

**CONTINUATION AGREEMENT
AND SECOND AMENDMENT
BETWEEN
THE CITY OF SAN JOSE
AND
GLOBALFLUENCY, INC.**

THIS CONTINUATION AGREEMENT AND SECOND AMENDMENT is made and entered into this ____ day of _____, 2009, by and between the CITY OF SAN JOSE, a municipal corporation (hereinafter "CITY"), and GLOBALFLUENCY, INC., a California corporation (hereinafter "CONSULTANT").

RECITALS

WHEREAS, on November 14, 2006, CITY and CONSULTANT entered into an agreement entitled "AGREEMENT FOR CONSULTANT SERVICES BETWEEN THE CITY OF SAN JOSE AND GLOBALFLUENCY, INC." ("AGREEMENT"); and

WHEREAS, on April 15, 2008, CITY and CONSULTANT entered into an AMENDMENT AND CONTINUATION AGREEMENT to continue the term, modify the scope of services, and increase the amount of total compensation allowed; and

WHEREAS, the term of the continued and amended AGREEMENT has expired, and CITY and CONSULTANT desire to further continue the term, modify the scope of services, and increase the amount of total compensation allowed;

NOW, THEREFORE, the parties further agree to continue the continued and amended AGREEMENT as follows:

SECTION 1. The term of the amended and continued AGREEMENT, originally November 1, 2006 to December 31, 2008, is further continued and retroactive for the period of January 1, 2009 through August 31, 2009.

SECTION 2. SECTION 4, "COMPENSATION" is amended to read as follows:

"The compensation to be paid to CONSULTANT, including both payment for professional services and reimbursable expenses, shall not exceed Four Hundred Fifty Thousand Dollars (\$450,000.00). The rate and schedule of payment is set out in SECOND REVISED EXHIBIT D, entitled "COMPENSATION", which is attached hereto and incorporated herein."

SECTION 3. EXHIBIT B, "SCOPE OF SERVICES" is amended to include the services described in EXHIBIT B-2, "SECOND ADDITIONAL SCOPE OF SERVICES", attached and incorporated into this Continuation Agreement and Second Amendment.

SECTION 4. EXHIBIT C, "SCHEDULE OF PERFORMANCE" is amended to include the Schedule of Performance for additional services as described in EXHIBIT C-2, "SCHEDULE OF PERFORMANCE", attached and incorporated into this Continuation Agreement and Second Amendment.

SECTION 5. REVISED EXHIBIT D, "COMPENSATION" is amended to read as shown in SECOND REVISED EXHIBIT D, attached and incorporated into this Continuation Agreement and Second Amendment.

SECTION 6. All of the terms and conditions of the amended and continued AGREEMENT not specifically modified by this Continuation Agreement and Second Amendment shall remain in full force and effect.

WITNESS THE EXECUTION HEREOF on the day and year first written above.

"CITY"

APPROVED AS TO FORM

CITY OF SAN JOSE, a municipal corporation

ED MORAN
Assistant City Attorney

By _____
LEE PRICE, MMC
City Clerk

"CONSULTANT"

GLOBALFLUENCY, INC., a California corporation

By _____
DONOVAN NEALE-MAY
President

EXHIBIT B-2

SECOND ADDITIONAL SCOPE OF SERVICES

All tasks set forth in EXHIBIT B of the AGREEMENT were performed during the initial contract period of November 1, 2006 through October 31, 2007. The services set forth in EXHIBIT B-1 were performed during the continued contract period of November 1, 2007 through December 31, 2008.

During the term of January 1, 2009 through August 31, 2009, CONSULTANT shall perform services, in the two major areas described below, in support of the CITY's Economic Development Strategy with specific focus on the following CITY priorities:

- Green Vision/CleanTech Job Creation
- San Jose's Diversity/ International City
- Innovation—Business and Civic
- Targeted Reputation Building to Attract New and Expanded Air Service
- Art and Technology/"Art on the Edge"
- 1st ACT Silicon Valley Partnership
- Attractiveness as a Destination

It is agreed by CITY and CONSULTANT that the frequency and volume of activities identified in the scope and performed according to this AGREEMENT will vary during the term of the AGREEMENT. CONSULTANT will provide services in the following areas:

1. Ongoing Media Outreach

Aggressive outreach to targeted writers, editors and analysts to secure interest in San Jose, feature and news coverage, endorsements, etc.

