



CITY of ESCONDIDO

COUNCIL MEETING AGENDA

WEDNESDAY, OCTOBER 15, 2025

4:00 PM - Closed Session (Cancelled)

5:00 PM - Regular Session

Escondido City Council Chambers, 201 North Broadway, Escondido, CA 92025

WELCOME TO YOUR CITY COUNCIL MEETING

We welcome your interest and involvement in the legislative process of Escondido. This agenda includes information about topics coming before the City Council and the action recommended by City staff.

MAYOR

Dane White

DEPUTY MAYOR

Consuelo Martinez (District 1)

COUNCILMEMBERS

Joe Garcia (District 2)

Christian Garcia (District 3)

Judy Fitzgerald (District 4)

CITY MANAGER

Sean McGlynn

CITY ATTORNEY

Michael McGuinness

CITY CLERK

Zack Beck

HOW TO WATCH

The City of Escondido provides three ways to watch a City Council meeting:

In Person



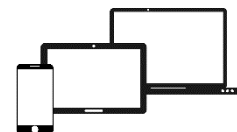
201 N. Broadway

On TV



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www.escondido.gov



CITY *of* ESCONDIDO

COUNCIL MEETING AGENDA

WEDNESDAY, OCTOBER 15, 2025

HOW TO PARTICIPATE

The City of Escondido provides two ways to communicate with the City Council during a meeting:

In Person



Fill out Speaker Slip and Submit to City Clerk

In Writing



escondido-ca.municodemeetings.com

ASSISTANCE PROVIDED

If you need special assistance to participate in this meeting, please contact our ADA Coordinator at 760-839-4869. Notification 48 hours prior to the meeting will enable the city to make reasonable arrangements to ensure accessibility. Listening devices are available for the hearing impaired – please see the City Clerk.





CITY *of* ESCONDIDO

COUNCIL MEETING AGENDA

WEDNESDAY, OCTOBER 15, 2025

**CANCELLED
CLOSED SESSION
4:00 PM**

CALL TO ORDER

1. Roll Call: Fitzgerald, C. Garcia, J. Garcia, Martinez, White

ORAL COMMUNICATIONS

In addition to speaking during particular agenda items, the public may address the Council on any item which is not on the agenda provided the item is within the subject matter jurisdiction of the City Council. State law prohibits the Council from discussing or taking action on such items, but the matter may be referred to the City Manager/staff or scheduled on a subsequent agenda. Speakers are limited to only one opportunity to address the Council under Oral Communications.

CLOSED SESSION

- I. **CONFERENCE WITH LABOR NEGOTIATORS (Government Code § 54957.6)**
 - a. Agency Representative: Sean McGlynn, City Manager, or designee
Employee Organization: Firefighters' Association Safety and Non-Safety Bargaining Unit

ADJOURNMENT



CITY *of* ESCONDIDO

COUNCIL MEETING AGENDA

WEDNESDAY, OCTOBER 15, 2025

REGULAR SESSION

5:00 PM Regular Session

MOMENT OF REFLECTION

City Council agendas allow an opportunity for a moment of silence and reflection at the beginning of the evening meeting. The City does not participate in the selection of speakers for this portion of the agenda, and does not endorse or sanction any remarks made by individuals during this time. If you wish to be recognized during this portion of the agenda, please notify the City Clerk in advance.

FLAG SALUTE

The City Council conducts the Pledge of Allegiance at the beginning of every City Council meeting.

CALL TO ORDER

Roll Call: Fitzgerald, C. Garcia, J. Garcia, Martinez, White

PROCLAMATIONS

Fire Prevention Awareness Week

Manufacturing Month 2025

National Code Enforcement Month

PRESENTATION

Certificate of Recognition for Pastor Agner Medrano

CLOSED SESSION REPORT

ORAL COMMUNICATIONS

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CITY *of* ESCONDIDO

COUNCIL MEETING AGENDA

WEDNESDAY, OCTOBER 15, 2025

CONSENT CALENDAR

Items on the Consent Calendar are not discussed individually and are approved in a single motion. However, Council members always have the option to have an item considered separately, either on their own request or at the request of staff or a member of the public.

1. AFFIDAVITS OF PUBLICATION, MAILING, AND POSTING (COUNCIL/RRB)

2. APPROVAL OF WARRANT REGISTER

Request the City Council approve the City Council and Housing Successor Agency warrants issued between September 22, 2025 to October 05, 2025.

Staff Recommendation: Approval (Finance Department: Christina Holmes, Director of Finance)

3. APPROVAL OF MINUTES: Regular meeting of October 1, 2025

4. WAIVER OF READING OF ORDINANCES AND RESOLUTIONS

5. AWARD OF CONTRACT FOR CONSTRUCTION OF PICKLEBALL COURTS AT MOUNTAIN VIEW PARK

Request the City Council adopt Resolution No. 2025-125 awarding a construction contract to Palm Engineering Construction Company, Inc. and authorizing the Mayor, on behalf of the City, to execute a Public Improvement Agreement in the amount of \$983,905.50 for construction of Pickleball Courts at Mountain View Park ("Project").

Staff Recommendation: Approval (Development Services Department: Christopher McKinney, Deputy City Manager/Interim Director of Development Services, and Jonathan Schauble, City Engineer)

Presenters: Jason Christman, Engineering Manager and Matt Souttere, Principal Engineer

a) Resolution No. 2025-125



CITY of ESCONDIDO

COUNCIL MEETING AGENDA

WEDNESDAY, OCTOBER 15, 2025

6. AUTHORIZE A SUBRECIPIENT AGREEMENT WITH ESCONDIDO EDUCATION COMPACT TO PROVIDE A RENTAL, MORTGAGE, & UTILITY ASSISTANCE PROGRAM TO LOW- AND MODERATE- INCOME RESIDENTS IN ESCONDIDO USING \$1,660,000 IN COMMUNITY DEVELOPMENT BLOCK GRANT CARES ACT FUNDS ("CDBG-CV")

Request the City Council adopt Resolution No. 2025-128 authorizing the Mayor, on behalf of the City, to execute a subrecipient agreement with Escondido Education COMPACT ("COMPACT"), in the amount of \$1,660,000 in Community Development Block Grant CARES Act funding, for rental, mortgage, and utility assistance program.

Staff Recommendation: Approval (Development Services Department: Christopher McKinney, Deputy City Manager/Interim Director of Development Services)

Presenter: Danielle Lopez, Housing & Neighborhood Services Manager

a) Resolution No. 2025-128

7. YEAR 2026 HOLIDAYS

Request the City Council adopt Resolution No. 2025-114 to designate the dates that the City offices will be closed in the year 2026 for holiday observances.

Staff Recommendation: Approval (Human Resources Department: Jessica Perpetua, Director of Human Resources)

Presenter: Jessica Perpetua, Director of Human Resources

a) Resolution No. 2025-114

8. HEALTH INSURANCE WAIVER REBATE

Request the City Council adopt Resolution No. 2025-132, approving an increase of the Health Insurance Waiver Rebate amount.

Staff Recommendation: Approval (Human Resources Department: Jessica Perpetua, Director of Human Resources)

Presenter: Daniel Alvarado, Human Resources Manager

a) Resolution No. 2025-132



CITY of ESCONDIDO

COUNCIL MEETING AGENDA

WEDNESDAY, OCTOBER 15, 2025

9. AUTHORIZE CONTRACTS TO ACQUIRE AND UTILIZE SOFTWARE AND SERVICING FOR CITYWORKS

Request the City Council adopt Resolution No. 2025-115 authorizing the Mayor, on behalf of the City, to execute an agreement with Azteca Systems, LLC, a Trimble Company, for purchase of the Cityworks software, including licensing and software support.

Staff Recommendation: Approval (Information Systems Department: Robert Van De Hey, Chief Information Officer)

Presenter: Robert Van De Hey, Chief Information Officer

a) Resolution No. 2025-115

10. CONTINUING THE EMERGENCY REPAIR OF THE ESCONDIDO TRUNK SEWER MAIN

Request the City Council adopt Resolution No. 2025-127, declaring that pursuant to the terms of Section 22050 of the California Public Contract Code, the City Council finds there is a need to continue the emergency repair of the Escondido Trunk Sewer Main.

Staff Recommendation: Approval (Utilities Department: Kyle Morgan, Interim Director of Utilities)

Presenter: Kyle Morgan, Interim Director of Utilities

a) Resolution No. 2025-127

11. PURCHASE NINETEEN (19) FORD POLICE INTERCEPTOR UTILITY VEHICLES

Request the City Council adopt Resolution No. 2025-129 authorizing the Fleet Services Division of the Public Works Department to purchase nineteen (19) Ford Police Interceptor Utility Vehicles in the amount of \$1,097,084.39 by utilizing a cooperative purchase agreement through the City of Sacramento, Contract No. B24153311011, and approving the disposal of the surplus vehicles via auction.

Staff Recommendation: Approval (Public Works Department: Joseph Goulart, Director of Public Works)

Presenter: Jeramiah Jennings, Fleet Maintenance Manager

a) Resolution No. 2025-129



CITY of ESCONDIDO

COUNCIL MEETING AGENDA

WEDNESDAY, OCTOBER 15, 2025

CONSENT RESOLUTIONS AND ORDINANCES (COUNCIL/RRB)

The following Resolutions and Ordinances were heard and acted upon by the City Council/RRB at a previous City Council/Mobilehome Rent Review meeting. (The title of Ordinances listed on the Consent Calendar are deemed to have been read and further reading waived.)

12. AN INTERIM ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, EXTENDING URGENCY ORDINANCE 2024-12R PROHIBITING NEW COMMERCIAL BATTERY ENERGY STORAGE SYSTEMS WITHIN THE CITY OF ESCONDIDO, ADOPTED AS AN URGENCY MEASURE, AND FINDING THE ACTION TO BE EXEMPT FROM CEQA

Approved on October 1, 2025 with a vote count of 4/1 (C. Garcia - No).

a) Ordinance No. 2025-06R (Second Reading and Adoption)

CURRENT BUSINESS

13. HOME INVESTMENT PARTNERSHIP PROGRAM UPDATE

Request the City Council receive this update on the HOME Investment Partnership Program ("HOME") and affirm current priorities or provide guidance on program changes.

Staff Recommendation: Provide Direction (Development Services Department: Christopher McKinney, Deputy City Manager/Interim Director of Development Services)

Presenters: Danielle Lopez, Housing & Neighborhood Services; Norma Olquin, Management Analyst

14. PL25-0282 – STAFF PRESENTATION ON ASSEMBLY BILL (AB) 130 AND SENATE BILL (SB) 131

Request the City Council receive a presentation on Assembly Bill (AB) 130 and Senate Bill (SB) 131 presentation. No action is required at this time except to provide direction to staff as appropriate.

Staff Recommendation: Receive and File (Development Services Department: Christopher W. McKinney, Deputy City Manager/Interim Director of Development Services)

Presenter: Sally Schifman, Principal Planner

15. ADOPTION OF THE UPDATED 2025 COMMUNITY WILDFIRE PREVENTION PLAN (CWPP)

Request the City Council adopt Resolution No. 2025-112 adopting the 2025 Community Wildfire Protection Plan.

Staff Recommendation: Approval (Fire Department: John Tenger, Fire Chief)

Presenter: Tyler Batson, Deputy Fire Chief

a) Resolution No. 2025-112



CITY of ESCONDIDO

COUNCIL MEETING AGENDA

WEDNESDAY, OCTOBER 15, 2025

16. FISCAL YEAR 2024/25 FINANCIAL STATUS REPORT AND BUDGET ADJUSTMENT REQUEST

Request the City Council receive and file the financial report for Fiscal Year 2024/25 and adopt Budget Adjustments to amend the Fiscal Year 2025/26 operating budget.

Staff Recommendation: Approval (Finance Department: Christina Holmes, Director of Finance)

Presenter: Christina Holmes, Director of Finance

FUTURE AGENDA

17. FUTURE AGENDA

The purpose of this item is to identify issues presently known to staff or which members of the City Council wish to place on an upcoming City Council agenda. Council comment on these future agenda items is limited by California Government Code Section 54954.2 to clarifying questions, brief announcements, or requests for factual information in connection with an item when it is discussed.

Staff Recommendation: None (City Clerk's Office: Zack Beck)

COUNCILMEMBERS SUBCOMMITTEE REPORTS AND OTHER REPORTS

CITY MANAGER'S REPORT

The most current information from the City Manager regarding Economic Development, Capital Improvement Projects, Public Safety, and Community Development.

ORAL COMMUNICATIONS

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ADJOURNMENT

UPCOMING MEETING SCHEDULE

Wednesday, October 22, 2025 4:00 & 5:00 PM Closed Session, Regular Meeting, *Police & Fire Headquarters*
Wednesday, November 05, 2025 4:00 & 5:00 PM Closed Session, Regular Meeting, *Police & Fire Headquarters*



CITY *of* ESCONDIDO

COUNCIL MEETING AGENDA

WEDNESDAY, OCTOBER 15, 2025

SUCCESSOR AGENCY

Members of the Escondido City Council also sit as the Successor Agency to the Community Development Commission, Escondido Joint Powers Financing Authority, and the Mobilehome Rent Review Board.



Consent Item No. 1

October 15, 2025

A F F I D A V I T S
O F
I T E M
P O S T I N G – N O N E



STAFF REPORT

October 15, 2025
File Number 0400-40

SUBJECT**APPROVAL OF WARRANT REGISTER****DEPARTMENT**

Finance

RECOMMENDATION

Approval for City Council and Housing Successor Agency warrants issued between September 22, 2025 to October 05, 2025

Staff Recommendation: Approval (Finance Department: Christina Holmes)

ESSENTIAL SERVICE – Internal requirement per Municipal Code Section 10

COUNCIL PRIORITY –

FISCAL ANALYSIS

The total amount of the warrants for the following periods are as follows:

Dates	09/22/2025 to 10/05/2025
Total	\$5,162,895.38
Number of Warrants	478

BACKGROUND

The Escondido Municipal Code Section 10-49 states that warrants or checks may be issued and paid prior to audit by the City Council, provided the warrants or checks are certified and approved by the Director of Finance as conforming to the current budget. These warrants or checks must then be ratified and approved by the City Council at the next regular Council meeting.



CITY of ESCONDIDO

COUNCIL MEETING MINUTES

CLOSED SESSION

4:30 PM

CALL TO ORDER

1. Roll Call: Fitzgerald, C. Garcia, J. Garcia, Martinez, White

ORAL COMMUNICATIONS

None

CLOSED SESSION

1. **CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION (Government Code § 54957.6)**
 - a. *Beatz v. City of Escondido, et. al.*
San Diego Superior Court Case No. 37-2023-00004381-CU-PA-CTL

ADJOURNMENT

Mayor White adjourned the meeting at 4:50 p.m.

MAYOR

CITY CLERK



CITY of ESCONDIDO

COUNCIL MEETING MINUTES

REGULAR SESSION

5:00 PM Regular Session

MOMENT OF REFLECTION

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FLAG SALUTE

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CALL TO ORDER

Roll Call: Fitzgerald, C. Garcia, J. Garcia, Martinez, White

CLOSED SESSION REPORT

ORAL COMMUNICATIONS

Stephen Wheeler – Requested the City Council file a report of the responses from the San Diego County Congressional Delegation Immigration Letter and that the City Council follow the City of Vista and City of Encinitas models in response to Immigration and Customs Enforcement. Requested the City Council do homework on Cannabis before proceeding on that item.

Ken Machan – Expressed concern regarding a failed septic system at his property and the lack of responsiveness from the developer of the project.

CONSENT CALENDAR

Motion: Fitzgerald; Second: J. Garcia; Approved: 5-0

1. AFFIDAVITS OF PUBLICATION, MAILING, AND POSTING (COUNCIL/RRB)

2. APPROVAL OF WARRANT REGISTER (COUNCIL)

Request the City Council approve the City Council and Housing Successor Agency warrants issued between September 08, 2025 to September 21, 2025.



CITY of ESCONDIDO

COUNCIL MEETING MINUTES

Staff Recommendation: Approval (Finance Department: Christina Holmes, Director of Finance)

3. APPROVAL OF MINUTES: Regular meeting of September 17, 2025

4. WAIVER OF READING OF ORDINANCES AND RESOLUTIONS

5. ALLOCATION OF LIBRARY TRUST FUNDS

Request the City Council adopt Resolution No. 2025-124 allocating \$251,274.99 in Library Trust Funds for use toward the unfunded items as a part of the Library Infrastructure Project. (File Number 1115-30)

Staff Recommendation: Approval (Community Services Department: Joseph Goulart, Director of Public Works)

Presenter: Robert Rhoades, Assistant Director of Community Services

a) Resolution No. 2025-124

6. CONSULTING SERVICES AGREEMENT WITH GLENN A. RICK ENGINEERING AND DEVELOPMENT CO.

Request the City Council adopt Resolution No. 2025-118 authorizing the Mayor to execute a Consulting Services Agreement with Glenn A. Rick Engineering and Development Co. for On-Call Development Services. (File Number 0600-10; A-3567)

Staff Recommendation: Approval (Development Services Department: Christopher A. McKinney, Deputy City Manager/Interim Director of Development Services)

Presenter: Megan Crooks, Management Analyst II

a) Resolution No. 2025-118

7. A CONSULTING SERVICES AGREEMENT WITH JONES LANG LASALLE AMERICAS, INC. FOR REAL PROPERTY CONSULTING SERVICES

Request the City Council adopt Resolution No. 2025-119 authorizing the Mayor to execute, on behalf of the City, a Consulting Services Agreement with Jones Lang LaSalle Americas, Inc. for Real Property Consulting Services. (File Number 0600-10; A-3568)

Staff Recommendation: Approval (Economic Development Department: Jennifer Schoeneck, Director of Economic Development)

Presenter: Francisco Vargas, Management Analyst – Real Property

a) Resolution No. 2025-119



CITY of ESCONDIDO

COUNCIL MEETING MINUTES

8. FISCAL YEAR 2025-26 STATE OF CALIFORNIA OFFICE OF TRAFFIC SAFETY SELECTIVE TRAFFIC ENFORCEMENT PROGRAM (STEP) GRANT AND BUDGET ADJUSTMENT

Request the City Council adopt Resolution No. 2025-120 (1) authorizing the Escondido Police Department to accept a Fiscal Year 2025-26 California Office of Traffic Safety ("OTS") Selective Traffic Enforcement Program ("STEP") Grant in the amount of \$462,000; (2) authorizing the Chief of Police or his designee to execute grant documents on behalf of the City; and (3) approving budget adjustments needed to spend grant funds. (File Number 0480-70)

Staff Recommendation: Approval (Police Department: Ken Plunkett, Chief of Police)

Presenter: Ken Plunkett, Chief of Police

a) Resolution No. 2025-120

9. FISCAL YEAR 2025-26 STATE OF CALIFORNIA OFFICE OF TRAFFIC SAFETY PEDESTRIAN AND BICYCLE SAFETY PROGRAM GRANT AND BUDGET ADJUSTMENT

Request the City Council Adopt Resolution No. 2025-121 (1) authorizing the Escondido Police Department to accept a Fiscal Year 2025-26 California Office of Traffic Safety ("OTS") Pedestrian and Bicycle Safety Program Grant in the amount of \$25,000; (2) authorizing the Chief of Police or his designee to execute grant documents on behalf of the City; and (3) approve budget adjustments needed to spend grant funds. (File Number 0480-70)

Staff Recommendation: Approval (Police Department: Ken Plunkett, Chief of Police)

Presenter: Ken Plunkett, Chief of Police

a) Resolution No. 2025-121

10. CONTINUING THE EMERGENCY REPAIR OF THE ESCONDIDO TRUNK SEWER MAIN

Request the City Council adopt Resolution No. 2025-123, declaring that pursuant to the terms of Section 22050 of the California Public Contract Code, the City Council finds there is a need to continue the emergency repair of the Escondido Trunk Sewer Main. (File Number 1330-85)

Staff Recommendation: Approval (Utilities Department: Kyle Morgan, Interim Director of Utilities)

Presenter: Kyle Morgan, Interim Director of Utilities

a) Resolution No. 2025-123

PUBLIC HEARINGS



CITY of ESCONDIDO

COUNCIL MEETING MINUTES

11. 2022 GENERAL PLAN AMENDMENT (PL22-0010)

Request the City Council adopt Resolution No. 2025-122, approving (1) the updates to the Community Protection chapter; (2) the addition of an Environmental Justice section to the Community Health and Services chapter; and (3) an Addendum to the Final Environmental Impact Report (FEIR). (File Number 0830-20)

Staff Recommendation: Approval (Development Services Department: Christopher McKinney, Deputy City Manager/Interim Director of Development Services)

Presenter: Veronica Morones, City Planner

a) Resolution No. 2025-112

Motion: Martinez; Second: White; Approved: 5-0

12. BATTERY ENERGY STORAGE SYSTEMS WITHIN THE CITY OF ESCONDIDO

Request the City Council adopt Ordinance No. 2025-06 extending Urgency Ordinance No. 2024-12R ("Urgency Ordinance") prohibiting new commercial Battery Energy Storage Systems within the City of Escondido. The proposal also includes adoption of the environmental determination prepared for the project. (File Number 0800-40)

Staff Recommendation: Approval (Development Services Department: Christopher W. McKinney, Deputy City Manager/Interim Director of Development Services)

Presenter: Veronica Morones, City Planner

a) Ordinance No. 2025-06 (First Reading and Introduction)

Motion to extend the Ordinance for 12 months with an exception for the California Energy Commission Project at the Enterprise BESS Peaking Plant by amending Section 5 of the Ordinance accordingly: White; Second: Martinez; Approved: 4-1 (C. Garcia – No)

FUTURE AGENDA

13. FUTURE AGENDA

The purpose of this item is to identify issues presently known to staff or which members of the City Council wish to place on an upcoming City Council agenda. Council comment on these future agenda items is limited by California Government Code Section 54954.2 to clarifying questions, brief announcements, or requests for factual information in connection with an item when it is discussed.

Staff Recommendation: None (City Clerk's Office: Zack Beck)



CITY *of* ESCONDIDO

COUNCIL MEETING MINUTES

COUNCILMEMBERS SUBCOMMITTEE REPORTS AND OTHER REPORTS

CITY MANAGER'S REPORT

The most current information from the City Manager regarding Economic Development, Capital Improvement Projects, Public Safety, and Community Development.

ORAL COMMUNICATIONS

ADJOURNMENT

Mayor White adjourned the meeting at 6:25 p.m.

MAYOR

CITY CLERK



STAFF REPORT

ITEM NO. 4

SUBJECT

WAIVER OF READING OF ORDINANCES AND RESOLUTIONS –

ANALYSIS

The City Council/RRB has adopted a policy that is sufficient to read the title of ordinances at the time of introduction and adoption, and that reading of the full text of ordinances and the full text and title of resolutions may be waived.

Approval of this consent calendar item allows the City Council/RRB to waive the reading of the full text and title of all resolutions agendaized in the Consent Calendar, as well as the full text of all ordinances agendaized in either the Introduction and Adoption of Ordinances or General Items sections. **This particular consent calendar item requires unanimous approval of the City Council/RRB.**

Upon approval of this item as part of the Consent Calendar, all resolutions included in the motion and second to approve the Consent Calendar shall be approved. Those resolutions removed from the Consent Calendar and considered under separate action may also be approved without the reading of the full text and title of the resolutions.

Also, upon the approval of this item, the Mayor will read the titles of all ordinances included in the Introduction and Adoption of Ordinances section. After reading of the ordinance titles, the City Council/RRB may introduce and/or adopt all the ordinances in one motion and second.

RECOMMENDATION

Staff recommends that the City Council/RRB approve the waiving of reading of the text of all ordinances and the text and title of all resolutions included in this agenda. Unanimous approval of the City Council/RRB is required.

Respectfully Submitted,

Zack Beck
City Clerk



STAFF REPORT

October 15, 2025

File Number 0600-10; A-3569

SUBJECT

AWARD OF CONTRACT FOR CONSTRUCTION OF PICKLEBALL COURTS AT MOUNTAIN VIEW PARK

DEPARTMENT

Development Services, Engineering Division

RECOMMENDATION

Request City Council adopt Resolution No. 2025-125 awarding a construction contract to Palm Engineering Construction Company, Inc. and authorizing the Mayor, on behalf of the City, to execute a Public Improvement Agreement in the amount of \$983,905.50 for construction of Pickleball Courts at Mountain View Park ("Project").

Staff Recommendation: Approval (Chris McKinney, Interim Director of Development Services, and Jonathan Schauble, City Engineer)

Presenter: Jason Christman, Engineering Manager and Matt Souttere, Principal Engineer

ESSENTIAL SERVICE – Yes, Parks Facilities/Open Spaces

COUNCIL PRIORITY – Increase Retention and Attraction of People and Businesses to Escondido

FISCAL ANALYSIS

Park Development funds have been allocated for this Project. Sufficient funds are available in the CIP account to fully fund this Project.

PREVIOUS ACTION

City Council adopted the Fiscal Year 2026 Capital Improvement Program budget and allocated additional Park Development Funds to complete the Project on June 18, 2025.

BACKGROUND

Mountain View Park ("MVP") is approximately eleven (11) acres in size and contains lighted little league fields, multi-purpose fields (soccer and baseball), tennis courts, picnic tables, a tot lot/playground, restrooms, and an open turf area. The pickleball community within the city is a rapidly growing community with residents expressing the desire to have pickleball courts installed within parks around the city.



CITY of ESCONDIDO

STAFF REPORT

As a result of community outreach efforts in support of pickleball courts, the city developed a mixed use pickleball/tennis courts at MVP. Additionally, the city has received ongoing feedback from both tennis and pickleball communities emphasizing the need for separate pickleball courts in order to accommodate both sports.

The Project bid documents were published for construction bids on August 8, 2025. On September 17, 2025, eleven sealed bids were received in response to the request for bids for the Project. The confirmed totals for the total base bid items are listed below:

Palm Engineering Construction Company Inc.	\$ 983,905.50
HSCC Builders	\$1,130,431.40
Fordyce Construction	\$1,153,289.00
Byrom-Davey, Inc.	\$1,210,612.00
Western Rim Constructors, Inc.	\$1,215,580.10
Dick Miller, Inc.	\$1,305,985.40
SWCS Inc dba Southwest	\$1,310,656.06
Western State Builders, Inc.	\$1,365,420.20
Wier Construction Corp.	\$1,449,008.42
Montano Pipeline, Inc.	\$1,477,636.00
GEM Industrial	\$1,573,921.00

Staff has evaluated the bids and determined that the construction bid submitted by Palm Engineering Construction Company, Inc., is the lowest responsive and responsible bid. The bid submitted by Palm Engineering Construction Company, Inc. meets the all requirements set forth in the bid documents. Staff recommends awarding a public improvement agreement in the amount of \$983,906 to Palm Engineering Construction Company Inc. for construction of this Project.

RESOLUTIONS

- a) Resolution No. 2025-125
- b) Resolution No. 2025-125 – Exhibit “A” – Public Improvement Agreement

RESOLUTION NO. 2025-125

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE MAYOR TO EXECUTE, ON BEHALF OF THE CITY, A PUBLIC IMPROVEMENT AGREEMENT FOR CONSTRUCTION OF THE PICKLEBALL COURTS AT MOUNTAIN VIEW PARK PROJECT

WHEREAS, the City Council has allocated funding in the Park Development Funds for construction of the Pickleball Courts at Mountain View Park Project ("Project"); and

WHEREAS, a notice inviting bids for said improvements was duly published on August 8, 2025; and

WHEREAS, pursuant to said notice, eleven sealed bids for the project were opened and evaluated on September 17, 2025; and

WHEREAS, Palm Engineering Construction Company, Inc. was determined to be the lowest responsive and responsible bidder; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to authorize a Public Improvement Agreement with Palm Engineering Construction Company, Inc. in the amount of \$983,905.50.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. That the City Council authorizes the Mayor to execute, on behalf of the City, a Public Improvement Agreement with Palm Engineering Construction Company, Inc. in a substantially similar form

to that which is attached and incorporated to this Resolution as Exhibit “A,” and subject to final approval as to form by the City Attorney.



CITY OF ESCONDIDO
PUBLIC IMPROVEMENT AGREEMENT

This Public Improvement Agreement ("Agreement") is made and entered into as of the last signature date set forth below ("Effective Date"),

Between: CITY OF ESCONDIDO
a California municipal corporation
201 N. Broadway
Escondido, CA 92025
Attn: Michael Tully
("CITY")

And: Palm Engineering Construction Company, Inc.
a California corporation
7730 Opportunity Rd Suite A & B
San Diego, CA 92111
Attn: Rasoul Shahbazi
619-291-1495
("CONTRACTOR").

(The CITY and CONTRACTOR each may be referred to herein as a "Party" and collectively as the "Parties.")

WHEREAS, the Parties desire to enter into this Agreement for the performance of work relating to the Mountain View Park Pickleball Courts Project ("Project"), occurring on property located at 1160 South Citrus Ave., Escondido, CA 92027 and having assessor's parcel number 231-220-43-00 ("Property"), as further described herein.

NOW, THEREFORE, in consideration of the mutual covenants, promises, terms, and conditions set forth herein, and the mutual benefits derived therefrom, the Parties hereby agree as follows:

1. Project Documents. The Notice Inviting Sealed Bids/Notice to Contractors, Instructions to Bidders, Bid Form, Designation of Subcontractors, Workers' Compensation Certificate, Change Orders, Shop Drawing Transmittals, Information Required of CONTRACTOR, Non-collusion Affidavit, Insurance Certificates, Guarantees, General Conditions, Supplementary General Conditions, Special Conditions, Plans, Drawings, Specifications, the Agreement, and all modifications, addenda, and amendments thereto ("Project Documents") are incorporated herein by this reference as if fully set forth herein. The Project Documents are complementary, and what is called for by any one shall be as binding as if called for by all.

2. Description and Performance of Work. CONTRACTOR shall furnish all work described in the Project Documents ("Work"). All Work to be performed and materials to be furnished shall be completed in a good workmanlike manner, free from defects, in strict accordance with the plans, drawings, specifications, and requirements set forth in the Project Documents and all provisions of this Agreement.
3. Compensation. In exchange for CONTRACTOR's completion of the Work, the CITY shall pay, and CONTRACTOR shall accept in full, an amount not to exceed the sum of **\$983,906** ("Contract Price"). CONTRACTOR shall be compensated only for performance of the Work described in this Agreement. No compensation shall be provided for any other work or services without the CITY's prior written consent.
4. Term and Time of Performance. CONTRACTOR shall commence work within one week from the CITY's notice to proceed. CONTRACTOR shall diligently perform and complete the Work with professional quality and technical accuracy **within 30 working days of the City's Notice to Proceed** ("Completion Date"). Extension of terms or time of performance shall be subject to the CITY's sole discretion.
5. Time Is of the Essence. If the Work is not completed by the Completion Date, it is understood that the CITY will suffer damage. It being impractical and infeasible to determine the amount of actual damage, in accordance with Government Code section 53069.85, the Parties agree that CONTRACTOR shall pay to the CITY as fixed and liquidated damages, and not as a penalty, the sum of **\$500 per day** for each calendar day of delay until the Work is completed and accepted ("Liquidated Damages Amount"). The Liquidated Damages Amount shall be deducted from any payments due to, or that become due to, CONTRACTOR. CONTRACTOR and CONTRACTOR'S surety shall be liable for the Liquidated Damages Amount.
6. Insurance Requirements.
 - a. CONTRACTOR shall procure and maintain, at its own cost, during the entire term of this Agreement, insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the Work, and the results of such Work, by CONTRACTOR, its agents, representatives, employees, or subcontractors. Insurance coverage shall be at least as broad as the following:
 - (1) *Commercial General Liability.* Insurance Services Office ("ISO") Form CG 0001 11188 covering Commercial General Liability on an "occurrence" basis, including products and completed operations, property damage, bodily injury (including emotional distress), sickness, disease, or death of any person other than the CONTRACTOR's employees, and personal and advertising injury, and damages because of injury or destruction of tangible property, including loss of use resulting there from, with limits no less than \$3,000,000 combined single limit coverage per occurrence for bodily injury and property damage; or, if a general aggregate limit is applicable, either: (i) the general aggregate limit shall specifically apply to the project identified in the bid specifications or to the location of such project which is the subject of these bid specifications with coverage to be no less than \$3,000,000, or (ii) the general aggregate shall be at least \$3,000,000 combined single limit coverage per occurrence for bodily injury and property damage.
 - (2) *Automobile Liability.* ISO Form CA 00 01 covering any auto (Code 1), or if CONTRACTOR has no owned autos, hired (Code 8) and non-owned autos (Code 9), including damages because of bodily injury, death of a person, or property damage arising out of the

ownership, maintenance, or use of a motor vehicle, all mobile equipment, and vehicles moving under CONTRACTOR's control and engaged in the Work, with limits no less than \$3,000,000 combined single limit per accident for bodily injury and property damage.

- (3) *Workers' Compensation.* Workers' Compensation as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limits of no less than \$1,000,000 per accident for bodily injury or disease.
 - (4) *Builder's Risk/"All Risk" Insurance.* The CONTRACTOR, during the progress of the Work and until final acceptance of the Work by CITY, shall maintain Builder's Risk/"All Risk," course-of-construction insurance satisfactory to CITY issued on a completed value basis of all WORK pursuant to this Agreement. Coverage is to provide extended coverage and insurance against vandalism, theft, malicious mischief, perils of fire, sprinkler leakage, civil authority, sonic boom, earthquake, collapse, flood, wind, lightning, smoke, riot, debris removal (including demolition), and reasonable compensation for the Engineer's services and expenses required as a result of such insured loss upon the Work, including completed Work and Work in progress to the full insurable value thereof. Such insurance shall include the CITY and the City Engineer as an additional named insured and any other person with an insurable interest designated.
 - (5) If CONTRACTOR maintains broader coverage and/or higher limits than the minimums otherwise required by this Agreement, the CITY requires and shall be entitled to the broader coverage and/or the higher limits maintained by CONTRACTOR.
- b. Each insurance policy required by this Agreement must be acceptable to the City Attorney and shall meet the following requirements:
- (1) *Compliance with General Condition Requirements.* Insurance coverage shall comply with and meet all requirements set forth in Article 5.2 of General Conditions
 - (2) *Acceptability of Insurers.* Insurance coverage must be provided by an insurer authorized to conduct business in the state of California with a current A.M. Best's rating of no less than A-:VII, or as approved by the CITY.
 - (3) *Additional Insured Status.* Both the Commercial General Liability and the Automobile Liability policies must name the CITY (including its officials, officers, agents, employees, and volunteers) specifically as an additional insured under the policy on a separate endorsement page. The Commercial General Liability additional insured endorsement shall be at least as broad as ISO Form CG 20 10 11 85, or if not available, through the addition of *both* CG 20 10, CG 20 26, CG 20 33, or CG 20 38, *and* CG 20 37 if a later edition is used. The Automobile Liability additional insured endorsement shall be at least as broad as ISO Form CA 20 01.
 - (4) *Primary Coverage.* CONTRACTOR's insurance coverage shall be primary coverage at least as broad as ISO CG 20 01 04 13 with respect to the CITY, its officials, officers, agents, employees, and volunteers. Any insurance or self-insurance maintained by the CITY, its officials, officers, agents, employees, or volunteers shall be in excess of CONTRACTOR's insurance and shall not contribute with it.
 - (5) *Notice of Cancellation.* Each insurance policy shall provide that coverage shall not be canceled, except with prior written notice to the CITY.

- (6) *Subcontractors.* If applicable, CONTRACTOR shall require and verify that all subcontractors maintain insurance meeting all the requirements stated within this Agreement, and CONTRACTOR shall ensure that the CITY (including its officials, officers, agents, employees, and volunteers) is an additional insured on any insurance required from a subcontractor.
 - (7) *Waiver of Subrogation.* CONTRACTOR hereby grants to the CITY a waiver of any right to subrogation that any insurer of CONTRACTOR may acquire against the CITY by virtue of the payment of any loss under such insurance. CONTRACTOR agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this subsection shall apply regardless of whether or not the CITY has received a waiver of subrogation endorsement from the insurer. Any Workers' Compensation policy required by this Agreement shall be endorsed with a waiver of subrogation in favor of the CITY for all work performed by the CONTRACTOR, its agents, representatives, employees and subcontractors.
 - (8) *Self-Insurance.* CONTRACTOR may, with the CITY's prior written consent, fulfill some or all of the insurance requirements contained in this Agreement under a plan of self-insurance. CONTRACTOR shall only be permitted to utilize such self-insurance if, in the opinion of the CITY, CONTRACTOR's (i) net worth and (ii) reserves for payment of claims of liability against CONTRACTOR are sufficient to adequately compensate for the lack of other insurance coverage required by this Agreement. CONTRACTOR's utilization of self-insurance shall not in any way limit the liabilities assumed by CONTRACTOR pursuant to this Agreement.
 - (9) *Self-Insured Retentions.* Self-insured retentions must be declared to and approved by the CITY.
- c. *Verification of Coverage.* At the time CONTRACTOR executes this Agreement, CONTRACTOR shall provide the CITY with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting the insurance coverage required by this Agreement), which shall meet all requirements under this Agreement. The CITY reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by this Agreement, at any time.
 - d. *Special Risks or Circumstances.* The CITY reserves the right, at any point during the term of this Agreement, to modify the insurance requirements in this Agreement, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.
 - e. *No Limitation of Obligations.* The insurance requirements within this Agreement, including the types and limits of insurance coverage CONTRACTOR must maintain, and any approval of such insurance by the CITY, are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by CONTRACTOR pursuant to this Agreement, including but not limited to any provisions within this Agreement concerning indemnification.
 - f. *Compliance.* Failure to comply with any of the insurance requirements in this Agreement, including but not limited to a lapse in any required insurance coverage during the term of this Agreement, shall be a material breach of this Agreement. Compliance by CONTRACTOR with the requirement to carry insurance and furnish certificates, policies, Additional Insured Endorsement and Declarations Page evidencing the same shall not relieve the CONTRACTOR from liability assumed under any provision of this Agreement, including, without limitation, the obligation to defend and indemnify the CITY and the City Engineer. In the event that

CONTRACTOR fails to comply with any insurance requirement set forth in this Agreement, in addition to any other remedies the CITY may have, the CITY may, at its sole option, (i) immediately terminate this Agreement; or (ii) order CONTRACTOR to stop Work under this Agreement and/or withhold any payment that becomes due to CONTRACTOR until CONTRACTOR demonstrates compliance with the insurance requirements in this Agreement.

7. Indemnification, Duty to Defend, and Hold Harmless.

- a. CONTRACTOR (including CONTRACTOR's agents, employees, and subcontractors, if any) shall indemnify, defend, and hold harmless the CITY, its officials, officers, agents, employees, and volunteers from and against any and all claims, demands, actions, causes of action, proceedings (including but not limited to legal and administrative proceedings of any kind), suits, fines, penalties, judgments, orders, levies, costs, expenses, liabilities, losses, damages, or injuries, in law or equity, including without limitation the payment of all consequential damages and attorney's fees and other related litigation costs and expenses (collectively, "Claims"), of every nature caused by, arising out of, or in connection with CONTRACTOR's (including CONTRACTOR's agents, employees, and subcontractors, if any) Work pursuant to this Agreement or its failure to comply with any of its obligations contained herein, except where caused by the active negligence, sole negligence, or willful misconduct of the CITY.
- b. CONTRACTOR (including CONTRACTOR's agents, employees, and subcontractors, if any) shall indemnify, defend, and hold harmless the CITY, its officials, officers, agents, employees, and volunteers from and against any and all Claims caused by, arising under, or resulting from any violation, or claim of violation, of the San Diego Municipal Storm Water Permit (Order No. R9-2013-0001, as amended) of the California Regional Water Quality Control Board, Region 9, San Diego, that the CITY might suffer, incur, or become subject to by reason of, or occurring as a result of, or allegedly caused by, any Work performed pursuant to this Agreement.
- c. All terms and provisions within this Section 7 shall survive the termination of this Agreement.

