤ **Traffic Control and Direction Concepts/Procedures (60 minutes):** If you were called to direct traffic, would you be able to handle the task? This program reviews the basic skills of traffic direction. Officer Madelyn Orr of the Miami-Dade Community College School of Justice provides an overview of traffic

control devices and traffic signals, demonstrating hand and whistle signals. The program also reviews officer position, intersection entry, turn lane traffic, right turn on red, pedestrian traffic, emergency vehicles and Security Professional safety. Upon completion of this course, Security Professionals will be able to:

- ✓ Understand the definitions of traffic control devices and traffic signals
- ✓ Comprehend conditions which require traffic control
- ✓ Understand the correct plan an officer should follow while directing traffic as well as the correct hand signals
- ✓ Apply these techniques while directing traffic

➢ **Dispatch Operations (60 minutes):** Proper communication between dispatcher and security force is essential to providing a safe, secure working environment. Whether monitoring alarms or reacting to an emergency, the dispatcher must respond quickly and effectively. In this program, Ty Richmond, Protective Services Manager of Mary Kay Cosmetics Inc., discusses the critical support role provided by the dispatcher. Upon completion of this course, Security Professionals will be able to:

- ✓ Describe the elements involved in monitoring and responding to radio and telephone communications
- ✓ Understand the importance of monitoring a variety of general and critical alarm conditions and notify the appropriate personnel for response
- ✓ Know the steps involved when directing personnel during emergency conditions

➢ **Emergency Response (60 minutes):** This course examines: Domestic Dispute, Fire Response, Non-armed Person, and Armed Person. Upon completion of this course, Security Professionals will be able to:

- ✓ Understand the types of emergencies and skill which are a requisite for handling domestic disputes, fire response, non-armed person and armed person events.

➢ **Classroom Training:** Upon completion of all interactive training courses, the Transcend Security Management Team will hold a classroom based follow up session to review the training programs and discuss comprehension of the material learned thus far. Additionally, the management team will provide insight to the site specifications and expectations DC Ranch as well as a general overview of what a Homeowners Association (HOA) is. Upon completion of this training, Security Professionals will be able to:

- ✓ Understand the makeup of an HOA and the unique requirements
- ✓ Understand what the CC&R's and Rules and Regulations of DC Ranch are that pertain to security

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✓ Review the DC Ranch site specific Post Orders
✓ Understand the proper greeting of residents and guests, both in person and over the telephone
✓ Understand how the rules of dealing with contractors and other vendors

➢ **CPR/AED Certification:** Sudden cardiac arrest is a leading cause of death in the United States every year. Cardiopulmonary Resuscitation (CPR) is a combination of chest compressions and breathing given to victims that are considered to be in cardiac arrest. CPR helps to provide critical blood flow, oxygen and delivery of energy nutrients to the heart and brain, until the person regains consciousness or Emergency Medical Services (EMS) or professional help arrives on the scene.

In this way, immediate CPR plus defibrillation (defibrillation is an electrical impulse that eliminates abnormal, rapid heartbeats) within three to five (3-5) minutes of collapse, may reduce chances of sudden cardiac arrest and permanent damage.

• ## Training Series for Security Patrols

All Security Professionals assigned to the DC Ranch Community will be required to drive company provided vehicles. In order to sufficiently understand the responsibilities and professionals involved in operating a company vehicle, Transcend Security requires all of our Security Professionals assigned to a driving post to complete the following five part training series:

➢ **What You Should Know About Patrolling:** Are you effectively patrolling your tour of duty? Are you able to detect unauthorized activity and unsafe conditions immediately? This training program will guide you through an effective tour of duty by providing you with preparation tips and techniques. Upon completion of this course, Security Professionals will be able to:

✓ Understand the major elements and purposes of patrol
✓ Understand patrol preparation and techniques
✓ Understand the acronyms WAECUP and PATROL

➢ **Safe Driving for Security Professionals:**
Though driving is a skill we often take for granted, on mobile patrol, the Security Professionals responsibility includes operating a vehicle safely. There are a number of challenges facing the Security Professional on mobile patrol, most notably the driver and the

vehicle. This program shows Security Professionals how to manage themselves and their vehicles safely while on patrol. In addition, the program discusses the science of patrol driving, how to avoid obstacles and special hazards, and what to do in the event of an accident. Upon completion of this course, Security Professionals will be able to:

- ✓ Identify the two components of a safe driving program
- ✓ Identify the five challenges provided by the two components
- ✓ Describe the four major items on the driver's personal safety checklist
- ✓ Identify the key elements of the vehicle checklist
- ✓ Understand the science of patrol driving
- ✓ Explain how to prepare for obstacles and special hazards
- ✓ Understand what to do in the event of an accident