- a. Distribution and pitching of strategic story angles, topics and news announcements
- b. Package, sequence and pitch tailored story angles, case studies, etc. (new pitch distribution every month)
- c. Creation and promotion of targeted feature stories aimed at various editorial focuses
- d. Byline article abstract development and placement in top-tier business, financial news, industry and thought leadership publications
- e. Placement of major feature stories in leading publications, broadcast and online publications
- f. Continuous mentions and references in real estate-, destination- and air service-related news and trend stories
- g. Assembly and immediate follow-up on extensive editorial calendar for next 12 months
- h. Placement on key media outlets' weather maps
- i. Work with CITY spokespeople on press messaging/story delivery
- j. Message Architecture development to ensure consistent positioning and communication

2. Press Materials, Video Images And National and International Journalist Database

Continue to develop core press materials for aggressive outbound communications campaign:

- a. Package San Jose's success story of economic growth, cultural and community development, vision, Green Vision, 1st ACT Silicon Valley, diversity/international city, innovation
- b. Update single, graphically rich background document to educate media on San Jose
- c. Develop pitch letters, advisories, spokesperson biographies, fact sheets, etc.
- d. Strategic news announcements to drive press interest and interviews
- e. Create a presentation that makes a case for new and increased air service
- f. Customize database of relevant top-tier journalists in regional, national and international media covering such topics as social trends, urban affairs, CITY government, global economic development, business trends, law enforcement, public safety, etc.
- g. Identify organizations, advocacy groups and third party authorities that can be recruited into the communications process
- h. Source views, opinions and quotes from business, cultural and community leaders for use in outbound communications

EXHIBIT C-2

SCHEDULE OF PERFORMANCE

Task	Date of Completion
1. Ongoing Media Outreach	January 1, 2009 through August 31, 2009
2. Press Materials, Video Images and National and International Journalist Database	January 1, 2009 through August 31, 2009

SECOND REVISED EXHIBIT D
COMPENSATION

A. Maximum Compensation

The maximum amount of compensation to be paid to CONSULTANT under this AGREEMENT, including both payment for professional services and reimbursable expenses, shall not exceed Four Hundred Fifty Thousand Dollars (\$450,000.00). Any hours worked for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to CITY.

B. Budget

The maximum compensation for professional services shall not exceed the indicated amount for the following work items:

For services performed under the initial contract term of November 1, 2006 through October 31, 2007:

Task	Description	Maximum Amount
1	Strategic Planning, Messaging and Platform Development	\$14,000
2	Story Packaging, Press Materials, Video B-Roll, Database Development	\$20,000 (includes \$8,000 costs for Video B-Roll Production)
3	Ongoing Media Outreach	\$120,000 (at the rate of \$10,000 per month)
4	Annual and Quarterly Innovation Reports	Funded through cooperative funding

5	Development of "San José Inspired" Coalition Marketing Initiative	\$10,000
6	Ongoing Administration, Planning, Reporting and Measurement	\$18,000 (at the rate of \$1,500 per month)
	Reimbursements	\$18,000
	TOTAL	\$200,000

For services performed under the continued contract term of November 1, 2007 through
December 31, 2008:

The maximum amount of compensation for both services performed and reimbursable expenses incurred under Tasks 1 through 3 in EXHIBIT B-1, "ADDITIONAL SCOPE OF SERVICES" shall not exceed One Hundred Fifty Thousand Dollars (\$150,000.00). Any hours worked for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to CITY. Reimbursable expenses related to Tasks 1 through 3 in EXHIBIT B-1 shall not exceed Twenty-Five Thousand Dollars (\$25,000.00).

For services performed under the continued and amended term of January 1, 2009 through
August 31, 2009:

The maximum amount of compensation for both services performed and reimbursable expenses incurred under Tasks 1 and 2 in EXHIBIT B-2, "SECOND ADDITIONAL SCOPE OF SERVICES" shall not exceed One Hundred Thousand Dollars (\$100,000.00). Any hours worked for which payment would result in a total exceeding the maximum amount of

compensation set forth herein shall be at no cost to CITY. Reimbursable expenses related to Tasks 1 and 2 in EXHIBIT B-2 shall not exceed Twenty-Five Thousand Dollars (\$25,000).

The CITY Manager, in her sole discretion, may shift any portion of the amounts set forth above to another item so long as the total does not exceed the maximum amount of compensation to be paid under the AGREEMENT. Any such adjustment must be in writing to be effective.

C. Reimbursements

Reimbursable expenses shall be billed and reimbursed at actual cost. The following expenses shall be reimbursable to the extent CONSULTANT provides documentation, satisfactory to the CITY's City Manager, that such expenses were incurred in performing the services under this AGREEMENT.

- Travel expenses
- Mail and delivery services
- Telephone and fax
- Content distribution
- Online research services
- Copying and printing

Any expenses incurred by the CONSULTANT not listed herein, including all expenses for the Familiarization Tour, shall not be reimbursable unless the CITY's City Manager has preapproved, in writing, the incurrence of such expenses.

D. Monthly Invoices

CONSULTANT shall, during the term of this AGREEMENT, invoice the CITY on a monthly basis for all services performed under this AGREEMENT since the previous invoice and for all reimbursable expenses incurred since the previous invoice. The invoice shall set forth a detailed description of the services performed during the invoice period and the total amount

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to be paid. The invoice shall also provide a detailed description of and supporting documentation for all reimbursable expenses.

Provided the services and reimbursable expenses covered by the invoice have been completed in accordance with the provisions of this AGREEMENT, CITY shall pay the CONSULTANT in the amount shown on the invoice within thirty (30) days of the CITY's approval of the invoice.