8. Bonds.

- a. CONTRACTOR shall furnish and deliver to the CITY, simultaneously with the execution of this Agreement, the following surety bonds:
 - (1) *Faithful Performance Bond.* CONTRACTOR shall furnish to the CITY a surety bond in an amount equal to the Contract Price as security for faithful performance of this Agreement.
 - (2) *Labor and Materials Bond.* CONTRACTOR shall furnish to the CITY a surety bond in an amount equal to the Contract Price as security for payment to persons performing labor and furnishing materials in connection with the Project.
- b. All bonds furnished to the CITY pursuant to this Agreement shall be in the form set forth herein and approved by the City Attorney.
- c. All bonds shall be executed by sureties that are named in the current list of "Companies Holding Certificates of Authority as Acceptable Sureties on Federal bonds and as Acceptable Reinsuring Companies" as published in Circular 570 (amended) by the Audit Staff, Bureau of Government Financial Operations, U.S. Treasury Department. All bonds signed by an agent must be accompanied by a certified copy of such agent's authority to act.

- d. If the surety on any bond furnished by the CONTRACTOR is declared bankrupt or becomes insolvent or its right to do business is terminated in any state where any part of the Work is located, the CONTRACTOR shall, within seven days thereafter, substitute another bond and surety, which must be acceptable to the CITY. No portion of the Work shall be performed without bonds, in a form and issued by a surety acceptable to the City. If one or more of such bonds shall, at any time, not be in full force and effect, CONTRACTOR shall immediately cease performance of the Work until CONTRACTOR is in full compliance with the bonding requirements of this Agreement and California law. All delays and costs incurred or resulting from such occurrence shall be to the exclusive account of CONTRACTOR. Failure of the CONTRACTOR to promptly cure any failure to have the necessary bonds in full force and effect shall be grounds for immediate termination of this Agreement.
 - e. All bonds shall be obtained from surety companies that are duly licensed or authorized in the State of California. Such surety companies shall also meet any additional requirements and qualifications as may be provided in the Supplementary General Conditions.
9. Substitution of Securities. This Agreement is subject to California Public Contract Code section 22300, which permits the substitution of securities for any monies withheld by the CITY to ensure performance of this Agreement. At the request and expense of the CONTRACTOR, securities equivalent to the amount withheld shall be deposited with the CITY, or with a state- or federally-chartered bank in this state as the escrow agent, who shall then pay those moneys to CONTRACTOR. Upon satisfactory completion and acceptance of the Work, such securities shall be returned to the CONTRACTOR.
10. Contractor Default. In the event CONTRACTOR, for a period of 10 calendar days after receipt of written demand from the CITY to do so ("Cure Period"), fails to furnish tools, equipment, or labor in the necessary quantity or quality required by this Agreement, or fails to prosecute the Work and all parts thereof in a diligent and workmanlike manner, or after commencing to do so within the Cure Period, fails to continue to do so, then the CITY in its sole discretion may exclude the CONTRACTOR from the Property, or any portion thereof, and take exclusive possession of the Property or any portion thereof, together with all material and equipment thereon, and may complete the Work or any portion of the Work, either by (i) furnishing the necessary tools, equipment, labor, or materials; or (ii) letting the unfinished portion of the work, or any portion thereof, to another contractor; or (iii) demanding the surety hire another contractor; or (iv) any combination of such methods. The CITY's procuring of the completion of the Work, or the portion of the Work taken over by the CITY, shall be a charge against the CONTRACTOR and may be deducted from any money due or to become due to CONTRACTOR from the CITY, or the CONTRACTOR shall pay the CITY the amount of such charge, or the portion thereof unsatisfied. The sureties provided for under this Agreement shall become liable for payment if CONTRACTOR fails to pay in full any such cost incurred by the CITY. The permissible charges for any such procurement of the completion of the Work include actual costs and fees incurred to third party individuals and entities (including but not limited to consultants, attorneys, inspectors, and designers) and actual costs incurred by the CITY for the increased dedication of time of the CITY's employees to the Project.
11. Other Legal Requirements Incorporated. Each and every provision of law and clause required by law to be inserted in this Agreement or its attachments shall be deemed to be inserted herein, and this Agreement shall be read and enforced as though such law or clause were included herein, and if through mistake or otherwise any such provision is not inserted, or is not currently inserted, then upon application of either Party, the Agreement shall forthwith be physically amended to make such insertion or correction, without further changes to the remainder of the Agreement.

12. Merger Clause. This Agreement, together with its attachments or other documents described or incorporated herein, if any, constitutes the entire agreement and understanding of the CITY and CONTRACTOR concerning the subject of this Agreement and supersedes and replaces all prior negotiations, understandings, or proposed agreements, written or oral, except as otherwise provided herein. In the event of any conflict between the provisions of this Agreement and any of its attachments or related documents, if any, the provisions of this Agreement shall prevail.
13. Attorney's Fees and Costs. In any action to enforce the terms and conditions of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs.
14. Independent Contractor. CONTRACTOR is an independent contractor, and no agency or employment relationship is created by the execution of this Agreement.
15. Amendment. This Agreement shall not be amended except in a writing signed by the CITY and CONTRACTOR, and pursuant to action of the Escondido City Council.
16. Anti-Waiver Clause. None of the provisions of this Agreement shall be waived by the CITY because of previous failure to insist upon strict performance, nor shall any provision be waived because any other provision has been waived by the CITY, in whole or in part.
17. Severability. This Agreement shall be performed and shall be enforceable to the full extent allowed by applicable law, and the illegality, invalidity, waiver, or unenforceability of any provision of this Agreement shall not affect the legality, validity, applicability, or enforceability of the remaining provisions of this Agreement.
18. Governing Law. This Agreement and all rights and obligations arising out of it shall be construed in accordance with the laws of the State of California. Venue for any action arising from this Agreement shall be conducted only in the state or federal courts of San Diego County, California.
19. Counterparts. This Agreement may be executed on separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument. Delivery of an executed signature page of this Agreement by electronic means, including an attachment to an email, shall be effective as delivery of an executed original. The Agreement on file with the City is the copy of the Agreement that shall take precedence if any differences exist between or among copies or counterparts of the Agreement.
20. Provisions Cumulative. The foregoing provisions are cumulative to, in addition to, and not in limitation of any other rights or remedies available to the CITY.
21. Business License. CONTRACTOR shall obtain a City of Escondido Business License prior to execution of this Agreement and shall maintain such Business License throughout the term of this Agreement.
22. Compliance with Laws, Permits, and Licenses. CONTRACTOR shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, rules, and other legal requirements in effect during the term of this Agreement. This shall include, but shall not be limited to, all California Labor Code laws regarding payment of prevailing wages and all OSHA regulations. CONTRACTOR shall obtain any and all permits, licenses, and other authorizations necessary to perform the work under this Agreement. Neither the CITY, nor any elected or appointed boards, officers, officials, employees, or agents of the CITY, shall be liable, at law or in equity, as a result of any failure of CONTRACTOR to comply with this section.

23. Prevailing Wages and Department of Industrial Relations Compliance. Pursuant to California Labor Code section 1770 et seq., CONTRACTOR agrees that a prevailing rate and scale of wages, in accordance with applicable laws, shall be paid in performing this Agreement. CONTRACTOR shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, rules, and other legal requirements pertaining to the payment of prevailing wages, including but not limited to the keeping of certified payroll records, overtime pay, employment of apprentices, and workers' compensation coverage, as further set forth in the General Conditions. CONTRACTOR shall file the required workers' compensation certificate before commencing work under this Agreement. This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations. CONTRACTOR shall post all job site notices required by regulation. CONTRACTOR, as well as any subcontractors, shall be registered pursuant to California Labor Code section 1725.5 to be qualified to bid on, be listed in a bid proposal (subject to the requirements of Public Contract Code section 4104), or engage in the performance of any public works contract subject to the requirements of Division 2, Part 7, Chapter 1 of the California Labor Code. Neither the CITY, nor any elected or appointed boards, officers, officials, employees, or agents of the CITY, shall be liable, at law or in equity, as a result of any failure of CONTRACTOR to comply with this section.
24. Immigration Reform and Control Act of 1986. CONTRACTOR shall keep itself informed of and shall comply with the Immigration Reform and Control Act of 1986 ("IRCA"). CONTRACTOR represents and warrants that all of its employees and the employees of any subcontractor retained by CONTRACTOR who perform any portion of the Work under this Agreement are and will be authorized to perform the Work in full compliance with the IRCA. CONTRACTOR affirms that as a licensed contractor and employer in the State of California, all new employees must produce proof of eligibility to work in the United States within the first three days of employment and that only employees legally eligible to work in the United States will perform the Work. CONTRACTOR agrees to comply with the IRCA before commencing any portion of the Work, and continuously throughout the performance of the Work and the term of this Agreement.
25. Effective Date. Unless a different date is provided in this Agreement, the effective date of this Agreement shall be the latest date of execution set forth by the names of the signatories below.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, this Agreement is executed by the Parties or their duly authorized representatives as of the Effective Date:

CITY OF ESCONDIDO

Date: _____

Dane White, Mayor

Palm Engineering Construction Company, Inc.

Date: _____

Rasoul Shahbazi, President

853930
Contractor's License No.

Tax ID/Social Security No.

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY
MICHAEL R. MCGUINNESS, City Attorney

BY: _____

THE CITY OF ESCONDIDO DOES NOT DISCRIMINATE AGAINST QUALIFIED PERSONS WITH DISABILITIES.



STAFF REPORT

October 15, 2025
File Number 0600-10; A-3570

SUBJECT

AUTHORIZE A SUBRECIPIENT AGREEMENT WITH ESCONDIDO EDUCATION COMPACT TO PROVIDE A RENTAL, MORTGAGE, & UTILITY ASSISTANCE PROGRAM TO LOW- AND MODERATE- INCOME RESIDENTS IN ESCONDIDO USING \$1,660,000 IN COMMUNITY DEVELOPMENT BLOCK GRANT CARES ACT FUNDS ("CDBG-CV")

DEPARTMENT

Community Development- Housing & Neighborhood Services Division

RECOMMENDATION

Request the City Council adopt Resolution No. 2025-128 authorizing the Mayor, on behalf of the City, to execute a subrecipient agreement with Escondido Education COMPACT ("COMPACT"), in the amount of \$1,660,000 in Community Development Block Grant CARES Act funding, for rental, mortgage, and utility assistance program.

Staff Recommendation: Approval (Community Development: Christopher McKinney, Interim Director of Development Services)

Presenter: Danielle Lopez, Housing & Neighborhood Services Manager

ESSENTIAL SERVICE – No

COUNCIL PRIORITY – Increase Retention and Attraction of People and Businesses to Escondido; Encourage Housing Development

FISCAL ANALYSIS

CDBG-CV will cover the operational and administrative expenses associated with rental, mortgage, and utility assistance services provided by COMPACT. It is important to note that the CDBG-CV funds are available for one-time use and all grant expenses must be expended by July 24, 2026 or the City may be at-risk of having funding recaptured by the Department of Housing and Urban Development ("HUD").

PREVIOUS ACTION

On March 3, 2021, the City Council approved an allocation of \$1,300,000 toward rental and mortgage assistance and \$360,000 in utility assistance from CDBG-CV funds.



CITY of ESCONDIDO

STAFF REPORT

BACKGROUND

The Coronavirus Aid, Relief and Economic Security ("CARES") Act was signed into law on March 27, 2020 and made \$5 billion available in supplemental CDBG-CV funding to local jurisdictions to prevent, prepare for and respond to the coronavirus.

HUD distributed three rounds of CDBG-CV funding to the City, totaling \$2,394,882. On March 3, 2021, the City Council approved allocating \$1,300,000 of that funding toward rental and mortgage assistance and \$360,000 in utility assistance. The remainder of the funding was allocated to organizations to assist in the provision of social distancing and other COVID 19 preventative measures.

Following the March 3, 2021 City Council approval, the City did not release a Request for Proposal ("RFP") for rental, mortgage, and utility assistance because the County's Emergency Rental Assistance Program ("ERAP") was available to eligible Escondido households impacted by COVID-19. Additionally, the City had two existing homelessness prevention contracts through Interfaith Community Services using ESG-CV for \$1,513,037 and Escondido Education COMPACT using annual ESG funds for \$143,490. Due to the influx of these funds and the limited staff to manage projects, the RFP for this program was delayed.

By November 2022, funding for ERAP and the two existing contracts with Interfaith Community Services and Escondido Education COMPACT were exhausted. City staff met with the Ad-Hoc Subcommittee on Homelessness on April 10, 2023. As a result of the April 10, 2023 meeting, the Subcommittee reaffirmed the priority of rental, mortgage, and utility assistance, and City staff were supported in the release of a Request for Proposal on April 13, 2023. The City received five proposals.

City staff presented their findings to the Ad-Hoc Subcommittee on Homelessness on May 9, 2023 and it was determined that FORWARD submitted the proposal most advantageous to the City. After almost a year of negotiations, the City and FORWARD had come to an agreement on the contract language. However, at that same time, there was a change in ownership of the FORWARD organization and in July of 2024, FORWARD notified the City that the contract did not meet the new minimum dollar amount that the organization was willing to accept.

In March 2025, Housing staff released a second RFP. The City received two proposals COMPACT and Interfaith. On June 17, 2025, staff attended the Ad-Hoc Subcommittee on Homelessness and discussed the possibility of shifting the funding from rental, mortgage, and utility assistance to the installation of new HVAC units at City facilities, due to the proposals not aligning with the requested and intended use of the funding, and/or not programming the full grant dollar amount, and due to the approaching spending deadline (July 2026). The committee was supportive of changing the project if absolutely necessary, but asked that we attempt to work with the organization to adjust their scope to meet the request.



CITY of ESCONDIDO

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COMPACT successfully submitted a revised proposal.

PROGRAM DESIGN, ELIGIBILITY, AND OUTCOMES

The City of Escondido's Housing & Neighborhood Services Division will be the administrator of the CDBG-CV Subrecipient Agreement and will monitor COMPACT's outcomes and financial expenditures in accordance with local and federal requirements. The program administered by COMPACT is designed to provide up to three months of rental and mortgage assistance to serve low- and moderate-income Escondido residents who are at-risk of experiencing homelessness by helping regain stability in their current housing placement. The program will serve at least 225 residents. In looking at 2025 data from HUD, the fair market rent for a one-bedroom apartment in Escondido was \$2,145, two-bedroom apartment was \$2,881 and three-bedroom is \$3,852.

The program will also support 180 low- and moderate-income residents who have past due utilities.

All participants will be assigned a dedicated Case Manager upon enrollment to guide their housing stability journey. Together, they will develop an Individual Service Strategy ("ISS")—a living document that identifies barriers and sets measurable goals in areas such as employment, finances, and mental health.

Outreach Plan- COMPACT will have a dedicated Community Outreach Worker take the lead on the outreach efforts based around the following 5 clusters of communities:

1. Program-Based:
 - Existing COMPACT Program Participants
 - Existing COMPACT Partners (YMCA, San Diego County Probation, Interfaith Community Services, and Salvation Army)
2. Housing Agency-Based:
 - Partnership with Housing Agency (National Renaissance Core Apartments, Community Housing Works Apartments, Affirmed Housing, and Jon Steward Company)
3. Faith-Based Community Leaders- COMPACT facilitates monthly meetings with local faith-based community leaders.
4. School-Based:
 - EUHSD/EUSD Student Attendance Review Board Hearing
 - Identification and Referral by School Social Workers
 - Outreach to Escondido High School, Classical Academy, JCCS, and Audeo Charter



CITY of ESCONDIDO

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5. Outreach-Based: Community Events:

- Escondido Senior Center
- National Night Outs Against Crime
- Love Esco Day
- Community Meetings (Alliance for Regional Solutions Meetings, CAFÉ (Community for Alliance for Escondido) Meetings, etc.)

Referral Process:

- COMPACT plans to establish a Hotline which will be listed on all outreach materials and promotional flyers
- Callers will be prompted to leave a message and will be provided with instructions on the required pre-screening information
- All calls will be reviewed in 24-hours
- COMPACT will complete the intake process for each referred family within four business dates of the referral response

COMPACT is committed to processing all referrals on a first-come, first-served basis, ensuring transparency, fairness, and equitable service delivery to the entire community.

In order to qualify for assistance, residents must meet the following eligibility criteria:

1. Live in the City of Escondido and be at imminent risk of homelessness;
2. Have documentation of past due rent or utilities from a landlord, property manager, or utility company. Alternative forms of documentation may be accepted on a case-by-case basis;
3. Must have a lease or sign documentation attesting to be in a lease;
4. Have clear tiebacks to how their past due rent or utilities is connected to COVID-19 or prevent, prepare for and respond to COVID-19;
5. Have an income at or below 80 percent (%) of the Area Median Income ("AMI") for San Diego County in accordance with HUD's 2025 Maximum Income Limits;
6. Have no other resources or social supports to help aid their crisis; and
7. Not have received other emergency grant assistance payments for the same time period and purpose from alternative funding sources.

Examples of Tiebacks to COVID-19:

1. Loss of income- job loss, reduced hours, cut in pay
2. Increased medical bills related to the virus and cost of living
3. Health impacts- chronic health conditions or suffering a COVID-19 illness



CITY *of* ESCONDIDO

STAFF REPORT

CONCLUSION

City staff will work closely with COMPACT, to ensure timelines, goals and funds are being expended in a timely manner. The City anticipates the start date of this program as October 20, 2025.

RESOLUTIONS

- a) Resolution No. 2025-128
- b) Resolution No. 2025-128—Exhibit “A”—Subrecipient Agreement with Escondido Education COMPACT

RESOLUTION NO. 2025-128

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE MAYOR TO EXECUTE, ON BEHALF OF THE CITY, A SUBRECIPIENT AGREEMENT WITH ESCONDIDO EDUCATION COMPACT TO PROVIDE RENTAL, MORTGAGE, AND UTILITY ASSISTANCE TO LOW- AND MODERATE- INCOME RESIDENTS IN THE CITY OF ESCONDIDO IMPACTED BY COVID-19 USING \$1,660,000 IN COMMUNITY DEVELOPMENT BLOCK GRANT CARES ACT FUNDING ("CDBG-CV")

WHEREAS, on March 27, 2020 the Coronavirus Aid, Relief and Economic Security ("CARES") Act was signed into law and made available \$5 billion in supplemental CDBG-CV funding to local jurisdictions to prevent, prepare for, and respond to the coronavirus; and

WHEREAS, the City of Escondido ("City") received two rounds of CDBG-CV funds totaling \$2,394,882; and

WHEREAS, on March 3, 2021, the City Council approved allocation of \$1,300,000 of CDBG-CV funds toward homelessness prevention and \$360,000 in utility assistance; and

WHEREAS, on March 4, 2025, the City released Request for Proposal ("RFP") No. 25-10 regarding rental assistance to households who are at-risk of homelessness and low- and moderate-income residents behind on their utility bills; and

WHEREAS, the City received two proposals in response to RFP No. 25-10. After careful review, City staff determined that Escondido Education COMPACT submitted the proposal most advantageous to the City; and

WHEREAS, the City will administer \$1,660,000 in CDBG-CV funds by way of a Subrecipient Agreement awarded to Escondido Education COMPACT, under which Escondido Education COMPACT will provide rental and utility assistance to low- and moderate-income residents in the City impacted by COVID-19.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. The Mayor, on behalf of the City, is hereby authorized to execute the Subrecipient Agreement with Escondido Education COMPACT to provide rental and utility assistance to low- and moderate-income residents in the City of Escondido impacted by COVID-19, which is attached and incorporated to this Resolution as Exhibit "A," and subject to final approval as to form by the City Attorney.

EXHIBIT 1
SUBRECIPIENT AGREEMENT
between
CITY OF ESCONDIDO
and
ESCONDIDO EDUCATION COMPACT
for
RENTAL, MORTGAGE, AND UTILITY ASSISTANCE SERVICES

This SUBRECIPIENT AGREEMENT ("Agreement") is made and entered into as of the last signature date set forth below ("Effective Date") by and between the City of Escondido, a California municipal Corporation ("Grantee") and Escondido Education COMPACT, a California non-profit corporation (referred to herein as "COMPACT" and "Subrecipient"). (The City and Subrecipient may each individually be referred to herein as a "Party" and collectively as the "Parties.")

WHEREAS, the Grantee has applied for and received funds from the United States Government under Title I of the Housing and Community Development Act of 1974, as amended (HCD Act), Public Law 93-383;

WHEREAS, the Grantee received one-time funding from the Coronavirus Aid, Relief and Economic Security ("CARES") ACT to prevent, prepare for and respond to the coronavirus; and

WHEREAS, the Grantee wishes to engage the Subrecipient to assist the Grantee in utilizing such funds.

NOW, THEREFORE, the Parties mutually agree as follows:

I. SCOPE OF SERVICE

A. Activities. The Subrecipient shall be responsible for administering a Community Development Block Grant CARES ("CDBG-CV") Year 45 program titled, Rental, Mortgage, and Utility Assistance Services in a manner satisfactory to the Grantee and consistent with any standards required as a condition of providing these funds. Such program shall include the activities eligible under the CDBG- CV program that are specified in **Exhibit A**, which is attached hereto and incorporated herein by this reference ("Activities").

B. National Objectives

1. All activities funded with CDBG-CV funds must meet one of the CDBG program's National Objectives: benefit low- and moderate-income persons; aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as further described in 24 C.F.R. § 570.208.
2. The Subrecipient certifies that the Activities carried out under this Agreement will meet the National Objective of serving low- and-moderate-income households.

C. Levels of Accomplishment – Goals and Performance Measures. The levels of accomplishment may include such measures as units rehabilitated, persons or

households assisted, or meals served, and should include periods for performance. The Subrecipient agrees to provide certain levels of program services, as set forth in Exhibit A.

- D. Staffing. Subrecipient shall be responsible for staff and time to be allocated to each of the Activities, as set forth in Exhibit A.
- E. Performance Monitoring. The Grantee will monitor the performance of the Subrecipient against the goals and performance standards stated within this Agreement. Substandard performance as determined by the Grantee shall constitute noncompliance with this Agreement. If the Subrecipient does not take action to correct such substandard performance within 30 days after being notified by the Grantee, Grantee may suspend or terminate this Agreement pursuant to the procedures described herein.

II. TIME OF PERFORMANCE

- A. The Subrecipient's performance of the Activities shall commence upon the Effective Date and end on **July 24, 2026 or when funding has been exhausted and contract outcomes have been achieved, whichever occurs first.**
- B. The term of this Agreement shall be extended to cover any additional time period during which the Subrecipient remains in control of CDBG-CV funds or other CDBG-CV assets, including any program income as defined by 24 C.F.R. § 570.500 ("Program Income").

III. BUDGET

- A. Subrecipient shall adhere to the budget specified in Exhibit B, which is attached hereto and incorporated herein by this reference ("Budget").
- B. Any indirect costs charged must be consistent with the conditions of Paragraph IX(C)(2) of this Agreement.
- C. The Grantee may require a more detailed Budget breakdown than what is contained in Exhibit B, and the Subrecipient shall provide such supplementary Budget information in a timely fashion in the form and content prescribed by the Grantee. Any changes to the Budget may only be made by written amendment signed by both the Grantee and the Subrecipient

IV. PAYMENT

- A. The total amount to be paid by the Grantee under this Agreement shall not exceed **\$1,660,000.**
- B. Drawdowns for the payment of eligible expenses shall be made against line items specified in the Budget and in accordance with Subrecipient's performance of the Activities. Expenses for general administration shall also be paid against line items specified in the Budget and in accordance with Subrecipient's performance of the Activities.

- C. Payments to the Subrecipient are contingent upon the U.S. Department of Housing and Urban Development's ("HUD") delivery of payment to the Grantee.
- D. Payments to the Subrecipient may be contingent upon certification of the Subrecipient's financial management system in accordance with the standards specified in 2 C.F.R. § 200.302.

V. NOTICES

- A. All notices required by this Agreement shall be in writing and delivered to the appropriate Party via mail (postage prepaid), commercial courier, or personal delivery, or sent by e-mail.
- B. All communications and details concerning this Agreement shall be directed to the following representatives:

If to the Grantee

City of Escondido
201 N. Broadway
Escondido, CA 92025
Attn: Danielle Lopez
Danielle.Lopez@escondido.gov
760-839-4518

If to the Subrecipient

Escondido Education COMPACT
220 S. Broadway
Escondido, CA 92025
Attn: Patricia Huerta
phuerta@educationcompact.org
760-839-4515

VI. GENERAL CONDITIONS

A. General Compliance.

1. The Subrecipient shall comply with the requirements of 24 C.F.R. Part 570 (HUD regulations concerning CDBG-CV), including Subpart K of such regulations, except that (1) the Subrecipient does not assume the recipient's environmental responsibilities described in 24 C.F.R. § 570.604 and (2) the Subrecipient does not assume the recipient's responsibility for initiating the review process under the provisions of 24 C.F.R. Part 52.
2. The Subrecipient shall comply with all applicable federal, state, and local laws, regulations, and policies governing the funds provided under this Agreement.

3. The Subrecipient shall utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.
- B. Independent Contractor. Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the Parties. The Subrecipient is an independent contractor and no agency or employment relationship, either express or implied, is created by the execution of this Agreement. The performance of the Activities is an integral part of the regular business operations of the Subrecipient. The Subrecipient shall have exclusive control over all work performed by its employees and the manner in which it is performed and shall determine the method, details, and means of performing the Activities. In addition to any other indemnification required by the Subrecipient under this Agreement, the Subrecipient indemnifies Grantee for any claims, losses, costs, fees, liabilities, damages, or injuries suffered by the Grantee arising out of the Subrecipient's breach of this section.
- C. Grantee Recognition. The Subrecipient shall insure recognition of the role of the Grantee in the Subrecipient's performance of the Activities through this Agreement. Any activity, facility, or item utilized pursuant to this Agreement shall be prominently labeled as to its funding source. In addition, the Subrecipient shall include a reference to the support provided in this Agreement in all publications made possible with funds made available under this Agreement.
- D. Amendment.
1. The Grantee or the Subrecipient may amend this Agreement at any time provided that such amendment makes specific reference to this Agreement; is executed in writing and signed by a duly authorized representative of each Party; and is approved by the Grantee's governing body.
 2. The Grantee may, in its discretion, amend this Agreement to comply with federal, state, or local laws, regulations, guidelines, or policies, except that if any such amendment results in a change in the funding or the Activities under this Agreement, such amendment may be made only by written amendment signed by both the Grantee and the Subrecipient as otherwise required by this Agreement.

VII. INDEMNIFICATION, BONDING, INSURANCE

- A. Indemnification, Duty to Defend, and Hold Harmless. The Subrecipient (including the Subrecipient's agents, employees, and subcontractors, if any) shall hold harmless, defend, and indemnify the Grantee, its officials, officers, agents, employees, and volunteers from and against any and all claims, demands, actions, causes of action, proceedings (including but not limited to legal and administrative proceedings of any kind), suits, fines, penalties, judgments, orders, levies, costs, expenses, liabilities, losses, damages, or injuries, in law or equity, including without limitation the payment of all consequential damages and attorney's fees and other related litigation costs and expenses (collectively, "Claims"), of every nature caused by, arising out of, or in connection with the Subrecipient's (including the Subrecipient's agents, employees, and subcontractors, if any) performance of the Activities or its failure to comply with any of its obligations contained in this Agreement, except where caused by the active negligence,

sole negligence, or willful misconduct of the Grantee. This provision shall survive the termination of this Agreement.

- B. Bonding. The Subrecipient shall comply with the bonding requirements of 2 C.F.R. § 200.325. The Subrecipient as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the Grantee.

C. Insurance.

1. The Subrecipient shall comply with the insurance requirements of 2 C.F.R. §§ 200.310 and 200.447.
2. The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud, and undue physical damage.
3. The Subrecipient shall procure and maintain, at its own cost, during the entire term of this Agreement, insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the Activities, and the results of such work, by the Subrecipient, its agents, representatives, employees, or subcontracts. Insurance coverage shall be at least as broad as the following:
 - a. *Commercial General Liability*. Insurance Services Office ("ISO") Form CG 00 01 covering Commercial General Liability on an "occurrence" basis, including products and completed operations, property damage, bodily injury, and personal & advertising injury, with limits no less than \$2,000,000 per occurrence, \$4,000,000 general aggregate.
 - b. *Automobile Liability*. ISO Form CA 00 01 covering any auto (Code 1), or if the Subrecipient has no owned autos, hired (Code 8) and non-owned autos (Code 9), with limits no less than \$1,000,000 per accident for bodily injury and property damage, unless waived by the Grantee and approved in writing by the Grantee's Risk and Safety Division.
 - c. *Workers' Compensation*. Workers' Compensation as required by the state of California, with Statutory Limits, and Employer's Liability Insurance with limits of no less than \$1,000,000 per accident for bodily injury or disease.
 - d. *Professional Liability (Errors and Omissions)*. Professional Liability (Errors and Omissions) appropriate to the Subrecipient's professions, with limits no less than \$2,000,000 per occurrence or claim, \$2,000,000 aggregate.
 - e. If the Subrecipient maintains broader coverage and/or higher limits than the minimums otherwise required by this Agreement, the Grantee requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Subrecipient.

4. Each insurance policy required by this Agreement must be acceptable to the Grantee's City Attorney and shall meet the following requirements:
- a. *Acceptability of Insurers.* Insurance coverage must be provided by an insurer authorized to conduct business in the state of California with a current A.M. Best's rating of no less than A:VII, or as approved by the Grantee.
 - b. *Additional Insured Status.* Both the Commercial General Liability and the Automobile Liability policies must name the Grantee (including its officials, officers, agents, employees, and volunteers) specifically as an additional insured under the policy on a separate endorsement page. The Commercial General Liability additional insured endorsement shall be at least as broad as ISO Form CG 20 10 11 85, or if not available, through the addition of *both* CG 20 10, CG 20 26, CG 20 33, or CG 20 38, *and* CG 20 37 if a later edition is used. The Automobile Liability endorsement shall be at least as broad as ISO Form CA 20 01.
 - c. *Primary Coverage.* The Subrecipient's insurance coverage shall be primary coverage at least as broad as ISO CG 20 01 04 13 with respect to the Grantee, its officials, officers, agents, employees, and volunteers. Any insurance or self-insurance maintained by the Grantee, its officials, officers, agents, employees, or volunteers shall be in excess of the Subrecipient's insurance and shall not contribute with it.
 - d. *Notice of Cancellation.* Each insurance policy shall provide that coverage shall not be canceled, except with prior written notice to the Grantee.
 - e. *Subcontractors.* If applicable, the Subrecipient shall require and verify that all subcontractors maintain insurance meeting all the requirements stated within this Agreement, and the Subrecipient shall ensure that the Grantee (including its officials, officers, agents, employees, and volunteers) is an additional insured of any insurance required from a subcontractor.
 - f. *Waiver of Subrogation.* The Subrecipient hereby grants to the Grantee a waiver of any right to subrogation that any insurer of the Subrecipient may acquire against the Grantee by virtue of the payment of any loss under such insurance. The Subrecipient agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this subsection shall apply regardless of whether or not the Grantee has received a waiver of subrogation endorsement from the insurer. Any Workers' Compensation policy required by this Agreement shall be endorsed with a waiver of subrogation in favor of the Grantee for all work performed by the Subrecipient, its agents, representatives, employees, and subcontractors.
 - g. *Self-Insurance.* The Subrecipient may, with the Grantee's prior written consent, fulfill some or all of the insurance requirements contained in this Agreement under a plan of self-insurance. The Subrecipient shall only be permitted to utilize such self-insurance if, in the opinion of the Grantee, the Subrecipient's (i) net worth and (ii) reserves for payment of claims of liability against the Subrecipient are sufficient to adequately compensate for the lack of other insurance coverage required by this Agreement. The Subrecipient's utilization of self-insurance shall not in any way limit the liabilities assumed by the Subrecipient pursuant to this Agreement.
 - h. *Self-Insured Retentions.* Self-insured retentions must be declared to and approved by this Grantee.

5. *Verification of Coverage.* At the time the Subrecipient executes this Agreement, the Subrecipient shall provide the Grantee with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting the insurance coverage required by this Agreement), which shall meet all requirements under this Agreement. The Grantee reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by this Agreement, at any time.
6. *Special Risks or Circumstances.* The Grantee reserves the right, at any point during the term of this Agreement, to modify the insurance requirements in this Agreement, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.
7. *No Limitation of Obligations.* The insurance requirements in this Agreement, including the types and limits of insurance coverage the Subrecipient must maintain, and any approval of such insurance by the Grantee, are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Subrecipient pursuant to this Agreement, including but not limited to any provisions in this Agreement concerning indemnification.
8. Failure to comply with any of the insurance requirements in this Agreement, including but not limited to a lapse in any required insurance coverage during the term of this Agreement, shall be a material breach of this Agreement. In the event that the Subrecipient fails to comply with any such insurance requirements in this Agreement, in addition to any other remedies the Grantee may have, the Grantee may, at its sole option, (i) immediately terminate this Agreement, or (ii) order the Subrecipient to stop work under this Agreement and/or withhold any payment that becomes due to the Subrecipient until the Subrecipient demonstrates compliance with the insurance requirements in this Agreement.

VIII. TERMINATION

- A. Suspension or Termination. The Grantee may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, which may include (but is not limited to) the following:
 1. Failure to comply with any of the federal, state, or local laws, regulations, executive orders, HUD guidelines, policies, or directives referred to herein, or any federal, state, or local laws, regulations, executive orders, HUD guidelines, policies, or directives that may become applicable to this Agreement at any time;
 2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement, as determined by Grantee in its sole discretion;
 3. Ineffective or improper use of funds provided under this Agreement; or
 4. Submission by the Subrecipient to the Grantee a report that is incorrect or incomplete in any material respect.

- B. The Grantee shall have the right to terminate this Agreement immediately or withhold payment of invoice for failure of the Subrecipient to comply with the terms and conditions of this Agreement. If the Grantee decides to terminate this Agreement, after a full evaluation of all circumstances has been completed, the Subrecipient shall, upon written request, have the right to an appeal process. The Grantee shall attach a copy of the appeal process to any termination notice.
- C. If the Grantee finds that the Subrecipient has violated any term or condition of this Agreement, the Subrecipient shall be required to:
 - 1. Repay all monies received from the Grantee under this Agreement; and
 - 2. Transfer possession of all materials and equipment purchased with grant money to the Grantee.
- D. In the case of early termination, the Grantee may make a final payment to the Subrecipient upon receipt of a Final Report and invoices covering eligible costs incurred prior to such termination. The total of all payments, including the final payment, shall not exceed the amount specified in this Agreement.
- E. Termination for Convenience. This Agreement may be terminated for convenience by either Party, in whole or in part, by setting forth the reasons for such termination, the effective date of such termination, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the Grantee determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the Grantee may terminate the Agreement in its entirety. Grantee and Subrecipient agree to provide written notice to the other party within 30 days prior to the effective date of any termination for convenience. In the event that HUD withdraws any portion of the City's CDBG-CV funds, the City shall not be obligated to reimburse the Subrecipient for any activity expense incurred and may recover reimbursed amounts already paid. The Grantee shall notify the Subrecipient if such event by HUD occurs.

IX. ADMINISTRATIVE REQUIREMENTS

A. Financial Management.

- 1. Accounting Standards. The Subrecipient shall comply with 2 C.F.R. Part 200 and shall adhere to the accounting principles and procedures required therein, including following Generally Accepted Accounting Principles (GAAP) as defined in 2 C.F.R. § 200.49. The Subrecipient shall utilize adequate internal controls and maintain necessary source documentation for all costs incurred.
- 2. Single Audit. The Subrecipient shall comply with 2 C.F.R. Part 200.501. Any Subrecipient who expends \$750,000 or more in Federal funds during a fiscal year must complete a single audit. This requirement does not apply for for-profit Subrecipients as the pass-through agency is responsible for the requirements, as necessary, to ensure compliance by any for-profit Subrecipients.

3. Cost Principles. The Subrecipient shall administer its program in conformance with 24 C.F.R. Part 200, Subpart E. These principles shall be applied for all costs incurred, whether charged on a direct or indirect basis.

B. Documentation and Record Keeping.

1. Records to Be Maintained. The Subrecipient shall maintain all records required by the regulations specified in 24 C.F.R. § 570.506 that are pertinent to the activities to be funded under this Agreement. Such records shall include but shall not be limited to:
 - a. records providing a full description of each activity undertaken;
 - b. records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG-CV program;
 - c. records required to determine the eligibility of activities;
 - d. records required to document the acquisition, improvement, use, or disposition of real property acquired or improved with CDBG-CV assistance;
 - e. records documenting compliance with the fair housing and equal opportunity components of the CDBG-CV program;
 - f. financial records as required by 24 C.F.R. § 570.502; and
 - g. other records necessary to document compliance with Subpart K of 24 C.F.R. Part 570.
2. Retention. The Subrecipient shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of four (4) years. The retention period begins on the date of the submission of the Grantee's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations, or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the four-year period, whichever occurs later.
3. Client Data. The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but shall not be limited to, client name, address, income level, or any other basis for determining eligibility, and description of service provided. Such information shall be made available to the Grantee monitors or their designees for review upon request.
4. Disclosure. The Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the Grantee's or Subrecipient's responsibilities under this Agreement, may be prohibited by state and federal law unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs. The Subrecipient's obligation to the Grantee shall not end until all close-out requirements are completed. Close-out requirements shall include, but are not limited to: making final payments; disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, Program Income balances, and accounts receivable to the Grantee); and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG-CV funds, including program income.
6. Audits & Inspections. All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the Grantee, grantor agency, and the Comptroller General of the United States, or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient. Failure of the Subrecipient to comply with the audit requirements within this Agreement shall constitute a violation of this Agreement and may result in the withholding of future payments. The Subrecipient hereby agrees to have an annual agency audit conducted in accordance with current Grantee policy concerning subrecipient audits and 2 C.F.R. Part 200, Subpart F.
7. Additional Documentation. The Subrecipient shall provide further documentation as the Grantee may request in relation to the requirements of this Agreement.

C. Reporting and Payment Procedures.

1. Program Income. The Subrecipient shall report quarterly all Program Income. The Subrecipient may use such Program Income during the term of the Agreement for the Activities and shall reduce requests for additional funds by the amount of any such Program Income balance on hand. All unexpended Program Income shall be returned to the Grantee at the end of the term of the Agreement, or as otherwise provided herein if the Agreement is terminated early. Any interest earned on cash advances from the U.S. Treasury and from funds held in a revolving fund account is not Program Income and shall be remitted promptly to the Grantee. The use of Program Income by the Subrecipient shall comply with the requirements set forth in 24 C.F.R. § 570.504.
2. Indirect Costs. If indirect costs are charged, the Subrecipient shall develop an indirect cost allocation plan for determining the Subrecipient's appropriate share of administrative costs and shall submit such plan to the Grantee for approval, in a form specified by the Grantee.
4. Payment Procedures. The Grantee shall pay to the Subrecipient funds available under this Agreement based upon information submitted by the Subrecipient and consistent with the approved Budget and Grantee policy concerning payments. With the exception of certain advances, payments shall only be made for eligible expenses actually incurred by the Subrecipient, and not to exceed actual cash requirements. Payments shall be adjusted by the Grantee in accordance with advance fund and Program Income balances available in Subrecipient accounts. In addition, the Grantee reserves the right to liquidate funds available under this Agreement for costs incurred by the Grantee on behalf of the Subrecipient.

4. Progress Reports. The Subrecipient shall submit regular progress reports to the Grantee in the form, content, and frequency required by the Grantee.

D. Procurement.

1. Compliance. The Subrecipient shall comply with current Grantee policy concerning the purchase of equipment, including but not limited to any such policies articulated in Chapter 10 of the Escondido Municipal Code, and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided under this Agreement. All program assets (e.g., unexpended Program Income, property, equipment) shall revert to the Grantee upon termination of this Agreement.
2. Standards. Unless specified otherwise within this Agreement, the Subrecipient shall procure all materials, property, or services in accordance with the requirements of 2 C.F.R. §§ 200.318-326.
3. Travel. The Subrecipient shall obtain written approval from the Grantee for any travel outside the metropolitan area with funds provided under this Agreement.

E. Use and Reversion of Assets.

1. The use and disposition of real property and equipment under this Agreement shall be in compliance with the requirements of 24 C.F.R. §§ 570.502-504, as applicable.
2. The Subrecipient shall transfer to the Grantee any CDBG-CV funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.
3. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 shall be used to meet one of the CDBG-CV National Objectives until five (5) years after expiration of this Agreement, or such longer period of time as the Grantee approves in writing. If the Subrecipient fails to use CDBG-CV-assisted real property in a manner that meets a CDBG-CV National Objective for the prescribed period of time, the Subrecipient shall pay the Grantee an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG-CV funds for acquisition of, or improvement to, the property. Such payment shall constitute Program Income to the Grantee. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the five-year period, or such longer period of time as the Grantee approves in writing.
4. In all cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds shall be Program Income (prorated to reflect the extent that funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement shall be (a) transferred to the Grantee for the CDBG-CV program or (b) retained after compensating the Grantee, an amount equal to the current fair market value of the

equipment less the percentage of non-CDBG-CV funds used to acquire the equipment.