➢ **Safe Driving Strategies:** Driving a vehicle while on patrol poses many unique challenges for Security Professionals and increases the likelihood of an accident. This course presents proactive road management information and strategies, pre-driving habits, cause of most accidents, common collision types, visual control zone, and how to maintain a safety gap or cushion. The course also provides a detailed checklist of common procedures for reporting a collision. Upon completion of this course, Security Professionals will be able to:

- ✓ Identify the six pre-driving habits
- ✓ Describe the most common crashes and collisions
- ✓ Explain the components of a road management strategy
- ✓ Describe common procedures for reporting a collision/damage to equipment

➢ **Defensive Driving for Security Professionals:** How are your driving skills? Are they satisfactory or in need of a brush-up? F.L. "Bucky" Greene, traffic coordinator at Miami-Dade Community College provides the Security Professional with defensive driving techniques. He discusses causes of accidents, the five most common accidents, proper braking and vision. He also demonstrates exercises in threshold and anti-lock braking, plus evasive action and skid control. Upon completion of this course, Security Professionals will be able to:

- ✓ Understand the causes of vehicle accidents
- ✓ Identify the five most common accidents
- ✓ Understand proper braking and safe driving techniques

➢ **Focus on Vehicle:** Upon successful completion of this training session, Security Professionals will be able to discuss the benefits of vehicular patrols, possess a working knowledge of safety issues involving the use of vehicles, explain the liability of false arrest and demonstrate the correct way to approach a vehicle.

Upon completion of this course, and an annual vehicle recertification course, Security Professionals will be able to:

- ✓ Discuss the benefits of vehicular patrols.
- ✓ Have a working knowledge of safety issues involving the use of vehicles.
- ✓ Explain the liability of false arrests.
- ✓ Demonstrate the correct way to approach a vehicle.

ON-GOING TRAINING

Transcend Security is committed to providing our Security Professionals with the most up-to-date training available at no cost to the client or our staff. As part of our service commitment, we will work out a detailed quarterly training plan to keep our staff's knowledge fresh and consistent with the required service levels.

QUALITY MANAGEMENT

At Transcend Security, effectiveness and efficiency in achieving our quality objectives are accomplished by identifying, understanding and managing a client's specific needs. Therefore, we approach quality service management as a continuous component of our success. Transcend Security's quality management consists of four main components; Quality Planning, Quality Control/Supervision, Quality Assurance, and Quality Improvement.

QUALITY PLANNING

Quality Planning is an ever-evolving component that starts with the transition planning stage and community specific post orders, but it is also constantly changing and adapting in order to meet a client's needs and the overall security environment.

- ## TRANSITION PLANNING

    Upon award of the contract to the DC Ranch Community, our transition process begins with the finalization of the Community Survey. In this step, we review your current Post Orders, conduct a community hazard assessment and discuss the satisfaction with your current security personnel. We also order a SecurityGuage Report to provide us with a clear understanding of the crime and security risks in and around DC Ranch. This is done at no cost to you. For further details, feel free to visit http://www.securitygauge.com.

    Once we've gathered all of the data, the next step is an analysis of your security programs to see what, if any, changes we recommend and create new, up-to-date Post Orders. We will work to create the most efficient schedules and begin to order the necessary equipment. We also begin the contract execution phase and order the certificate of insurance.

    Once we have a complete and thorough understanding of the scope requirements, we'll put together a candidate profile and begin recruiting the security personnel. If incumbent personnel is to be retained, we will approach them and discuss the on-boarding procedures.

Prior to the implementation phase, all personnel assigned to the DC Ranch Community will complete our 35 Course Pre-Assignment Training program. We will also conduct a thorough community visit with assigned personnel and make sure they have reviewed and comprehend the community specific Post Orders. Personnel will also be trained on equipment at this stage.

QUALITY CONTROL/SUPERVISION

At Transcend Security, Quality Control is achieved through regular announced and unannounced community visits by the Company President and/or Vice President to ensure that our security personnel is meeting the community requirements along with an on-going, ever evolving training program. Each of these visits will be documented in our Customer Relations Management software program and compliance with post requirements will be noted. This information will be shared with our clients during our Quality Assurance meetings.

QUALITY ASSURANCE

Quality Assurance is achieved through Monthly, Quarterly and Annual service reviews with DC Ranch. Prior to our service start date, we work to identify service goals and key performance indicators to ensure our success. We then utilize a Client Scorecard which helps to track, identify, and build on Company strengths and weaknesses, and we share this information during our Quality Assurance reviews. Additionally, we reconcile all of the data captured through our Destiny Software program and share/discuss the results during our Quality Assurance meeting to help us identify any changes that may need to be made to more effectively manage the security program for the DC Ranch Community.

QUALITY IMPROVEMENT

Quality Improvement is a critical step in the Quality Management cycle. If service issues are identified either by Company management or by the client, a Quality Improvement plan is put into place immediately. The Quality Improvement plan establishes measurable objectives to be completed in order to improve service effectiveness, performance, accountability or other indicators of quality in service or processes.

Depending on the severity of the improvement needed, we will follow up with the client. If immediate action is required, we will make course corrections and notify the client of the action taken. If an Improvement Plan is put into place, we will regularly monitor the progress and periodically provide updates to the client either via normal chains of communication or through our Quality Assurance meetings.

CLIENT RELATIONS

Every security program is unique. Whether it be the scope of work, the training requirements, the technologies, or the unique skill sets of the personnel required. Transcend Security's goal is to work with our clients to build a security program that not only meets their current individual security needs, but also anticipates their security needs in the future.

We will accomplish this during the transition phase for DC Ranch by first generating a community analysis, as well as an area crime assessment via SecurityGuage. This is then followed by a meticulous on-site community assessment. Both of these actions occur prior to composing the actual proposal. When conducting the on-site community assessment, we analyze scope of services, personnel requirements, training requirements, and equipment needs with your current security provider. By analyzing this information in totality, we can then determine the best course of action needed to deliver a comprehensive security program to fit your needs.

COMMUNITY ANALYSIS

DC Ranch is a Master Planned Community located in North Scottsdale and is made up of 25 neighborhoods within four residential villages: Country Club, Desert Camp, Silverleaf and Desert Parks. The community covers approximately 4,400 acres, comprised of single-family homes, condominium developments, commercial facilities, and common community and recreational facilities. The community includes five manned gatehouses, 13 unmanned gates, one un-gated neighborhood, and two community centers. Presently, the community association membership consists of approximately 2,600 residents and lot owners. The community will build out at approximately 3,000 homes.

COMMUNITY CRIME ASSESMENT

- ### SecurityGuage Community Crime Report

    As a value-added service to our clients, Transcend Security provides complimentary SecurityGuage Report's for DC Ranch if selected as their security provider. These reports will be done once per quarter in order to remain abreast of any activity that is, or has occurred within a specific radius outside of the community.
   - ➤ **Why a SecurityGuage Report?** Most city and crime data is incomplete and inaccurate because crimes are reported by individual law enforcement agencies (Police, Sherriff, University Police, Transit Police, etc.), rather than by the city as a whole.

SecurityGuage goes further by pairing predictive statistics against actual incidences that occurred. Their predictive models source crime data from all law enforcement agencies in the U.S., thus they are not skewed by mistaken or delayed crime analyses, thus eliminating the wasting of time and money.

Each report delivers information regarding:

- ✓ Crime Risk Rating (overall risk rating for your site)
- ✓ Crime Risk Summary (quantifies risks for each type of crime)
- ✓ Site Report Map (color-coded map of crime risk hot spots)
- ✓ Crime Rate Comparisons (compares your site to the state and nation for rates of: burglary, theft, vehicle theft, homicide, rape, robbery, and aggravated assault)
- ✓ Risk Maps by Crime Type (6 color-coded maps reveal crime risk in your site's proximity: Property, Violent, Burglary, Theft, Vehicle Theft, & Armed Robbery)
- ✓ Crime Risk Trending Graphs (past, present, and forecast risks at your site for burglary, theft, vehicle theft, homicide, rape, robbery, and aggravated assault)
- ✓ Crime History & Forecast (past and future quantitative risk indices and a color-coded map revealing forecasted crime risks surrounding your site)
- ✓ Perimeter Risk Factors (maps facilities near your site that may shape crime risk)