X. RELOCATION, REAL PROPERTY ACQUISITION, AND ONE-FOR-ONE HOUSING REPLACEMENT

- A. The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and its implementing regulations at 49 C.F.R. Part 24 and 24 C.F.R. § 570.606(b); (b) the requirements of 24 C.F.R. § 570.606(c) governing the Residential Anti-displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 C.F.R. § 570.606(d) governing optional relocation policies.
- B. The Subrecipient shall provide relocation assistance to displaced persons, as defined in 24 C.F.R. § 570.606(b)(2), whom are displaced as a direct result of acquisition, rehabilitation, demolition, or conversion for a CDBG-CV-assisted project. The Subrecipient also agrees to comply with any applicable Grantee ordinances, resolutions, and policies concerning the displacement of persons from their residences.

XI. PERSONNEL & PARTICIPANT CONDITIONS

A. Civil Rights.

- 1. Compliance. The Subrecipient agrees to comply with local and state civil rights laws and regulations, including but not limited to the Unruh Civil Rights Act, California Civil Code § 51, and the Fair Employment and Housing Act, California Government Code section 12900 et seq. The Subrecipient also agrees to comply with Title VI of the Civil Rights Act of 1964, as amended; Title VIII of the Civil Rights Act of 1968, as amended; Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974, as amended ("HCDA"); Section 504 of the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Age Discrimination Act of 1975; Executive Order 11063, as amended; Executive Order 11246, as amended, and of the rules, regulations, and relevant orders of the United States Secretary of Labor.
- 2. Nondiscrimination. The Subrecipient agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 C.F.R. § 570.607, as revised by Executive Order 13279. The applicable non-discrimination provisions in Section 109 of the HCDA are still applicable.
- 3. Land Covenants. This Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and 24 C.F.R. §§ 570.601 and 570.602. In regard to the sale, lease, or other transfer of land acquired, cleared, or improved with assistance provided under this Agreement, the Subrecipient shall cause or require a covenant running with the land to be inserted within the deed or lease for such transfer, prohibiting discrimination as herein defined, in the sale, lease, or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, providing that the Grantee and the United States are beneficiaries of and entitled to enforce such covenants. The Subrecipient, in undertaking its obligation to carry out

the program assisted hereunder, agrees to take such measures as are necessary to enforce such covenant, and will not itself so discriminate.

4. Section 504. The Subrecipient agrees to comply with all federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794), which prohibits discrimination against the individuals with disabilities or handicaps in any federally assisted program. The Grantee shall provide the Subrecipient with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Agreement.
5. Executive Order 11246 (Nondiscrimination Provisions). During the performance of this Agreement, the Subrecipient agrees as follows:
 - a. The Subrecipient will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity or expression, national origin, age, disability, or an individual's status in any group or class protected by applicable federal, state, or local laws. The Subrecipient will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, gender identity or expression, national origin, age, disability, or an individual's status in any group or class protected by applicable federal, state, or local laws. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Subrecipient agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.
 - b. The Subrecipient will, in all solicitations or advancements for employees placed by or on behalf of the Subrecipient, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity or expression, national origin, age, disability, or an individual's status in any group or class protected by applicable federal, state, or local laws.
 - c. The Subrecipient will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the Subrecipient's legal duty to furnish information.

- d. The Subrecipient will send to each labor union, or representative of workers with whom the Subrecipient has a collective bargaining agreement or other contract or other understanding, a notice, to be provided by the agency contracting officer, advising the labor union or worker's representative of the Subrecipient's commitments under Section 202 of Executive Order 11246, as amended, and any other commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- e. The Subrecipient will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the United States Secretary of Labor.
- f. The Subrecipient will furnish and cause each of its own Subrecipients or subcontractors to furnish all information and reports required by Executive Order 11246, as amended; the rules, regulations, and relevant orders of the United States Secretary of Labor; and any such information or reports otherwise required hereunder, and will permit access to its books, records, and accounts by the Grantee, HUD or its agent, the United States Secretary of Labor, or other authorized federal officials for purposes of investigation to ascertain compliance with such rules, regulations, and orders, and the provisions stated herein.
- g. In the event of the Subrecipient's noncompliance with the nondiscrimination clauses of this Agreement or with any of such rules, regulations, or orders, this Agreement may be cancelled, terminated, or suspended in whole or in part and the Subrecipient may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, as amended, and such other sanctions may be imposed and remedies invoked as provide in Executive Order 11246 of September 24, 1965, as amended, or by rule, regulation, or order of the United States Secretary of Labor, or as otherwise provided by law.
- h. The Subrecipient will include the provisions of Section XI(A)(5)(a)-(h) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the United States Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor or vendor. The Subrecipient will take such action with respect to any subcontract or purchase order as may be directed by the United States Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event the Subrecipient becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Subrecipient may request the United States to enter into such litigation to protect the interests of the United States.

B. Affirmative Action.

1. Approved Plan. The Subrecipient agrees that it shall be committed to carry out pursuant to the Grantee's specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1965, as amended. The Subrecipient shall submit a plan for an Affirmative Action Program for approval prior to the award of funds, consistent with the Affirmative Action Program Policy articulated in Exhibit C, which is attached hereto and incorporated herein by this reference.
2. Women- and Minority-Owned Businesses. The Subrecipient will use its best efforts to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity to participate in the performance of this Agreement. As used in this Agreement, the term "small business" shall mean a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. § 632), and the terms "minority business enterprise" and "women's business enterprise" shall mean a business at least 51% owned and controlled by minority group members or women, as further defined in 15 U.S.C. § 632(n). For the purpose of this definition, "minority group members" are such groups including but not limited to African Americans, Hispanic Americans, Native Americans, Indian tribes, Asian Pacific Americans, Native Hawaiian Organizations, and other minorities. The Subrecipient may rely on written representations by a business regarding its status as a women's business enterprise or minority business enterprise in lieu of an independent investigation.
3. Prior Discrimination. The Subrecipient shall comply with 24 C.F.R. §§ 570.506, 570.602, and 24 C.F.R. Part 6, with respect to affirmative action necessary to overcome the effects of prior discrimination, if any, and such affirmative action shall be incorporated into the Subrecipient's Affirmative Action Program.

C. Employment Restrictions.

1. Prohibited Activity. The Subrecipient is prohibited from using funds provided herein or personnel employed in the administration of the program for political activities, inherently religious activities, lobbying, political patronage, and nepotism activities.
2. Labor Standards.
 - a. The Subrecipient shall comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act, as amended; the provisions of Contract Work Hours and Safety Standards Act (40 U.S.C. § 327 et seq.); and all other applicable federal, state, and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement. The Subrecipient shall comply with the Copeland Anti-Kick Back Act (18 U.S.C. § 874 et seq.) and its implementing regulations of the U.S. Department of Labor at 29 C.F.R. Part 5. The Subrecipient shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Grantee for review upon request.
 - b. The Subrecipient, except with respect to the rehabilitation or construction of residential property containing fewer than eight (8) units, all contractors engaged under contracts in excess of \$2,000 for construction, renovation, or repair work

financed in whole or in part with assistance provided under this Agreement, shall comply with federal requirements adopted by the Grantee pertaining to such contracts and with the applicable requirements of the regulations of the Department of Labor, under 29 C.F.R. Parts 1, 3, 5, and 7 governing the payment of wages and ratio of apprentices and trainees to journey workers; provided that, if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve the Subrecipient of its obligation, if any, to require payment of the higher wage. The Subrecipient shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph.

- c. Workers' Compensation and Safety. The Subrecipient shall comply with all federal and state workers' compensation and safety laws, including but not limited to the applicable provisions of Divisions 4 and 5 of the California Labor Code and all amendments thereto, and all similar and applicable state or federal acts or laws.
3. "Section 3" Clause.
 - a. Compliance.
 - (i.) Where the Subrecipient receives CDBG or CDBG-CV funds for work arising in connection with housing rehabilitation, housing construction, or other public improvements, compliance with the provisions of Section 3 of the HUD Act of 1968, 12 U.S.C. § 1701u, as amended ("Section 3"), and as implemented by the regulations set forth in 24 C.F.R. Part 75, and all applicable rules and orders issued hereunder prior to the execution of this Agreement, shall be a condition of the federal financial assistance provided under this Agreement and binding upon the Grantee, the Subrecipient, and any of the Subrecipient's Subrecipients and subcontractors. Failure to fulfill these requirements shall subject the Grantee, the Subrecipient, and any of the Subrecipient's Subrecipients and subcontractors, and their successors and assigns, to those sanctions specified by the agreement through which federal assistance is provided. The Subrecipient certifies and agrees that no contractual or other disability exists that would prevent compliance with these requirements.
 - (ii.) The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3 shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
 - (iii.) The Subrecipient shall comply with the "Section 3" requirements referenced in this Agreement and shall include the following language in all subcontracts executed under this Agreement:

"The work to be performed under this Agreement is a project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended

(12 U.S.C. § 1701). Section 3 requires that, to the greatest extent feasible, opportunities for training and employment be given to low- and very-low-income residents of the project area, and that contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low- and very-low-income persons residing in the metropolitan area in which the project is located.”

- (iv.) The Subrecipient shall ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low- and very-low-income persons residing within the metropolitan area in which the CDBG-CV-funded project is located; where feasible, shall give priority to low- and very-low-income persons within the service area of the project or the neighborhood in which the project is located, and to low- and very-low-income participants in other HUD programs; and shall award contracts for work undertaken in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project to business concerns that provide economic opportunities for low- and very-low-income persons residing within the metropolitan area in which the CDBG-CV-funded project is located; where feasible, shall give priority to business concerns that provide economic opportunities to low- and very-low-income residents and very-low-income participants in other HUDG programs.
 - (v.) The Subrecipient certifies and agrees that any vacant employment positions, including training positions, that are filled (1) after the Subrecipient is selected but before this Agreement is executed, and (2) with persons other than those to whom the regulations of 24 C.F.R. Part 75 require employment opportunities to be directed, were not filled to circumvent the Subrecipient's obligations under 24 C.F.R. Part 75.
 - (vi.) The Subrecipient certifies and agrees that no contractual or other legal incapacity exists that would prevent compliance with these requirements.
- b. Notifications. The Subrecipient shall send to each labor organization or representative of workers with whom the Subrecipient has a collective bargaining agreement or other contract or understanding, if any, a notice advising such labor organization or worker's representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.
 - c. Subcontracts. The Subrecipient shall include this Section 3 clause in every subcontract and shall take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the grantor agency. The Subrecipient shall not subcontract with any entity where the Subrecipient has notice or knowledge that the entity has been found in violation of regulations under 24 C.F.R. Part 75 and shall not let any subcontract unless the

entity has first provided the Subrecipient with a preliminary statement of ability to comply with the requirements of these regulations.

D. Conduct.

1. Assignability. The Subrecipient shall not assign or transfer any interest in this Agreement without the Grantee's prior written consent; provided, however, that claims for money due or to become due to the Subrecipient from the Grantee under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the Grantee.
2. Subcontracts.
 - a. Approvals. The Subrecipient shall not enter into any subcontracts with any agency or individual in the performance of this Agreement without the Grantee's prior written consent.
 - b. Monitoring. The Subrecipient shall monitor all subcontracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.
 - c. Content. The Subrecipient shall cause all of the provisions of this Agreement in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement.
 - d. Selection Process. The Subrecipient shall undertake to ensure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis in accordance with applicable procurement requirements. Executed copies of all subcontracts shall be forwarded to the Grantee along with any documentation concerning the selection process.
3. Hatch Act. The Subrecipient agrees that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the U.S.C.
4. Conflict of Interest. The Subrecipient shall abide by the provisions of 24 C.F.R. § 570.611, which include (but are not limited to) the following:
 - a. The Subrecipient shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees, or agents engaged in the award and administration of contracts supported by federal funds.
 - b. No employee, officer, or agent of the Subrecipient shall participate in the selection, award, or administration of a contract supported by federal funds if a conflict of interest, real or apparent, would be involved.

- c. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-CV-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-CV-assisted activity, or with respect to the proceeds from the CDBG-CV-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the Grantee, the Subrecipient, or any designated public agency.
5. Lobbying. The Subrecipient hereby certifies that:
- a. No federal appropriated funds have been paid or will be paid, by or on behalf of the Subrecipient, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement;
 - b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the Subrecipient will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
 - c. The Subrecipient will require that the certification language expressed in subparagraph (d) be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all Subrecipients shall certify and disclose accordingly:
 - d. Lobbying Certification. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
6. Copyright. If this Agreement results in the creation or production of any copyrightable work, material, or invention, the Grantee and grantor agency reserves the right to a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise

use, and to authorize others to use, such work, material, or invention for governmental purposes.

7. Religious Activities. The Subrecipient agrees that funds provided under this Agreement shall not be utilized for inherently religious activities prohibited by 24 C.F.R. § 570.200(j), such as worship, religious instruction, or proselytization.

XII. ENVIRONMENTAL CONDITIONS

- A. Air and Water. The Subrecipient agrees to comply with the following requirements insofar as they apply to the performance of this Agreement:
 1. Clean Air Act, 42 U.S.C. § 7401 et seq., as amended, and all regulations and guidelines issued thereunder;
 2. Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., as amended, and all regulations and guidelines issued thereunder, including but not limited to the requirements within 33 U.S.C. § 1318 relating to inspection, monitoring, entry, reports, and information; and
 3. Environmental Protection Agency (EPA) regulations pursuant to 40 C.F.R. Part 50, as amended.
- B. Flood Disaster Protection. In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. § 4001), the Subrecipient shall ensure that for activities located in an area identified by the Federal Emergency Management Act (FEMA) as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).
- C. Lead-Based Paint. The Subrecipient agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 C.F.R. § 570.608, and 24 C.F.R. Part 35, Subpart B. Such regulations pertain to all CDBG-CV-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment, and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of federal funds applied to a property, paint testing, risk assessment, treatment, and/or abatement may be conducted.
- D. Historic Preservation. The Subrecipient agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, 16 U.S.C. § 470, as amended, and the procedures set forth in 36 C.F.R. Part 800, insofar as they apply to the performance of this Agreement. In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that

are 50 years old or older, or that are included on a federal, state, or local historic property list.

XIII. MISCELLANEOUS

- A. Severability. This Agreement shall be performed and shall be enforceable to the full extent allowed by applicable law, and the illegality, invalidity, waiver, or unenforceability of any provisions of this Agreement shall not affect the legality, validity, applicability, or enforceability of the remaining provisions of this Agreement.
- B. Merger Clause. This Agreement, together with its attachments or other documents described or incorporated herein, if any, constitutes the entire agreement and understanding of the Parties concerning the subject of this Agreement and supersedes and replaces all prior negotiations, understandings, or proposed agreements, written or oral, except as otherwise provided herein. In the event of any conflict between the provisions of this Agreement and any of its attachments or related documents, if any, the provisions of this Agreement shall prevail.
- C. Governing Law. This Agreement and all rights and obligations arising out of it shall be construed in accordance with the laws of the State of California. Venue for any action arising from this Agreement shall be conducted only in the state or federal courts of San Diego County, California.
- D. Anti-Waiver Clause. None of the provisions of this Agreement shall be waived by the Grantee because of previous failure to insist upon strict performance, nor shall any provision be waived because any other provision has been waived by the Grantee, in whole or in part.
- E. Attorney's Fees and Costs. In any action to enforce the terms and conditions of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs.
- F. Multiple Copies of Agreements/Counterparts. This Agreement may be executed on separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument. Delivery of an executed signature page of this Agreement by electronic means, including an attachment to an email, shall be effective as delivery of an executed original. An electronic signature shall be acceptable and deemed to have the same legal effect as a handwritten signature.
- G. Provisions Cumulative. The provisions in this Agreement are cumulative to, in addition to, and not in limitation of any other rights or remedies available to the Grantee.
- H. Business License. The Subrecipient shall obtain a City of Escondido Business License prior to execution of this Agreement and shall maintain such Business License throughout the term of this Agreement.

- I. Compliance with Laws, Permits, and Licenses. The Subrecipient shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, rules, and other legal requirements in effect during the term of this Agreement, including but not limited to any such laws, statutes, codes, ordinances, regulations, and other legal requirements expressly referenced in this Agreement. The Subrecipient shall obtain any and all permits, licenses, and other authorizations necessary to perform the Activities. Neither the Grantee, nor any elected or appointed boards, officers, officials, employees, or agents of the Grantee, shall be liable, at law or in equity, as a result of any failure of the Subrecipient to comply with this paragraph.
- J. Effective Date. Unless a different date is provided in this Agreement, the effective date of this Agreement shall be the latest date of execution set forth by the names of the signatories below.

IN WITNESS WHEREOF, this Agreement is executed by the Parties or their duly authorized representatives as of the Effective Date.

CITY OF ESCONDIDO

Date: _____

Dane White, Mayor

ESCONDIDO EDUCATION COMPACT

Date: _____

Patricia Huerta, Executive Director

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY
MICHAEL R. MCGUINNESS, City Attorney

By: _____

Date: _____

THE CITY OF ESCONDIDO DOES NOT DISCRIMINATE AGAINST QUALIFIED PERSONS WITH DISABILITIES.

Subrecipient Agreement
EXHIBIT A
Scope of Work

A. General

Escondido Education COMPACT, a California non-profit corporation ("Subrecipient") will provide the City of Escondido, a California municipal corporation ("City") with rental, mortgage, and utility assistance services.

B. Location

220 S. Broadway, Escondido, CA 92025 *Pending move in date for location to 355 W Grand Avenue, Escondido, CA 92025

C. Services

Participant Enrollment, Eligibility and Services

- a. Provide up to 3 months of rental and/or mortgage to low and moderate-income Escondido residents who are at-risk of experiencing homelessness by helping regain stability in their current permanent housing;
- b. Participants must have documentation of past due rent, mortgage or utilities from a landlord, property manager, lender or bank, or utility company. Alternative forms of documentation may be accepted on a case-by-case basis with the permission of the City's Housing and Neighborhood Services Manager. Participants must have a lease or self-attest to be in a lease to be eligible for funding;
- c. All payments must be continuous and not to exceed a 100-day period;
- d. All Participants must have a clear tieback to prevent, prepare and respond to COVID-19;
- e. Prioritization for application review and funding disbursements will be given to Participants who have a pending eviction notice of 3 days, 21 days or 60 days;
- f. Participants with a 3-day eviction notice will be processed and reviewed within two business days;
- g. Participants served must be at 80% AMI or below according to the 2025 or current HUD Maximum Income Levels;
- h. Serve at least 225 households for rental and mortgage assistance;
- i. Serve at least 180 households for utility assistance;
- j. All applications will be screened for an initial and secondary review to confirm the validity of information and documentation;
- k. Participants and/or designated service providers will be contacted within 5 business days of receipt of application and will confirm application status and/or request additional information;
- l. Rental, mortgage and utility payments will be processed within X days if application is deemed complete;
- m. No payments shall be made directly to the Participant;
- n. Non-responsive applicants will be closed after 14 days of no contact;
- o. Participants are ineligible to receive funding if they have the financial means or

social supports to help pay to the rent, mortgage or utility bills or they have received other emergency grant assistance payments for the same time period and purpose from alternative funding sources;

- p. CDBG-CV funds may not “pay itself” for utility services it provides to an individual or family if that individual or family is unable to pay the grantee for them. These services, but are not limited to general government expenses such as water, sewer, or other municipal utilities (24 CFR 570.207(a)(2);

Outreach

- a. Create marketing materials (e.g. brochure, website or as requested) for the City of Escondido’s Rental, Mortgage, and Utility Assistance program;
- b. Attend community meetings virtually with service providers and/or potential participants to educate the community about the program;
- c. Email or mail paper applications within three business days of the request; and
- d. Adhere to the written policies and procedures for determining and prioritizing eligible households for assistance as required CDBG-CV funding requirements created by the City.

D. Outcomes

Subrecipients shall submit monthly reports by the 15th of each month to the Housing & Neighborhood Services Manager that include the following outcomes:

- 1. Number of applications submitted;
- 2. Number of applications approved for rental/mortgage assistance or utility assistance programs;
- 3. Number of applications denied and the reason;
- 4. Number of appeals submitted;
- 5. Report on the amount of funds disbursed and report the average per household;
- vi. Gather outcomes on housing retention at 6- and 12-months post-rental assistance;
- 6. Provide Participant demographic information of race, ethnicity, gender, income and household size;
- 7. Self-certification forms of COVID-19 nexus and duplication of benefits;
- 8. Number of applications closed due to non-responsiveness; and
- 9. Other pertinent data as requested by City staff.

E. Scheduling and Coordination

Inquires relating to this Agreement, including scheduling and necessary coordination with City staff, may be directed to Danielle Lopez at 760-839-4518 or Danielle.Lopez@escondido.gov. Subrecipient agrees to attend meetings as requested by the City.

F. Payment Terms and Schedule

The total contract price of the Agreement shall not exceed **\$1,660,000**.

The City has allocated \$1,300,000 provide emergency subsistence payments for rent, mortgage, or utilities to a provider on behalf of a household to prevent eviction or stabilize low- and moderate-income neighborhoods affected by economic disruptions since January 2020.

The City has authorized \$360,000 for utility assistance only. These funds will support low- and moderate-income households who have fallen behind on their utility bills. The household needs to have documentation in their name of the late bills. Utility payments cannot be made to the City of Escondido's Water Authority.

Invoices must have clear documentation identifying whether the program is Rental, Mortgage, or Utilities.

The Subrecipient is expected to meet the targeted deadline outlined in the table below. If the Subrecipient is unable to meet an activity, then they must notify the Housing & Neighborhood Services Manager in writing and identify the barriers to hindering completion and proposing a new date of completion.

Activity	Deadline
Expend 100% of contract funds	July 24, 2026

Invoices must be submitted each month after the services have been performed. All payments will be processed within 30 days of receipt of invoice for those services. The City is authorized to withhold or deny a payment if the appropriate expense documentation and milestone reports are missing or incomplete. The contract price of this Agreement shall comply with the Budget (Exhibit B) and line item amendments can only be made with the prior written approval of City staff.

G. Term

The term of this Agreement shall be effective from the Effective Date through **July 24, 2026 or when funding has been exhausted and contract outcomes have been achieved, whichever occurs first.**

Subrecipient Agreement
EXHIBIT B
Budget

Homeless Prevention & Utility Assistance Program

Contract Amounts

PERSONNEL		
Program Director		\$ 17,160.00
Program Manager		\$ 46,736.00
Case Manager - Housing Assistance Specialist		\$ 36,800.00
Community Outreach & Intake Coord		\$ 36,800.00
Case Manager - Utility Assistance Specialist		\$ 36,800.00
	Sub-Total Wages	\$ 174,296.00
Taxes, Insurance Benefits, Payroll Proc	22% of \$174,296.00	\$ 38,344.79
TOTAL FOR WAGES & TAXES		\$ 212,640.79
NON-PERSONNEL EXPENSES		
Program Supplies	Supplies, ETO software, HMIS registration	\$ 31,738.00
Rental & Mortgage Assistance	Estimated to serve: 70% Families @ 65% AMI 15% Elderly's @ 30% AMI 15%, Essential Workers @ 70-80% AMI (All up to 3 months)	\$ 904,712.21
Utility Assistance Payments	Average 180 households	\$ 360,000.00
SUB-TOTAL		\$ 1,509,091.00
INDIRECT RATE 10%	Rental, Utility, Cable, WiFi, Phone	\$ 150,909.00
TOTAL		\$ 1,660,000

Subrecipient Agreement
Affirmative Action Program Policy

AFFIRMATIVE ACTION PLAN

SUBRECIPIENT: _____

STREET ADDRESS: _____

CITY, STATE, ZIP: _____

TELEPHONE NUMBER: _____

IRS/ID:

1. The Subrecipient named above is committed to a policy of Affirmative Action to ensure Equal Employment Opportunity in response to Executive Orders 10925, 11114, and 11246, as amended, and relevant requirements adopted by the City, including all provisions of the Subrecipient Agreement concurrently entered into between the Subrecipient and the City.
2. The official designated by the Subrecipient to be Equal Employment Officer is:
_____.
3. The Subrecipient will document fully its affirmative actions, which will be at least as extensive as the following:
 - a. The Subrecipient will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity or expression, national origin, age, disability, or an individual's status in any group or class protected by applicable federal, state, or local laws. The Subrecipient will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, gender identity or expression, national origin, age, disability, or an individual's status in any group or class protected by applicable federal, state, or local laws. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
 - b. The Subrecipient will ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites and in all facilities at which the Subrecipient's employees are assigned to work. The Subrecipient, where possible, will assign two (2) or more women to each construction project. The Subrecipient shall specifically ensure that all foremen, superintendents, and other on-site supervisory personnel are aware of, and carry out, the Subrecipient's obligation to maintain such a working environment, with specific attention to minority or female individuals working at such sites or in such facilities.
 - c. The Subrecipient will establish and maintain a current list of minority and female recruitment sources and provide written notification to minority and female recruitment sources and to community organizations when the Subrecipient or its unions have employment opportunities available and maintain a record of the organizations' responses.
 - d. The Subrecipient will maintain a current file on the names, addresses, and telephone numbers of each minority and female off-the-street applicant and minority organization and of what action was

taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the Subrecipient by the union or, if referred, not employed by the Subrecipient, this shall be documented in the file with the reason therefore, along with whatever additional actions the Subrecipient may have taken.

- e. The Subrecipient will provide immediate written notification to the Director of Office of Federal Contract Compliance Programs when the union or unions with which the Subrecipient has a collective bargaining agreement has not referred to the Subrecipient a minority person or woman sent by the Subrecipient, or when the Subrecipient has other information that the union referral process has impeded the Subrecipient's efforts to meet its obligations.
- f. The Subrecipient will develop on-the-job training opportunities and/or participate in training programs for the area that expressly include minorities and women, including upgrading programs and apprenticeship and trainee programs relevant to the Subrecipient's employment needs, especially those programs funded or approved by the Department of Labor. The Subrecipient shall provide notice of these programs to the sources compiled under subsection (b) above.
- g. The Subrecipient will disseminate the Subrecipient's Equal Employment Opportunity policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the Subrecipient in meeting its Equal Employment Opportunity obligations; by including the policy in any policy manual and collective bargaining agreement; by publicizing the policy in the company newspaper, annual report, and similar publications; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the policy on bulletin boards accessible to all employees at each location where construction work is performed.
- h. The Subrecipient will review, at least annually, the company's Equal Employment Opportunity Policy and Affirmative Action obligations with all employees having any responsibility for hiring, assignment, layoff, termination, or other employment decisions, including specific review of these items with on-site supervisory personnel including but not limited to superintendents and general foremen, prior to the initiation of construction work at any job site. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.
- i. The Subrecipient will disseminate the Subrecipient's Equal Employment Opportunity policy externally by including it in any advertising in the news media, specifically including minority and female news media and providing written notification to and discussing the Subrecipient's Equal Employment Opportunity policy with other Subrecipients and Contractors with whom the Subrecipient does, or anticipates doing, business.
- j. The Subrecipient will direct its recruitment efforts, both oral and written, to minority, female, and community organizations, to schools with minority and female students, and to minority and female recruitment and training organizations serving the Subrecipient's recruitment area and employment needs. Not later than one (1) month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the Subrecipient shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.
- k. The Subrecipient will encourage present minority and female employees to recruit other minority persons and women and where reasonable, provide after-school, summer, and vacation employment to minority and female youth, both on the site and in other areas of a Subrecipient's workforce.

- l. The Subrecipient will validate all tests and other selection requirements where there is an obligation to do so.
 - m. The Subrecipient will conduct, at least annually, an inventory and evaluation at least of all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, such opportunities.
 - n. The Subrecipient will ensure that seniority practices, job classifications, work assignments, and other personnel practices do not have a discriminatory effect by continually monitoring all personnel and employment-related activities to ensure that the Equal Employment Opportunity policy, Affirmative Action policy, and the Subrecipient's related obligations are being carried out.
 - o. The Subrecipient will ensure that all facilities and company activities are non-segregated except that separate and single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.
 - p. The Subrecipient will document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.
 - q. The Subrecipient will conduct a review, at least annually, of all supervisors' adherence to and performance under the Subrecipient's Equal Employment Opportunity policy and Affirmative Action obligations.
4. Subrecipients, subcontractors, and related contractors shall maintain all required records for a period of three years, or until audited, and permit access by the City to all such records.

Signed: _____

Equal Employment Officer

Signed: _____

Authorized Officer/Title

Print: _____

Print: _____

Dated: _____

Dated: _____



STAFF REPORT

October 15, 2025
File Number 0740-30

SUBJECT

YEAR 2026 HOLIDAYS

DEPARTMENT

Human Resources

RECOMMENDATION

Request the City Council adopt Resolution No. 2025-114 to designate the dates that the City offices will be closed in the year 2026 for holiday observances.

Staff Recommendation: Approval (Human Resources Department: Jessica Perpetua, Director of Human Resources)

Presenter: Jessica Perpetua, Director of Human Resources

ESSENTIAL SERVICE – No

COUNCIL PRIORITY –

FISCAL ANALYSIS

None

PREVIOUS ACTION

Each year the City Council adopts a resolution, as required by State law, to designate the days that City offices will be closed for holiday observances.

BACKGROUND

Holidays are considered to be an employee benefit and are, therefore, a part of the negotiation process with our various bargaining units. There are ten recognized holidays each year.

RESOLUTIONS

- a) Resolution No. 2025-114
- b) Resolution No. 2025-114—Exhibit “A”— City Recognized Holidays Year 2026

RESOLUTION NO. 2025-114

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ESCONDIDO, CALIFORNIA, DESIGNATING THE DAYS
WHICH CITY OFFICES SHALL BE CLOSED ON
DESIGNATED HOLIDAYS FOR THE CALENDAR YEAR 2026

WHEREAS, Section 6700 of the California Government Code designates days that are holidays in the State of California ("State"); and

WHEREAS, Section 6702 of the California Government Code provides that City of Escondido ("City") offices shall be closed on designated State holidays unless otherwise provided by the City; and

WHEREAS, the City Council desires and deems it to be in the best public interest to designate those holidays on which City offices will be closed.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. That the public offices of the City shall be closed on the following dates set forth in Exhibit "A" attached to this Resolution and incorporated by this reference.

City Recognized Holidays Year 2026

New Year's Day	Thursday, January 1, 2026
Martin Luther King Day	Monday, January 19, 2026
Presidents' Day	Monday, February 16, 2026
Memorial Day	Monday, May 25, 2026
Independence Day	Saturday, July 4, 2026 (Observed Friday, July 3, 2026)
Labor Day	Monday, September 7, 2026
Veterans' Day	Wednesday, November 11, 2026
Thanksgiving Day	Thursday, November 26, 2026
Day after Thanksgiving	Friday, November 27, 2026
Christmas Day	Friday, December 25, 2026

In addition to the above, the following facilities also have these modified hours:

Library

- Friday, July 3: open
- Saturday, July 4: closed
- Friday, September 18: closed for staff training
- Wednesday, November 25: close @ 5 p.m.
- Thursday, December 24: close @ 5 p.m.
- Thursday, December 31: close @ 5 p.m.

East Valley Community Center

- Sunday, April 5: closed
- Friday, July 3: open
- Saturday, July 4: closed
- Saturday, October 31: close @ 5 p.m.
- Wednesday, November 25: close @ 3 p.m.
- Monday, December 21, 2026 - Sunday, 27, 2026: closed for floor and carpet maintenance
- Thursday, December 31, 2026: close @ 5 p.m.

Escondido Sports Center

- Closed during inclement weather.
- Monday, January 19: open

- *Monday, February 16: open*
- *Sunday, April 5: closed*
- *Friday, July 3: closed*
- *Saturday, July 4: closed*
- *Saturday, October 31: open, 8 a.m. – 6 p.m.*
- *Wednesday, November 25: closed*
- *Thursday, December 24: closed*
- *Thursday, December 31: closed*

Park Avenue Community Center

- *Sunday, April 5: closed*
- *Saturday, July 4: closed*
- *Wednesday, November 25: close @ 3 p.m.*
- *Thursday, December 24: close @ 3 p.m.*
- *Thursday, December 31: close @ 3 p.m.*

City Pools

- *Friday, January 2 – Sunday, January 4: closed for annual maintenance (both pools)*
- *Sunday, April 5: closed (both pools)*
- *Friday, July 3 – Sunday, July 5: closed (James Stone Pool only)*
- *Monday, December 21, 2026 – Sunday, January 3, 2027: closed for annual maintenance (both pools)*



STAFF REPORT

October 15, 2025
File Number 0700-80

SUBJECT

HEALTH INSURANCE WAIVER REBATE

DEPARTMENT

Human Resources

RECOMMENDATION

Request the City Council adopt Resolution No. 2025-132, approving an increase of the Health Insurance Waiver Rebate amount.

Staff Recommendation: Approval (Human Resources: Jessica Perpetua, Director of Human Resources)

Presenter: Daniel Alvarado, Human Resources Manager

ESSENTIAL SERVICE – Yes, internal requirement in support of Police Services; Fire/EMS Services; Keep City Clean for Public Health and Safety; Land Use/Development; Clean Water; Sewer; Public Works/Infrastructure; Maintenance of Parks facilities/Open Spaces

COUNCIL PRIORITY – Increase Retention and Attraction of People and Businesses to Escondido

FISCAL ANALYSIS

The increased annual City cost for this item is \$154,500. The fiscal impact to the Benefits Budget for the fiscal year ending June 30, 2026 is approximately \$77,250 and will be absorbed in the current budget. The financial impacts for the remainder of the benefit year will be included in the FY2026/27 operating budget adoption.

PREVIOUS ACTION

Effective July 1, 1995, as a term in the Council-approved Memorandums of Understanding with the City's Labor Groups, a rebate of \$75 per month to employees that waived employer paid health coverage was implemented.

BACKGROUND

The City currently offers eligible regular employees a rebate of \$75 per month upon waiver of the City's group health insurance or waiver of any level of health insurance coverage. This benefit amount has not changed since 1995. In alignment with the City's endeavor to offer and maintain a competitive benefits



CITY *of* ESCONDIDO

STAFF REPORT

package for employees, Staff recommends increasing this amount to become more competitive with market median. If approved, the health insurance waiver will increase from \$75/month to \$200/month for employees waiving coverage completely. The waiver will remain \$75/month for employees waiving a level of coverage.

RESOLUTIONS

- a) Resolution No. 2025-132

RESOLUTION NO. 2025-132

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ESCONDIDO, CALIFORNIA, AUTHORIZING AN INCREASE
TO THE HEALTH INSURANCE WAIVER REBATE AMOUNT
FOR ELIGIBLE CITY EMPLOYEES

WHEREAS, the City Council has approved employee benefit plans for eligible City employees; and

WHEREAS, the City and its labor groups agreed to a plan effective July 1, 1995 to generate cost savings for health insurance premiums in cases where employees are eligible for dual health insurance coverage and an employee waives employer paid health coverage resulting in a rebate to the employee in the amount of \$75 per month; and

WHEREAS, this amount has not changed since implementation on July 1, 1995; and

WHEREAS, the City desires to update its benefit plans to be consistent with market conditions and make the City be more competitive in attracting and retaining qualified employees; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to approve an increase in the rebate amount from \$75 per month to \$200 per month for eligible employees waiving health care coverage completely and maintaining \$75 per month for employees waiving a level of coverage.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.

2. That the City Council authorizes the execution of written amendments to existing Memorandums of Understanding with recognized City labor groups, and make generally applicable to other eligible employees, a rebate increase from \$75 per month to \$200 per month for employees waiving health coverage completely and maintaining \$75 per month for employees waiving a level of coverage.



STAFF REPORT

October 15, 2025

File Number 0600-10; A-3571

SUBJECT

AUTHORIZE CONTRACTS TO ACQUIRE AND UTILIZE SOFTWARE AND SERVICING FOR CITYWORKS

DEPARTMENT

Information Systems

RECOMMENDATION

Request the City Council adopt Resolution No. 2025-115 authorizing the Mayor, on behalf of the City, to execute an agreement with Azteca Systems, LLC, a Trimble Company, for purchase of the Cityworks software, including licensing and software support.

Staff Recommendation: Approval (Information Systems: Robert Van De Hey, Chief Information Officer)

Presenter: Robert Van De Hey, Chief Information Officer

ESSENTIAL SERVICE – Yes, Police Services; Fire/EMS Services; Keep City Clean for Public Health and Safety; Land Use/Development; Clean Water; Sewer; Public Works/Infrastructure; Maintenance of Parks facilities/Open Spaces

COUNCIL PRIORITY –

FISCAL ANALYSIS

The total estimated cost for Cityworks software licensing and services is \$766,307.18, allocated as follows:

- Year 1 (07/01/2025 – 06/30/2026): \$243,079.20
- Year 2 (07/01/2026 – 06/30/2027): \$255,233.16
- Year 3 (07/01/2027 – 06/30/2028): \$267,994.82

Funding for Year 1 (07/01/2025 – 06/30/2026) is included in the current General Fund budget, with portions allocated to the Water and Wastewater funds, as approved by the City Council in June 2025.

PREVIOUS ACTION

Cityworks AMS was acquired in September 2000 under Resolution No. 2000-240. In 2018, City Council approved the purchase of Cityworks PLL and a Public Services Agreement with the Timmons Group, a Trimble Company platinum services partner, for their public portal and implementation of both products. In February 2019, a \$175,000 budget adjustment was approved as part of the First Amendment to the



CITY of ESCONDIDO

STAFF REPORT

agreement. In September 2019, City Council authorized a PSA with Woolpert, Inc., for expanding and implementing Cityworks AMS at the Hale Avenue Resource Recovery Facility ("HARRF"). Cityworks AMS implementation at the Water Treatment Plant was completed by city staff in 2024.

BACKGROUND

Cityworks is an enterprise-wide, GIS-centric system designed to efficiently manage the City's assets and operations, from initial permitting to the maintenance of built and acquired assets. This comprehensive platform consists of two integrated components: Asset Management System ("AMS") and Permits, Licensing, and Land ("PLL"), which together streamline workflows, enhance operational efficiency, and improve service delivery.

The AMS module serves as the City's asset and work management solution, enabling the tracking of service requests, work orders, and inspections. Initially implemented within the Water Distribution division of the Utilities Department, AMS has since expanded to support all Utilities divisions, Public Works, and key areas of Development Services. Powered by Cityworks AMS, the City manages a wide range of operations, including the Escondido Report It! app, graffiti removal programs, street and park maintenance, and water and wastewater treatment plant operations. By providing real-time data and insights, AMS helps leadership make data-driven decisions and empowers staff to optimize processes, improve efficiency, and capture critical data for managing projects and city assets.

The PLL system, integrated with the Timmons Portal, offers a GIS-centric solution that enhances the permitting process for customers while streamlining case workflows for City staff. Through this system, residents, contractors, and businesses can apply for permits, pay fees, and track project progress online via the Timmons public portal. Staff benefit from user-friendly dashboards and tools that enable them to review applications, communicate directly with applicants and their teams, schedule inspections or appointments, and monitor project milestones efficiently. The implementation of PLL, ProjectDox and the Timmons Portal reflects the City's commitment to combining innovative technology with optimized business processes, fostering seamless collaboration between the City, its citizens, developers, businesses, and other stakeholders.

By leveraging Cityworks' capabilities, the City supports leadership in making informed decisions based on reliable data while equipping staff with tools to enhance productivity and deliver high-quality services to the community.

RESOLUTIONS

- a) Resolution No. 2025-115
- b) Resolution No. 2025-115— Exhibit "A"—DRAFT-Cityworks Licensing and Management Agreement

RESOLUTION NO. 2025-115

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE MAYOR TO EXECUTE, ON BEHALF OF THE CITY, A MASTER SERVICE AGREEMENT WITH AZTECA SYSTEMS, LLC, A TRIMBLE COMPANY FOR THE PURCHASE OF THE CITYWORKS SOFTWARE AND SUPPORT

WHEREAS, the City of Escondido ("City") currently uses Cityworks software including Cityworks Asset Management System ("AMS") and Permitting, Licensing, and Land Management ("PLL") platform; and

WHEREAS, the Chief Information Officer recommends the signing of a Master Service Agreement with Azteca Systems, LLC, a Trimble Company for the Cityworks AMS and PLL licensing and support; and

WHEREAS, this City Council desires at this time and deems it to be in the best interest to approve signing a Master Service Agreement; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. That the City Council accepts the recommendation of the Chief Information Officer for the purchase of the Cityworks software, licensing and support.
3. That the Mayor and City Clerk are authorized to execute, on behalf of the City, a Master Services Agreement with Azteca Systems, LLC, a Trimble Company which is consistent with the draft attached hereto as Exhibit "A" and incorporated by this reference, for the purchase of Cityworks software licensing and support, and as may be approved and modified by the City Attorney.