In addition, crime risk assessments across the nation are hindered further because the majority of law enforcement agencies in the United States do not geocode the specific locations of reported crimes, making it difficult to ascertain the locations and neighborhoods where most crimes occur in America today. Even when we know locations for crimes, the incidents have not been normalized based on population in the vicinity of an address, so risks simply cannot be quantified.
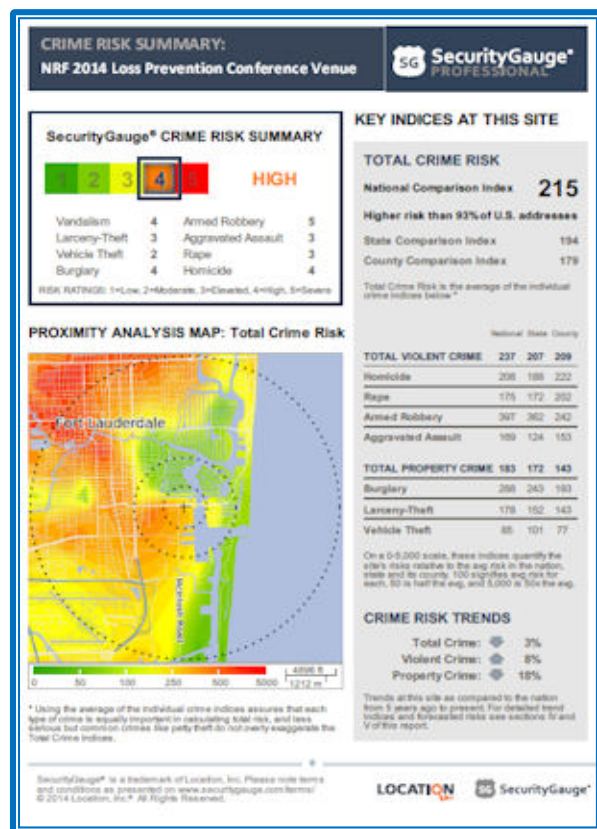
> ➢ **How does a SecurityGuage Report benefit DC Ranch?** SecurityGuage Reports provide an instant, in-depth assessment of crime and security risks within a specific radius outside of the community walls that we determine is relevant. These reports collective data from all of the above mentioned agencies. Transcend Security then uses this information to assist us in hiring the right personnel, developing content specific site Post Orders and developing training programs for our Security Professionals relevant to the types of security risks they are most likely to experience. Below is a sample SecurityGuage Report.

- ## Hazard assessment

    Prior to the commencement of services, and annually thereafter, Transcend Security will perform a Hazard Assessment for the DC Ranch Community. The Hazard Assessment is conducted to ensure a safe environment exists for not only our Security Professionals, but also for our client and their residents. Our team will conduct a general inspection of the working environment of the community. Our goal is to provide the DC Ranch residents with a community that is not only secure, but also safe.

CURRENT SCHEDULE/PERSONNEL

Transcend Security is responsible for staffing personnel at all five (5) manned gatehouses and three (3) patrolling units. All five (5) manned gates are staffed 24-hours per day, with two (2) Security Patrol Professionals staffed 24-hours per day, and one (1) Security Patrol Professional staffed eight (8) hours a day. Total billable hours shall be 1,464 hours per week with approximately 37 employees on staff. Specific personnel post assignments and schedules will be determined during the implementation phase. The Company will do everything it can to adhere to all scheduling requests made by its Security Professionals.

Transcend Security is also willing to retain incumbent personnel at the request of Furst Properties Management. Incumbent Security Professionals interested in remaining with DC Ranch will need to apply with Transcend Security and meet our hiring qualification, as well as participate in all of our hiring and training programs.

SCOPE OF SERVICES

Transcend Security has prepared this document based on our understanding of the current schedule (service hours per week) and scope of services. Our intention is to suggest improvements in service and/or efficiencies or suggest possible alternate cost saving measures and/or value added services during the implementation phase of our security

program. A detailed Scope of Service, along with detailed Post Orders will be executed during the implementation phase.

PERSONNEL REQUIREMENTS

Based on our understanding of the service requirements for DC Ranch, our goal will be to hire and retain personnel that are both customer service focused and security focused. Personnel will have to possess customer service skills and a willingness to assist residents and their guests with a smile on their face. Additionally, personnel should be physically fit and able to regularly patrol the entire community. Retention is important to ensure consistency in operations and make residents feel comfortable. In that vein, Transcend Security has put into place, employee incentives and benefits that are above industry standards in order to ensure a higher than normal retention ratio. These incentives and benefits are outline throughout this Proposal.

TRAINING REQUIREMENTS

Transcend Security personnel assigned to Pinnacle IV will be required to attend our standard eight (8) hour Arizona Department of Public Safety (DPS) approved training program/introduction to security. All personnel will also be required to complete our 12 hour Basic Security Officer Training Series. This series focuses on the fundamental that are important to every Security Guard. Additionally, Security Guards assigned to Pinnacle IV will complete our 11 hour High Rise Security Training Program prior to assignment. This program focuses on the unique requirements of high rise security and safety. Details of these programs are outlines in the Training section of this proposal.

EQUIPMENT NEEDS

Transcend Security Professionals are often times the front line of defense when something goes wrong in a protected environment. Because of this, there is a vast array of equipment available to protect security professionals, as well as the DC Ranch community that they are contracted to protect. The primary consideration for any piece of equipment provided by the Company to its Security Professionals is that it is a necessary support item towards overall protection of the community. Any and all equipment provided to our Security Professionals will always have a need and reason for being on there person, in their vehicle, or at their disposal.

SECURITY TECHNOLOGY

In today's world of physical security, there seems to be a race to be the first company to create the next great piece of proprietary technology. Most security providers want you to believe that they have created the "best" security technology, something you simply cannot live without, and they spend thousands, if not millions of dollars doing it. Their goal, to make you so reliant upon their "proprietary" technology that it makes it difficult to cancel service with them. We've seen this time-and-time again with multiple companies.

Transcend Security has taken a completely different approach to this way of thinking. We've partnered with multiple industry leading technology providers to allow us the opportunity to make available to you, a complete security technology program; and we've leveraged our relationships in the industry to provide you with substantial cost savings.

The benefits to DC Ranch of Transcend Security partnering with these companies, as opposed to DC Ranch partnering with a security company that creates their own proprietary technology are as follows:

- ✓ If, for any reason, DC Ranch needs to cancel service with Transcend Security, they are able to retain any technology we provide; and in addition, your new security provider can contract with that specific technology partner. This means DC Ranch doesn't have to learn a new product and/or system.

- ✓ Our technology partners have to stay competitive in their industry, so they are endlessly updating their product and level of service.

- ✓ If either DC Ranch and/or Transcend Security becomes unhappy with a specific product or level of service being provided by any of our technology partners, changes can easily be made to bring on new technology.

As it relates specifically to DC Ranch, each gatehouse is equipped with audio/video equipment that operates 24 hours a day, every day. This equipment will be monitored for functionality on a regular basis, as its use is key to monitoring security operations for the DC Ranch Community.

The DC Ranch Association currently utilizes the Applications By Design, Inc. (ABDI) Software System to log guests and to program transponders. Transcend Security will be responsible for all tracking of resident information, along with guest and vendor arrivals. Transcend Security Professionals will be responsible for programming, installing and troubleshooting resident and contractor transponders.

Based on the service requirements of the DC Ranch Community, we have incorporated the following technology into our service offering:

DESTINY SOFTWARE

Transcend Security has partnered with Destiny Software to provide DC Ranch with a green alternative to traditional pen and paper security reporting. Destiny Software provides us with a complete electronic post management system capable of capturing all of the required data for your site. Destiny Software offers all of the following electronically:

- ✓ Guard Tour Verification
- ✓ Activity Reports
- ✓ Incident Reports
- ✓ Parking Violations
- ✓ Maintenance Reports
- ✓ Warning Notices
- ✓ Time Clock System
- ✓ And much more

• GUARD TOUR VERIFICATION

Our Guard Tour Verification System uses trouble-free QR Code labels that are scanned utilizing a smartphone or tablet. Every scan also creates a GPS location and time stamp that is immediately sent to a secure server where it is viewable instantly through the DC Ranch client account page. This technology confirms that Transcend Security Professionals are making their rounds/inspections as required by post policies. Furthermore, this technology is impossible to manipulate.

In addition, if certain tasks need to be completed at a specific time, Transcend Security management can program the system to alert the Security Professional of the required task; then he/she confirms once complete. For example, if a clubhouse door needs to be locked or unlocked at a specified time.

Guard Tour Reports are automatically generated and emailed to the designated management contacts for the DC Ranch Community every morning at 9:00AM.

• INCIDENT REPORTS

Should an incident occur within DC Ranch, our Security Professionals will create an incident report to detail any issue that may have occurred. The drop down pre-formatted cells make it easy for the Security Professional to capture information and provides reminders for the information they are required to capture.

Incident Reports are stored on the server and are available when needed. After an Incident Report is created, an email is instantly created in real time and sent to the client representative(s) as well as Transcend Security's Management team for response.

- **Maintenance Reports**

  Additionally, Destiny Software allows Transcend Security Professionals to work with Community Management to maintain the DC Ranch community by reporting maintenance issues with exact accuracy and little effort. When Security Professionals are touring the DC Ranch and find any type of maintenance issue such as a broken gate, lights out, graffiti/vandalism, etc. they can simply select the maintenance feature from their smartphone or tablets and fill out the required information. They can also attach pictures to each report. These reports are also identified with a GPS location marker to make the maintenance issue location easy to find.

  Maintenance reports can be set up to be emailed to the community maintenance team on a daily basis or, immediately if it is an urgent request.

- ## Time Clock Feature

  The Time Clock feature in Destiny Software provides Transcend management with confirmation that the community is staffed as required, without having to make phone calls to the community to confirm. When Security Professionals arrive to the community, they are required to enter their unique ID into the Destiny Software program. From there, their only option is to clock in. At each log-in/log-out, the Security Professional is required to take a photo of themselves to confirm post identity. This process is time stamped and a GPS marker location confirms they are on-site when clocking in and out.

GEOTAB TELEMATRICS

For the DC Ranch vehicle fleet, Transcend Security has partnered with Geotab. Geotab is a proven industry leader in the area of GPS fleet management and vehicle tracking, also known as telematics. Geotab provides end-to-end, hardware and software solutions that are entirely scalable.