ORDER FORM

Order Date:	Date of the last signature below
Trimble Entity Name ("Trimble") and Address:	Azteca Systems, LLC, a Trimble company 10368 Westmoor Drive Westminster, CO 80021 US
Customer Entity Name ("Customer") and Address:	Escondido, CA 201 N Broadway Escondido, CA 92025
Billing Contact Name and E-Mail Address:	Davina Mays dmays@escondido.org
Is Customer Tax Exempt?	Yes or No
Initial Term:	07/01/2025 - 06/30/2026
Validity:	This Order Form shall expire on 12/01/2025 (the "Validity Date"). If this Order Form is not executed by the Customer by the Validity Date, Trimble reserves the right to not offer the pricing found in the Order Form.
Miscellaneous:	<i>Purchase orders issued by Customer are issued for administrative purposes only; terms and conditions contained in any such purchase order shall be null and void.</i> <u>Disclaimer.</u> Please be advised that the products associated with this Order Form may no longer be subject to enhancements or maintenance. We urge you to consult the communication sent out concerning Cityworks's Key Update and Timelines for Extended Support and Sunsetting. A copy of the communication can be provided upon request. Customer signs this Order Form under the understanding that the products below are subject to the communication sent out by Trimble. <u>Post-Termination Customer Data Access.</u> For 30 days from the expiration or termination of the Agreement, Trimble will make Customer Data available to Customer upon request for export or download as provided in the Agreement for the applicable Product. Additional fees may apply.

Licensed Software:

Description	Number of Authorized Users	Annual Term	Total
Server AMS Premium Enterprise License Agreement (ELA), Includes Unlimited Quantities of the Identified Products: Office Respond Mobile Native Apps (for iOS/Android) --Includes the following Add-ons: Storeroom Equipment Checkout Contracts Cityworks for Excel Cityworks Analytics for AMS eURL (Enterprise URL) Operational Insights	Unlimited	Year 1: 07/01/2026 - 06/30/2027	\$243,079.20
		Year 2: 07/01/2027 - 06/30/2028	\$255,233.16
		Year 3: 07/01/2028 - 06/30/2029	\$267,994.82

Workload Web Hooks OpX CCTV Interface for PACP Pavement Management Performance Budgeting Use of Cityworks AMS Application Programming Interfaces (APIs) with commercially available Cityworks-centric applications that are licensed and maintained by authorized Cityworks partners Use of Cityworks AMS Application Programming Interfaces (APIs) with third party system integrations Server PLL Premium Enterprise License Agreement (ELA), Includes Unlimited Quantities of the Identified Products: Office Respond Mobile Native Apps (for iOS/Android) --Includes the following Add-ons: eURL (Enterprise URL) Public Access for PLL Cityworks Analytics for PLL Use of Cityworks PLL Application Programming Interfaces (APIs) with commercially available Cityworks-centric applications that are licensed and maintained by authorized Cityworks partners Use of Cityworks PLL Application Programming Interfaces (APIs) with third party system integrations	Unlimited		
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All Licensed Software is for the indicated term and not perpetual. Annual fee herein is based on 100,001 - 150,000 population range. Trimble reserves the right to adjust the annual fee accordingly to align with the Customer's actual population range.

Addendums:

1. Trimble General Transaction Terms (the "General Terms")
2. Supplemental Terms for Software and Subscriptions (the "Software Terms")
3. Supplemental Terms for Support and Maintenance (the "Support Terms")
4. Supplemental Terms for Services (the "Services Terms")
5. Supplemental Terms for Hardware (the "Hardware Terms")
6. Supplemental Terms for U.S. Public Entities
7. Availability Service Level Agreement; Data Security and Restoration
8. Trimble Certificate of Insurance

TERMS AND CONDITIONS

1. Terms and Conditions. All offerings are made available by Trimble subject to the terms and conditions set forth in this Order and the above referenced Addendums.

2. RENEWALS. *This Order may be renewed by mutual written agreement of the Parties.*

3. Payment Terms. All fees are due Net 30 from the date of the Trimble invoice.

- **Annual Software Subscription:** Trimble will invoice:
 - o Year 1 in the amount of \$243,079.20 upon execution of this Order Form;
 - o Year 2 in the amount of \$255,233.16 on June 1, 2027; and
 - o Year 3 in the amount of \$267,994.82 on June 1 2028.

4. Annual Price Increase. Upon the completion of the Yearly periods found above, Trimble has a right to increase the annual fees by the greater of (a) CPI plus two percent (2%) or (b) eight percent (8%) at each renewal. "CPI" shall mean for all Urban Consumers, the U.S. City Average, for all items, 1982-84=100 (the "CPI-U"), as published by the Bureau of Labor Statistics, U.S. Department of Labor, and shall be for the prior twelve months as of the date the calculation is made. Trimble will use commercially reasonable efforts to notify Customer of the new pricing no later than sixty (60) day prior to the expiration of the prior term.

5. Electronic Invoices. Customer hereby consents to the receipt of invoices electronically at the indicated e-mail address(es) and accepts such invoices as if received by mail. Customer's e-mail address may be changed by written notice given by Customer to Trimble at: customer_master@trimble.com. Customer is responsible for maintaining a current e-mail address and shall under no circumstances be excused from payment of applicable charges by its failure to access its designated e-mail address.

6. Due Authority. By signing below, the signatory represents that he/she (i) is an authorized representative of Customer and (ii) has the authority to legally and functionally commit the Customer.

[Signature Page to Follow]

DRAFT

ACCEPTANCE

Accepted and agreed:

CUSTOMER:

Signature: ____

Print Name: ____

Title: ____

Date: ____

TRIMBLE:

Signature: ____

Print Name: Carlos Abaunza

Title: Sr. Director, Legal

Date: ____

DRAFT

Addendum #1

Trimble General Transaction Terms
Version 1.2 (Last updated: May 1, 2024)

Trimble's provision of Offerings is governed exclusively by these Trimble General Transaction Terms (the "**General Terms**"). The Order, the SOW, these General Terms, any applicable Supplemental Terms, and all other terms referenced or incorporated therein, collectively constitute the "**Agreement**". Any conflict or inconsistency in the Agreement will be resolved in the following order of precedence: (1) the Order, (2) any applicable Supplemental Terms, (3) these General Terms, (4) the SOW, and (5) the Documentation.

1. Definitions. Capitalized terms have the meaning associated with them in this Section 1 (Definitions) or with the definition provided elsewhere in the Agreement.

- 1.1. "**Affiliate**" means an entity that, directly or indirectly, owns or controls, is owned or controlled by or is under common ownership or control with a party, where "ownership" means the direct or indirect ownership of more than fifty percent (50%) of an entity's outstanding voting rights or other equivalent voting interests.
- 1.2. "**Customer**" is the entity or person identified in the Order or SOW.
- 1.3. "**Dispute(s)**" means any dispute, claim, or controversy arising from or related to the Agreement.
- 1.4. "**Documentation**" means Trimble's then-current usage guidelines, standard technical documentation, acceptable use policies, support policies, service level commitments, or other policies referenced in the Agreement.
- 1.5. "**Hardware**" means hardware products specified in the Order.
- 1.6. "**High Risk Activities**" means any mission critical, hazardous, strict liability, or other activity(ies) where use or failure of the Offerings could lead to death, personal injury, or physical or environmental damage. Examples of High Risk Activities include, but are not limited to: aircraft or other modes of human mass transportation, nuclear or chemical facilities, life support systems, implantable medical equipment, motor vehicles, autonomous vehicles, air traffic control, emergency services, or weaponry systems. High Risk Activities do not include utilization of Offerings for administrative purposes, to store configuration data, engineering and/or configuration tools, or other non-control applications, the failure of which would not result in death, personal injury, or physical or environmental damage. These non-controlling applications may communicate with the applications that perform the control, but must not be directly or indirectly responsible for the control function.
- 1.7. "**Intellectual Property Rights**" means any and all right, title and interest in and to any and all trade secrets, patents, copyrights, service marks, trademarks, know-how, trade names, rights in trade dress and packaging, moral rights, rights of privacy, publicity, database rights and similar rights of any type, including any applications, continuations or other registrations with respect to any of the foregoing, under the laws or regulations of any foreign or domestic governmental, regulatory or judicial authority, and the right to sue for, settle and release past, present and future infringement of any of the foregoing.
- 1.8. "**Law(s)**" means all applicable local, state/provincial, federal and international laws, rules, regulations, directives, ordinances and conventions, including, but not limited to, those related to data privacy and data transfer, international communications and export of technical or personal data.
- 1.9. "**Licensed Software**" means the object code form of Trimble's proprietary installed software product for deployment on premises or on a device, as well as any Documentation, maintenance releases, and features and functionality enhancements, and application programming interfaces (APIs), in each case as may be made available pursuant to the Order. For clarity, Licensed Software excludes firmware.
- 1.10. "**Offerings**" means Trimble's Hardware, Software, Services, Support, and other Trimble goods or services specified on an Order or SOW.
- 1.11. "**Order**" means the quotation, proposal, sales agreement or similar documents provided by Trimble and accepted by Customer.
- 1.12. "**Services**" means any services described in the Order or a Statement of Work, including, without limitation, training, enablement, implementation, configuration, hosting, or content provision.
- 1.13. "**Software**" means the Licensed Software and/or Software-as-a-Service specified on an Order.
- 1.14. "**Software-as-a-Service**" or "**SaaS**" means a Trimble proprietary cloud service, as well as any Documentation, features and functionality enhancements, and application programming interfaces, in each case as may be made available pursuant to the Order.
- 1.15. "**Statement of Work**" or "**SOW**" means a statement of work or similar agreement governing the provision of Services.
- 1.16. "**Supplemental Terms**" are any additional Trimble terms and conditions referenced in the Order as "Supplemental Terms."
- 1.17. "**Support**" means support and/or maintenance for Software, and as may be further described in the applicable Supplemental Terms, Documentation, or otherwise as specified by Trimble in writing.
- 1.18. "**Trimble**" means Trimble Inc. or its Affiliate identified on the Order or SOW, or if none is specified, as set forth in Exhibit A (Trimble Entities; Governing Law; Exclusive Venue/Jurisdiction) based on the applicable Customer location.
- 1.19. "**Trimble IP**" means the Offerings, Documentation, and any written and electronic materials, proprietary information, documentation, code, technology, systems, infrastructure, equipment, and trade secrets developed, provided or used by Trimble or its subcontractors to produce and provide the Offerings together with all Intellectual Property Rights therein, together with all modifications, improvements, changes thereto or derivative works thereof, including without limitation:
 - (a) proprietary electronic architecture and other non-literal elements of the Offerings developed by Trimble,
 - (b) functional and technical specifications and other technical, training, reference or service information, documentation and manuals and updates thereto,
 - (c) APIs, customized applications and computer programs,

- (d) processes, methods, algorithms, ideas, and other "know how,"
- (e) data and information provided or sourced by Trimble,
- (f) Offerings which Customer has the right to use via a subscription, and
- (g) network equipment and architecture.

2. Orders; Validity. An Order is valid for acceptance by Customer within the period indicated in the Order and if no such period is provided, for thirty (30) calendar days from the issue date. The Agreement is formed by Customer's execution of the Order. Changes to an Order or belated acceptance by Customer are not valid unless Trimble accepts them in writing, and Trimble's partial or complete delivery against an Order modified by Customer, or acceptance of payment, shall not be deemed to be an acceptance of the modification. Orders that Customer has accepted cannot be canceled for any reason without Trimble's prior written consent. Notwithstanding anything to the contrary, while Customer may issue a purchase order or similar document for administrative purposes, no provisions of Customer's purchase orders, invoices, associated purchase documentation, or other business forms will apply to, modify, supersede or otherwise alter the terms of this Agreement or Customer's payment obligations thereunder, and any such provisions will be of no force or effect.

3. Payment Terms; Invoicing

- 3.1.** Fees are as set forth in the Order or SOW. Fees do not include applicable sales taxes, value added taxes, goods and services taxes, export or import charges, transportation or insurance charges, customs and duty fees, personal property taxes, surcharges and fees, or similar charges, all of which are Customer's responsibility to pay. Unless Customer provides Trimble with direct payment authority or a valid exemption certificate for the appropriate jurisdiction, Customer will pay Trimble all such taxes, charges, and fees invoiced by Trimble in connection with the Offerings. Customer will pay any foreign exchange transaction fees and any foreign exchange profits or losses incurred on such transactions.
- 3.2.** Trimble will issue invoices in accordance with the billing frequency stated in the Order or SOW. Customer consents to the receipt of invoices electronically at the email address(es) it provided to Trimble for billing purposes, and accepts such invoices as if received by mail. Customer is responsible for maintaining current email address(es) with Trimble. Trimble's transmission of an invoice to the provided billing email address(es) (regardless of whether actually received by Customer) shall be considered delivery of that invoice by Trimble. Trimble's failure to issue an invoice in accordance with this Section 3 (Payment Terms; Invoicing) shall not be deemed to be a waiver by Trimble of its right to receive payment pursuant to the Agreement, but Customer shall not be obligated to make such payment until an invoice for such payment is issued by Trimble to Customer.
- 3.3.** Unless otherwise set forth in the Order or SOW, payments are due net 30 days from the date of invoice. Customer will make payment in the currency indicated on the Order or SOW. Trimble is entitled to offset payments against prior debt balances in Customer's account. Subject to any Laws to the contrary or as otherwise expressly stated in the Agreement, payments are not refundable. No credit, carryover, or refund will be given for any unused Offerings (e.g., services hours, data usage) allocated or available for use during an indicated period of time.
- 3.4.** Delinquent payments not subject to a bona fide dispute will bear interest at the lesser of 1.5% per month or the maximum rate permitted by applicable Law. If Customer does not object in writing to an invoiced amount by the invoice due date, Customer will be deemed to have acknowledged the correctness of that invoice and to have waived its right to dispute that invoice. A dispute as to a portion of any invoice or amount owed will give Customer the right to withhold or delay payment of the disputed portion only. Customer will be liable for all costs of collection of past due amounts (including attorneys' fees).
- 3.5.** Trimble may suspend Customer's access to or Trimble's provision of Offerings, as applicable, on five (5) business days prior notice if Customer fails to timely pay any invoice not subject to a bona fide payment dispute or fails to use diligent good faith efforts to resolve a bona fide payment dispute (unless cured during the notice period).
- 3.6.** For any breach of Customer's payment obligations under any Order(s), Trimble may, without limiting Trimble's other rights and remedies, declare Customer's unbilled future fees under any and all Orders immediately due and payable.
- 3.7.** Trimble has the continuing right to review Customer's credit and, if reasonably determined necessary by Trimble, change Customer's payment terms, and may at any time demand advance payment, satisfactory security (such as, but not limited to, a confirmed, irrevocable letter of credit acceptable to Trimble), or a guarantee of prompt payment prior to shipment or service activation.
- 3.8.** Offerings purchased or licensed under Trimble's United States General Services Administration ("**GSA**") Schedules are subject to all of the pricing and other terms and conditions described in the applicable GSA Schedule.

4. Term and Termination

- 4.1. Term for Cause.** The term and any renewals thereof applicable for an Offering (collectively, the "**Term(s)**") shall be as set forth in the Order, SOW, or Supplemental Terms. Different Offerings may have different Terms.
- 4.2. Termination for Cause.** Either party may terminate the Agreement if the other party (a) fails to cure a material breach of the Agreement (including a failure to pay fees), or fails to provide a written plan of cure reasonably acceptable to the non-breaching party, within thirty (30) days after the non-breaching party's receipt of written notice specifying such breach or failure, (b) becomes designated by an applicable governmental entity as a business with which a party is prohibited from doing business with (e.g., via governmental sanctions program), or (c) seeks protection under insolvency or comparable proceeding, or if such proceedings are instituted against that party and not dismissed within sixty (60) days.
- 4.3. Availability of Funds/Termination.** For each of the Customer's fiscal years during the Term of this Agreement the Customer agrees: (a) to seek in good faith appropriations sufficient to cover the Customer's obligations under this Agreement; and (b) not to use non-appropriations as a means of terminating this Agreement in order to acquire functionally equivalent products or services from a third party. The Customer reasonably believes, barring unforeseen circumstances or events, that sufficient funds will lawfully be appropriated by its governing body to satisfy its obligations under this Agreement. If the Customer does not appropriate sufficient funds, by appropriation, appropriation limitation, or grant, to continue payments under this Agreement, the Customer may terminate this Agreement by giving Contracting Officer's Notice of Termination less than thirty (30) days' prior written notice of such non-appropriation for the fiscal year. Trimble is under no obligation to

to provide the Service if the Customer lacks funds to pay for it. Upon termination the Customer will remit all amounts due and all costs reasonably incurred through the date of termination and, to the extent of lawfully available funds, through the end of the then-current fiscal period, providing Service will continue through the end of the then-current fiscal period and for the full duration of any subsequent transition period for which funds are available. Upon Trimble's reasonable request, the Customer will provide Trimble with information as to funding status for its upcoming payment(s).

- 4.4. Survival.** These Sections survive expiration or termination of the Agreement: 1 (Definitions), 3 (Payment Terms; Invoicing), 4.3 (Survival), 6 (Warranty Disclaimers), 7 (Limitations of Liability), 8 (Indemnification), 9 (Confidentiality), 11 (Personal Information; Data Protection), 12 (Miscellaneous), any other provisions identified in any applicable Supplemental Terms referencing this provision, and any other term or provision in the Agreement that applies to events occurring following termination or expiration. Except where an exclusive remedy is provided, exercising a remedy under the Agreement, including termination, does not limit other remedies a party may have.

5. Customer Obligations

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- 5.1. High Risk Activities.** Customer will not use the Offerings for High Risk Activities. Customer acknowledges that the Offerings are not intended to meet any legal obligations for High Risk Activities. Trimble and its suppliers specifically disclaim any responsibility for, and will not be liable in any manner arising from, any use of the Offerings in connection with High Risk Activities.
- 5.2. Compliance with Laws.** Customer shall comply with all Laws in connection with its use or receipt of the Offerings.
- 5.3. Dependencies and Compatibilities.**

- (a) Offerings may (i) require certain dependencies, including, without limitation, internet connection, electronic communications, hardware, data connections, operating systems, third-party products and services, other Trimble products and services, satellite signals, etc. (collectively, "**Dependencies**"), and (ii) allow compatibility and/or interoperability with other products or services made available by Trimble, Customer, or a third party (collectively, "**Compatibilities**").
- (b) Dependencies and Compatibilities may require payment of a separate fee and are governed by their respective terms of service, end user license agreement, or other agreement, and not by the Agreement. Unless otherwise expressly agreed upon by the parties in writing, Customer is responsible for all Dependencies and Compatibilities. Trimble may modify the Offerings from time to time, and Trimble does not guarantee that the Offerings will continue to operate or be compatible with any Dependencies or Compatibilities. Trimble makes no warranty or guarantee, and will have no liability or obligations under the Agreement, with respect to any Dependencies, Compatibilities, or other factors outside of Trimble's control.
- (c) Customer represents and warrants that it shall, and shall use best efforts to require any provider of any Dependencies and Compatibilities to: (i) establish and maintain industry standard technical, organizational, physical, and administrative safeguards designed to ensure the security and integrity of the Offerings; and (ii) comply with the security controls, configuration requirements, and access limitations imposed by Trimble, as may be modified by Trimble from time to time.

6. WARRANTY DISCLAIMERS. THE LIMITED WARRANTY TERMS, IF ANY, EXPRESSLY SET FORTH IN ANY APPLICABLE SUPPLEMENTAL TERMS ARE IN LIEU OF ALL OBLIGATIONS OR LIABILITIES ON TRIMBLE'S PART ARISING OUT OF, OR IN CONNECTION WITH, THE OFFERINGS, AT ANY TIME EITHER DURING OR AFTER EXPIRATION OF THE APPLICABLE WARRANTY, AND STATE TRIMBLE'S ENTIRE LIABILITY AND CUSTOMER'S EXCLUSIVE REMEDIES RELATING TO THEM. EXCEPT FOR ANY LIMITED WARRANTY TERMS EXPRESSLY PROVIDED IN ANY APPLICABLE SUPPLEMENTAL TERMS, THE OFFERINGS ARE PROVIDED "AS-IS" AND WITHOUT EXPRESS OR IMPLIED WARRANTY OR CONDITION OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OR CONDITIONS OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, SATISFACTORY QUALITY, TITLE, AND NONINFRINGEMENT. SUPPLEMENTAL TERMS MAY HAVE ADDITIONAL DISCLAIMERS. SOME JURISDICTIONS DO NOT ALLOW LIMITATIONS ON DURATION OR THE EXCLUSION OF AN IMPLIED WARRANTY, SO THE ABOVE LIMITATION(S) MAY NOT APPLY OR FULLY APPLY TO CUSTOMER.

7. Limitations of Liability.

7.1. Waiver; Liability Cap.

- (a) EXCEPT FOR EXCLUDED CLAIMS, (i) NEITHER PARTY (OR ITS SUPPLIERS) SHALL BE LIABLE FOR DAMAGES FOR LOSS OF PROFIT OR REVENUE, DATA THAT IS LOST OR CORRUPTED, FAILURE OF SECURITY MECHANISMS, INTERRUPTION OF BUSINESS, LOSS OF GOODWILL, OR ANY SPECIAL, INCIDENTAL, RELIANCE, INDIRECT, PUNITIVE, OR CONSEQUENTIAL DAMAGES OF ANY KIND; AND (ii) EACH PARTY'S (AND EACH OF ITS SUPPLIER'S) ENTIRE LIABILITY FOR ANY AND ALL DAMAGES ARISING OUT OF OR RELATED TO THE AGREEMENT WILL NOT EXCEED IN AGGREGATE THE AMOUNTS PAID OR PAYABLE BY CUSTOMER TO TRIMBLE DURING THE PRIOR 24 MONTHS UNDER THE AGREEMENT FOR THE APPLICABLE OFFERING(S) GIVING RISE TO THE LIABILITY.
- (b) "EXCLUDED CLAIMS" MEANS (i) CUSTOMER'S PAYMENT OBLIGATIONS UNDER THE AGREEMENT, (ii) DAMAGES PAYABLE TO A THIRD PARTY (I.E., NOT AN INDEMNIFIED PARTY) EITHER AWARDED BY A COURT OF COMPETENT JURISDICTION OR INCLUDED IN A SETTLEMENT AGREED TO BY THE INDEMNIFYING PARTY, WHICH DAMAGES ARE SUBJECT TO A PARTY'S INDEMNIFICATION OBLIGATIONS IN SECTION 8 (INDEMNIFICATION), AND (iii) ANY ADDITIONAL "EXCLUDED CLAIMS" EXPRESSLY IDENTIFIED IN ANY APPLICABLE SUPPLEMENTAL TERMS.
- (c) THE ABOVE LIMITATIONS OF LIABILITY WILL APPLY TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, EVEN IF SUCH DAMAGES COULD HAVE BEEN FORESEEN OR IF A PARTY HAS BEEN APPRAISED OF THE POSSIBILITY OF SUCH DAMAGES, AND REGARDLESS OF WHETHER SUCH DAMAGES ARE ARISING IN BREACH OF ANY ONE OR MORE WARRANTIES, NON-CONFORMITY, IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, BREACH OF ANY STATUTORY DUTY, OR OTHERWISE.
- (d) SOME JURISDICTIONS DO NOT ALLOW A LIMITATION OF LIABILITY FOR DEATH, PERSONAL INJURY, FRAUDULENT MISREPRESENTATIONS, CERTAIN INTENTIONAL OR NEGLIGENT ACTS, VIOLATION OF SPECIFIC STATUTES, OR THE LIMITATION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES. IN SUCH AN EVENT, THE FOREGOING LIMITATION(S) WILL NOT APPLY TO THE EXTENT PROHIBITED BY LAW.

7.2. Nature of Claims and Failure of Essential Purpose. The waivers and limitations in this Section 7 (Limitations of Liability) are agreed-upon allocations of risk constituting in part the consideration for Trimble's performance under the Agreement, and will survive and apply even if any limited remedy in the Agreement fails of its essential purpose.

8. Indemnification. Customer will defend, indemnify, and hold harmless Trimble from and against any and all third-party claims, costs, damages, losses, liabilities and expenses (including reasonable attorneys' fees and costs) arising out of or in connection with (a) use or modification of any Offerings in breach of the Agreement, or in any manner not authorized by the Agreement or (b) Customer's violation of Laws or the rights of a third party. Trimble will give Customer prompt written notice of any claim hereunder and will cooperate in relation to the claim at Customer's expense. Customer will have the exclusive right to control and settle any claim, except that Customer may not settle a claim without Trimble's prior written consent (not to be unreasonably withheld) if the settlement requires Trimble to admit any liability or take any action or refrain from taking any action (other than ceasing use of infringing materials). Trimble may participate in the defense of any claim at its expense.

9. Confidentiality.

9.1. Definition. "**Confidential Information**" means information disclosed to the receiving party under the Agreement that

designated by the disclosing party as proprietary or confidential or that should be reasonably understood to be proprietary or confidential due to its nature and the circumstances of its disclosure. Trimble's Confidential Information includes, without limitation, the terms and conditions of the Agreement, and any technical or performance information about the Offerings, including the Documentation.

9.2. Obligations. As a receiving party, each party (a) will protect the confidentiality of the disclosing party's Confidential Information using the same degree of care it uses for its own information of like importance (but not less than reasonable care), (b) will not share the disclosing party's Confidential Information with third parties except as permitted in the Agreement or with the disclosing party's prior written or electronic consent, and (c) will only use Confidential Information to fulfill its obligations and exercise its rights in the Agreement. The receiving party may disclose Confidential Information to its employees, agents, Affiliates, contractors, and other representatives (collectively, "**Representatives**") having a legitimate need to know (including, for Trimble, its subcontractors), provided (i) the Representatives are subject to confidentiality obligations no less protective than those in this Section 9 (Confidentiality), and (ii) the receiving party is responsible for any breach of this Section 9 (Confidentiality) by the acts or omissions of its Representatives.

9.3. Exclusions. These confidentiality obligations do not apply to information that the receiving party can document

- (a) is or becomes public knowledge through no fault of the receiving party or its Representatives,
 - (b) it rightfully knew or possessed on a non-confidential basis prior to receipt under the Agreement,
 - (c) it rightfully received from a third party without obligation of confidentiality, or
 - (d) it independently developed without using the disclosing party's Confidential Information.
- (e) Supplemental Terms may have additional exclusions.

9.4. Remedies. Unauthorized use or disclosure of Confidential Information may cause substantial harm for which remedies at law (e.g., monetary damages) alone are an insufficient remedy. In the event of such actual or threatened breach by a party, the other party may seek injunctive relief, in addition to other available rights and remedies, for breach or threatened breach of this Section 9 (Confidentiality), without proof of actual damages or the requirement of posting a bond or other security.

9.5. Required Disclosures. Nothing in the Agreement prohibits either party from making disclosures if required by Law or government or court order, provided (if permitted by Law) it notifies the other party in advance and reasonably cooperates in any effort by the other party to obtain confidential treatment. Customer's compliance with and all confidentiality obligations in this agreement are subject to GC 7920, et seq.

9.6.

10. Intellectual Property Rights.

10.1. Trimble IP. As between the parties, except for any limited usage rights set forth in any Supplemental Terms, Trimble and its suppliers have and will retain all Intellectual Property Rights in and to Trimble IP and all copies, modifications, and derivative works thereof. No Intellectual Property Rights are granted by Trimble to Customer except as expressly provided under the Agreement.

10.2. Feedback. Customer may from time to time provide suggestions, comments, or other feedback (collective, "**Feedback**") to Trimble with respect to the Offerings. Both parties agree that all Feedback is and will be given entirely voluntarily, and shall not be considered Confidential Information of Customer. Customer shall not provide any Feedback that is subject to license terms that seek to require any of Customer's products, technology, service, or documentation incorporating or derived from such Feedback, or any of Customer's intellectual property to be licensed or otherwise shared with any third party. Customer hereby grants to Trimble and its Affiliates a nonexclusive, worldwide, perpetual, irrevocable, transferable, sublicensable, royalty-free, fully paid up license to use and otherwise exploit the Feedback.

11. Personal Information; Data Protection.

11.1. This Section 11 (Personal Information; Data Protection) applies if Customer is a legal person (i.e., a business or legal entity). All Laws relating to the protection of privacy and data protection are referred to as "**Data Protection Legislation**". "**Personal Information**" is defined as in the Applicable Data Protection Legislation, or if no definition is provided, any personally identifiable information which is either (a) provided by Customer or on its behalf, or (b) automatically collected through the Offering on Customer's behalf. "**Applicable**", in this context, means the Data Protection Legislation applicable to Customer at Customer's principal place of business or to Trimble at Trimble's principal place of business, and such Laws that the parties mutually agree apply.

11.2. Each party will comply with all Applicable requirements of the Data Protection Legislation. This Section 11 (Personal Information; Data Protection) is in addition to, and does not relieve, remove or replace, a party's obligations or rights under the applicable Data Protection Legislation.

11.3. The parties acknowledge that: (a) when performing its obligations under the Agreement, Trimble processes Personal Information on Customer's behalf, except for user registration and software licensing and usage data, for which Trimble acts as responsible party, and (b) the Personal Information may be transferred or stored, and/or accessed from outside of the country where Customer's principal place of business is located in order to provide the Software and Trimble's other obligations under the Agreement.

11.4. Customer will ensure that it has all necessary appropriate consents and notices in place to enable (a) lawful transfer of the Personal Information to Trimble for the duration and purposes of the Agreement and (b) Trimble to lawfully use, process and transfer the Personal Information in accordance with the Agreement, including on Customer's behalf.

11.5. If the processing of Personal Information by Trimble is subject to the General Data Protection Regulation ((EU) 2016/679) or the Data Protection Act 2018 of the United Kingdom, then, in addition, at the written request of Customer, the parties will execute an applicable data processing addendum, available at <https://www.trimble.com/privacy/DPA-TI-EuroSubs> (or any successor url). Transfers of Personal Information from Trimble entities located in Europe, acting as data exporter, to Trimble entities in the USA, acting as data importer, are governed, for the benefit of Customer, by the Standard Contractual Clauses available at the same url or upon written request to Trimble.

11.6. If the processing of Personal Information by Trimble is subject to US data protection laws, rules or regulations, then the US

Data Processing Addendum for Customer Personal Information (available at

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https://dl.trimble.com/www/us_dpa_customer.pdf or any successor url) is herein incorporated by reference.

12. **Miscellaneous.**

- 12.1. **Assignment.** Trimble may assign the Agreement upon notice to Customer. Customer may not assign or transfer the Agreement (by operation of law or otherwise) without the prior written consent of Trimble. Any non-permitted assignment is void. The Agreement will bind and inure to the benefit of each party's permitted successors and assigns.
- 12.2. **Amendments.** Trimble may amend the Agreement from time to time with written notice to Customer. Such amendments shall take effect upon the next renewal, if any, of the Agreement, unless Trimble indicates an earlier effective date. If Trimble requires amendments with an earlier effective date and Customer objects in writing, then Trimble may permit such amendments to take effect upon the next renewal; provided, however, if Trimble declines to permit such later effective date, Customer's exclusive remedy is to terminate the Agreement with notice to Trimble, in which case Trimble will provide Customer a refund of any applicable pre-paid fees for the terminated portion of the current Term. To exercise this termination right, Customer must notify Trimble of its objections within thirty (30) days after Trimble's notice of the amended Agreement. Once the amended Agreement takes effect, Customer's continued use of the Offerings constitutes its acceptance of the modifications. Notwithstanding the foregoing, Trimble may modify Documentation upon written notice to Customer to reflect new features or changing practices, provided that the modifications will not materially decrease Trimble's overall obligations with respect to such Offering(s).
- 12.3. **Waiver and Severability.** No waiver of any provision or breach of the Agreement (a) will be effective unless made in writing, or (b) will operate as or be construed to be a continuing waiver of such provision or breach. In the event any portion of the Agreement is held to be invalid or unenforceable, such portion will be construed as nearly as possible to reflect the original intent of the parties, or if such construction cannot be made, such provision or portion thereof will be severable from the Agreement, provided that the invalidity, illegality, or unenforceability in whole or in part of any provision does not affect the validity of other provisions.
- 12.4. **Force Majeure.** Neither party will be liable for any default, delay, or non-performance of its obligations under the Agreement (except for payment obligations) due to causes beyond its reasonable control, including, without limitation, strikes, blockades, war, terrorism, riot, internet or utility failures, governmental orders or actions, national or regional emergency, pandemics, or natural disasters, provided that such party promptly notifies the other in writing of such occurrence and uses commercially reasonable efforts to resume performance of its affected obligations as soon as feasible. Delays or failures that are excused as provided in this Section 12.4 (Force Majeure) will result in automatic extensions of dates for performance for a period of time equal to the duration of the events excusing such delay or failure.
- 12.5. **Notices.** Any notice or other communication given by either party to the other regarding the Agreement will be deemed given and served when personally delivered or delivered by reputable international courier requiring signature for receipt addressed to the party at its notice address. Notice will be deemed effective upon delivery or refused delivery attempt. Either party may change its notice address by written notice to the other. Customer's notice address will be the address appearing on the Order or SOW. Trimble's notice address will be the applicable address on Exhibit A (Trimble Entities; Governing Law; Exclusive Venue/Jurisdiction), or if the Trimble entity is not listed there, then on the Order. In addition, any valid notice to Trimble shall include a required copy to: Trimble Inc., Attn: General Counsel - Important Legal Notice, 510 De Guigne Drive, Sunnyvale, CA 94085, USA. Trimble may send operational notices to Customer by email or through the Offering, including, without limitation, modifications of the Agreement or Documentation, suspension, collection, and termination notices related to overdue fees.
- 12.6. **Export Control.** Customer acknowledges that the Offerings are subject to export restrictions by the United States government and import restrictions by certain foreign governments. Customer will not, and will not allow any third party to, remove or export from the United States or allow the export or re-export of any part of the Offerings or any direct product thereof: (a) into (or to a national or resident of) any embargoed or terrorist-supporting country; (b) to anyone on the U.S. Commerce Department's Table of Denial Orders or U.S. Treasury Department's list of Specially Designated Nationals; (c) to any country to which such export or re-export is restricted or prohibited, or as to which the United States government or any agency thereof requires an export license or other governmental approval at the time of export or re-export without first obtaining such license or approval; or (d) otherwise in violation of any export or import restrictions, Laws of any United States or foreign agency or authority. Customer warrants that it is not located in, under the control of, or a national or resident of any such prohibited country or on any such prohibited party list. The Offerings are further restricted from being used for the design or development of nuclear, chemical, or biological weapons or missile technology, or for terrorist activity, without the prior permission of the United States government. Customer will defend, indemnify, and hold Trimble harmless against any liability (including attorneys' fees) arising out of Customer's failure to comply with the terms of this Section. Customer's obligations under this Section 12.6 (Export Control) will survive the termination of the Agreement for any reason whatsoever.
- 12.7. **Anti-Corruption Compliance.** Each party, and any third party acting on its behalf, will comply with all applicable United States and international anti-corruption and anti-bribery laws and regulations, including, without limitation, the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, and others (collectively, "**Anti-Corruption Laws**"). Each party, and any third party acting on its behalf, will not directly or indirectly offer, promise, or give any payment or anything of value to a government official, or any other individual or entity, where the intent is to improperly influence any act or decision of the government official, or other individual or entity, to obtain or retain business or some other benefit or commercial advantage for either party. Each party, and any third party acting on its behalf, also will not solicit or accept any sort of payment or anything of value from anyone, where the intent is to improperly influence any acts of a party or any third party acting on its behalf.
- 12.8. **GSA.** Offerings purchased or licensed under Trimble's United States General Services Administration ("**GSA**") Schedules are subject to all of the pricing and other terms and conditions described in the applicable GSA Schedule.
- 12.9. **Governing Law and Venue.** The sole and exclusive governing Law, j for the Agreement and all Disputes

shall be: the State of California with jurisdiction and venue set in San Diego County, CA, in each case to the exclusion of all others. The United Nations Convention on Contracts for the International Sale of Goods and any conflicts of laws provisions giving rise to a different result do not apply. No Dispute may be brought by either party more than one (1) Year after such Dispute accrued, except that an action for nonpayment may be brought within two

(2) Years after the due date. Each party hereby waives, to the maximum extent permitted by law, any objection, including any objection based on *forum non conveniens*, to the bringing of any such proceeding in such jurisdiction.

- 12.10. WAIVER OF JURY TRIAL – UNITED STATES CLAIMS.** FOR ANY CLAIM BROUGHT IN A STATE, FEDERAL, OR OTHER COURT IN ANY JURISDICTION WITHIN THE UNITED STATES, EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL ACTION, PROCEEDING, CAUSE OF ACTION, OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THE AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY; *PROVIDED, HOWEVER*, THAT THIS PROVISION SHALL NOT BE ENFORCED OR ENFORCEABLE TO THE EXTENT A WAIVER OF THE RIGHT TO A TRIAL BY JURY IS PROHIBITED BY, OR CONTRARY TO, THE PUBLIC POLICY OF THE STATE IN WHICH SUCH LEGAL ACTION, PROCEEDING, CAUSE OF ACTION, OR COUNTERCLAIM IS FILED.
- 12.11. Region-Specific Terms.** Additional terms and conditions for specified regions are as set forth in Exhibit B (Region-Specific Terms).
- 12.12. Publicity.** Customer agrees that (a) Trimble may issue a press release in the form approved by the parties regarding the parties' entry into the Agreement, and (b) Trimble may identify Customer (including through use of its name and logo) as Trimble's customer, including on Trimble's website, and may include Customer in its customer list and marketing materials, but will cease this use upon Customer's written request.
- 12.13. Headings; Language.** The headings in the Agreement have been inserted for convenience only and shall have no substantive effect. The language of all parts of the Agreement shall in all cases be considered as a whole, according to its fair meaning, and not strictly for or against any of the parties. The parties hereby acknowledge and agree that the language of the Agreement shall be considered jointly drafted.
- 12.14. Subcontractors.** Trimble may use subcontractors in the performance of its obligations under the Agreement, and will be responsible for the acts and omissions of its subcontractors in their performance of Trimble's obligations in the Agreement.
- 12.15. No Third-Party Beneficiaries.** Except as may be expressly stated in any Supplemental Terms, there are no third-party beneficiaries under the Agreement.
- 12.16. Independent Contractors.** Each party is an independent contractor of, and is not an employee, agent, fiduciary, or authorized representative of, the other party.
- 12.17. Entire Agreement.** The Agreement sets forth the entire understanding between the parties in connection with its subject matter, and supersedes all prior or contemporaneous proposals, communications, agreements, negotiations, and representations, whether written or oral, regarding the subject matter thereof. Any additional, contrary, and/or pre-printed terms or conditions appearing on Customer's acceptance, orders, or associated purchase documentation are hereby rejected and will be of no effect.
- 12.18. Counterparts.** The Agreement, or portions thereof, may be executed in several counterparts and, if applicable, by each party on a separate counterpart, each of which, when so executed and delivered will be an original, but all of which together will constitute but one and the same instrument. A signature, digital signature, or electronic signature delivered through other means (e.g., email) shall have the same force and effect as an original ink signature.