Transcend will install a Geotab vehicle unit into each DC Ranch security vehicle. The GPS component inside the vehicle unit communicates with satellites and records the vehicle position, speed and time, etc. The data recorded in the vehicle unit is automatically downloaded onto a vehicle/driver key. The information in the key is then transferred into a powerful software application. The software allows management to see the trips taken on a detailed map and to view instant reports that can be emailed or exported into Microsoft Excel.

- ## Behavior Modification Component

  In order to remind our Security Professionals that there are rules that they need to abide by, a loud beeping sound is triggered to warn the driver if they are breaking any pre-determined rules, such as:

  - ✓ Speed Warning
  - ✓ Seatbelt is Unbuckled
  - ✓ Harsh Braking Incident
  - ✓ Engine Idle Time
 - ✓ Over Revving the Engine

  Utilizing Geotab effectively will allow DC Ranch and Transcend Security to:

  - ✓ Reduce fuel consumption
  - ✓ Improve Driving habits
  - ✓ Reduce Carbon Footprint
  - ✓ Manage engine cost per running mile (CPM)

SHIFTBOARD

Transcend has also partnered with Shiftboard. Shiftboard is an online scheduling and communication system for our workforce. Shiftboard can be accessed from any web browser, and employee schedules are always up to date in real-time. Employees can be assigned shifts or, if desired, pick up their own positions. Communications can be targeted at specific groups of workers via email or SMS/Text, and confirmations/reminders are a core aspect of the system.

Shiftboard is also an online employee database so that employees can update their own contact information or other key fields. Management reporting is completely integrated and available in real-time.
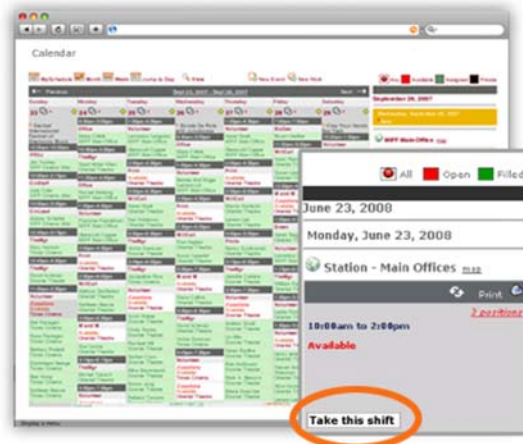
VALUE SUMMARY

At Transcend Security we maintain a philosophy that in order to retain the highest quality Security Professionals in the industry, we must compensate them commensurate to their qualifications and provide benefits and incentives that set us apart from the rest of the industry. We use a number of sources including comparable accounts and wage data to determine the appropriate compensation. The Founders of Transcend Security have resolved to reduce Company profit margin rather than decrease a Security Professionals salary. Our costing structure provides for a well-compensated Security Professional and a conservative rate to our client.

PROJECTED SECURITY COST

Position	Service Hours Per Week	Hourly Pay Rate to Security Professional	Straight Time Hourly Bill Rate (Including Holidays & Equipment)
Security Professional	1,264	$13.00	$19.38
Shift Supervisor	160	$15.00	$22.17
Security Manager	40	$55,000 (Salaried)	$36.89
Total Weekly Cost		**$30,292.48***	
Flat Monthly Cost		**$131,620.81***	
Total Annual Cost		**$1,579,449.72***	

*Pricing Notes – [1.] Pricing is valid for 90 days from the date of proposal. [2.] During contract period, pricing may be adjusted accordingly with 30 days written notice to client based on State and/or Federal mandates. [3.] Flat Monthly and Annual Pricing is based on a standard calendar year of 365 days. Pricing will be adjusted accordingly for service containing Leap Years (366 calendar days). [4.] Total Weekly Cost, Flat Monthly Cost and Total Annual Cost are inclusive of all scheduled hours, holiday pay, equipment and vehicles.

- ## Included Holidays

    Employees working on the holidays listed below will be compensated at one and one half their normal hourly pay rate. This cost is accounted for in our hourly bill rate, flat monthly rate and total annual cost. Holidays can be adjusted to meet the DC Ranch holiday schedule upon request.

    - ✓ New Year's Day
    - ✓ Memorial Day
    - ✓ Labor Day
    - ✓ Christmas Day

    - ✓ President's Day
    - ✓ Independence Day
    - ✓ Thanksgiving Day

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- **INCLUDED EQUIPMENT**

  The following equipment/security technology is included in our service offering:

  - ✓ Four (4) Samsung Galaxy S4 Smart Phone (or similar) equipped with Destiny Patrol Software. One (1) will be provided to the Security Manager, Three (3) will be utilized in each of the patrol vehicles. See page 38 for complete details.

  - ✓ 24/7 access to Destiny Patrol Property Administration Portal where you can view activity live, as it happens as well as all historical security reports.

  - ✓ Two (2) computers and One (1) printer (will be replaced every two years).