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Exhibit A
Trimble Entities

Customer Location*	Trimble Entity and Notice Address**
<i>United States</i>	<i>Trimble Inc. 10368 Westmoor Drive Westminster, CO 80021 USA</i>
<i>Australia</i>	<i>Trimble Australia Pty. Ltd. Deutsche Bank Place Level 5 126-130 Philip St. Sydney, NSW 2000, Australia</i>
<i>Belgium</i>	<i>Trimble Belgium BV, Geldenaaksebaan 329 3001 Leuven, Belgium</i>
<i>Canada</i>	<i>Trimble Canada Corporation 600-1741 Lower Water Street Halifax, Nova Scotia B3J 0J2, Canada</i>
<i>Finland</i>	<i>Trimble Finland Oy, Hatsinanpuisto 8, 02600 Espoo, Finland</i>
<i>France</i>	<i>Trimble France S.A.S. 1 quai Gabriel Péri 94340 Joinville-le-Pont, France</i>
<i>Germany</i>	<i>Trimble Germany GmbH, Am Prime Parc 11, 65479 Raunheim Germany</i>
<i>United Kingdom</i>	<i>Trimble UK Limited 1 Bath Street, Ipswich, Suffolk IP2 8SD</i>
<i>Any other country or geography not specified above</i>	<i>Trimble Europe B.V. Industrieweg 187a, 5683 CC Best, The Netherlands</i>

* Customer location is Customer's billing address specified on the Order, or if none, then the address provided by Customer to Trimble when registering its online account.

** Addresses for Trimble entities not listed shall be as set forth on the Order or SOW. See additional required notice address for Trimble in Section 12.5 (Notices).

Exhibit B
Region-Specific Terms

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- Australia
- France
- The Netherlands
- Germany

Australia

For Customer who purchase Offerings in Australia, the following provisions apply:

- (a) For the purposes of this section, "**Australian Consumer Law**" means the Australian Consumer Law set out at Schedule 2 to the *Competition and Consumer Act 2010* (Cth), as amended from time to time, and "**Non-excludable Condition**" means the consumer guarantees, warranties, rights, or remedies under the Australian Consumer Law that cannot be limited, excluded, restricted, or modified, and to which Customer may be entitled.
- (b) To the extent permitted by Law, Trimble's liability in relation to breach of any such Non-excludable Condition shall be limited, at its option, as follows: (i) in the case of the goods, to repairing or replacing the goods, supplying equivalent goods, or paying the costs of repairing or replacing the goods or acquiring equivalent goods; and (ii) in the case of the services, to re-supplying the services or paying the cost of re-supplying the services.
- (c) Nothing in the Agreement excludes, restricts or modifies any Non-excludable Condition.
- (d) Nothing in the Agreement is intended to derogate from Trimble's obligations under the *Privacy Act 1988* (Cth) as amended from time to time.
- (e) Where Order(s) are a "Small Business Contract" within the meaning of the Australian Consumer Law:
 - Trimble shall not accelerate Customer's unbilled future fees under any Order(s);
 - Customer's indemnification obligations under the Agreement are reduced to the extent Trimble's acts or omissions contributed to or caused the claims, costs, damages, losses, liabilities, and expenses suffered by Customer;
 - Trimble's liability in relation to breach of any Non-excludable Condition will be an Excluded Claim; and
 - No dispute or legal action arising under the Agreement may be brought by either party more than three years after such cause of action accrued.

France

Section 3.4 is hereby amended and restated to read as follows:

Section 3.4 Late payments will bear interest at the rate of 1.5% per month or the minimum rate allowed by Law (currently three (3) times the legal interest rate), whichever is higher, measured from the date on which the sums concerned became due until the date on which full payment is received. Collection fees of a minimum amount of 40 € will be added in accordance with Article L. 441-10.II of the Commercial Code. Customer will be liable for all other costs of collection of past due amounts (including court costs and attorney's fees incurred by Trimble). If the Customer does not dispute an invoice amount in writing by the due date of the invoice, the Customer shall be deemed to have acknowledged the accuracy of such invoice and waived its right to dispute it. A dispute over part of an invoice or amount due shall entitle the Customer to withhold or delay payment of the disputed part only.

The following is hereby added as Section 7.1 (e):

(e) EACH PARTY HEREBY HAS AN OBLIGATION TO LIMIT THE DAMAGES IT MAY SUFFER IN THE EVENT OF A BREACH OF ITS OBLIGATIONS BY THE OTHER PARTY.

The Netherlands

The provisions of Section 4.2 (Termination) are the sole grounds for the termination of the Agreement, and to the extent permitted by Law, the right of Customer to rescind the Agreement and claim damages on the basis of statutory Law (including but not limited to sec. 6:265 Dutch Civil Code) is excluded.

THE LIMITATION OF LIABILITY IN SECTION 7 FOR A PERIOD OF 12 MONTHS EXPRESSLY INCLUDES ANY OBLIGATION TO PAY COMPENSATION UNDER A WARRANTY MENTIONED IN THESE TERMS OR RELATED CONTRACTS OR DOCUMENTS AND THE

RESTITUTION OBLIGATIONS (*ONDEDAANMAKINGSVERPLICHTINGEN*) AND INDEMNIFY FOR DAMAGES. LIABILITY FOR DEATH

DRAFT

OR PERSONAL INJURY SHALL NOT EXCEED EUR 1.250.000.

The applicability of section 6:227b subsection 1 and section 6:227c subsection 1 of the Dutch Civil Code are excluded in any Agreement between Trimble and any person who is not a consumer.

Germany

If German law applies to this Agreement, the following terms are incorporated into the General Terms:

1. **With regards to section 3.4**, it is recorded that, according to applicable law and provided that no consumer is the counterparty of the Agreement, the enforceable maximum interest rate is nine (9) percent above the base interest rate. The maximum interest rate applies if the statutory requirements for default (*Verzug*) are fulfilled.
2. **With regards to section Ziffer 4.2** it is clarified that the statutorily available rights to terminate extraordinarily or without notice period remain unaffected.
3. **The following applies regarding section 6:** Section 6 will not apply. With regards to warranty (*Gewährleistung*) the relevant provisions of Trimble's Supplemental Terms apply. In addition, unless this is explicitly agreed in writing, it is not intended that Trimble provides a guarantee that exceeds complements the statutory provisions (*gesetzliche Gewährleistung*).
4. **With regard to paragraph 7** :instead of Section 7 (limitation of liability) only the following provisions apply:
 - Trimble is liable for damages of the Customer that were caused intentionally or through gross negligence, that is the result of failure to deliver on an explicit, written guarantee, that is based on a culpable breach of essential contractual obligations (so-called cardinal obligations), that is the result of a culpable injury to health, body or life or for which liability is provided for under the Product Liability Act or another mandatory legal regulation, in accordance with the statutory provisions.
 - Cardinal obligations are those contractual obligations whose fulfillment makes the proper execution of the contract possible in the first place and on whose compliance the customer can regularly rely, and whose violation, on the other hand, endangers the achievement of the purpose of the contract.
 - In the event of a breach of a cardinal obligation, liability - to the extent that the damage is based solely on slight or normal negligence and does not affect life, limb or health - is limited to damage that typically arises in the context of the delivery of such software as purchased by the customer and must be expected foreseeably.
 - Any further liability – regardless of the legal basis – of both Trimble and Trimble's vicarious agents and vicarious agents is excluded.
 - If damage to the customer results from the loss of data, Trimble is only liable if the damage could not have been avoided if the customer had normally backed up the data in question.
5. **Regarding Section 11** Deviating from Section 11.4, it is agreed that the parties also conclude the DPA linked under <https://www.trimble.com/privacy> or a successor URL when concluding this Agreement. Upon request, the Customer can request that a signed copy be sent. The transfer of personal data from Trimble facilities in Europe, acting as data exporter, to Trimble facilities in the United States, acting as data importer, is governed by Standard Contractual Clauses, which are available at the same URL or upon written request to Trimble.
6. **With regard to clause 12.1** In addition to Section 12. 1, it is stipulated that in the event of a change, the customer is granted an immediate and unconditional right of termination.
7. **With regard to clause 12.9.**
 - The following section applies instead of section 12.9.
 - **Governing Law and Venue; Waiver of Jury Trial.** The Agreement and any dispute, claim or controversy arising therefrom shall be governed exclusively by the laws of the jurisdiction applicable to Customer's location as set forth in Appendix A (Trimble Entities; Governing Law; Exclusive Jurisdiction/Venue) under "Governing Law", without Consideration or application of conflict of law provisions. The United Nations Convention on Contracts for the International Sale of Goods does not apply. All claims, matters and disputes arising from the agreement are subject to the customer if the customer is a merchant, a legal entity under public law or a special fund under public law or he does not have a general place of jurisdiction in the Federal Republic of Germany the sole and exclusive jurisdiction and venue set out in Appendix A (Trimble Entities; Governing Law; Exclusive Jurisdiction/Venue) under "Exclusive Jurisdiction/Venue".
 - **Regarding paragraph 12.15.** Clause 12.15 does not apply.

Addendum #2

Supplemental Terms for Software and Subscriptions

Version 1.2 (Last Updated: May 1, 2024)

1. Definitions. Capitalized terms not defined herein have the meanings given in the General Terms.

- 1.1. **"Active Project"** means any Project on which the Software may be used by Customer during any Annual Subscription Term.
- 1.2. **"Annual Subscription Term"** means each 12-month period of a Subscription Term.
- 1.3. **"Anonymized Data"** means any data collected in connection with the Offerings (including Customer Data) that has been aggregated and/or de-identified in such a manner that neither Customer nor any of its Authorized Users or any other individual can be identified from the data when it is shared outside of Trimble or its Affiliates.
- 1.4. **"Authorized User"** means any employee of Customer and, unless prohibited by Trimble in the Order, Documentation, or any Supplemental Terms, individuals who are contractors or consultants of Customer or employees, contractors, or consultants of Customer's Affiliates authorized by Customer to access and use the Offerings on Customer's behalf in accordance with the Agreement, including, without limitation, Section 6.6 (Third-Party Access) and Section 9 (Confidentiality).
- 1.5. **"Correction Services"** means subscription-based services that provide GNSS position correction data.
- 1.6. **"Concurrent User"** means any type of User authorized by Customer to access and use the Offerings on Customer's behalf simultaneously at a given point in time.
- 1.7. **"Customer Data"** means any information, documents, materials, or other data of any type that is input by or on behalf of Customer into the Offerings or that is created or generated by Customer through Customer's use of the Offerings, including without limitation information or data that is submitted manually by Authorized Users or through a Third-Party Platform. For clarity, Customer Data expressly excludes Usage Data.
- 1.8. **"Customer Group"** means Customer's business units, Affiliates, or Joint Ventures, if any, listed in the Order that may authorize Authorized Users to use the Offerings on behalf of those business units, Affiliates, or Joint Ventures.
- 1.9. **"Gross Annual Revenue"** or **"GAR"** means Customer's (and Customer Group's, if applicable) income and revenue from all sources, before expenses or taxes, calculated on an annual basis according to generally accepted accounting principles and as reported in company financial statements. The various equivalent definitions may be used interchangeably.
- 1.10. **"Joint Venture"** means a business arrangement in which Customer and one or more other third parties agree to pool their resources to accomplish a Project or other commercial enterprise.
- 1.11. **"License Keys"** means electronic passwords, authorization codes, or other enabling mechanisms provided for use with the Offerings.
- 1.12. **"Named User"** means any type of Authorized User designated by Customer by name or other identifier to access and use the Offerings on Customer's behalf.
- 1.13. **"Prohibited Data"** means any (a) patient, medical, or other protected health information regulated by the Health Insurance Portability and Accountability Act (as amended and supplemented) (**"HIPAA"**); (b) credit, debit, or other payment card data subject to the Payment Card Industry Data Security Standards (PCI DSS); (c) information subject to regulation or protection under the Children's Online Privacy Protection Act or Gramm-Leach-Bliley Act, or (d) any other information which is regulated under Laws and is not required for use of the Software for its intended purpose.
- 1.14. **"Project"** means the initiation, delivery, operations, and maintenance of a construction project.
- 1.15. **"Provision Date"** means the date on which Trimble first provides access to the Offerings. For an Offering bundle comprised of multiple Software, the Provision Date will be the date on which the entire Offering bundle becomes fully provisioned.
- 1.16. **"Subscription"** means access to any Software, Support, Correction Services, content, data, or other information, in each case made available for the applicable Subscription Term(s).
- 1.17. **"Support Terms"** means the then-current Supplemental Terms for Support and Maintenance available at <https://www.trimble.com/en/legal/customer-terms> or any successor url.
- 1.18. **"Third-Party Materials"** means any third-party data, content, or proprietary software. Third-Party Materials is not part of Software.
- 1.19. **"Project Budget"** means the total projected cost allocated to carry out, manage, and complete one or more Active Project(s) over the entire Subscription Term. The various defined terms are equivalent and may be used interchangeably, including in other defined terms.
- 1.20. **"Total Project Value"** or **"Project Value"** means Project Budget divided by the number of Annual Subscription Terms in the Subscription Term (and not any renewal). The various defined terms are equivalent and may be used interchangeably, including in other defined terms.
- 1.21. **"Usage Limitations"** means Customer's authorized scope of use for the Offerings as specified in the applicable Order, Supplemental Terms, or Documentation, which may include any user (e.g., Named User, Concurrent User, etc.), seat, copy, instance, data storage, CPU, computer, field of use, location, project, or other restrictions.
- 1.22. **"Usage Data"** means Trimble's technical logs, data, and learnings about Customer's use of the Offerings, excluding Customer Data.

2. Generally

2.1 Offerings.

(a) Subscriptions (other than Licensed Software). Customer may access and use the Subscriptions during the Subscription Term only for its internal business purposes in accordance with the Documentation, Usage Limitations, and the Agreement. Unless otherwise specified by Trimble, any Licensed Software provided with a Subscription is subject to the terms applicable to Licensed Software

under the Agreement.

(b) Licensed Software. Trimble hereby grants Customer a non-transferable, non-sublicensable, non-exclusive license, during Term, to install, copy, and use the Licensed Software on systems or devices under Customer's control only for its internal business purposes in accordance with the Documentation, Usage Limitations, and the Agreement. Licensed Software is licensed, not sold. Any Licensed Software deployed through hosting services delivered by Trimble are subject to the terms and conditions applicable to Licensed Software.

2.2 Authorized Users. Only Authorized Users may access or use the Offerings. User IDs are granted to individual, named persons, and each Authorized User will keep login credentials confidential and not share them with anyone else. Customer is responsible for its Authorized Users' compliance with the Agreement and actions taken through their accounts. In the event an Authorized User is no longer authorized to use an Offering on Customer's behalf, Customer will promptly de-activate such Authorized User's access. Unless expressly permitted in the Order, Supplemental Terms, or Documentation, Customer may not transfer Authorized User status from one individual to another. Customer will promptly notify Trimble if it becomes aware that any of its Authorized User login credentials have been compromised.

2.3. Restrictions. Customer will not (and will not permit, encourage, or assist anyone else to) do any of the following: (a) provide access to, distribute, sell, or sublicense the Offerings to a third party; (b) use the Offerings on behalf of, or to provide any product or service outside of Customer's regular course of business, to, third parties; (c) use the Offerings to develop a similar or competing product or service; (d) reverse engineer, decompile, disassemble, or seek to access the source code or non-public APIs to any element of the Offerings, except to the extent expressly permitted by Law (and then only after providing prior written notice to Trimble); (e) modify or create derivative works of the Offerings or copy any element of the Offerings (other than in connection with making copies of Licensed Software authorized under the Agreement); (f) remove or obscure any proprietary notices in the Offerings; (g) publish benchmarks or performance information about the Offerings, except to the extent expressly permitted by Law;

(h) interfere with the Offerings' operation or its use by others, circumvent its access restrictions or, without the prior written permission of Trimble, conduct any security or vulnerability test of the Offerings; (i) transmit any viruses or other harmful materials to the Offerings; (j) submit to the Offerings any information that is inappropriate, defamatory, obscene, salacious, or unlawful, or use the Offerings to defame, harass, stalk, threaten, or otherwise violate the rights of others; (k) use the Offerings to advertise, offer to sell or buy goods, or otherwise for business promotional purposes;

(l) for Licensed Software, unless expressly permitted in the Order, Supplemental Terms, or the Documentation, use or host any Licensed Software in a virtual server environment, or (m) for Corrections Services, re-broadcast the Corrections Services without the prior written consent of Trimble.

2.4 Free Versions; Trials and Betas. "**Free Versions**" means any Offerings made available to Customer for use without a fee. "**Trials and Betas**" means any Offerings or any features thereof made available on an evaluation or trial basis or as an alpha, beta, Labs or other early access offering, in any case free or otherwise. Unless otherwise set forth in the Documentation or the Agreement, Customer may only use Free Versions in a non-production environment and for non-commercial purposes, and Trials and Betas may only be used solely for Customer's internal evaluation to determine whether to purchase a license or subscription to the Offerings. The evaluation term for Trials and Betas shall be 30 days unless otherwise designated by Trimble in writing. Free Versions and Trials and Betas are optional, and Trimble may cease making available such Offerings at any time for any reason. Trials and Betas may be inoperable, incomplete, or include features that Trimble may never release, and their features and performance information are Trimble's Confidential Information. In the event Customer has purchased Services related to any Free Version or Trial and Beta, any unused Services upon any termination or expiration of the applicable term for the Free Version or Trial and Beta shall be forfeit. **Notwithstanding anything else in the Agreement: (a) Trimble has no obligation to retain Customer Data used with Free Versions and Trials and Betas; (b) Trimble provides the Free Versions and Trial and Betas "AS-IS" with no warranty, indemnity, service levels, or support; (c) Trimble's liability for Free Versions and Trials and Betas will not exceed US\$50, and (d) either party may terminate access to a Free Version or Trial and Beta, for any reason or no reason, immediately upon written notice to the other party.**

2.5 Educational Versions. For any version of the Offerings designated as "educational," or a similar term, Customer may use the Offerings solely for educational purposes - e.g., by an instructor or a student at an educational institution and while engaged in educational work. Such educational versions may not be used (a) by any other person; (b) by any educational institution for any non-educational purposes; or (c) for any for-profit purpose, including professional work or training offered for a fee, or by commercial entities.

2.6 Delivery. Offerings and License Keys, if any, will be delivered by electronic means unless otherwise specified on the applicable Order. Delivery is deemed to occur on the date on which the Offering and License Key, if any, are first made available to Customer.

2.7 Software Activation and Metering; Audits.

(a) Offerings may gather and transmit to Trimble license usage, compliance, and activation data. Customer will not disable, modify, or interfere with the operation of any such functionality of the Offerings. Trimble may use the foregoing information to validate the authenticity of Authorized Users, to confirm Customer's compliance with the Agreement, to register the Offerings, to monitor and validate compliance with Usage Limitations, for license metering, and to protect Trimble against unlicensed or illegal use of the Offerings.

(b) Upon Trimble's written request, Customer shall certify in writing that its use of the Offerings is in full compliance with the Agreement (including any Usage Limitations). In addition to the other license compliance monitoring rights in the Agreement, Trimble, or its authorized representative, may, upon prior reasonable notice of at least ten (10) days, inspect and audit Customer's records and use of the Offerings to confirm Customer's compliance with the Agreement. All such inspections and audits will be conducted during regular business hours and in a manner that does not unreasonably interfere with Customer's business activities. Customer is responsible for such audit costs only in the event the audit

reveals that the use is not in accordance with the Usage Limitations or other licensed scope of use and for unpaid fees. Customer shall promptly pay all unpaid fees.

3. Data Usage and Ownership.

3.1 Ownership. Except for Trimble's limited rights set forth in the Agreement, as between the parties, Customer retains all Intellectual Property Rights in Customer Data. Trimble owns all Intellectual Property Rights in Anonymized Data and Usage Data.

3.2. Limited Usage Rights. Customer hereby grants to Trimble and its Affiliates the non-exclusive, worldwide, irrevocable, royalty- free right: (i) to use Customer Data during the Term to provide the Offerings, Support, and Services to Customer; (ii) to create Anonymized Data; (iii) to use and disclose Customer Data as otherwise permitted pursuant to the Agreement or any written consent or instructions of Customer; and, (iv) subject to Trimble's confidentiality obligations in Section 9 (Confidentiality) of the General Terms and all applicable Data Protection Legislation, to use Customer Data in perpetuity to develop, maintain, and improve the products, software, and services of Trimble or its Affiliates, including, without limitation, analytics, model training, and machine learning.

3.3 Access. Customer will not have access to Customer Data after termination or expiration of the Term, unless otherwise indicated in the Order, Supplemental Terms, or the Documentation, or the parties agree otherwise in writing.

3.4 Confidentiality. In the event of any conflict between the terms of Section 9 (Confidentiality) of the General Terms and this Section 3 (Data Usage and Ownership), the terms of this Section 3 (Data Usage and Ownership) will control.

4. Customer Obligations.

4.1 Dependencies and Compatibilities. If Customer enables Dependencies or Compatibilities with an Offering, Trimble may access and exchange Customer Data with the Dependencies or Compatibilities on Customer's behalf. Trimble will have no liability or obligations under the Agreement with respect to how any Dependencies or Compatibilities uses or processes Customer Data. If Trimble hosts any Dependency or Compatibilities at Customer's request, Customer represents and warrants to Trimble that Customer has all rights necessary. Trimble may charge additional fees for such hosting services.

4.2 No Prohibited Data. Customer will not use the Offerings with Prohibited Data. Customer acknowledges that the Offerings are not intended to meet any legal obligations for these uses, including HIPAA requirements, and that Trimble is not a Business Associate as defined under HIPAA.

4.3 Customer Data. Customer is responsible for its Customer Data, including its content, accuracy, and compliance with Laws. Customer represents and warrants that it has made all disclosures and has all rights, consents, and permissions necessary to use its Customer Data with the Offerings and grant Trimble the rights in Section 3 (Data Use and Ownership), all without violating or infringing Laws, third-party rights (including intellectual property, publicity, or privacy rights), or any terms or privacy policies that apply to its Customer Data. If Customer utilizes data fields available in the Offerings to store data not required for the normal use and operation of the Offerings for their intended purpose, Customer agrees that Trimble is not responsible for, and will not be liable in any manner for such data, and Customer assumes all risks associated with, and agrees to hold Trimble harmless from and against any and all claims, losses, damages, liabilities, and expenses (including reasonable attorneys' fees) related to or arising from, Customer's use of data fields to store such data.

4.4 Excluded Claims. In addition to the Excluded Claims stated Section 7 (Limitation of Liability) in the General Terms, the following shall also be Excluded Claims for purposes of the Agreement: Section 10 (Indemnification) of these Software Terms and any breaches of Sections 2.3 (Restrictions) or Section 4 (Customer Obligations) of these Software Terms.

4.5 License Compliance. Customer shall promptly notify Trimble if Customer become aware of (i) any breach of confidentiality obligations regarding the Offerings, or (ii) any infringement (whether actual or alleged) of Trimble's intellectual property rights in the Offerings, or (iii) any unauthorized use of the Offerings by any person, and provide reasonable assistance to Trimble in connection with any suit or proceeding relating to such events.

4.6. Usage Limitations. Customer will comply with all Usage Limitations. If Customer exceeds the Usage Limitations during the Term, Trimble may invoice Customer for the use that exceeded the applicable Usage Limitations at Trimble's then-current list price, and Customer shall pay in accordance with the Agreement. The parties may also agree on a Usage Limitation adjustment, in which case Customer must sign a new Order and pay the applicable fees.

4.7 Fee Criteria. If the Order states Software is made available based on GAR, Project Budget, Total Project Value, population, specific-department usage, Affiliate-limitations, or similar criteria (any such criteria, the "**Fee Criteria**"), the fees for that Software are calculated based on that Fee Criteria as of the date of Order issuance by Trimble. Unless otherwise provided the Order, if the Fee Criteria increases by more than 10% during the Subscription Term, (i) Customer shall promptly notify Trimble in writing, (ii) Trimble has the right to adjust such fees based on changes in the Fee Criteria and its then-current list price for that Software (including on a prorated basis for the current term), and (iii) Customer shall pay any applicable additional fees upon receipt of the invoice in accordance with the Agreement. At the request of Trimble, Customer will promptly provide documentation satisfactory to Trimble evidencing Customer's then-applicable Fee Criteria.

5. Suspension of Access. Trimble may suspend Customer's access to an Offering, without liability, and in whole or in part, if (a) Customer breaches any Usage Limitations, Sections 2.2 (Authorized Users), 2.3 (Restrictions), 4 (Customer Obligations) or 6.2 (Offering Content); (b) Customer's account is five (5) business days or more overdue; or (c) immediately if Customer or any of its Authorized Users' acts or omissions threaten the integrity, availability, or security of the Offerings or Trimble's systems, products, or infrastructure (provided Trimble will use commercially reasonable efforts to provide Customer with advance notice of such suspension where Trimble determines exigent circumstances do not exist). Trimble will lift such suspension once the related issue or failure is cured to Trimble's reasonable satisfaction. Fees will continue to apply during the suspension period. Customer may be prohibited from entering new Customer Data or processing or accessing existing Customer Data and data reports during

the suspension period. If Customer attempts to access or manipulate Customer Data utilizing third-party software during suspension, Trimble disclaims and Customer holds Trimble harmless from any responsibility or liability relating to lost or altered Customer Data or related damages.

6. Certain Features. The following provisions apply to the extent applicable to the Offerings.

6.1 Third-Party Materials. The Offerings may provide Customer with access to Third-Party Materials. Third-Party Materials are not part of the Offerings. To the extent specified by Trimble (including in any Supplemental Terms or Documentation), use of the Third-Party Materials may be subject to additional terms or restrictions ("**Third-Party Terms**"). Customer is solely responsible for its compliance with any Third-Party Terms, and failure to comply with such terms may result in termination of Customer's right to access any features of the Offerings that utilize such Third-Party Materials. If no Third-Party Terms are specified, Customer may use Third-Party Materials solely in support of Customer's authorized use of the Offerings in accordance with the Agreement.

6.2 Offering Content. "**Offering Content**" shall be any Trimble IP or Third-Party Materials made available as data or information through the Offering, whether included as part of the Offering or as a separate subscription. Any Offering Content that is Trimble IP will be deemed part of the Offering. Any Offering Content that is Third-Party Materials shall be subject to any applicable Third-Party Terms. If no Third-Party Terms apply, then unless otherwise authorized by Trimble in writing or the applicable Documentation, such Third-Party Materials, and any derivative thereof, may only be used or accessed by an Authorized User. Third-Party Materials will be used solely for Customer's internal purposes during the Term and must be accessed pursuant to a manual Authorized User request. Customer will not: (i) access, extract, or download any Third-Party Materials, or portions thereof, in batch or en masse by any means; (ii) use any device, software, or routine to bypass any hardware or software that prohibits volume requests for information; (iii) sell, offer to sell, rent, sublicense, or transfer any copies of the Third-Party Materials, or portions thereof, to a third party or allow a third party to use the Third-Party Materials; (iv) use the Third-Party Materials to develop services or products for sale or include any portion of the Third-Party Materials in any product or service; (v) use any portion of the Third-Party Materials to create a competitive service, product, or technology; (vi) recreate the Third-Party Materials or create otherwise a separate database or other repository of Third-Party Materials; (vii) use Third-Party Materials to train, augment, or correct another database or information repository; (viii) unless otherwise specified in the Documentation, permit any individual other than an Authorized User to access or use the Offering Content and any derivative thereof, or (ix) make any portion of the Third-Party Materials available to the public in any manner. Upon notice from Trimble and/or any termination or expiration of the Term, Customer will immediately cease using and delete/destroy all electronic and physical copies of Third-Party Materials.

6.3 Open Source. The Offerings may incorporate third-party open source software ("**Open Source**"), as listed in the Documentation or otherwise made available by Trimble. To the extent the terms of the Open Source license prohibit the terms of the Agreement from applying to the Open Source, the terms of the Open Source license will apply to the Open Source on a stand-alone basis instead of the Agreement.

6.4 Third-Party Application Stores.

(a) **Purchase from Application Store.** If Customer obtains the Offering (or portions thereof) through a third-party application store, marketplace, or other site or service (each, an "**Application Store**"), such Application Store is considered a reseller. All fees are non-refundable once paid. Customer's download of the Offering may be subject to other terms as specified by the operator of the Application Store from which Customer downloaded the Offering.

(b) **Apple-Specific Terms.** If Customer downloaded the Offering from Apple Inc.'s ("**Apple**") Application Store, the following terms are part of the Agreement. The Agreement is between Customer and Trimble, and not with Apple. However, as required by Apple, Apple and its subsidiaries will be third-party beneficiaries of the Agreement and will have the right (and will be deemed to have accepted the right) to enforce the Agreement against Customer as a third-party beneficiary. To the maximum extent permitted by Law, Apple will have no warranty obligation with respect to the Offering, and, as between Apple and Trimble, any other claims, losses, liabilities, damages, costs, or expenses attributable to a failure to conform to a warranty will be Trimble's responsibility. Apple has no obligation whatsoever to furnish any maintenance or support services with respect to the Offering. As between Trimble and Apple, Trimble is solely responsible for the Offering and for addressing any claims Customer or any third parties have about the Offering or Customer's possession or use of the Offering, including without limitation (i) product liability claims; (ii) any claim that the Offering fails to conform to any applicable legal or regulatory requirement; and (iii) claims arising under consumer protection or similar legislation. In the event of any third-party claim that the Offering or Customer's possession or use of the Offering infringes that third party's intellectual property rights, Apple will not be responsible for the investigation, defense, settlement, or discharge of such claim.

6.5 Security for SaaS or Hosting Services for Licensed Software. This Section 6.5 (Security for SaaS or Hosting Services for Licensed Software) applies to Offerings that are SaaS or hosting services for Licensed Software. During the Term, Trimble or its third party hosting provider(s) will use commercially reasonable efforts to establish and maintain reasonable administrative, physical, and technical safeguards designed to protect (a) the security, confidentiality, and integrity of Customer Data; (b) against anticipated threats or hazards to the security, confidentiality, and integrity of Customer Data; (c) against unauthorized access to or use of Customer Data; and (d) against unlawful processing, accidental destruction, or loss of Customer Data. In the event Trimble is not in breach of the foregoing obligations and an unauthorized third party nonetheless gains access to the Customer Data, such disclosure of Customer Data in such circumstances shall not be a breach of Section 9 (Confidentiality) of the General Terms. In the event of any conflict between the terms of Section 9 (Confidentiality) of the General Terms and this Section 6.5 (Security for SaaS or Hosting Services for Licensed Software), the terms of this Section 6.5 (Security for SaaS or Hosting Services for Licensed Software) will control.

6.6 Third-Party Access.

(a) **Generally.** Customer authorizes Trimble to grant access to its instances of the Offerings and share Customer Data with any third-party Authorized Users or as otherwise instructed by Customer. Customer is solely responsible for such third-parties' compliance

with the Agreement and for any and all acts or omissions of any such third parties. Such third parties are considered Representatives, as that term is defined and used in Section 9 (Confidentiality) of the General Transaction Terms. Such third parties are not intended third-party beneficiaries under the Agreement. Trimble shall have no liability for any act or omission of any such third party, including by way of access or use of the Offerings or Customer Data. Such third-party access or use of the Offerings must be solely and exclusively for the benefit of Customer (or its Affiliates, if applicable), and any other purpose is prohibited. For clarity, as between Customer and any such third parties, any data or other information uploaded by such third party to the Offerings on Customer's behalf will be deemed Customer Data of Customer.

(b) **Customer as a Third-Party.** In the event that Customer is invited to access an Offering as a third party, any data or other information uploaded by Customer on behalf of such third party shall be deemed "Customer Data" of such third party.

7. Support. If Customer is eligible for Support and pays any applicable fees, Trimble will make such Support available in accordance with the Support Terms or as Trimble may otherwise expressly provide in writing. Unless otherwise set forth in writing by Trimble, Support is not available for Free Versions or Trials and Betas.

8. Term and Termination.

8.1 **Perpetual License.** If Customer purchases a perpetual license to Licensed Software, Customer's license to the Licensed Software will continue in perpetuity subject to the terms and conditions of the Agreement. Support for Licensed Software is purchased separately unless otherwise indicated by Trimble in writing or on an Order.

8.2 Subscriptions.

(a) **Subscription Term.** If Customer purchases access to a SaaS or a license to Licensed Software for a limited period of time, the duration of the initial term and any renewals are as set forth in the Order (collectively, the "**Subscription Term(s)**"). Notwithstanding anything to the contrary in the Order, the start date for each Subscription Term for each Offering will begin on the Provision Date for that Offering. For clarity, each Offering may have a different Provision Date.

(b) **Additional Subscriptions.** If Customer previously purchased one or more Subscriptions for a particular Offering ("**Existing Subscription(s)**") and subsequently purchases one or more additional Subscriptions (for any Offering) while the Existing Subscription(s) is in effect (the "**Additional Subscription(s)**"), the duration of the Subscription Term for the Additional Subscription will be as set forth in the Order. Unless otherwise set forth by Trimble in writing, all Customer's Subscriptions shall have the same end date and Trimble may invoice all fees for all such Subscriptions on a single invoice.

8.3 **Effect of Termination.** Upon expiration or termination of the Agreement or the Order, Customer's right to use the Offerings will cease and Customer will immediately cease any and all use of and access to the Offerings and will delete (or, upon request, return) all copies of any Offerings. At the disclosing party's request upon expiration or termination of the Agreement, the receiving party will delete all of the disclosing party's Confidential Information (excluding Customer Data, which is addressed in Section 3 (Data Usage and Ownership)). Customer Data and other Confidential Information may be retained in the receiving party's standard backups after deletion but will remain subject to the Agreement's confidentiality restrictions.

8.4 **Survival.** In reference to Section 4.3 of the General Terms (Survival), the following Sections of these Software Terms survive any expiration or termination of the Agreement: 1 (Definitions), 2.3 (Restrictions), 3.1 (Data Usage and Ownership), 4 (Customer Obligations), 8.3 (Effect of Termination), 8.4 (Survival), 9.3 (Additional Disclaimers), and 10 (Indemnification). Except where an exclusive remedy is provided, exercising a remedy under the Agreement, including termination, does not limit other remedies a party may have.

9. Warranties and Additional Disclaimers.

9.1 **Limited Warranty.** Subject to the Agreement and any mandatory Laws to the contrary, Trimble warrants to Customer that during the Warranty Period, the Offerings will perform materially as described in the Documentation. The "**Warranty Period**" is (a) 90 days for Licensed Software licensed on a perpetual basis, and (b) for the duration of the applicable Subscription Term, for any Subscriptions. Notwithstanding the foregoing, Trimble makes no warranties with respect to Correction Services, which are provided as-is and as-available.

9.2 Warranty Remedy.

(a) If the Offering fails to conform to Section 9.1 (Limited Warranty) during the Warranty Period, Customer may make a reasonably detailed warranty claim within 30 days of discovering the issue. For any such claims reported by Customer within such period that Trimble determines are valid, Trimble will correct such non-conformity by issuing corrected instructions, a restriction, or a bypass, or by replacing the Offerings, at Trimble's option. Subject to any mandatory Laws to the contrary, these procedures are Customer's exclusive remedy, and Trimble's entire liability, for the failure of the Offerings to conform to the warranty in Section 9.1 (Limited Warranty).

(b) The foregoing limited warranty only applies if and to the extent that (i) any Offering associated with the warranty is properly and correctly installed, configured, interfaced, maintained, stored, and operated in accordance with the Documentation, and (ii) any Offerings associated with the warranty is not modified or misused. The foregoing limited warranty does not apply to (1) issues caused by unauthorized use or modifications; (2) unsupported or unauthorized versions of any Offerings; (3) operating the Offerings under any specification other than, or in addition to, the Documentation; (4) issues in or resulting from Dependencies, Compatibilities, or third-party systems, products, or services; or (5) Free Versions, Trials and Betas or other similar versions.

9.3 **Additional Disclaimers.** Trimble makes the following disclaimers in addition to Section 6 (Warranty Disclaimer) in the General Terms.

(a) **General.** TRIMBLE MAKES NO EXPRESS WARRANTY THAT CUSTOMER'S USE OF THE OFFERINGS WILL BE UNINTERRUPTED, ERROR-FREE, OR FREE OF VIRUSES OR OTHER MALWARE OR PROGRAM LIMITATIONS; THAT TRIMBLE WILL REVIEW CUSTOMER

DATA FOR ACCURACY; OR THAT TRIMBLE WILL MAINTAIN CUSTOMER DATA OR OTHER DATA WITHOUT LOSS. TRIMBLE IS NOT LIABLE FOR DELAYS, FAILURES, OR PROBLEMS INHERENT IN USE OF THE INTERNET, SATELLITES, ELECTRONIC COMMUNICATIONS, OR OTHER SYSTEMS OUTSIDE TRIMBLE'S CONTROL. TRIMBLE WILL NOT BE LIABLE IN ANY MANNER FOR THE OUTPUT OBTAINED THROUGH USE OF THE OFFERINGS OR CUSTOMER'S RELIANCE ON SUCH OUTPUT. CUSTOMER IS RESPONSIBLE FOR THE SUPERVISION, MANAGEMENT, AND CONTROL OF CUSTOMER'S USE OF THE OFFERINGS. THIS RESPONSIBILITY INCLUDES THE DETERMINATION OF APPROPRIATE USES FOR THE OFFERINGS AND THE SELECTION OF THE OFFERINGS TO ACHIEVE INTENDED RESULTS. ANY FORMS, POLICIES, OR OTHER MATERIALS PROVIDED BY TRIMBLE THROUGH THE OFFERINGS OR DOCUMENTATION ARE NOT INTENDED AND SHOULD NOT BE RELIED UPON AS LEGAL ADVICE OR LEGAL OPINION. CUSTOMER SHOULD CONSULT ITS OWN LEGAL COUNSEL REGARDING THE USE OF ANY SUCH MATERIALS. CUSTOMER IS ALSO RESPONSIBLE FOR ESTABLISHING THE ADEQUACY OF INDEPENDENT PROCEDURES FOR TESTING THE RELIABILITY AND ACCURACY OF ANY OUTPUT OF THE OFFERINGS. CUSTOMER MAY HAVE OTHER STATUTORY RIGHTS, BUT ANY STATUTORILY REQUIRED WARRANTIES WILL BE LIMITED TO THE SHORTEST LEGALLY PERMITTED PERIOD.

(b) Correction Services Disclaimers. Customer acknowledges that the Correction Services and related network access are subject to transmission limitations caused by a variety of factors such as atmospheric conditions, topographical obstructions, limitations or lack of coverage of the underlying carrier service and other natural or manmade conditions. Additionally, motor and ignition noise, metal shielding, and interference by users of the same or adjacent radio channels may limit or interfere with Correction Services. Trimble is not responsible for the operation or failure of operation of GNSS satellites or the availability of GNSS satellite signals.

(c) Third-Party Materials. Third-Party Materials are provided "AS IS" and Customer assumes all risk and liability regarding any use of (or results obtained through) Third-Party Materials. Trimble and its suppliers make no warranty or guarantee with respect to any Third-Party Materials, including regarding their accuracy or continued availability or compatibility.

(d) Dependencies and Compatibilities. Trimble makes no warranty or guarantee with respect to any Dependencies, Compatibilities, or other factors outside of Trimble's control, including their continued availability or compatibility.

(e) Prohibited Data. Trimble and its suppliers specifically disclaim any responsibility for, and will not be liable in any manner arising from, any use of the Offerings in connection with Prohibited Data.

10. Indemnification. Customer will defend, indemnify, and hold harmless Trimble from and against any and all third-party claims, costs, damages, losses, liabilities, and expenses (including reasonable attorneys' fees and costs) arising out of or in connection with (a) any Customer Data, Dependencies, or Compatibilities, or (b) Customer's breach of Sections 2.3 (Restrictions), 4 (Customer Obligations), 6.1 (Third-Party Materials), 6.2 (Offering Content), or 6.4 (Third-Party Application Stores) (each, a "Claim"). Trimble will give Customer prompt written notice of any Claim and will cooperate in relation to the Claim at Customer's expense. Customer will have the exclusive right to control and settle any Claim, except that Customer may not settle a Claim without Trimble's prior written consent (not to be unreasonably withheld) if the settlement requires Trimble to admit any liability, pay any amounts or take any action or refrain from taking any action (other than ceasing use of infringing materials). Trimble may participate in the defense of any Claim at its expense.

11. Government End-Users. Elements of the Offerings are commercial computer software. If the user or licensee of the Offerings is an agency, department, or other entity of the United States Government, the use, duplication, reproduction, release, modification, disclosure, or transfer of the Offerings or any related documentation of any kind, including technical data and manuals, is restricted by the terms of the Agreement in accordance with Federal Acquisition Regulation 12.212 for civilian purposes and Defense Federal Acquisition Regulation Supplement 227.7202 for military purposes. The Offerings were developed fully at private expense. All other use is prohibited.

12. Region-Specific Terms - France. Solely for purposes of Customers who's billing address is in France, the following shall apply: Prohibited Data included any patient, medical or other protected health information regulated by the French Public Health Code and the GDPR; and Customer's grant of rights in Section 3.1 (Generally) shall be for so long as the Customer Data is protected by intellectual property law.