  - ✓ Basic office and printer supplies for four (4) of the manned gates.

- **INCLUDED EMPLOYEE BENEFITS/INCENTIVES**

  As previously mentioned, Transcend Security was formed to fill the gaps and improve the professionalism in the security industry. We take pride in the treatment of our Security Professionals and go to great lengths to provide them with benefits and incentives beyond the industry norm. Complete details of all of the benefits and incentives provided to our Security Professionals are detailed throughout this proposals, however, a summary of those benefits has been provided below:

  - ➤ **Company Match IRA** – Transcend Security will match an employee's pre-tax contribution up to 3%.

  - ➤ **Free Life and AD&D Insurance** – All full-time (30 hours per week or more) employees receive a free, guaranteed issue, $10,000 life and AD&D insurance policy.

  - ➤ **Medical Insurance** – All full-time employees have available medical benefits through our ACA compliant Health Net Silver plan. Transcend Security covers 50% or more of the cost of the plan for the employee.

  - ➤ **Paid Vacation** – Security Professionals will accrue (based on a 40 hour work week) one (1) week of paid vacation during years 1-5, two (2) weeks in years 6-10 and three (3) weeks of vacation after they reach their 10 year anniversary.

  - ➤ **Paid Sick Time** –Sick leave is accrued (based on a 40 hour work week) at two (2) days per year and can be used in accordance with company policy.

  - ➤ **No Cost/No Deposit Uniforms** – All uniforms, including shoes, are issued to employees at no cost and no deposit is required. Employees are only responsible for their socks and under garments.

- **Holiday Bonus** – Every employee (with the exception of the Security Manager) working at DC Ranch prior to October 31st of each calendar year will receive a $150.00 "Holiday Bonus" on their first paycheck in December of each year.

- **Monthly/Quarterly/Annual Awards** – Transcend Security, with the input of DC Ranch Management, will honor an Employee of the Month, Quarter and Year at DC Ranch. The award will be based on acts of service and the services the employee has provided to the community. Awards will be paid out at $250 for each Employee of the Month, $500 for each Employee of the Quarter and $2,500 for the Employee of the Year for a total of $7,500 per year.

- **Spot Recognition Awards** – The Security Manager and/or Transcend Security Management will issue "on the spot" awards for Security Professionals that go above and beyond while providing exceptional service. Awards may include movie tickets, fuel cards, grocery cards, visa gift cards, sporting event tickets, car wash cards, etc.

- **Security Manager Incentives** – Transcend Security recognizes that in order to have a successful team at DC Ranch, we must have an outstanding leader! Continuing with our philosophy of providing benefits and incentives well above the industry standard, our goal is to attract a top notch Security Manager by providing the following benefits/incentives:

  - ✓ Transcend Security will pay the annual membership cost to ASIS International (www.asisonline.org) for the Security Manager for DC Ranch.

  - ✓ Transcend Security will sponsor and pay for all of the training materials and courses for the Security Manager to receive his/her Physical Security Professional (PSP) Certification through ASIS International. PSP Certification takes approximately 1 year to complete.

  - ✓ The Security Manager will receive a new laptop computer and cellular phone (of his or her choice) that will be provided by Transcend Security.

  - ✓ The Security Manager for DC Ranch will be eligible for an annual bonus of up to 10% of his/her annual salary. The Security Manager will be provided with four (4) annual goals that are established in order to maintain a high level of service and continuously improve service. Each goal will be worth 2.5% of the eligible bonus. The goals can be mutually agreed up by Transcend Security and DC Ranch Management however, suggestions may include Client Satisfaction Score Card ratings, retention of personnel, operational efficiency and performance management of staff. This bonus will be paid out on the Security Managers first paycheck in December of each calendar year.

- ## Vehicle Pricing

  Upon approval from DC Ranch, Transcend Security will provide the following vehicles:

  - ✓ **Prius** – Three (3) 2015 Toyota Prius C, 4 door hatchback Hybrids for patrol and for the Security Manager. The Prius C Hybrid is an environmentally friendly vehicle and gets an estimated 53mpg in the city. Each vehicle will be wrapped to the specifications of DC Ranch and will be equipped with a light bar, spotlight and safety equipment. The monthly cost for each vehicle is $1,036.74 which is inclusive of the monthly payment, registration, taxes and insurance. DC Ranch will pay fuel and maintenance as incurred. **Please note** that the cost of each vehicle is amortized over 36 months. After 36 months, the following options will be available to DC Ranch:

    - ✓ **Option 1** – We can continue to operate the vehicles "as is" and DC Ranch will no longer be billed for the vehicles. We will only bill insurance and registration costs as incurred.

    - ✓ **Option 2** – We can sell the vehicles and apply all funds to the purchase of new vehicles for DC Ranch. By doing this, we will reduce the future cost of purchase and thereby reduce the monthly cost while providing DC Ranch with new vehicles.