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Addendum #3

Supplemental Terms for Support and Maintenance *Version 1.0 (Last Updated: April 3, 2023)*

Capitalized terms not defined herein have the meanings given in the General Terms and the Software Terms.

1. Scope. Provided that Customer has paid the applicable fees, Trimble shall provide the Support described in these Support Terms during the Maintenance Term (as defined below). The "**Maintenance Term**" shall be: (a) for Support for SaaS or Licensed Software licensed for a limited term, the applicable Subscription Term, and (b) for Support for Licensed Software licensed on a perpetual basis, the term specified in the Order, or if not specified, for a period of one (1) year.

2. Support.

2.1 During the applicable Maintenance Term, Trimble shall use reasonable efforts to correct or provide a workaround for any reproducible programming error in the Software attributable to Trimble with a level of effort commensurate with the severity of the error, as reasonably determined by Trimble. Upon identification of any programming error, Customer shall promptly notify Trimble of such error and shall provide Trimble with enough information to reproduce the error, including a listing of output and any other data that Trimble may reasonably request in order to reproduce the error and operating conditions under which the error occurred or was discovered. Trimble shall not be responsible for correcting any errors not attributable to Trimble.

2.2 For certain Software, Trimble may provide additional or different support services or procedures as set forth in the applicable Documentation, support handbook, or other written documentation provided by Trimble, if any (collectively, the "**Additional Support Documentation**"). If there is any conflict between these Support Terms and such Additional Support Documentation with respect to the description of support services, requirements or procedures, the provisions of such Additional Support Documentation will prevail. Customer agrees and acknowledges that Trimble may use third parties to provide Support on its behalf. Customer expressly consents to Trimble permitting such third parties to access Customer's information and data to perform the Support for Customer.

3. Licensed Software Updates and Upgrades. During the applicable Maintenance Term, Customer shall be entitled to receive all upgrades and updates to the Software that are publicly released by Trimble. The contents and timing of all upgrades and updates will be decided by Trimble in its sole discretion. Any such updates and upgrades will be deemed to be "Software" and licensed under the terms and conditions of the Agreement, including any applicable software end user terms or license agreement. Updates and upgrades exclude (a) new versions of the Software (e.g., a change to the left of the decimal in the version number [e.g., 1.x to 2.x] or otherwise designated by Trimble), and (b) any separate modules and other functionality for which Trimble charges a separate fee.

4. Limitations and Exceptions. The following matters are not covered (and Trimble will not have any obligations with respect to such matters) pursuant to these Support Terms:

- 4.1. Any Software for which applicable fees have not been paid;
- 4.2. Any problem resulting from the misuse, improper use, alteration, or damage of the Software;
- 4.2. Any problem resulting from improper or inadequate installation, maintenance, or storage of the Software;
- 4.3. Any problem caused by modifications of the Software not made or authorized by Trimble;
- 4.4. Any problem resulting from any hardware or software in either case not developed or supported by Trimble, including, without limitation: any computers, tablets, disk drives, operating systems, network hardware or software, database, or any other hardware or third-party software;
- 4.5. Any problem resulting from the combination of the Software with other programming or equipment to the extent that such combination has not been approved by Trimble; and
- 4.6. Errors in any version of the Software other than the most recent release, provided that Trimble will continue to provide Support for superseded releases for a reasonable period (not to exceed ninety (90) days).

Support excludes on-site visits, installation and training, file conversion, optional products and services, directories, consulting services, shipping charges, or any recommended hardware.

5. Termination or Expiration. Support will automatically terminate with respect to any Software that is no longer licensed for use as a result of expiration or termination of the Agreement, or replacement of the applicable Software with new releases.

Additional Support Documentation

Version 1.1

1. Generally.

- 1.1. Trimble shall use the applicable level of effort to correct or provide a workaround for any reproducible error in the Offering attributable to Trimble commensurate with the severity of the error, as reasonably determined by Trimble in accordance with Section 3 (Severity Priority Levels) below.
- 1.2. For certain Offerings as set forth in Section 2 below, Trimble may provide a customer support portal (the "**Support Portal**"), which may allow Customer to submit support requests, report issues, view case histories, search the general knowledge database, and other features, as applicable. In the event of any conflicts between the terms set forth herein and any set forth in the applicable Support Portal, the terms herein shall govern.
- 1.3. For certain Offerings as set forth in Section 2 below, Trimble will provide support to Customer only by communication with the contacts designated by Customer in the Support Portal or otherwise as instructed by Trimble (each, a "**Authorized Support Contact**"). Customer may update Authorized Support Contact(s) from time to time as instructed by Trimble. Trimble may require the Authorized Support Contact(s) to have the relevant technical knowledge regarding the Offerings necessary to assist Trimble as needed.
- 1.4. Upon identification of any error that cannot be resolved by Customer as first line of support (e.g., via the Support Portal, its internal staff, etc.), then Customer (through its Authorized Support Contact(s)) shall promptly notify Trimble of such error and shall provide Trimble with enough information, assistance, and cooperation to reproduce the error, including a listing of output and any other data that Trimble may reasonably request in order to reproduce the error and operating conditions under which the error occurred or was discovered. Trimble shall not be responsible for correcting any errors not attributable to Trimble.

2. Support Portals. Support portals with information about reporting and general availability are described below.

Offering	Support Portal*	Authorized Support Contacts Only?**
Cityworks	https://mycityworks.force.com	Yes

* Additional phone numbers and hours of availability for contacting Trimble with support requests may be listed in the Support Portal.

** For any Products that do not require an Authorized Support Contact, any Authorized User of Customer may contact support.

*** Authorized Users of e-Builder Enterprise Government Edition may submit support requests by phone (866-254-1531) or email (ebuilder-gov-support@trimble.com). Hours of operation are Monday through Friday 8:00 AM to 6:00 PM Eastern Time. Non-urgent and after-hours support requests should be submitted via email. All support requests submitted via email must include the following information: 1) Authorized User name and email address, 2) Phone number, 3) Account Name, and 4) Brief description of the issue. e-Builder Community and Salesforce are not currently available for the Government Edition.

3. Severity Priority Levels. As soon as reasonably practicable after Customer submits the relevant case information, Trimble will collect additional information and categorize the issue into one of four classifications as set forth below in good faith. Upon Customer submission of the case information, Trimble will use commercially reasonable efforts to issue a Response (as defined below) by the indicated target response goal set forth below. Once the priority level is determined, Trimble will use the level of effort for resolution described below.

Priority Level*	Priority Criteria	Target Response Goal**	Level of Effort for Resolution
P1	most urgent and impactful	½ hour	Trimble and Customer will prioritize any reasonably available resources to resolve the situation or identify a work around.
P2	urgent and impactful, but usually has an acceptable temporary workaround	½ hour	Trimble and Customer will prioritize any reasonably available resources during standard business hours to resolve the situation or identify a work around.
P3	important, but not urgent and impactful	4 hrs	Trimble and Customer will use generally available resources during standard business hours to resolve the situation or identify a work around.

P4	a low priority, informational, or an enhancement request	24 hrs	Trimble and Customer are willing to use generally available resources during standard business hours to provide information or assistance.
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* See Priority Matrix and definitions below. The main factors in determining priority level are urgency and impact. Trimble will also consider in good faith any additional relevant facts and circumstances in consultation with Customer that may result in a mutually agreed upon change in priority level.

** The use of the term "hour(s)" refers to business hours based on Trimble's regular business schedule, and excludes nights, weekends and locally-observed holidays (e.g., 24 hrs equals 3 business days at 8 hrs a day). "Response" means acknowledgment of the issue via the creation of a case number. Determination of priority level will occur as soon as practicable thereafter.

Priority matrix					
		Impact			
		Widespread	Large	Localized	Individualized
Urgency	Critical	P1	P1	P2	P2
	High	P1	P2	P2	P3
	Medium	P2	P3	P3	P3
	Low	P4	P4	P4	P4

Definitions		
Impact	Impact is a measure of the number of users, sites, or devices affected.	Widespread. More than three quarters of users or devices are affected.
		Large. (1) Multiple sites are affected or (2) between one-half and three-quarters of users or devices are affected.
		Localized. (1) A single site is affected or (2) less than one half of users or devices are affected.
		Individualized. A single or a small number of users or devices are affected.
Urgency	Urgency is a measure of the severity of the issue on the Customer's operations.	Critical. Use of Offering as a whole or core functionality is stopped with no work around and with severe immediate impact to the Customer's operations (e.g., outage).
		High. Use of Offering as a whole or core functionality is severely degraded or a work around is available, and with immediate impact to the Customer's operations.
		Medium. Use of Offering or any functionality is not working as expected, and can be addressed through education, training, work around, work order, or a future enhancement.
		Low. All other requests that are not the above.

4. Additional Limitations and Conditions.

- (a) Unless otherwise expressly provided by Trimble in writing, Trimble does not support: (i) use of the Offering in a manner other than as authorized in the Agreement; (ii) conversions of Customer's databases to accommodate new hardware or software, (iii) Customer Data debugging or manipulation, (iv) recurring support issues where Customer failed to initiate corrective actions previously recommended by Trimble or to provide information requested by Trimble, (v) implementation, report creation, onsite support, customizations (e.g., scripting or integration), or assistance with server migrations are not included as part of Support, but such services but may be purchased separately, (vi) any Offering where Customer has failed to meet its obligations with respect to the Agreement, including, without limitation, as set forth below.
- (b) Customer must (i) require its personnel to obtain adequate training to operate the Offering, (ii) if required by Trimble for the particular Offering, designate Authorized Support Contacts who will submit all support cases to Trimble, (iii) provide internet and/or network access for Trimble when requesting support; and (iv) provide all information and assistance reasonably requested by Trimble related to the support request.
- (c) For Licensed Software not hosted by Trimble, Customer is responsible for (i) securing the server environment, local network, and system security and protocols, including having staff qualified to assume responsibility for management administration and support for Customer's hardware, database, and any Third-Party Materials, Dependencies, or Compatibilities, (ii) maintaining regular and frequent data backups, and recovering such data if necessary from backups maintained by Customer, (iii) establishing a secure method of access to Customer's network as well as maintaining security protocols for Customer's network; and (iv) incorporating Releases and any associated data migration.
- (d) If any Customer support request is subject to any of the foregoing, then Trimble reserves the right to impose support fees at its then standard commercial time and materials rates for all such services, including pre-approved travel and per diem expenses to be reimbursed consistent with Customer's policies. Trimble will notify Customer in advance of incurring any such fees.

Addendum #4

Supplemental Terms for Services

(Training, e-learning content, implementation, configuration, and other services)

Version 1.0 (Last Updated: April 3, 2023)

Capitalized terms not defined herein have the meanings given in the General Terms.

- 1. Generally.** Trimble or its authorized service providers will use commercially reasonable efforts to provide Services to Customer as described in an Order or SOW. Any changes in scope must be made in writing and approved by authorized representatives of Customer and Trimble.
- 2. Training and E-Learning.** For any Services consisting of delivery of training or e-learning (e.g., videos, manuals, etc.), any content made available by Trimble shall not be deemed a Deliverable (as defined below), notwithstanding anything in an Order or SOW to the contrary, and no Intellectual Property Rights therein are assigned or transferred to the Customer. Unless an Order or Documentation states otherwise, prepaid training and e-learning content will expire if not completed within six months from the effective date of the Order or SOW. Trimble reserves the right to reschedule training if it determines in good faith that attendance is not sufficient or the originally scheduled time or location are no longer feasible. If the Order states a date that Services must be completed by, such date is presented for illustrative purposes. The actual completion date for such Services will be provided on the invoice.
- 3. Customer Materials.** Customer shall provide Trimble with reasonable access to Customer's technical data, computer programs, files, documentation, and/or other materials (collectively, "**Customer Materials**") and to Customer's resources, personnel, equipment, and facilities to the extent necessary for the performance of Services. Client will be responsible for, and assumes the risk of any problems resulting from the content, accuracy, completeness, competence, or consistency of Customer Materials or its personnel. To the extent that Customer does not timely provide the foregoing access required for Trimble to perform the Services, Trimble shall be excused from performance until such items or access are provided. Customer hereby grants Trimble a limited and revocable right to use the Customer Materials for the purpose of performing the Services. Customer owns and will retain ownership (including all intellectual property rights) in the Customer Materials.
- 4. Customer Premises.** Customer shall provide Trimble with safe access to Customer's premises as reasonably required for Trimble to perform the Services, if onsite performance of Services is needed and agreed to by Customer. Trimble personnel shall comply with the reasonable written rules and regulations of Customer related to use of its premises, provided that such written rules and regulations are provided to Trimble prior to commencement of the Services.
- 5. Customer Dependencies.** Customer is responsible for taking all actions identified or described in the Agreement which are a condition for Trimble to provide Services. Should Customer's failure to take such actions result in a delay of Trimble against a delivery schedule, or result in additional provable costs incurred by Trimble, Trimble shall not be considered to be delayed in its obligations, and Trimble shall be entitled to payment of such additional costs.
- 6. Deliverables.** "**Deliverable(s)**" shall mean any Trimble deliverables as expressly set forth on a SOW or Order. Trimble hereby grants Customer a worldwide, royalty-free, non-exclusive license to use the Deliverables for its internal business purposes in connection with the Offerings associated with such Deliverables and only for the period of time that Customer has ownership or authorized use of such Offerings. Unless expressly stated otherwise in the applicable Order or SOW, Trimble owns and will retain ownership (including all intellectual property rights) in and to the Deliverables (excluding any Customer Materials) and any modifications, improvements, and derivative works thereof (including to the extent incorporating any Feedback). If the parties have agreed that Trimble will assign ownership of Deliverables to Customer, the relevant SOW must set forth the terms and conditions regarding such assignment.
- 7. Limited Warranty.** Trimble will perform Services in a professional and workmanlike manner. If notified of a non-conformity within ten (10) days of delivery of the applicable Services, and if Customer provides a sufficiently detailed justification to Trimble to allow Trimble to identify the non-conforming Services, Trimble will, as its sole liability and obligation for failure to provide Services meeting this warranty, either (a) re-perform the non-conforming Services at no additional cost to Customer, or (b) issue a credit for any Services which Trimble identifies as non-conforming.
- 8. Travel Expenses.** Trimble will invoice Customer for reasonable and pre-approved out-of-pocket travel expenses incurred in connection with performing Services. Expenses may be invoiced separately from fees and may include, but are not limited to, airfare and other transportation, lodging, and incidentals. Expenses may also include meals reimbursable per a flat per diem rate, available upon request.
- 9. Other Offerings.** These Services Terms only apply to Services, and not to any other Offerings, even if such other Offerings are referenced in an Order or SOW. For clarity, all such other Offerings shall not be considered a Deliverable hereunder, and the provision thereof shall be governed by one or more separate agreements between Trimble and Customer.
- 10. Non-Solicitation.** During the Term and for a period of 12 months thereafter, Customer, shall not, directly or indirectly, solicit, hire, engage, or attempt to do any of the foregoing, any person who was an employee or independent contractor of Trimble who provided Services to Customer, without Trimble's express prior written consent.

Addendum #5

Supplemental Terms for Hardware

Version 1.0 (Last Updated: April 3, 2023)

Capitalized terms not defined herein have the meanings given in the General Terms.

1. **Delivery.** Delivery times for Hardware are established when an Order is received and accepted by Trimble. Trimble will use commercially reasonable efforts to meet Customer's requested delivery dates, unless Customer is in default under the Agreement or Trimble's performance is otherwise excused (e.g., force majeure, etc.). Late delivery is not a basis for Customer's cancellation of any Order.

Title and risk of loss or damage to the Hardware will pass to Customer upon delivery to Trimble's shipping carrier.. Trimble will deliver any shipment FCA (Incoterms 2020) from its warehouse. Customer will pay or reimburse Trimble for all costs of carriage, freight, insurance (if applicable), taxes, duty and other related shipping charges. Trimble may fulfill its delivery obligations for Hardware through an Affiliate and/or authorized reseller. Trimble reserves the right to make partial deliveries.

2. **Acceptance, Inspection, Notice of Nonconformance.** All Hardware will be deemed accepted by Customer upon delivery to Trimble's shipping carrier, subject to Customer's right to inspect and reject damaged Hardware or Hardware that do not conform to the Order within 10 days of delivery. It is Customer's responsibility to give Trimble prompt written notice of identified damage or non-conformance to the Order. If Customer retains the Hardware without giving notice within the designated period, it will be deemed to waive its right of rejection. The foregoing will not, however, prejudice Customer's warranty remedies as described in the applicable Hardware Terms.
3. **Limited Warranty.** Unless the Hardware comes with a limited warranty that provides otherwise, Trimble warrants to Customer, and only to Customer, that the Hardware is designed and manufactured to conform in all material respects to Trimble's specifications and all parts are and will be free from defects in material and workmanship for a period of twelve (12) months from date of shipment. During the warranty period, Trimble's obligations in Section 7 (Sole Remedy; Warranty Procedure) are Customer's only and exclusive remedy for Hardware that Trimble reasonably determines does not meet the limited warranty, and is made subject to these Hardware Terms.
4. **Firmware.** Trimble hereby grants Customer a personal, non-exclusive, revocable, non-assignable right to access and use firmware solely as necessary to use the Hardware in accordance with the Documentation. During the limited warranty period, Customer will be entitled to receive such Fixes (as defined below) to the firmware that Trimble releases and makes commercially available and for which it does not charge separately, subject to the procedures for delivery to purchasers of Trimble products generally. Minor Updates (as defined below), Major Upgrades (as defined below), new products, or substantially new software releases, as identified by Trimble, are expressly excluded from this fix process and limited warranty. Receipt of software fixes will not serve to extend the limited warranty period. **"Fix(es)"** means an error correction or other update created to fix a previous software version that does not substantially conform to its Trimble specifications; **"Minor Update"** occurs when enhancements are made to current features in software; and **"Major Upgrade"** occurs when significant new features are added to software, or when a new product containing new features replaces the further development of a current product line. Trimble reserves the right to determine, in its sole discretion, what constitutes a Fix, Minor Update, Major Upgrade, new products, or substantially new software releases.
5. **Non-Trimble Manufactured Products.** Trimble will extend to Customer the manufacturer's warranty, if any, for all equipment and/or software products manufactured by another manufacturer and furnished by Trimble to Customer under such other manufacturer's brands. Customer acknowledges and agrees that Trimble shall not be responsible for separately warranting or supporting the equipment or software products of such other manufacturers.
6. **Warranty Exclusions.** The foregoing Hardware limited warranty will only apply in the event and to the extent that (a) the Hardware is properly and correctly installed, configured, interfaced, maintained, stored, and operated in accordance with the Documentation, and (b) the Hardware is not modified or misused. This limited warranty does not apply to, and Trimble shall not be responsible for defects or performance problems resulting from (i) the combination or use of the Hardware with hardware or software products, information, data, systems, interfaces or devices not made, supplied or specified by Trimble; (ii) the operation of the Hardware under any specification other than, or in addition to, the Documentation; (iii) the unauthorized installation, modification, repair or use of the Hardware; (iv) damage caused by accident, lightning or other electrical discharge, fresh or salt water immersion or spray (outside Hardware specifications), or exposure to environmental

conditions for which the Hardware is not intended; (v) normal wear and tear on consumable parts (e.g., batteries) or (vi) cosmetic damage. Trimble does not warrant or guarantee the results obtained through the use of the Hardware. **TRIMBLE MAKES NO WARRANTIES WHATSOEVER WITH RESPECT TO SERVICES, WHICH IF PROVIDED HEREUNDER ARE PROVIDED "AS-IS."**

7. **Sole Remedy; Warranty Procedure.** If the Hardware fails during the warranty period for reasons covered by this limited warranty and Customer notifies Trimble of such failure during the warranty period, Trimble will at its option repair or replace the nonconforming Hardware with new, equivalent to new, or reconditioned parts or Hardware or, if either of the foregoing is commercially impractical in Trimble's determination, refund the Hardware purchase price paid by Customer (excluding separate costs of installation, if any) upon Customer's return of the Hardware in accordance with Trimble's product return procedures then in effect. Any repaired or replaced Hardware will be warranted for a period of thirty (30) days or the remainder of the original warranty period, whichever is longer. Warranty service will be provided at a designated Trimble service center or by an authorized Trimble service provider. Except as otherwise agreed by the parties, Customer shall be responsible for all shipping charges to the designated Trimble service center or authorized Trimble service provider.
8. **Determination of Warranty Applicability:** Trimble reserves the right to refuse warranty services if the Hardware date of purchase cannot be proven, if a claim is made outside the warranty period or if a claim is excluded from the warranty pursuant to the Terms. Following Trimble's examination of Customer's claim, Trimble will notify Customer of warranty status and the repair cost of any out-of-warranty Hardware. At such time Customer must issue a valid purchase order to cover the cost of the non-warranted Hardware repair and return freight, or authorize return shipment of the Hardware at Customer's expense as-is.
9. **Non-responsibility for Lost Data.** Trimble shall not be responsible for any modification or damage to, or loss of any programs, data, or other information stored on any media or any part of any Hardware serviced by it or an authorized Trimble service provider, or for the consequence of such damage or loss, e.g., business loss in the event of system, program or data failure. It is Customer's responsibility, prior to servicing, to backup data and remove all features, parts, alterations, and attachments not covered by warranty prior to releasing the Hardware to Trimble. The Hardware will be returned to Customer configured as originally purchased.
10. **Return of Hardware:** All Hardware returns are subject to Trimble's prior written consent and must comply with its product return (RMA) procedures then in effect. Before returning or exchanging Hardware, Customer must contact Trimble directly to obtain an authorization number to include with the return. Customer must return Hardware to Trimble in their original or equivalent packaging, and Customer is responsible for risk of loss, as well as shipping fees back to Trimble. Hardware received but not eligible for return will be sent back to Customer freight collect. For approved returns, Customer will receive credit equal to the lesser of the Hardware invoice price or its current replacement value, less any applicable charges or fees.

Addendum #6

Supplemental Terms for U.S. Public Entities

Version 1.0 (Last Updated: October 7, 2023)

Capitalized terms not defined herein have the meanings given in the General Terms and the Software Terms.

1. **Scope.** To the extent Customer is a public or governmental entity, these Supplemental Terms provisions apply to the extent Customer is a public or governmental entity in the United States.
2. **Intellectual Property Indemnification by Trimble.** Trimble shall defend Customer from and against any claim of infringement of a U.S. patent, U.S. copyright, or U.S. trademark asserted against Customer by a third party based upon Customer's use of the Offerings in accordance with the terms of this Agreement, and pay any resulting settlement or final judgment. If Customer's use of any of the Offerings are, or in Trimble's opinion are likely to be, enjoined due to the type of infringement specified above, or if required by settlement, Trimble may, in its sole discretion: (a) substitute for the Offerings substantially functionally similar programs and documentation; (b) procure for Customer the right to continue using the Offerings; or if (a) and (b) are commercially impracticable, (c) terminate the Agreement and refund to Customer the fee paid by Customer as reduced to reflect a five year straight-line depreciation from the applicable purchase date. The foregoing indemnification obligation of Trimble will not apply: (1) if the Offerings are modified by any party other than Trimble; (2) if the Offerings are combined with other non-Trimble products, but solely to the extent that the alleged infringement is caused by such combination; (3) to any unauthorized use of the Offerings; (4) to any unsupported release of the Offerings; or (5) to any third-party code, content, and/or data contained in and/or delivered with the Offerings.
3. **Tax Exemption.** If Customer is a tax-exempt entity and provides evidence of a tax-exempt certificate prior to executing this Agreement, then Section 3.1 of the General Terms regarding Customer's responsibility to pay taxes shall be inapplicable.
4. **No Indemnification by Customer.** Section 8 (Indemnification) and the second to last sentence of Section 12.6 (Export Control) of the General Terms shall be inapplicable.
5. **Public Records Law.** Customer's confidentiality obligations in Section 9 (Confidentiality) of the General Terms may be subject to applicable public records law.
6. **Limited Publicity.** Provision (b) in Section 12.11 (Publicity) of the General Terms shall be inapplicable.
7. **Termination for Convenience.** Customer may terminate this Agreement for convenience on not less than sixty (60) days' written notice to Trimble. If Customer terminates this Agreement under this paragraph, all fees for the Term shall immediately become due and payable. All previously paid fees (both used and unused) shall be non-refundable and forfeited. Furthermore, all earned, but unpaid, fees for professional services, if any, must be paid in full before the termination becomes effective.
8. **Non-Appropriation of Funds.** The Customer's funds for future and ongoing purchases are contingent on the availability of future appropriations of funds. If funds are not appropriated for any payments due under this Agreement, the Customer will promptly notify Trimble in writing and the applicable Order will terminate as of the date of the notice in accordance with Section 7 (Termination for Convenience) above and the Customer will have no further obligation to make any payments with respect to the affected Order, provided however that the Customer shall pay for any goods or services ordered prior to the date of the Customer's notice.
9. **Piggyback.** Trimble does business with many government entities whose applicable laws permit them to join an existing contract between another governmental agency and vendor to acquire goods and services thereunder. In such circumstances and if allowable by applicable law and contract, Customer expressly agrees to allow the other governmental agencies to acquire goods and services using this Agreement ("**Piggyback**"), subject to applicable pricing of the Trimble offerings at the time of the piggyback purchase.
10. **Governing Law.** Notwithstanding Section 12.9 (Governing Law and Venue) of the General Terms, the Laws of the jurisdiction required by applicable law shall exclusively govern this Agreement.

Addendum #7
Service Level Agreement; Data Security and Restoration
Version 1.0

1. Availability Service Level Agreement

For any Offering that is either (i) Software-as-a-Service or (ii) Licensed Software hosted by Trimble, the following will apply.

- 1.1. **Target Availability.** Trimble will use commercially reasonable efforts to make the Offering available with an uptime availability (time periods during which Customer has general connectivity to the Offering) (the "**Target Availability**") as follows:

Offering	Target Availability*
Cityworks	99.9%*

**Target Availability is generally for a calendar month; provided that Cityworks target availability will be calculated on a quarterly basis.*

- 1.2. **Exclusions.** The calculation of uptime will not include unavailability to the extent due to: (a) Customer's use of the Offering in a manner not authorized in the Agreement or Documentation, (b) general Internet problems, force majeure events or other factors outside of Trimble's reasonable control, including without limitation interruption or failure of telecommunications or digital transmission links, hostile network attacks, network congestion, denial of service attack, (c) Customer's equipment, software, network connections or other infrastructure, (d) any acts or omissions of Customer or any third-party that is not a service provider of Trimble, (e) failure by Customer to pay any applicable fees under the Agreement, or (f) Scheduled Maintenance or emergency maintenance.
- 1.3. **Scheduled Maintenance.** "**Scheduled Maintenance**" means Trimble's scheduled, routine, or other maintenance which (1) occurs at such times as may be listed on Trimble's websites or Support Portal, or (2) Trimble notifies Customer with at least two (2) days advance notice, which can be via the Support Portal, e-mail, or in the Offering. Trimble reserves the right to schedule other maintenance periods on an as needed basis and will notify Customer in advance. Trimble will use commercially reasonable efforts to perform Scheduled Maintenance during low usage times.
- 1.4. **Service Credits.** If there is a verified failure of the Offering to meet Target Availability in a particular month and Customer makes a request for service credit within thirty (30) days after the end of such month, Customer will be entitled to a credit based on the monthly fees due for the affected Offering in such month ("**Service Credit**"). The Service Credit will be calculated as follows:

*Service Credit = Pro Rata Fee * percentage of time that the Offering did not meet the Target Availability*

The "**Pro Rata Fee**" means (1) for Target Availability measured monthly, one-twelfth of the total annual fee for the Offering (excluding taxes, etc.), and (2) for Target Availability measured quarterly, one-fourth of the total annual fee for the Offering (excluding taxes, etc). The Service Credit will be calculated to the nearest 30-minute interval. The total Service Credits in a month may not exceed 20% of the Monthly Fee.

Trimble will apply each Service Credit to Customer's next invoice, provided that Customer's account is fully paid up, without any outstanding payment issues or disputes. Customer will not receive any refunds for any unused Service Credits.

- 1.5. **Sole Remedy.** Service Credits constitute liquidated damages and are not a penalty. The Service Credits set

forth in this Section are Customer's sole and exclusive remedy for any failure to meet the Target Availability.

2. Data Security and Restoration

2.1. Software-as-a-Service and Hosted License Software.

- a) Trimble or its third-party hosting provider(s) shall use commercially reasonable efforts to establish and maintain reasonable administrative, physical, and technical safeguards designed to (a) protect the security, confidentiality, and integrity of Customer Data, (b) protect against anticipated threats or hazards to the security, confidentiality, and integrity of Customer Data; (c) protect against unauthorized access to or use of Customer Data; and (d) protect against unlawful processing, accidental destruction, or loss of Customer Data.
- b) Trimble will use reasonable efforts to restore lost or damaged Customer Data for Offerings deployed through Trimble hosting services or as Software-as-a-Service, as described in this paragraph, if the loss or damage was caused by Trimble. Trimble will consult with Customer and provide information to Customer regarding the availability of backups and the potential limitations of data restoration. Customer understands that some data loss may result upon restoration based on the frequency and availability of backups. If Customer Data loss or damage is not caused by Trimble, Trimble will provide support and technical assistance for data restoration subject to Trimble's availability and payment of applicable fees at Trimble's then-current hourly rates.

- 2.2. On Premises Licensed Software. Trimble does not provide regular support or technical assistance for the repair or restoration of lost or damaged Customer Data as part of support for Licensed Software not hosted by Trimble, regardless of the cause. Assistance for restoration may be available subject to Trimble's availability and payment of applicable fees at Trimble's then-current hourly rates.

Addendum #8
Certificate of Insurance

Trimble's current Certificate of Insurance is included on the following page. Trimble will maintain insurance coverages set forth therein during the terms of this Agreement.

DRAFT



CERTIFICATE OF LIABILITY INSURANCE

Resolution No. 2025-115

Exhibit "A"

Page 36 of 36

DATE: 12/10/2

Item 9.

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION** IS **WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Marsh Risk & Insurance Services 1735 Technology Drive, Suite 790 San Jose, CA 95110	CONTACT NAME: Petronella Massey PHONE (A/C, No, Ext): 408 467 5614 E-MAIL ADDRESS: petronella.massey@marsh.com	FAX (A/C, No): 408 467 5699
CN102488216-STND-GAWUE-24- Azteca	INSURER(S) AFFORDING COVERAGE	
INSURED Trimble Inc. Azteca Systems LLC (dba Cityworks) 11075 South State #24 Sandy, UT 84070	INSURER A: Federal Insurance Company	NAIC # 20281
	INSURER B: American Casualty Company of Reading, PA	20427
	INSURER C: Syndicate 3623 at Lloyd's	
	INSURER D: Continental Insurance Company	35289
	INSURER E: Transportation Insurance Co	20494
	INSURER F:	

COVERAGES**CERTIFICATE NUMBER:**

SEA-003638136-21

REVISION NUMBER: 6

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PRO-JECT ☐ LOC ☐ OTHER:			35323540	12/01/2024	12/01/2025	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
A	☒ AUTOMOBILE LIABILITY ☒ ANY AUTO ☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☒ HIRED AUTOS ONLY ☒ NON-OWNED AUTOS ONLY			73257020	12/01/2024	12/01/2025	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ 1,000,000 BODILY INJURY (Per accident) \$ 1,000,000 PROPERTY DAMAGE (Per accident) \$ 1,000,000 COMP/COLL DED \$ 1,000
A	☒ UMBRELLA LIAB ☒ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE ☐ DED ☐ RETENTION \$			79724719	12/01/2024	12/01/2025	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			WC7 11636746 (AOS); Ded: \$250k	12/01/2024	12/01/2025	☒ PER STATUTE ☐ OTH-ER
D	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y / N	N / A	WC7 11636763 (CA)	12/01/2024	12/01/2025	E.L. EACH ACCIDENT \$ 1,000,000
E				WC7 11892854 (RETRO)	12/01/2024	12/01/2025	E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
E	If yes, describe under DESCRIPTION OF OPERATIONS below			GAP7011892868 (STOP GAP)	12/01/2024	12/01/2025	E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	Technology Errors & Omissions			W101C7241901	12/01/2024	12/01/2025	Limit 10,000,000 Retention 2,500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

City of Escondido is included as additional insured where required by written contract with respect to General Liability.

CERTIFICATE HOLDER**CANCELLATION**

City of Escondido 201 North Broadway Escondido, CA 92025	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE <i>Marsh Risk & Insurance Services</i>

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ADDITIONAL REMARKS SCHEDULE

Page 2 of 2

AGENCY Marsh Risk & Insurance Services		NAMED INSURED Trimble Inc. Azteca Systems LLC (dba Cityworks) 11075 South State #24 Sandy, UT 84070
POLICY NUMBER		
CARRIER	NAIC CODE	
EFFECTIVE DATE:		

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

Directors & Officers, Carrier: ACE American Insurance Company, Policy Number: DOX G26792332 012, Policy Term: 09/15/2023- 09/15/2024, SIR: \$3,000,000, Limit: \$3,000,000

Employment Practices Liability, Carrier: National, Casualty Company, Policy Number: PQ02400006, Policy Term: 12/01/2024 - 12/01/2025, SIR: \$750,000/1,500,000 , Limit: \$1,000,000

Fiduciary, Carrier: Great American Insurance Co, Policy Number: USF05282824, Policy Term: 12/01/2024 - 12/01/2025, Limit: \$500,000

Form **W-9**
(Rev. March 2024)
Department of the Treasury
Internal Revenue Service**Request for Taxpayer
Identification Number and Certification**Go to www.irs.gov/FormW9 for instructions and the latest information.**Give form to the
requester. Do not
send to the IRS.****Before you begin.** For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

Print or type. See Specific Instructions on page 3.	1 Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.) Azteca Systems Holdings, LLC	
	2 Business name/disregarded entity name, if different from above. Azteca Systems, LLC	
	3a Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only one of the following seven boxes. ☐ Individual/sole proprietor ☐ C corporation ☐ S corporation ☐ Partnership ☐ Trust/estate ☒ LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) C Note: Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner. ☐ Other (see instructions)	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any) _____ (Applies to accounts maintained outside the United States.)
	3b If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions. ☐	
	5 Address (number, street, and apt. or suite no.). See instructions. NEW - 5475 Kellenburger Road 6 City, state, and ZIP code Dayton, OH 45424 7 List account number(s) here (optional)	Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number									
			-				-		
or									
Employer identification number									
8	1		-	3	9	2	9	3	4

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

**Sign
Here**Signature of
U.S. person

DocuSigned by:

*Carlos Alvarado*Date **3/5/2025****General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

What's New

Line 3a has been modified to clarify how a disregarded entity completes this line. An LLC that is a disregarded entity should check the appropriate box for the tax classification of its owner. Otherwise, it should check the "LLC" box and enter its appropriate tax classification.

New line 3b has been added to this form. A flow-through entity is required to complete this line to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the Form W-9 to another flow-through entity in which it has an ownership interest. This change is intended to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting requirements. For example, a partnership that has any indirect foreign partners may be required to complete Schedules K-2 and K-3. See the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS is giving you this form because they

must obtain your correct taxpayer identification number (TIN), which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid).
- Form 1099-DIV (dividends, including those from stocks or mutual funds).
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds).
- Form 1099-NEC (nonemployee compensation).
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers).
- Form 1099-S (proceeds from real estate transactions).
- Form 1099-K (merchant card and third-party network transactions).
- Form 1098 (home mortgage interest), 1098-E (student loan interest), and 1098-T (tuition).
- Form 1099-C (canceled debt).
- Form 1099-A (acquisition or abandonment of secured property).

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

Caution: If you don't return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding*, later.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued);
2. Certify that you are not subject to backup withholding; or
3. Claim exemption from backup withholding if you are a U.S. exempt payee; and
4. Certify to your non-foreign status for purposes of withholding under chapter 3 or 4 of the Code (if applicable); and
5. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting is correct. See *What Is FATCA Reporting*, later, for further information.

Note: If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Establishing U.S. status for purposes of chapter 3 and chapter 4 withholding. Payments made to foreign persons, including certain distributions, allocations of income, or transfers of sales proceeds, may be subject to withholding under chapter 3 or chapter 4 of the Code (sections 1441-1474). Under those rules, if a Form W-9 or other certification of non-foreign status has not been received, a withholding agent, transferee, or partnership (payor) generally applies presumption rules that may require the payor to withhold applicable tax from the recipient, owner, transferor, or partner (payee). See Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

The following persons must provide Form W-9 to the payor for purposes of establishing its non-foreign status.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the disregarded entity.
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the grantor trust.
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust and not the beneficiaries of the trust.

See Pub. 515 for more information on providing a Form W-9 or a certification of non-foreign status to avoid withholding.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person (under Regulations section 1.1441-1(b)(2)(iv) or other applicable section for chapter 3 or 4 purposes), do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515). If you are a qualified foreign pension fund under Regulations section 1.897(l)-1(d), or a partnership that is wholly owned by qualified foreign pension funds, that is treated as a non-foreign person for purposes of section 1445 withholding, do not use Form W-9. Instead, use Form W-8EXP (or other certification of non-foreign status).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a saving clause. Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if their stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first Protocol) and is relying on this exception to claim an exemption from tax on their scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include, but are not limited to, interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third-party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester;
2. You do not certify your TIN when required (see the instructions for Part II for details);
3. The IRS tells the requester that you furnished an incorrect TIN;
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only); or
5. You do not certify to the requester that you are not subject to backup withholding, as described in item 4 under "*By signing the filled-out form*" above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

See also *Establishing U.S. status for purposes of chapter 3 and chapter 4 withholding*, earlier.

What Is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all U.S. account holders that are specified U.S. persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you are no longer tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

• **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note for ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040 you filed with your application.

• **Sole proprietor.** Enter your individual name as shown on your Form 1040 on line 1. Enter your business, trade, or "doing business as" (DBA) name on line 2.

• **Partnership, C corporation, S corporation, or LLC, other than a disregarded entity.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

• **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. Enter any business, trade, or DBA name on line 2.

• **Disregarded entity.** In general, a business entity that has a single owner, including an LLC, and is not a corporation, is disregarded as an entity separate from its owner (a disregarded entity). See Regulations section 301.7701-2(c)(2). A disregarded entity should check the appropriate box for the tax classification of its owner. Enter the owner's name on line 1. The name of the owner entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For

example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2. If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, enter it on line 2.

Line 3a

Check the appropriate box on line 3a for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3a.

IF the entity/individual on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation.
• Individual or • Sole proprietorship	Individual/sole proprietor.
• LLC classified as a partnership for U.S. federal tax purposes or • LLC that has filed Form 8832 or 2553 electing to be taxed as a corporation	Limited liability company and enter the appropriate tax classification: P = Partnership, C = C corporation, or S = S corporation.
• Partnership	Partnership.
• Trust/estate	Trust/estate.

Line 3b

Check this box if you are a partnership (including an LLC classified as a partnership for U.S. federal tax purposes), trust, or estate that has any foreign partners, owners, or beneficiaries, and you are providing this form to a partnership, trust, or estate, in which you have an ownership interest. You must check the box on line 3b if you receive a Form W-8 (or documentary evidence) from any partner, owner, or beneficiary establishing foreign status or if you receive a Form W-9 from any partner, owner, or beneficiary that has checked the box on line 3b.

Note: A partnership that provides a Form W-9 and checks box 3b may be required to complete Schedules K-2 and K-3 (Form 1065). For more information, see the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

If you are required to complete line 3b but fail to do so, you may not receive the information necessary to file a correct information return with the IRS or furnish a correct payee statement to your partners or beneficiaries. See, for example, sections 6698, 6722, and 6724 for penalties that may apply.

Line 4 Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third-party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space on line 4.

1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2).

- 2—The United States or any of its agencies or instrumentalities.
- 3—A state, the District of Columbia, a U.S. commonwealth or territory, or any of their political subdivisions or instrumentalities.
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities.
- 5—A corporation.
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or territory.
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission.
- 8—A real estate investment trust.
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940.
- 10—A common trust fund operated by a bank under section 584(a).
- 11—A financial institution as defined under section 581.
- 12—A middleman known in the investment community as a nominee or custodian.
- 13—A trust exempt from tax under section 664 or described in section 4947.

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
• Interest and dividend payments	All exempt payees except for 7.
• Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
• Barter exchange transactions and patronage dividends	Exempt payees 1 through 4.
• Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5. ²
• Payments made in settlement of payment card or third-party network transactions	Exempt payees 1 through 4.

¹ See Form 1099-MISC, Miscellaneous Information, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) entered on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37).

B—The United States or any of its agencies or instrumentalities.

C—A state, the District of Columbia, a U.S. commonwealth or territory, or any of their political subdivisions or instrumentalities.

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i).

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i).

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state.

G—A real estate investment trust.

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940.

I—A common trust fund as defined in section 584(a).

J—A bank as defined in section 581.

K—A broker.

L—A trust exempt from tax under section 664 or described in section 4947(a)(1).

M—A tax-exempt trust under a section 403(b) plan or section 457(g) plan.

Note: You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, enter "NEW" at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have, and are not eligible to get, an SSN, your TIN is your IRS ITIN. Enter it in the entry space for the Social security number. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note: See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.SSA.gov. You may also get this form by calling 800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/EIN. Go to www.irs.gov/Forms to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to www.irs.gov/OrderForms to place an order and have Form W-7 and/or Form SS-4 mailed to you within 15 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and enter "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, you will generally have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon. See also *Establishing U.S. status for purposes of chapter 3 and chapter 4 withholding*, earlier, for when you may instead be subject to withholding under chapter 3 or 4 of the Code.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third-party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor ²
5. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
6. Sole proprietorship or disregarded entity owned by an individual	The owner ³
7. Grantor trust filing under Optional Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))**	The grantor ⁴

For this type of account:	Give name and EIN of:
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity ⁴
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing Form 1041 or under the Optional Filing Method 2, requiring Form 1099 (see Regulations section 1.671-4(b)(2)(i)(B))**	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name on line 1, and enter your business or DBA name, if any, on line 2. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

***Note:** The grantor must also provide a Form W-9 to the trustee of the trust.

****** For more information on optional filing methods for grantor trusts, see the Instructions for Form 1041.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information, such as your name, SSN, or other identifying information, without your permission to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax return preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity, or a questionable credit report, contact the IRS Identity Theft Hotline at 800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 877-777-4778 or TTY/TDD 800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 800-366-4484. You can forward suspicious emails to the Federal Trade Commission at spam@uce.gov or report them at www.ftc.gov/complaint. You can contact the FTC at www.ftc.gov/idtheft or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see www.IdentityTheft.gov and Pub. 5027.

Go to www.irs.gov/IdentityTheft to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and territories for use in administering their laws. The information may also be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payors must generally withhold a percentage of taxable interest, dividends, and certain other payments to a payee who does not give a TIN to the payor. Certain penalties may also apply for providing false or fraudulent information.



STAFF REPORT

October 15, 2025
File Number 1330-85

SUBJECT

CONTINUING THE EMERGENCY REPAIR OF THE ESCONDIDO TRUNK SEWER MAIN

DEPARTMENT

Utilities Department

RECOMMENDATION

Request the City Council adopt Resolution No. 2025-127, declaring that pursuant to the terms of Section 22050 of the California Public Contract Code, the City Council finds there is a need to continue the emergency repair of the Escondido Trunk Sewer Main. The Resolution, which must be passed by four-fifths vote, also declares that public interest and necessity demand the immediate expenditure to safeguard life, health, or property.

Staff Recommendation: Approval (Utilities: Kyle Morgan, Interim Director of Utilities)

Presenter: Kyle Morgan, Interim Director of Utilities

ESSENTIAL SERVICE – Yes, Keep City Clean for Public Health and Safety; Sewer

COUNCIL PRIORITY – Improve Public Safety

FISCAL ANALYSIS

Funding for the Emergency Repair of the Escondido Trunk Sewer Main is available in the Wastewater Capital Improvement Project (“CIP”) budget for Sewer Trunk Main, CIP No. 801913.

PREVIOUS ACTION

On June 26, 2024, the City Council adopted Resolution No. 2024-86, ratifying Proclamation No. 2024-02, affirming that it was appropriate for City staff to forego competitive bidding procedures and work with contractors for the necessary emergency repair of the failing trunk sewer main.

On July 10, 2024, the City Council adopted Resolution No. 2024-94, reaffirming that there was a need to continue efforts toward emergency repair of the failing trunk sewer main.

On July 17, 2024, the City Council adopted Resolution No. 2024-103, reaffirming that there was a need to continue efforts toward emergency repair of the failing trunk sewer main.



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On July 23, 2024, a Public Improvement Agreement with CCL Contracting, Inc. was executed for the emergency repair of Section 2, from Beech Street to Grape Day Park, on a time and materials basis in an amount not to exceed \$10,240,691.

On August 7, 2024, the City Council adopted Resolution No. 2024-106, reaffirming that there was a need to continue efforts toward emergency repair of the failing trunk sewer main. In addition, City Council approved a budget adjustment in the amount of \$12,036,225 to fund the emergency repair of the failing trunk sewer main, consisting of \$7,036,225 from the unallocated Wastewater Reserves and \$5,000,000 from Capital Improvement Project No. 801508, Recycled Easterly Ag MFRO.

On August 21, 2024, a Public Improvement Agreement with J.R. Filanc Construction Company was executed for the emergency repair of Section 1, Ash Street from the Firestone Complete Auto Care parking lot to the Walmart Neighborhood Market parking lot, on a time and materials basis in an amount not to exceed \$1,795,534.

On August 28, 2024, the City Council adopted Resolution No. 2024-117, reaffirming that there was a need to continue efforts toward emergency repair of the failing trunk sewer main.

On September 11, 2024, the City Council adopted Resolution No. 2024-131, reaffirming that there was a need to continue efforts toward the emergency repair of the failing trunk sewer main.

On October 2, 2024, the City Council adopted Resolution No. 2024-141, reaffirming that there was a need to continue efforts toward the emergency repair of the failing trunk sewer main.

On October 23, 2024, the City Council adopted Resolution No. 2024-146, reaffirming that there was a need to continue efforts toward the emergency repair of the failing trunk sewer main.

On November 20, 2024, the City Council adopted Resolution No. 2024-162, reaffirming that there was a need to continue efforts toward the emergency repair of the failing trunk sewer main.

On December 4, 2024, the City Council adopted Resolution No. 2024-178, reaffirming that there was a need to continue efforts toward the emergency repair of the failing trunk sewer main.

On January 8, 2025, the City Council adopted Resolution No. 2025-03, reaffirming that there was a need to continue efforts toward the emergency repair of the failing trunk sewer main.

On January 29, 2025, the City Council adopted Resolution No. 2025-06, reaffirming that there was a need to continue efforts toward the emergency repair of the failing trunk sewer main.

On February 19, 2025, the City Council adopted Resolution No. 2025-08, reaffirming that there was a need to continue efforts toward the emergency repair of the failing trunk sewer line.



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On March 19, 2025, the City Council adopted Resolution No. 2025-14, reaffirming that there was a need to continue efforts toward the emergency repair of the failing trunk sewer line.

On April 2, 2025, the City Council adopted Resolution No. 2025-19, reaffirming that there was a need to continue efforts toward the emergency repair for the failing trunk sewer line.

On April 16, 2025, the City Council adopted Resolution No. 2025-30, reaffirming that there was a need to continue efforts toward the emergency repair for the failing trunk sewer line.

On May 7, 2025, the City Council adopted Resolution No. 2025-38, reaffirming that there was a need to continue efforts toward the emergency repair for the failing trunk sewer line.

On May 21, 2025, the City Council adopted Resolution No. 2025-54, reaffirming that there was a need to continue efforts toward the emergency repair for the failing trunk sewer line.

On June 4, 2025, the City Council adopted Resolution No. 2025-58, reaffirming that there was a need to continue efforts toward the emergency repair for the failing trunk sewer line.

On June 18, 2025, the City Council adopted Resolution No. 2025-64, reaffirming that there was a need to continue efforts toward the emergency repair for the failing trunk sewer line.

On July 16, 2025, the City Council adopted Resolution No. 2025-86, reaffirming that there was a need to continue efforts toward the emergency repair for the failing trunk sewer line.

On August 13, 2025, the City Council adopted Resolution No. 2025-102, reaffirming that there was a need to continue efforts toward the emergency repair for the failing trunk sewer line, authorized Change Order No. 01 to the Public Improvement agreement ("Agreement") with CCL Contracting, Inc. for an amount not to exceed \$1,397,320.60; and approved a budget adjustment in the amount of \$1,397,320.60, from the Unallocated Reserves to the Wastewater Capital Improvement Project ("CIP") budget for Trunk Main/Norlak-HARRF.

On August 27, 2025, the City Council adopted Resolution No. 2025-109, reaffirming that there was a need to continue efforts toward the emergency repair for the failing trunk sewer line.

On September 17, 2025, the City Council adopted Resolution No. 2025-113, reaffirming that there was a need to continue efforts toward the emergency repair for the failing trunk sewer line.

On October 1, 2025, the City Council adopted Resolution No. 2025-123, reaffirming that there was a need to continue efforts toward the emergency repair for the failing trunk sewer line.



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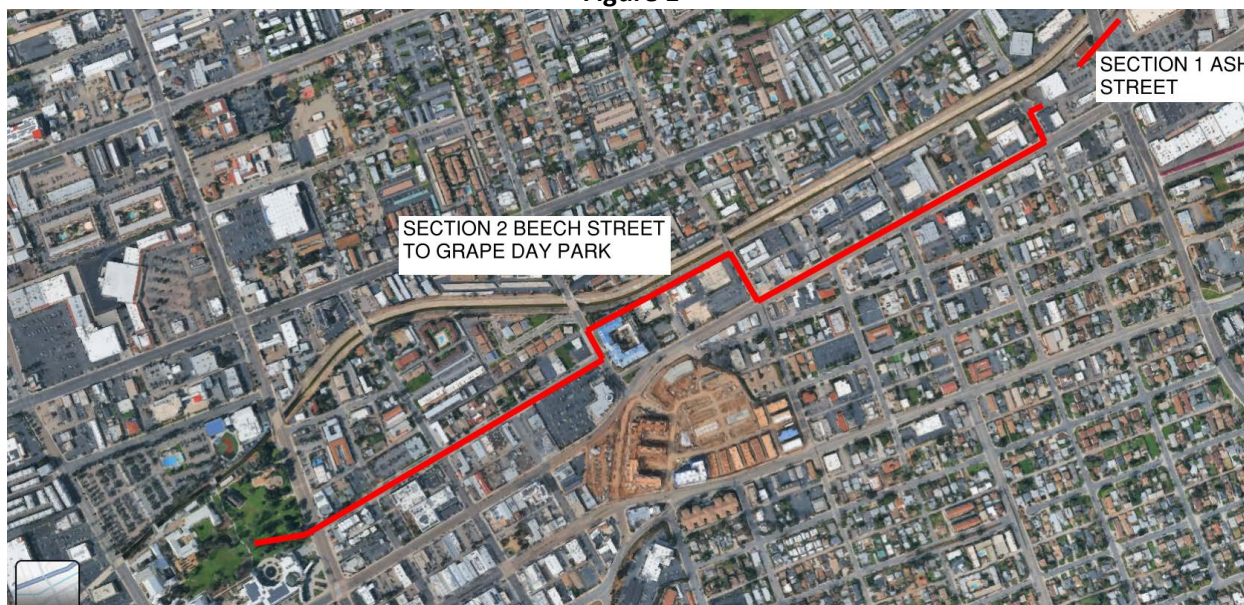
BACKGROUND

The City's trunk sewer mains, constructed in the 1950's, are a critical and integral part of the City's wastewater system. In June 2024, during routine closed-circuit television inspection, Utilities staff identified multiple failed and severely deteriorated sections of 18-inch and 21-inch trunk sewer main. In order to act quickly to avoid catastrophic failure, a local emergency was proclaimed on June 20, 2024, by the City Manager, serving as the Director of Emergency Services. The original scope of work included two sections of severely deteriorated trunk sewer main that are in critical condition. These sections are shown in **Figure 1** below and defined as follows:

Section 1: Ash Street - paralleling the Escondido Creek, from the Firestone Complete Auto Care ("Firestone") parking lot to the Walmart Neighborhood Market ("Walmart") parking lot; and

Section 2: Beech Street to Grape Day Park - paralleling the Escondido Creek, traversing a short section of North Hickory Street, then continuing in East Pennsylvania Street from North Hickory and extending into Grape Day Park.

Figure 1



Section 1 emergency repair work began on August 7, 2024. All repairs to Section 1 are now complete.

Section 2 emergency repair work began on July 25, 2024, and is anticipated to be complete by January 16, 2026. The contractor, CCL Contracting, Inc. ("CCL"), has installed approximately 4,030 linear feet of trunk main, from Grape Day Park to Hickory Street, within Pennsylvania Avenue; north within Hickory Street from the intersection of Pennsylvania Avenue and Hickory Street to just south of the intersection of



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Hickory Street and Lansing Circle; easterly through the Westmont Assisted Living Community; and continues easterly within the City's Escondido Creek private property/public utility easement, paralleling the south side of Escondido Creek to Grape Street. The additional restoration work at Westmont Assisted Living Community, which included abandonment and slurry fill of 2,000 feet of 21-inch sewer, abandonment and slurry fill of 14 manholes, and repair of 40 feet of 21-inch trunk sewer line within the bike path at Date Street, has been completed.

In June 2025, a construction conflict with a 36" diameter water transmission main along the bike path was identified. City staff determined that rerouting the sewer trunk main from the bike path into East Valley Parkway, provided the best value to the city from a cost, constructability, product longevity, and risk mitigation. Construction on North Fig Street, south of the channel bridge, between Washington Avenue and Valley Parkway, began on September 2, 2025, and was completed on September 19, 2025. Utilities Construction on East Valley Parkway between Beech Street and Fig Street, began on September 23, 2025 with work occurring at night to minimize the impact to the community. Electronic message boards and signs updating the community are in place, where appropriate, throughout the construction project site and will remain through the duration of work.

Utilities staff continues to communicate and coordinate with affected businesses and residents within the construction zone of influence, as well as other City Departments regarding current and upcoming construction, including the upcoming road closures.

RESOLUTIONS

- a) Resolution No. 2025-127

RESOLUTION NO. 2025-127

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, FINDING THAT AN EMERGENCY CONTINUES TO REQUIRE THE IMMEDIATE REPAIR OF THE ESCONDIDO TRUNK SEWER MAIN

WHEREAS, the City Council recognizes that the City's trunk sewer main pipeline defined in the two following critical sections are at risk of imminent, catastrophic failure:

Section 1: Ash Street - paralleling the Escondido Creek, from the Firestone Complete Auto Care parking lot to the Walmart Neighborhood Market parking lot; and

Section 2: Beech Street to Grape Day Park - paralleling the Escondido Creek, traversing a short section of North Hickory Street, then continuing in East Pennsylvania Street from North Hickory and extending into Grape Day Park; and

WHEREAS, pursuant to the approval of Resolution No. 2024-86 on June 26, 2024, ratifying Proclamation No. 2024-02; Resolution No. 2024-94 on July 10, 2024; Resolution No. 2024-103 on July 17, 2024; Resolution No. 2024-106 on August 7, 2024; Resolution No. 2024-117 on August 28, 2024; Resolution No. 2024-131 on September 11, 2024; Resolution No. 2024-141 on October 2, 2024; Resolution No. 2024-146 on October 23, 2024; Resolution No. 2024-162 on November 20, 2024; Resolution 2024-178 on December 4, 2024; Resolution No. 2025-03 on January 8, 2025; Resolution No. 2025-06 on January 29, 2025; Resolution No. 2025-08 on February 19, 2025; Resolution No. 2025-14 On March 19, 2025; Resolution No. 2025-19 on April 2, 2025; Resolution No. 2025-30 on April 16, 2025; Resolution No. 2025-38 on May 7, 2025; Resolution No. 2025-54 on May 21, 2025; Resolution No. 2025-58 on June 4, 2025, Resolution No. 2025-64 on June 18, 2025, and Resolution No. 2025-86 on July 16, 2025, Resolution No. 2025-102 on August 13, 2025, Resolution No. 2025-109 on August 27, 2025, and

Resolution No. 2025-113 on September 17, 2025, and Resolution No. 2025-123 on October 1, 2025, the City Council previously found that the failing trunk sewer risk constitutes an emergency and found it appropriate for Utilities Staff to proceed to contract services without adopting plans, specifications, working details, or giving notice of bids to award contracts; and

WHEREAS, on August 7, 2024, City Council approved a budget adjustment in the amount of twelve million, thirty-six thousand, two-hundred twenty-five dollars (\$12,036,225) to fund the emergency repair of the failing trunk sewer main, consisting of \$7,036,225 from the unallocated Wastewater Reserves and \$5,000,000 from Capital Improvement Project No. 801508, Recycled Easterly Ag MFRO; and

WHEREAS, the City entered into a Public Improvement Agreement (“Agreement”) with CCL Contracting, Inc., in an amount not to exceed ten million, two-hundred forty-thousand, six hundred ninety-one dollars (\$10,240,691) on July 23, 2024; and

WHEREAS, the City entered into a Public Improvement Agreement (“Agreement”) with J.R. Filanc Construction Company in an amount not to exceed one million, seven hundred ninety-five thousand, five hundred thirty-four dollars (\$1,795,534) on August 21, 2024; and

WHEREAS, the City Council approved Change Order No. 1 and a budget adjustment to the project in the amount of \$1,397,320.60 to fund the remaining portion of Section 2 emergency repairs due to a trunk sewer alignment conflict with the existing 36” water main, bringing the total contract value with CCL Contracting, Inc., resulting in a contract value of not to exceed eleven million, six-hundred thirty-eight thousand and eleven dollars and sixty cents (\$11,638,011.60); and

WHEREAS, pursuant to Section 22050 of the Public Contract Code, the City Council must review the emergency action every 14 days, or at its next regularly scheduled meeting, and determine by a four-fifths vote there is a need to continue the action; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to continue the emergency action and approve the recommended change order and budget adjustment.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. That the City Council finds the failure of the trunk sewer main is a public health and safety emergency; that this emergency will not permit the delay that would result from a competitive bidding process; and that the proposed action and expenditure is still necessary to respond to the emergency requiring immediate repair of the trunk sewer main.



STAFF REPORT

October 15, 2025
File Number 0470-26

SUBJECT

PURCHASE NINETEEN (19) FORD POLICE INTERCEPTOR UTILITY VEHICLES

DEPARTMENT

Public Works Department, Fleet Services Division

RECOMMENDATION

Request the City Council adopt Resolution No. 2025-129 authorizing the Fleet Services Division of the Public Works Department to purchase nineteen (19) Ford Police Interceptor Utility Vehicles in the amount of \$1,097,084.39 by utilizing a cooperative purchase agreement through the City of Sacramento, Contract No. B24153311011, and approving the disposal of the surplus vehicles via auction.

Staff Recommendation: Approval (Public Works: Joseph Goulart, Director of Public Works)

Presenter: Jeramiah Jennings, Fleet Maintenance Manager

ESSENTIAL SERVICE – Yes, internal requirement in support of Police Services

COUNCIL PRIORITY – Improve Public Safety

FISCAL ANALYSIS

Funding from Measure I was allocated in the Fiscal Year 2026 Budget to purchase nineteen (19) police patrol vehicles, and is available for this purchase.

The funds generated by the auction sale of the Patrol Vehicles being replaced will be deposited into the Fleet Reserve Fund. The potential revenue generated by the disposal of the surplus property is unknown until the results of the auction are returned to the City of Escondido ("City").

BACKGROUND

This purchase is to replace nineteen (19) Police Patrol Vehicles that have met their life expectancy of eight (8) years.

Upon approval from the City Council, nineteen (19) Ford Police Interceptor Utility Vehicles will be purchased from Downtown Ford of Sacramento, California, in the amount of \$1,097,084.39, utilizing a cooperative purchase agreement through the City of Sacramento as allowed per Escondido Municipal



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Code, Chapter 10, Article 5, Section 10-91, authorizing the purchase of supplies and equipment utilizing cooperative purchase programs.

Pursuant to the Escondido Municipal Code, Chapter 10, Article 7, Section 10-147, City property that is no longer required for public use and is declared as surplus property. The City's current practice of disposing of surplus vehicles and equipment is through public auction. Staff recommends the disposal of the vehicles being replaced by this purchase via public auction with the city-contracted auction company.

RESOLUTIONS

- a) Resolution No. 2025-129

ATTACHMENTS

- a) Attachment "1" — Downton Ford Sacramento Quote
- b) Attachment "2" — Downton Ford Sacramento Quote

RESOLUTION NO. 2025-129

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE PURCHASE OF NINETEEN (19) FORD POLICE INTERCEPTOR UTILITY VEHICLES FROM DOWNTOWN FORD OF SACRAMENTO BY UTILIZING A COOPERATIVE PURCHASE AGREEMENT THROUGH THE CITY OF SACRAMENTO, CALIFORNIA, AND AUTHORIZING THE DISPOSAL OF THE SURPLUS VEHICLES VIA AUCTION

WHEREAS, staff evaluated the current fleet of patrol vehicles and determined many have met their standard life expectancy of eight (8) years; and

WHEREAS, staff confirmed the need for replacement of nineteen (19) Ford Police Interceptor Utility Vehicles (“vehicles”) due to their current age, mileage, engine hours, and mechanical condition; and

WHEREAS, Ford Motor Company is the manufacturer of the vehicles; and

WHEREAS, the City of Sacramento, California, conducted a competitive bid process for Police Interceptor Utility Vehicles and Downtown Ford of Sacramento, California, was deemed to be the lowest responsive bidder; and

WHEREAS, the State of California contract for Police Patrol Interceptor Utility Vehicles is Contract No. B24153311011; and

WHEREAS, the City is utilizing cooperative purchasing with the City of Sacramento, California, and pursuant to Escondido Municipal Code Chapter 10, Article 5, Section 10-91, the City may utilize a cooperative purchase contract, which has been conducted in a competitive manner by the State, County or any other Public or Municipal Agency; and

WHEREAS, staff recommends purchasing nineteen (19) Police Interceptor Utility Vehicles from Downtown Ford of Sacramento in the amount of \$1,097,084.39, which includes sales tax, delivery, and all other associated fees; and

WHEREAS, the existing vehicles being replaced by this purchase are deemed surplus property and are no longer required for public use; and

WHEREAS, the City Council desires at this time and deems it to be in the best public interest to authorize the purchase from Downtown Ford of Sacramento using a cooperative purchase agreement with the City of Sacramento, California, Contract No. B24153311011; and

WHEREAS, Measure I Funds were allocated for this purchase in the Fiscal Year 2026 Budget; and

WHEREAS, the City Council desires at this time and deems it to be in the best public interest to accept the staff recommendations and approve the disposal of the surplus vehicles via public auction.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. That the City Council approves and adopts, on behalf of the City, the Cooperative Purchase agreement through the City of Sacramento, California, as allowed pursuant to Escondido Municipal Code Chapter 10, Article 5, Section 10-91.
3. That the City Council adopts Resolution No. 2025-129 authorizing the Fleet Services Division to purchase nineteen (19) Ford Interceptor Police Utility Vehicles from Downtown Ford of Sacramento in the amount of \$1,097,084.39, which includes sales tax, delivery, and all other fees.

4. That the City Council authorizes the Fleet Services Division to dispose of the surplus vehicles that are being replaced by this purchase via public auction with the City-contracted auction company.



525 N16TH STREET, SACRAMENTO, CA 95811
PHONE: 916-299-3529

AS-100125-134

QUOTE

Customer

Name ERNESTO DE LA CRUZ - CITY OF ESCONDIDO
Address 475 N. SPRUCE ST
City ESCONDIDO State CA Zip 92025
Phone 760-839-4883

DATE 10/1/2025
SALES REP BETHANY
PHONE 916-848-3177
FOB ESCONDIDO

Qty	Description	Unit Price	TOTAL
13	2026 FORD INTERCEPTOR UTILITY AWD	\$47,562.00	\$618,306.00
	CITY OF SACRAMENTO CONTRACT B24153311011		
	EXTERIOR COLOR: BLACK		
OPTIONS	PRICING BELOW SUBJECT TO CHANGE		
	99B / 44U - 3.3L V6 GAS ENGINE - INCLUDED		
	153 - FRONT LICENSE PLATE - INCLUDED		
13	51S - DUAL UNITY SPOT LAMPS	\$790.00	\$10,270.00
13	92R - PRIVACY GLASS / SOLAR TINT 2ND ROW	\$94.00	\$1,222.00
13	52P - HIDDEN DOOR LOCK PLUNGERS	\$160.00	\$2,080.00
13	59B - KEYED ALIKE 1284X	\$50.00	\$650.00
13	90E - BALLISTIC DOOR PANELS LEVEL III+ DRIV / PASS	\$3,170.00	\$41,210.00
13	60R - NOISE SUPPRESSION BONDS	\$100.00	\$1,300.00
13	76D - DEFLECTOR PLATE	\$352.00	\$4,576.00
13	DOC FEE	\$85.00	\$1,105.00
	SALES TAX CALCULATED AT 8.75% BASED ON REGISTRATION ADDRESS		

SubTotal \$680,719.00

DELIVERY \$11,375.00

SALES TAX \$59,562.91

CA Tire Tax \$113.75

TOTAL \$751,770.66

Payment Details

- ☐ Cash
☒ Check
☐ Credit Card

Name _____
CC # _____
Expires _____

Office Use Only

\$500 DISCOUNT WITH PAYMENT IN 20 DAYS

SIGNATURE

DATE



525 N16TH STREET, SACRAMENTO, CA 95811
PHONE: 916-299-3529

BAS-1002-0815

QUOTE

Customer

Name ERNESTO DE LA CRUZ - CITY OF ESCONDIDO
Address 475 N. SPRUCE ST
City ESCONDIDO State CA Zip 92025
Phone 760-839-4883

DATE 10/1/2025
SALES REP BETHANY
PHONE 916-848-3177
FOB ESCONDIDO

Qty	Description	Unit Price	TOTAL
6	2026 FORD INTERCEPTOR UTILITY AWD CITY OF SACRAMENTO CONTRACT B24153311011 EXTERIOR COLOR: BLACK	\$47,562.00	\$285,372.00
OPTIONS	PRICING BELOW SUBJECT TO CHANGE 99B / 44U - 3.3L V6 GAS ENGINE - INCLUDED 153 - FRONT LICENSE PLATE - INCLUDED		
6	51S - DUAL UNITY SPOT LAMPS	\$790.00	\$4,740.00
6	59B - KEYED ALIKE 1284X	\$50.00	\$300.00
6	90E - BALLISTIC DOOR PANELS LEVEL III+ DRIV / PASS	\$3,170.00	\$19,020.00
6	60R - NOISE SUPPRESSION BONDS	\$100.00	\$600.00
6	76D - DEFLECTOR PLATE	\$352.00	\$2,112.00
6	DOC FEE	\$85.00	\$510.00
	SALES TAX CALCULATED AT 8.75% BASED ON REGISTRATION ADDRESS		

Payment Details

- ☐ Cash
☒ Check
☐ Credit Card

Name _____
CC # _____
Expires _____

SubTotal \$312,654.00

DELIVERY \$5,250.00

SALES TAX \$27,357.23

CA Tire Tax \$52.50

TOTAL \$345,313.73

Office Use Only

\$500 DISCOUNT WITH PAYMENT IN 20 DAYS

SIGNATURE

DATE

ORDINANCE NO. 2025-06R

AN INTERIM ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, EXTENDING URGENCY ORDINANCE 2024-12R PROHIBITING NEW COMMERCIAL BATTERY ENERGY STORAGE SYSTEMS WITHIN THE CITY OF ESCONDIDO, ADOPTED AS AN URGENCY MEASURE, AND FINDING THE ACTION TO BE EXEMPT FROM CEQA

WHEREAS, the City of Escondido, California, ("City") is a municipal corporation, duly organized under the constitution and laws of the State of California; and

WHEREAS, in general, a Battery Energy Storage Systems ("BESS") facility collects energy from the grid, stores it, and then discharges that energy later to provide electricity or other grid services when needed, typically at times of high demand; and

WHEREAS, Escondido Energy Center, LLC ("Applicant") is proposing to construct a BESS facility on land currently owned by Escondido Energy Center, LLC located at 1968 Don Lee Place (Assessor's Parcel No.: 228-381-74-00); and

WHEREAS, on February 7, 2024, Applicant filed a land use development application (Planning Case No. PL24-0037), constituting a request for Major Plot Plan to establish a 50-megawatt (MW) BESS facility comprised of 31 lithium-ion battery storage enclosures ("Project"). The proposed Project is located within the General Industrial (M-2) zoning designation. Article 26 of the Escondido Zoning Ordinance (Chapter 33 of the Escondido Municipal Code) permits for a wide-range of activities, including those considered "heavy" or "intensive" outside storage needs, heavier equipment, and operational characteristics that require the least restrictive design standards. The General Industrial zoning

A COMPLETE COPY OF THIS
ORDINANCE IS ON FILE IN
THE OFFICE OF THE CITY
CLERK FOR YOUR REVIEW.



STAFF REPORT

October 15, 2025
File Number 0873-01

SUBJECT

HOME INVESTMENT PARTNERSHIP PROGRAM UPDATE

DEPARTMENT

Development Services- Housing & Neighborhood Services Division

RECOMMENDATION

Request the City Council receive this update on the HOME Investment Partnership Program ("HOME") and affirm current priorities or provide guidance on program changes.

Staff Recommendation: Provide Direction (Development Services: Christopher McKinney)

Presenter: Danielle Lopez, Housing & Neighborhood Services; Norma Olquin, Management Analyst

ESSENTIAL SERVICE – Yes, Land Use/Development

COUNCIL PRIORITY – Increase Retention and Attraction of People and Businesses to Escondido; Encourage Housing Development

FISCAL ANALYSIS

The City of Escondido ("City") receives an annual federal entitlement from the Department of Housing and Urban Development ("HUD") for community development and housing activities. On May 13, 2025, HUD announced that the City will receive an allocation of \$590,369 in HOME funds for Fiscal Year 2025-2026. HOME funds will be used for the provision of affordable housing. HUD funds must assist the low- and moderate-income residents of Escondido and may not be used to supplant City funds. HOME projects and administrative costs will be funded with both HOME and Successor Housing Agency funds, and no General Funds will be used for these projects.

States and cities that receive HOME funds must match the HOME funds they spend on affordable housing development, with their own 25 percent contribution. The matching funds must be from a non-federal resource. The City does this through the use of Housing Successor Agency funding.

Additionally, the match can take many forms, including in-kind contributions such as labor, construction materials, and land for HOME eligible projects. Other contributions, such as foregone taxes, other foregone fees, and infrastructure improvements, may also count toward the matching requirement, if they are used specifically for projects funded by HOME dollars. The matching requirement must be met in the same fiscal year that HOME funds are used, but if a jurisdiction provides more matching funds than



CITY of ESCONDIDO

STAFF REPORT

are required in a given year, it can carry those funds forward to meet the matching requirement in subsequent years.

PREVIOUS ACTION

On August 7, 2024, the City Council conducted a public hearing to solicit and consider citizen input on the Fiscal Year 2024-2025 HUD Annual Action Plan for the use of CDBG and HOME funds and adopted Resolution No. 2024-110 approving Fiscal Year 2024-2025 HUD Annual Action Plan for use of CDBG and HOME Funds, conditionally commit funds to projects, authorize the Director of Community Development to execute contracts as appropriate and approve the submittal of the Fiscal Year 2024-2025 Annual Action Plan to HUD, including the release of a Request for Proposal (“RFP”) for affordable housing development.

On June 25, 2025, the City Council conducted a public hearing to solicit and consider citizen input on the Fiscal Year 2025-2029 Consolidated Plan and Annual Action Plan for the use of CDBG and HOME funds; and adopted Resolution No. 2025-69 approving Fiscal Year 2025-2029 Consolidated Plan and Fiscal Year 2025-2026 Annual Action Plan for the use of CDBG and HOME funds, conditionally committing funds to projects, authorized the Director of Community Development to execute contracts as appropriate and approved the submittal of the Fiscal Year 2025-2029 Consolidated Plan and the Fiscal Year 2025-2026 Annual Action Plan to HUD.

BACKGROUND

HOME is a federal block grant program that provides funding to states and cities to be used exclusively for affordable housing activities to benefit low-income households. Funds for HOME are appropriated annually to HUD, which in turn distributes funding to states and cities. The City of Escondido is considered an entitlement jurisdiction and receives an annual allocation from HUD for the operations of its HOME program. The funding is determined by a formula, based on population, age of rental units in the city, and poverty levels. The HOME formula prioritizes jurisdictions with high poverty rates and inadequate rental housing stock.

As a recipient of HOME federal funds, the City is required to submit a five-year Consolidated Plan, an Annual Action Plan that is required for each year of the Consolidated Plan period, and a Consolidated Annual Performance and Evaluation Report (“CAPER”) to monitor its progress, outcomes, and expenditures for the program year. The Consolidated Plan and Action Plan identify the community’s housing needs and describes in detail how HOME and other HUD block grant funds will be used to meet those needs. Cities can administer HOME funds themselves, or they can designate public agencies or nonprofit organizations to administer all or part of the HOME program on their behalf.

HOME funds may only be used for affordable housing activities, including:



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- New Construction of Owner-Occupied and Rental Housing: Building new affordable housing units for both homeownership and rental.
- Rehabilitation of Owner-Occupied and Rental Housing: Repairing and upgrading existing housing units.
- Tenant-Based Rental Assistance (“TBRA”): Providing direct rental assistance to low-income individuals and families.
- Assistance to Homebuyers: Supporting homeownership through down payment assistance, closing costs, etc.

Within these categories, HOME funds may be used to pay the following eligible costs, as grants or as loans:

- Development and Rehabilitation hard costs: costs associated with the construction and rehabilitation, including cost of demolition, utility connections, site improvements, and multifamily community facilities.
- Acquisition costs: purchase costs of real property, including down payment assistance to homebuyers.
- Related soft costs: costs such as professional planning services, including for environmental review or other environmental studies; associated financing and development fees, including impact fees, environmental review fees, legal fees, private appraisal fees, and other lender-required third-party reporting fees; filing fees for zoning or planning review and approval; and information services such as affirmative marketing and fair housing information.
- Relocation costs: relocation payments and other relocation assistance to persons displaced by the project.
- Eligible TBRA costs: rental assistance, security deposits, and utility deposits.
- Lead-based paint hazards: the evaluation and reduction of lead-based paint hazards.
- Administrative costs: up to 10 percent of a city’s HOME funds may be used for any administrative and planning costs, including salaries of persons engaged in administering and managing HOME activities.
- CHDO costs: up to 5 percent of a City’s HOME funds may be used for the operating expenses of CHDOs.

HUD provides a very specific list of eligible activities. If a project or expense is not included in this list, it is most likely an ineligible expense.



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Community Housing Development Organizations (“CHDOs”):

The HOME statute requires each jurisdiction to reserve at least 15 percent of its HOME funding for Community Housing Development Organizations.

CHDOs are private nonprofit, community-based organizations that focus on developing affordable housing, e.g., Habitat for Humanity and Community Housing Works. To qualify for designation as a CHDO, the organization must meet certain requirements pertaining to their legal status, organizational structure, and capacity and experience. Statutorily, a CHDO must have the provision of decent and affordable housing as one of its purposes, must maintain accountability to low-income community residents and beneficiaries, have a demonstrated capacity to carry out affordable housing projects, and have a history of serving the local communities to be assisted with federal grants.

HOME-ARP

The American Rescue Plan Act of 2021 allocated \$5 billion to the HOME program in response to the COVID-19 pandemic for homelessness assistance and supportive services.

There are some differences between HOME-ARP and the regular HOME program. HOME-ARP funds must primarily benefit qualifying individuals and families who are homeless, at risk of homelessness, or in other vulnerable populations, such as those fleeing domestic violence.

HOME-ARP funds may be used for:

- Affordable Rental Housing Development
- Rental Assistance
- Acquisition or construction of Non-Congregate Shelters
- Supportive Services, e.g., financial literacy classes

Homeowner assistance and related services are not eligible HOME-ARP activities, but costs associated with pre-purchase homebuying counseling, education, and outreach are eligible under HOME-ARP.

Program Oversight

Oversight of the HOME program involves monitoring both processes and outcomes. This includes ensuring that HOME funds are committed and expended according to regulation and timelines specified in the statute and ensuring that investments of program funds achieve the program’s goal, namely, providing housing that is affordable to low-income households.

Jurisdictions must also comply with record-keeping requirements to ensure that they are using funds appropriately. Before disbursing any HOME funds to an entity, a Jurisdiction must enter into a written agreement with that entity. These written agreements must include language ensuring compliance with all HOME program requirements.



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Additionally, jurisdictions must review the performance of subrecipients. This is done through on-site inspections of HOME-assisted projects, when a project is completed, and for HOME-assisted rental housing, throughout the affordability period. Assisted rental units must be inspected at least every three years and households receiving HOME-funded TBRA must be inspected annually.

In addition to physical inspections, the property owner must certify annually that the project and the HOME-assisted units meet affordability guidelines. The City's affordable housing projects report this through a third-party software system called FOCUS. FOCUS tracks annual reporting and monitors affordability compliance of various federal and state programs, to ensure projects remain compliant over the lifecycle of the agreement.

FUNDING & ALLOCATIONS

HOME

The City currently has \$4,473,255.66 available in HOME funds. The majority of this funding is set aside for affordable housing development, as it takes several years to accumulate enough resources to make a project appealing and financially viable for a developer.

Pursuant to statute, HOME funds expire nine years from the year they were awarded. HOME funds, not used within the nine-year timeframe are recaptured and returned to the Treasury. Below is a breakdown of the City's HOME funds by year, expiration dates, and amount.



CITY of ESCONDIDO

STAFF REPORT

HOME Expiring Funds Report

FISCAL YEAR	BALANCE TO COMMIT	Expiration Date
2017	\$348,546.75	9/30/2026
2018	\$583,938.80	9/30/2027
2019	\$537,138.90	9/30/2028
2020	\$559,935.00	9/30/2029
2021	\$561,915.90	9/30/2030
2022	\$659,541.13	9/30/2031
2023	\$647,942.77	9/30/2032
2024	\$574,296.41	9/30/2033
Total	\$4,473,255.66	

Currently HOME is or is planned to fund the following programs:

- First Time Homebuyer:**
 Eligible homebuyers may qualify for a low-interest loan limited to 5 percent of the purchase price that can be used toward a down payment and/or for closing costs. Repayment of the City's loan is deferred until the home is sold, transferred, refinanced, additional liens are added to the property, or if the home is no longer used as the applicant's principal residence. Loan amounts range from \$3,000 to \$25,000. There is no specific budgeted amount for this project. Loans are approved on a first come first served basis and are funded from the fund balance outlined in the chart above.
- Senior Rental Subsidy: \$72,000/30 Households**
 For eligible residents, this program provides subsidy payments of \$200 per month, paid directly to an apartment or mobilehome park manager/owner, on a quarterly basis. Assistance is available on a first-come, first-served basis to eligible applicants.

Residents are eligible for this program if:

- They are at least 62 years old;



CITY of ESCONDIDO

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- Their principal place of residence is within the City of Escondido;
 - Their apartment complex or mobilehome park manager agrees to participate in the subsidy program;
 - They do not receive rental assistance under any federal housing assistance program (including Section 8 or HUD);
 - They are on the Section 8 waiting list;
 - Their assets, (such as bank accounts, stocks, bonds, etc.) do not exceed \$25,000;
 - Their gross income meets the extremely low-income requirements (0–30% AMI).
- **RFP to Fund Long-term Affordable Rental Housing or First-time Homebuyer Opportunities:**
The Housing and Neighborhood Services Division intends to release an RFP for the development of long-term affordable rental housing and/or first-time homebuyer opportunities. The RFP will make up to \$4,000,000 of the HOME fund balance (FY 2017-2023) and \$1,500,000 in HOME-ARP funding available to developers. Allocating this amount ensures we prevent the loss of expiring funds and maintains sufficient resources to continue to fund other programs.

HOME-ARP

The City currently has \$2,262,839 in HOME-ARP funds. This funding allocation was approved by council Resolution No. 2023-32, on March 22, 2023, and set aside the following funding allocations.

- **\$1,500,000 (Rental Housing Development)**
Creation of 15 affordable rental housing units for extremely low-income households (0–30% AMI) with a preference for Escondido residents who are experiencing homelessness. Every HOME-ARP unit must comply with the federal HOME program requirements. That includes long-term affordability restrictions, written leases, tenant protections, and capped rents at no more than thirty percent of household income.
- **\$423,414 (Supportive Services)**
Flexible funds to help at least 60 households. Services can include landlord incentives, deposit help, case management, tenant navigation, and other supports that help people remain housed. These services are open to all qualifying populations under HUD rules, but priority will be given to Escondido residents.
- **\$339,425 (Administration)**
This is the statutory 15 percent cap for administration and planning.