    - ✓ **Option 3** – Transcend Security can purchase new vehicles and bill DC Ranch accordingly. We will transfer the titles of the three (3) 2015 Prius C's to DC Ranch Association to do with as they wish (sell them, donate them, use them for company vehicles, etc.).

  - ✓ **Golf Cart –** One (1) electric golf cart for community area patrols. The monthly cost for the golf cart is $250.00 which includes cart rental and maintenance.

- ## Company Commitments & Value Adds

  As a company, Transcend Security and our Management team is committed to providing DC Ranch with the following service commitments and value adds:

  - ➤ **Training –** Transcend Security is committed to providing training for the DC Ranch Security Professionals that go far and above what is required by DPS, as well as our competitors. Prior to the implementation phase, all Security Professionals assigned to the DC Ranch Community will complete our 35 Course Pre-Assignment Training program. This includes:

    - ✓ Basic Security Officer Training Series (BSOTS)
    - ✓ Site Specific Training: Residential Gate Guarded Communities
    - ✓ Training Series for Security Patrols
    - ✓ CPR Certifications

- ✓ On-going Training

➢ **No New Accounts** – If awarded the contract for DC Ranch, Transcend Security is committed to ensuring a smooth transition and implementation. Therefore, Transcend Security agrees that the Management team assigned to DC Ranch (President or Executive Vice President and a dedicated Operations Manager) will not take on any new client accounts from the date of award until 15 days after implementation is complete. Our DC Ranch Management team will be 100% committed to the successful start-up of DC Ranch.

➢ **Insurance** – Transcend Security will name DC Ranch as additional insured on our insurance policy. The policy will consist of the following:

- ✓ A "Per Project" General Liability Policy with a $1,000,000 per occurrence limit and a $2,000,000 aggregate limit. With a "Per Project" endorsement, DC Ranch essentially receives their own policy and doesn't have to worry about Transcend Security's exposure to risk with other clients/contracts. This type of policy is not typically found in the security industry.

- ✓ A $1,000,000 Automobile Liability Policy.

- ✓ A $3,000,000 Umbrella Liability Policy.

- ✓ A $1,000,000 Workers Compensation and Employers' Liability Policy.

- ✓ Transcend Security will provider a waiver of subrogation to DC Ranch.

➢ **Penalties & Incentives for Employee Retention** – Transcend Security understands the importance of the continuity in security operations for DC Ranch and is committed to creating an environment and culture conducive to employee retention. Therefore, Transcend Security is committed to maintain an annual retention rate of 80% or higher each year. Allowing for some turnover provides high performing Security Professionals the opportunity to advance within our organization and for general career advancement opportunities. Per the request of DC Ranch, Transcend Security proposes the following incentives/penalties associated with staff retention:

- ✓ If Transcend Security maintains an annual retention rate of 80% or greater, DC Ranch agrees to pay an incentive of $10,000 annually to Transcend Security. Transcend Security will then disperse this payment equally, as a bonus, to all Security Professionals at DC Ranch that have been assigned to the site for more than 90 days.

- ✓ If Transcend Security fails to maintain an annual retention rate of 80% or greater, Transcend Security will pay DC Ranch a penalty of $1,000

for every 1% below the 80% retention rate up to $20,000 annually. Retention rates will be monitored at each monthly service review meeting and improvement plans will be put in place if we are trending towards high turnover. Additionally, Transcend Security will agree to a 30 day termination clause in our contract that allows for termination at any time for service related issues.

➢ **Salary Increases** – As a long-term effort to continue to retain personnel, Transcend Security would like to propose a "not to exceed" annual increase of 3% of contract value. The 3% would be would be placed in a pool of funds that will be allocated as salary increases to Security Professionals based on merit/performance. Each Security Professional will receive his/her annual performance review by the Security Manager and a salary increase will be proposed. Supporting documentation and a report illustrating the allocation of salary increases will be provided to DC Ranch Management for approval.

- ## Flat Monthly Billing

Simplicity at its finest! Unless requested otherwise, Transcend Security is pleased to offer flat monthly billing to all of our clients. With flat monthly billing, DC Ranch will be billed 12 equal monthly invoices in the amount $131,620.81 per month. This monthly total includes all regularly scheduled service hours, holidays, vehicles and equipment. Invoices will be sent at the beginning of each service month with payment terms of net 30. Client requests for additional coverage, additional equipment or employee incentives outside of the specified scope of work will be direct billed as incurred. If requested, overtime hours will be billed at a rate of 1.45 times the straight hourly bill rate.

"To provide a level of service that

TRANSCENDS *good work,*

and discovers the tremendous experience of doing

GREAT *work!"*

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SECURITY SOLUTIONS

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