This plan has been approved by the Council and accepted by HUD after going through the required public participation process. These funds have a federal expenditure deadline of September 30, 2030. Funds not fully expended by that date will be recaptured.



CITY of ESCONDIDO

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Substantial Amendments

If the Council would like to make any changes to any of the existing allocations mentioned above, a substantial amendment may be triggered. Per the City's Citizen Participation Plan, included in the Five-Year Consolidated Plan, the City is required to amend its approved plan(s) whenever it makes one of the following decisions:

- To carry out an activity not previously described in the Annual Plan using funds covered by the Consolidated Plan.
- To substantially amend the purpose, scope, location, or beneficiaries of an activity.
- To substantially amend the allocation priorities or the method of distributing funds.

A substantial amendment is defined as the following:

- An addition, modification, or elimination of a Consolidated Plan goal;
- An addition of a new activity not previously identified in the Annual Plan; or
- A change that affects the funding level of more than \$25,000 for projects budgeted at \$100,000 or less, or greater than 25 percent of projects budgeted at more than \$100,000.

Substantial amendments must be authorized by the City Council. Minor changes and/or corrections may be made, so long as the changes do not constitute a substantial amendment and do not require public review or a public hearing.

If a substantial amendment is triggered the staff will return to council and follow the required process below.

- Conduct the first of two necessary public hearings introducing the potential amendment;
- Provide a 30-day public comment period;
- Conduct community outreach soliciting public feedback;
- Conduct the second public hearing to approve the new plan.



STAFF REPORT

October 15, 2025
File Number 0680-70

SUBJECT

PL25-0282 – STAFF PRESENTATION ON ASSEMBLY BILL (AB) 130 AND SENATE BILL (SB) 131

DEPARTMENT

Development Service Department, Planning Division

RECOMMENDATION

Request the City Council receive a presentation on Assembly Bill (AB) 130 and Senate Bill (SB) 131 presentation. No action is required at this time except to provide direction to staff as appropriate.

Staff Recommendation: Receive and File (Development Services: Christopher W. McKinney, Deputy City Manager/ Interim Director of Development Services)

Presenter: Sally Schiffman, Principal Planner

ESSENTIAL SERVICE – Yes, Land Use/Development

COUNCIL PRIORITY – Encourage Housing Development

FISCAL ANALYSIS

This item is informational only. There are no direct fiscal implications associated with this presentation.

PREVIOUS ACTION

None

BACKGROUND

On June 30, 2025, Governor Newsom signed both Assembly Bill 130 and Senate Bill 131 which went into effect immediately. The intent of the legislation is to further address the State housing crisis by making it faster and easier to build homes.

Assembly Bill 130 is an extensive bill, affecting approximately 60 different sections across six different State codes. Many of the revisions, deletions, or additions are non-consequential and involve aligning cross-code referencing or minor editorial changes. However, some changes are more substantive and amend regulations related to housing-project streamlining; the California Environmental Quality Act (CEQA); the Affordable Housing on Faith & Higher Education Lands Act (i.e., SB 4); and the California



CITY *of* ESCONDIDO

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Building Code. The presentation from staff will highlight substantive changes that may more readily impact the City of Escondido.

Senate Bill 131 is a companion bill to AB 130, with impacts primarily to CEQA regulations. It adds a “near-miss” streamlining option in which a project that would have been exempt eligible under AB 130 but for one issue area, is limited to CEQA review of only that one issue area (i.e., narrows the focus of the environmental review). In addition, SB 131 changes include an exemption for rezoning actions required by certified Housing Elements and tied to an adopted “schedule of actions”; expands CEQA exemptions to cover essential community facilities such as childcare/daycare centers, Federally Qualified Health Centers and rural health clinics, nonprofit food banks and pantries, and qualified advanced manufacturing facilities; and clarifies what must be included in the administrative record.

The passage of these bills will require updates to Planning Division application materials, additions to standard conditions of approval, and minor updates to the Escondido Zoning Code. In addition, as Lead Agency, the City is responsible for applying appropriate CEQA determinations, which may entail more exemptions moving forward, and will likely result in more narrowly-defined CEQA documents when further analysis is required for a housing project. Ultimately, this may lead to more streamlined CEQA review for housing-related projects and therefore, faster processing timelines.



STAFF REPORT

October 15, 2025
File Number 0320-30

SUBJECT

ADOPTION OF THE UPDATED 2025 COMMUNITY WILDFIRE PREVENTION PLAN (CWPP)

DEPARTMENT

Fire

RECOMMENDATION

Request the City Council adopt Resolution No. 2025-112 adopting the 2025 Community Wildfire Protection Plan.

Staff Recommendation: Approval (Fire Department: John Tenger, Fire Chief)

Presenter: Tyler Batson, Deputy Fire Chief

ESSENTIAL SERVICE – Yes, internal requirement in support of Fire/EMS Services

COUNCIL PRIORITY –

FISCAL ANALYSIS

There is no direct fiscal impact associated with the adoption of the Community Wildfire Prevention Plan (“CWPP”). However, an adopted CWPP is a prerequisite for many wildfire mitigation grants and may improve the City of Escondido competitiveness for funding opportunities, including CAL FIRE’s Wildfire Prevention Grants and the Fire Risk Reduction Community List (“FRRCL”).

PREVIOUS ACTION

In 2010, Escondido Fire partnered with Anchor Point Group to draft the initial CWPP. The plan was formally adopted by City Council in 2011. The CWPP is intended to be a “living” document however, regular updates are crucial to account for changes in landscape, infrastructure, and community population. It is recommended by the State to update this report every 3-5 years.

BACKGROUND

The CWPP is a locally developed wildfire risk reduction plan authorized under the federal Healthy Forests Restoration Act of 2003. CWPPs identify wildfire hazards, assess risks to people and property, and prioritize



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strategic mitigation actions. These plans are critical for coordinating wildfire preparedness, enhancing community resilience, and accessing state and federal grant funding.

The City of Escondido, which serves the City of Escondido and the Rincon del Diablo Municipal Water District, initiated a CWPP update in August 2025 in collaboration with SWCA Environmental Consultants, the Escondido Fire Department, Emergency Services, and local stakeholders. The planning process included field assessments, GIS-based risk analysis, community engagement, and interagency coordination.

The 2025 CWPP includes:

- A quantitative wildfire hazard and risk assessment
- Identification of vulnerable neighborhoods and infrastructure
- Prioritized list of mitigation projects (e.g., fuel breaks, defensible space initiatives, community outreach)
- Structural ignitability reduction recommendations
- Alignment with state and regional wildfire planning best practices

The draft CWPP was made available for public review and comment from August 18, 2025 to September 17, 2025. Other outreach included a public survey, a booth and information at National Night Out on August 5, 2025, community meetings on September 9, 2025 and September 15, 2025, and stakeholder coordination throughout the process to ensure the plan reflects local needs and priorities.

If adopted, the CWPP will serve as a guiding document for wildfire mitigation, grant applications, and program implementation. Staff will continue to work with local and regional partners to pursue funding and implement the plan's recommendations.

RESOLUTIONS

- a) Resolution No. 2025-112

RESOLUTION NO. 2025-112

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ESCONDIDO, CALIFORNIA, ADOPTING THE 2025
COMMUNITY WILDFIRE PROTECTION PLAN (CWPP)

WHEREAS, the Healthy Forests Restoration Act of 2003 (“HFRA”) authorizes communities to develop Community Wildfire Protection Plans (“CWPPs”) to identify local wildfire risks and prioritize mitigation strategies; and

WHEREAS, the City of Escondido collaborated with key stakeholders, local fire officials, regional partners, and the public to prepare the 2025 CWPP in accordance with HFRA and CAL FIRE guidance; and

WHEREAS, the updated 2025 CWPP includes a wildfire hazard and risk assessment, prioritized mitigation actions, community education strategies, and recommendations for reducing structural ignitability; and

WHEREAS, adoption of the CWPP enhances the City's eligibility for wildfire mitigation funding opportunities and supports long-term community resilience; and

WHEREAS, the draft CWPP was made available for public review and comment prior to finalization.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. That the City Council adopts the 2025 Community Wildfire Protection Plan as the City's official wildfire mitigation and community resilience plan.



STAFF REPORT

October 15, 2025

File Number 0430-30; 0430-80

SUBJECT

FISCAL YEAR 2024/25 FINANCIAL STATUS REPORT AND BUDGET ADJUSTMENT REQUEST

DEPARTMENT

Finance

RECOMMENDATION

Request the City Council (1) receive and file the financial report for FY2024/25 (Attachment “1”) and (2) adopt Budget Adjustments (Attachment “2”) to amend the Fiscal Year 2025/26 operating budget.

Staff Recommendation: Approval (Finance: Christina Holmes, Director of Finance)

Presenter: Christina Holmes, Director of Finance

ESSENTIAL SERVICE – Yes, Police Services; Fire/EMS Services; Keep City Clean for Public Health and Safety; Land Use/Development; Clean Water; Sewer

COUNCIL PRIORITY – Eliminate Structural Deficit

FISCAL ANALYSIS

See Below.

PREVIOUS ACTION

On May 14, 2025, the City Council received the Fiscal Year 2024/25 third quarter financial report.

BACKGROUND

The City Council Budget and Financial Policies require that the City present quarterly financial reports each fiscal year. The purpose of this report is to provide City Council and the public a financial update of selected funds of the City. This report provides the City Council with the analysis of unaudited revenues and expenditures for Fiscal Year 2024/25 in comparison to the adopted Fiscal Year 2024/25 budget for the General Fund. The financial highlights are summarized below.



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Operating revenue has not kept pace with the growing costs of providing City services, and as a result the General Fund long-term financial plan has projected annual deficits creating a structural budget deficit. To address this projected shortfall, the City has maintained a hardline on expenditures and staff are continuously seeking measures that ensure efficiency, while enhancing basic operations. Revenue-generating opportunities have also been explored. In addition, since the Great Recession, the City has controlled costs by annually deferring maintenance and capital project costs. Despite all of these measures, and the City's efforts to fund projects with grants and other sources of one-time funds, it has not been enough to meet growing costs and demand for services.

In the prior fiscal year, the FY2023/24 General Fund operating budget started with a net operating deficit of \$11,295,84. Staff recommendations to close the budget deficit included a combination of using reserve balances as well as deferring major purchases to future years; however, this did not address the structural budget deficit which was projected to be about \$11.3 million in FY2024/25. To address the predicted structural budget gap for the upcoming fiscal year, Departments were directed to submit their FY2024/25 General Fund operating budget at the same level as the prior year, FY2023/24, while prioritizing the City Council's Essential Services and Council Priorities. As a result of Departments minimizing their budgeted expenses and the additional actions described below, the proposed FY2024/25 General Fund Operating Budget is closed without the use of Reserve Funds:

- Library Management Agreement – (\$3,033,490). On January 31, 2024 City Council approved the use of American Rescue Plan Act Funds for the FY2024/25 and FY2025/26 Management Agreement with LS&S.
- California Center for the Arts, Escondido (CCAIE) Management Agreement – (\$1,837,330). On January 31, 2024 City Council approved the use of American Rescue Plan Act Funds for the FY2024/25 Management Agreement with the Foundation and Utilities.
- Humane Society Contract – (\$857,570). The City has a contract with the San Diego Human Society for animal control services, the FY2024/25 operating budget included resources needed to fund the contract through its expiration date of December 31, 2024.
- Elimination of 10 Full-Time Vacation Positions – (\$915,000). The FY2024/25 operating budget also includes the elimination of 10 full-time vacant positions from various departments which reduced employee service expenses by \$915,000

At the end of the fiscal year, General Fund revenues have exceeded the budget amount by \$4.8 million and expenditures are over the budget by \$3.0 million, shown in the table below.

	FY2024/25 ADOPTED BUDGET	FY2024/25 AMENDED BUDGET	ACTUAL RESULTS JUNE 2025	%
Total Operating Revenue	\$133,065,360	\$135,525,410	\$140,339,960	104%
Total Operating Expenditures	(133,524,830)	(137,136,960)	(140,120,460)	102%
Operating Transfers	600,440	600,440	600,440	-
Net Operating Surplus / (Deficit)	\$140,970	(\$1,011,110)	\$819,940	-



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Recommended Budget Adjustments:

Commitments (carryovers) of \$720,795. Commitments are obligations incurred in the FY2024/25 operating budget that were not completed by the end of the fiscal year and, as a result, the remaining obligated amounts will be expended in the new fiscal year. All items have been obligated under a purchase order, the result of a FY2024/25 budget adjustment, or specifically referenced in the FY2024/25 adopted line-item detail budget. Items totaling \$720,795 are as follows:

- For the Fire Department, an order for turnout gear was officially placed on June 9, 2025. Turnout gear takes a few months to manufacturer and will be received and billed in FY26. The GEMT IGT Program includes a 10% annual administrative fee, billed by the Centers for Medicare and Medicaid Services. The FY25 fee was not billed.
- For Development Services, a contract with Matrix is in place for ongoing consulting services. The Avolve software maintenance contract has not yet been billed, and traffic invoice from STC were not received before the yearend close.

Fire Department - \$1,033,540. In the FY2025/26 Measure I Local District Tax Fund, City Council approved the purchase of 3 Sutphen Pumpers; however, the sales tax was not included in the initial estimate so an additional \$341,040 is needed. Two additional vehicles are also requested totaling \$405,000 for the new Chief positions added in the FY2025/26 operating budget. Funds of \$180,000 is requested to replace six CPR devices past their useful life. And an additional \$107,500 is requested for operational needs offset by the reimbursements from CalOES for fire deployments.

Police Department - \$218,040. In FY2020/21 the City Council approved a budget adjustment of \$1,500,000 to purchase a Command Vehicle to replace the City's current unified emergency operations vehicle was purchased in 2010 and outfitted as a command and emergency operations vehicle for Fire and Police incidents. The new vehicle has been completed, an additional \$218,040 is needed to cover taxes and fees.

Park Rangers - \$190,000. In the FY2025/26 Measure I Local District Tax Fund, City Council approved the addition of eight full-time park rangers. Additional vehicles and equipment are needed to support the staff, three Toyota Tacoma trucks and one Polaris UTV for Kit Carson Park totaling \$190,000.

City Clerk's Office - \$54,400. The following is recommended for the City' Clerks Office:

- Laserfiche Document Management System, Additional User Licenses (200) - \$13,725 One-time licensing expansion. The City of Escondido commenced implementation of the Laserfiche enterprise document management system in October 2024, initially procuring 50 user licenses to support the phased deployment strategy encompassing data migration, staff training, and system integration. Following successful pilot implementation, operational demands have demonstrated the need for comprehensive organizational access to maximize system utilization and ensure equitable service delivery across all municipal departments. Significant adoption requests have been received from critical service areas including Utilities and Development Services, reflecting



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the system's strategic value in enhancing operational efficiency and citizen service delivery. The procurement of 200 additional user licenses will enable full organizational deployment, ensuring all City personnel have appropriate access to digital resources necessary for effective municipal operations. This one-time investment establishes the foundation for the upgraded annual licensing tier and represents a critical step toward achieving the City's digital transformation objectives.

- **Records Management and Vault Storage Infrastructure - \$9,300** (\$6,300 one-time implementation; \$3,000 annual service fee). The one-time implementation cost of \$6,300 enables deployment of advanced records management functionality essential for regulatory compliance and operational excellence. This capability integrates the City's comprehensive records retention schedule directly into the Laserfiche platform, ensuring adherence to municipal governance standards, legal requirements, and best practices in public records management. This enhancement facilitates seamless integration with complementary business systems, including electronic signature platforms and departmental applications, creating a unified digital ecosystem that supports efficient document lifecycle management. The integration capabilities will eliminate redundant processes, reduce administrative burden, and enhance cross-departmental collaboration while maintaining strict compliance protocols. The annual vault storage service fee of \$3,000 provides enterprise-grade secure storage infrastructure with advanced encryption, audit trails, and disaster recovery capabilities. This trusted storage solution meets stringent security standards required for sensitive municipal documents and ensures long-term accessibility, integrity, and compliance of critical City records in accordance with public sector governance requirements.
- **System Tier Upgrade and Renewal - \$10,230.** Differential investment above original budget allocation. Exceptional departmental adoption and accelerated digitization initiatives have resulted in storage requirements exceeding initial projections, necessitating an infrastructure upgrade to support continued operational growth. The tier enhancement provides expanded storage capacity, increased user access capabilities, and incorporates premium security features essential for municipal operations. This differential investment of \$10,231.41 represents the variance between the originally allocated \$30,000 budget and the enhanced service tier required to support current operational demands. The upgrade reflects the successful organizational adoption of digital document management practices and positions the City to accommodate future growth while maintaining optimal system performance and service delivery standards.
- **DocuSign Electronic Signature Platform - \$21,127.** Implementation and annual licensing investment. The city proposes to implement DocuSign as the primary electronic signature solution, replacing the existing ContractSafe platform to address persistent operational challenges and enhance service delivery capabilities. Since deploying ContractSafe in June 2023, the City has encountered substantial technical deficiencies including notification system failures, platform instability, and performance issues that have compromised operational efficiency and



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stakeholder satisfaction. DocuSign represents an industry-leading solution with proven reliability, comprehensive security protocols, and advanced integration capabilities that align with the City's digital infrastructure strategy. The platform's native integration with Laserfiche will create a seamless document workflow environment, eliminating manual processes and reducing administrative overhead while ensuring compliance with municipal contracting requirements. This investment encompasses both implementation services and annual licensing, providing immediate operational improvements through enhanced system reliability, improved user experience, and streamlined contract processing workflows. The migration to DocuSign will strengthen the City's digital service delivery capabilities and support more efficient municipal operations while ensuring robust security and compliance standards for all electronic signature transactions.

Economic Development - \$58,600. A budget adjustment for \$23,600 is requested for a Visit Escondido Community Calendar platform which will be used for posting local events and gathering community data with built-in reporting and analytics. Secondly, \$35,000 is requested for a Visit Escondido social media consultant to provide Ongoing social media management and content creation to promote Visit Escondido, boost business visibility, and increase awareness of local events.

Library Infrastructure Project - \$815,000. As part of the library infrastructure project, additional funds are needed to complete the replacement of windows at an estimated cost of \$815,000. These costs are not included in the Library Infrastructure Grant.

Development Services - \$798,330. The following budget amendments are recommended for the Development Services Department:

- On August 13, 2025, City Council approved a contract amendment of \$500,000 with Interwest for on-call building plan review and inspection services. A budget adjustment is needed for this amendment.
- The Department was allocated several new positions as part of the FY 2026 budget, of which, two positions require vehicles on a daily basis for inspections. The department is requesting the addition of two new pick-up trucks to the Department fleet at a cost of \$140,000 inclusive of outfitting.
- Salary and Benefit expenses for the vacant Director of Development Services position was not included in the FY2025/26 Operating Budget. This position has been filled, funding for the remainder of the fiscal year for the salary and benefits are recommended.



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ATTACHMENTS

- a) Attachment "1" – FY2024/25 Fiscal Year Financial Report
- b) Attachment "2" – Budget Adjustment Request



Fiscal Year 2024/25
Financial Report

OVERVIEW

This report summarizes the City's financial position through the fiscal year ending June 30, 2025 for the General Fund. The purpose of the report is to provide City Council, City Management, and the Escondido community an update on the City's fiscal status based on the most recent financial information available. The revenue projections and budget information include adjustments for encumbrances, carryovers, and any other supplemental appropriations approved by the City Council as of June 30, 2025.

This report is for internal use only. The figures presented here are unaudited and have not been prepared in accordance with Generally Accepted Accounting principles (GAAP).

GENERAL FUND

Operating revenue has not kept pace with the growing costs of providing City services since the Great Recession, and as a result, the General Fund long-term financial plan has projected annual deficits creating a structural budget deficit. To address the predicted structural budget gap for the FY2024/25 fiscal year, Departments were directed to submit their General Fund operating budget at the same level as the prior year, FY2023/24, while prioritizing the City Council's Essential Services and Council Priorities. As a result of Departments minimizing their budgeted expenses and the additional actions described below, the proposed FY2024/25 General Fund Operating Budget is closed without the use of Reserve Funds:

- Library Management Agreement – (\$3,033,490). On January 31, 2024 City Council approved the use of American Rescue Plan Act Funds for the FY2024/25 and FY2025/26 Management Agreement with LS&S.
- California Center for the Arts, Escondido (CCAIE) Management Agreement – (\$1,837,330). On January 31, 2024 City Council approved the use of American Rescue Plan Act Funds for the FY2024/25 Management Agreement with the Foundation and Utilities.
- Humane Society Contract – (\$857,570). The City has a contract with the San Diego Human Society for animal control services, the FY2024/25 operating budget included resources needed to fund the contract through its expiration date of December 31, 2024.
- Elimination of 10 Full-Time Vacation Positions – (\$915,000). The FY2024/25 operating budget also includes the elimination of 10 full-time vacant positions from various departments which reduced employee service expenses by \$915,000

The initial projected FY2024/25 General Fund revenue estimate is \$132.9 million, estimated to increase \$5.0 million or 3.9% over the FY2023/24 amended revenue projection. On July 10, 2024 City Council adopted an updated User Fee schedule which moved most fees to full cost recovery, increasing projected General Fund revenue by \$2,601,020.

The total adopted FY2024/25 General Fund Operating Budget is \$134.6 million, an increase of approximately \$6.4 million or 5.0% compared to the FY2023/24 Operating Budget.

At the end of the fiscal year, General Fund revenues have exceeded the budget amount by \$4.8 million and expenditures are over the budget by \$3.0 million, shown in the table below.

General Fund
Comparison of Projected FY2024/25 Operating Budget to Actuals

	FY2024/25 ADOPTED BUDGET	FY2024/25 AMENDED BUDGET	ACTUAL RESULTS JUNE 2025	OVER / (UNDER) AMENDED BUDGET
Total Operating Revenue	\$133,065,360	\$135,525,410	\$140,339,960	\$4,814,550
Total Operating Expenditures	(133,524,830)	(137,136,960)	(140,120,460)	2,983,500
Operating Transfers	600,440	600,440	600,440	-
	\$140,970	(\$1,011,110)	\$819,940	

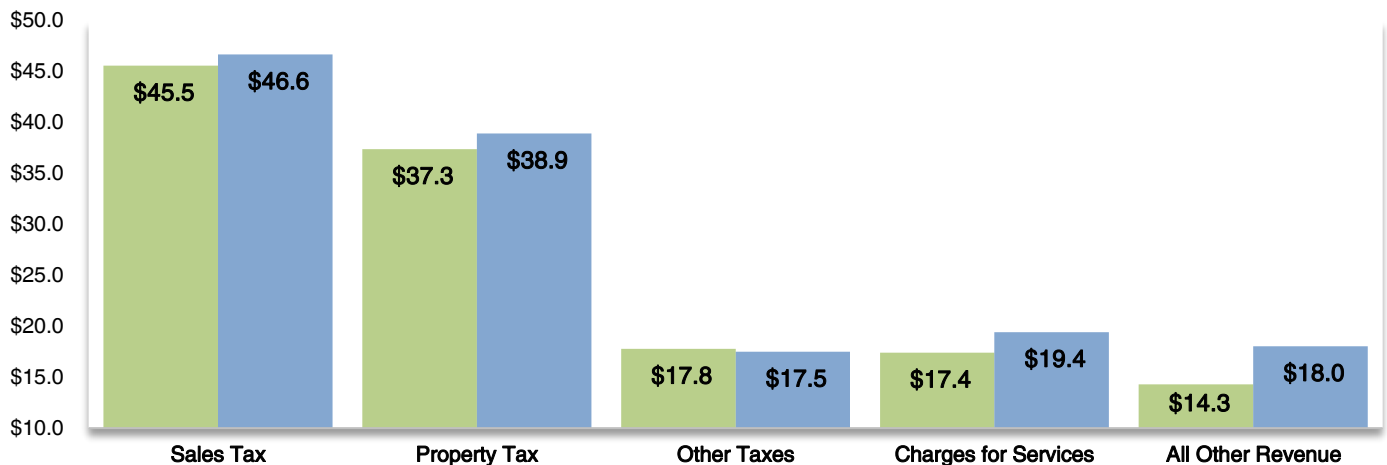
GENERAL FUND REVENUE

The table below compares actual results for General Fund operating revenue as of June 2025 to June 2024.

	FY2024/25 AMENDED BUDGET	ACTUAL RESULTS JUNE 2025	ACTUAL RESULTS JUNE 2024	Prior Year vs. Current Year
Sales Tax	\$47,463,500	46,592,860	\$45,485,940	\$1,106,920
Property Tax	38,249,300	38,851,010	37,314,520	1,536,490
Other Taxes	19,579,850	17,472,750	17,758,110	(285,360)
Charges for Services	17,800,080	19,399,690	17,391,030	2,008,660
Intergovernmental	4,164,000	6,209,340	4,857,230	1,352,110
Fines and Forfeitures	878,700	772,870	693,270	79,600
Permits and Licenses	2,255,630	5,089,180	2,176,300	2,912,880
Rental Income	4,030,980	4,289,210	4,224,150	65,060
Investment Income	814,000	1,389,080	2,025,140	(636,060)
Other Revenue	289,370	273,970	319,180	(45,210)
TOTAL OPERATING REVENUE	\$135,525,410	\$140,339,960	\$132,244,870	\$8,095,090

**GENERAL FUND REVENUE -
CURRENT YEAR VS. PRIOR ACTUALS
(IN MILLIONS)**

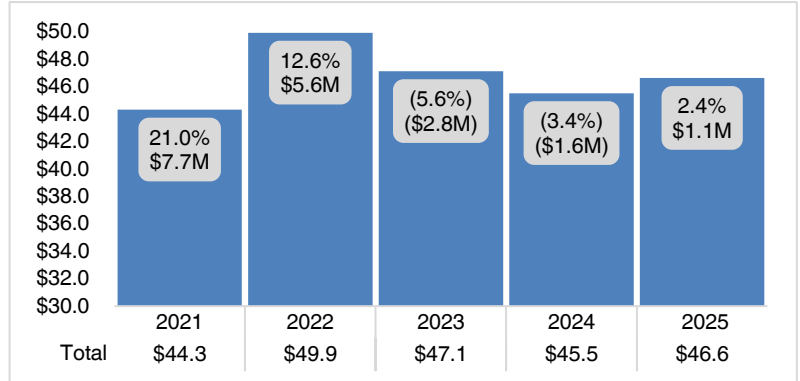
■ FY 2024 ■ FY 2025



Sales Tax (33% of Total General Fund Revenue): \$46.6 million

The City works closely with its sales tax consultants in projecting sales tax revenue. The forecast for FY2024/25 was provided by Avenulnsights and projected a decline of about 4% compared to FY2023/24. There were indicators that a mild recession in FY2024/25 was possible but continued unemployment and tight labor markets indicated that a severe downturn is unlikely.

Actual sales tax receipts increased by \$1,106,92 compared to the prior fiscal year; however, are under the amount budgeted by (\$870,642).



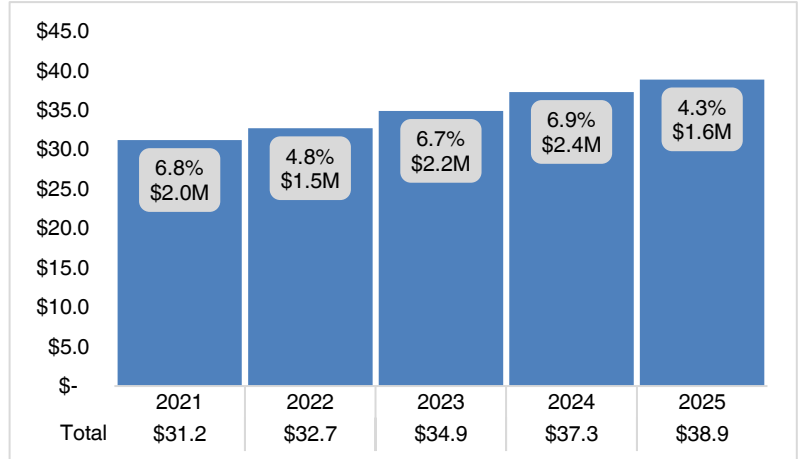
Additional analysis is provided by HdL Companies:

General consumer goods experienced meager proceeds at family apparel and specialty stores as consumers limited their purchases. Building-construction profits were weak, as building materials and contractors saw less demand for their services from commercial investors. Fuel-service stations felt shrinking returns at the pumps as increase fuel supply stabilizes, while advantages to consumers, is challenging for sales tax revenue due to the declining demand. The auto-transportation category enjoyed modest revenues from new car dealers as businesses provided consumers incentives to move vehicles off their lots to make room for newer models. The restaurants-hotels group had positive gross receipts at casual dining and quick-service establishments primarily due to higher menu prices businesses implemented. Furthermore, the business-industry group saw promising profits from garden/ agricultural supplies during this period.

Property Tax (28% of Total General Fund Revenue): \$38.8 million

Property Tax revenue increased by \$1,536,490 or about 4.3% compared to this time in prior year. The property tax that the County collects is based on 1% of the total assessed value of a property and Escondido receives a percentage of the 1%. Under Proposition 13, annual changes in the assessed value are capped at 2%, but property value reassessments occur with changes in ownership

Overall property tax revenue increased by 4.3% or \$1.6 million. Elevated prices and borrowing costs continue to suppress market activity. Statewide single-family home sales declined 7.4% year-over-year in May 2025, while the median sale price increased 0.1%



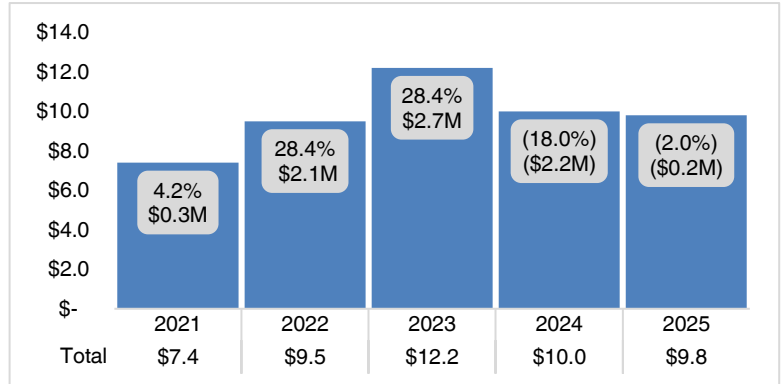
Other Taxes (12% of Total General Fund Revenue): \$17.5million

Other Taxes include franchise fee revenues, transient occupancy tax, and business license revenue and combined have decreased by (\$285,360) compared to the prior year.

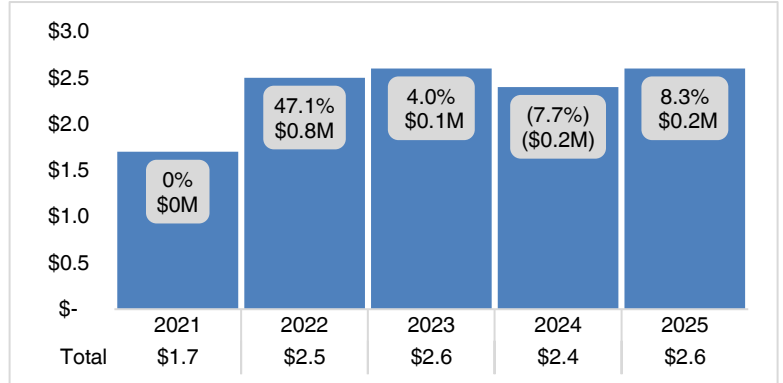
Franchise Fees

The City collects franchise fee revenues from San Diego Gas and Electric (SDG&E), cable companies conducting business within City limits, and Escondido Disposal Incorporated (EDI).

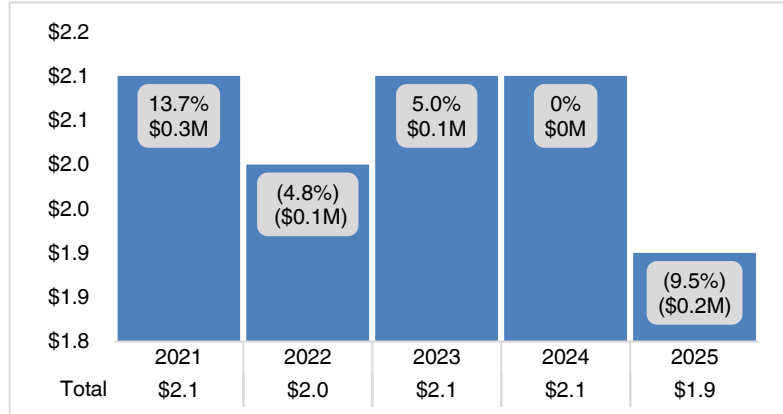
Franchise Fees from Cox declined by \$164,246, from AT&T/DirecTV declined by \$41,755, and fees from SDG&E declined by \$425,266. These declines were offset by a 10% increase, \$360,000, in franchise fees from EDI. Overall revenues received from franchise agreements decreased by \$285,360 from the prior fiscal year.

**Transient Occupancy Tax**

Transient occupancy tax, also known as hotel tax, increased by \$208,959 compared to the prior year. The tourism industry was impacted significantly as a result of the closures, and many forecasted its recovery would take much longer than it has. Between FY2021/22 and FY2022/23, transient occupancy tax receipts increased by 49% from the pre-pandemic levels in March 2020. It is expected that those receipts will remain flat going forward as the activity stabilizes in the industry.

**Business License Revenue**

All entities doing business in the City are required to have a valid business license. The business license tax is calculated based on annual gross receipts. Business license revenue from the 2025 calendar year is based on 2024 gross receipts. Business license revenues decreased by \$182,857 compared to the prior fiscal year. Revenue collected in the third quarter decreased \$88,678 from the same period in 2024. The higher revenue in 2024 was due to the collection of late fees and penalties from delinquent accounts, as well as an increase in new business applications.



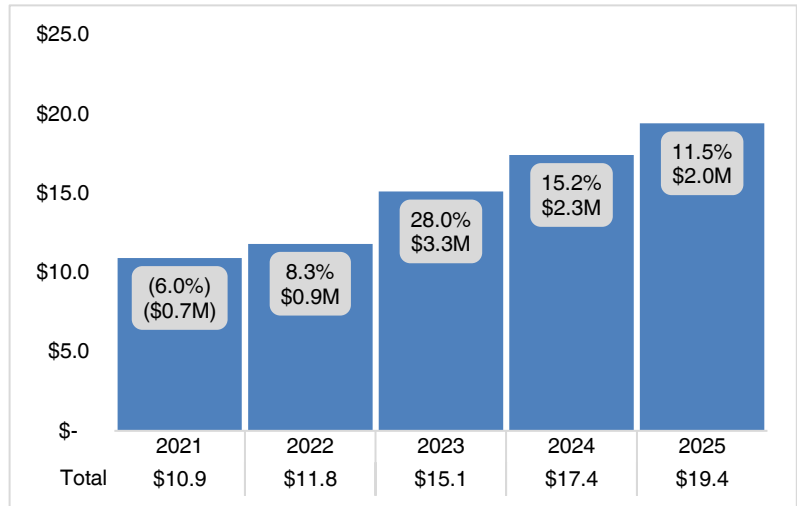
In July 2024, the City Council approved a contract with HdL to provide business license management, compliance, and collection services. The new online system successfully went live in June 2025, and renewal letters from May and June were processed at that time. Program start-up costs of \$57,473 negatively impacted June revenue. In addition to processing the renewals, HdL will also be performing compliance services to ensure all businesses in the city have a valid business license.

Charges for Services (14% of Total General Fund Revenue): \$19.4 million

Charges for Services include paramedic fees, Community Services fees for recreational and community activities, and charges for development related services, which include Engineering and Planning fees.

In July 2024 the City Council approved a User Fee schedule that set all direct benefit user fees to 100% full cost recovery effective September 2024. Direct Benefit Fees include Building, Planning, Engineering, Development Technology, Long-Range Planning, Fire Prevention, and Facility Rentals. Recreation program fees were moved to full cost recovery or the top of the market. If there is no comparator for a specific fee, the fee was increased by 10% to step closer to full cost recovery.

The adoption to this fee schedule increased Development Services revenue by \$505,000 or 10.0% from the prior fiscal year and Community Services program revenue increased \$47,280 or 3% from the prior fiscal year.



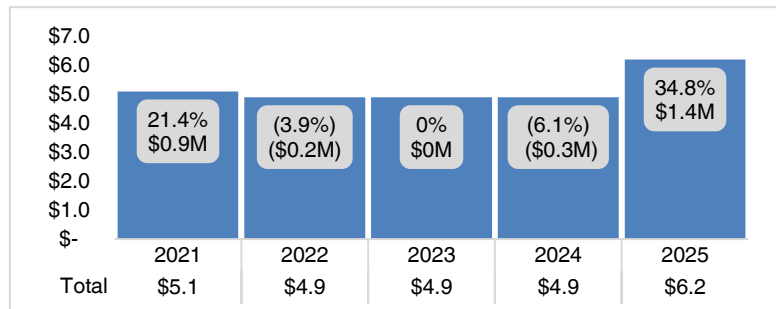
The city is receiving new revenue due to the Ground Emergency Medical Transportation Program implemented at the end of FY2023 that utilizes Federal funding to supplement the ambulance billing revenue received for medical transports. As a result of this new program, revenue increased by \$1.6 million this fiscal year.

Intergovernmental (4% of Total General Fund Revenue): \$6.2 million

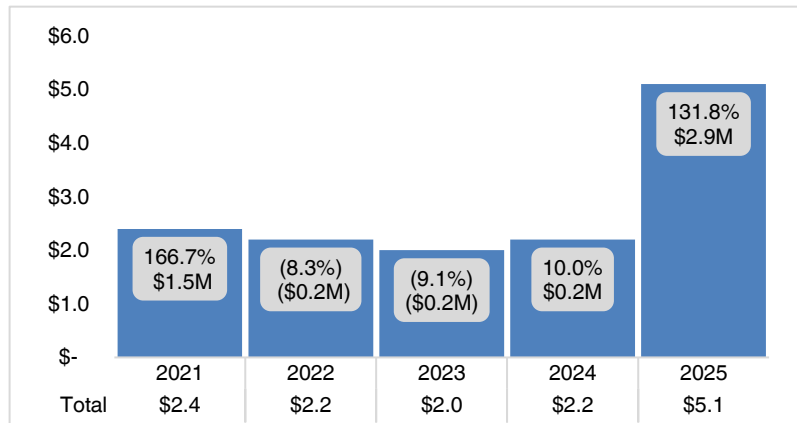
Intergovernmental revenue includes the Rincon fire services agreement, state mandated cost claims, various grants, and revenue received from the fire mutual aid reimbursements.

Overall revenue has increased \$1.4 million compared to the prior year.

The City's Fire Department staff can be deployed to assist other State agencies with responses to fires and other incidents. The California Office of Emergency Services reimburses the City for the time and resources of the staff deployed. As of June 2025, reimbursements of \$1,411,532 have been recorded compared to just over \$245,000 in the prior fiscal year.

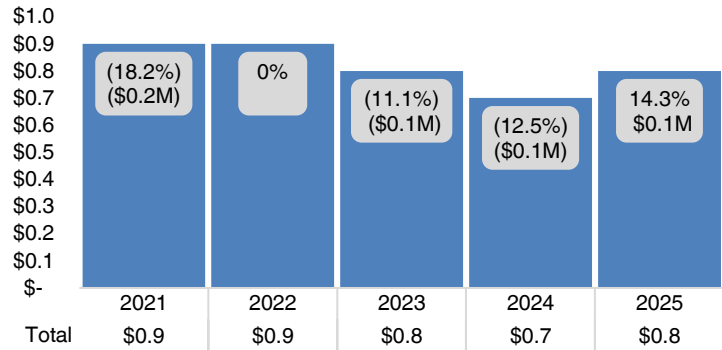
**Permits and Licenses (4% of Total General Fund Revenue): \$5.1 million**

Revenue generated from permits and licenses increased by \$2,912,880 compared to fiscal year 2023/24. In July 2024 the City Council approved a User Fee schedule that set all direct benefit user fees to 100% full cost recovery, including Building Permit Fees. Construction and development activity also continues driving building permit revenue compared to previous fiscal years.

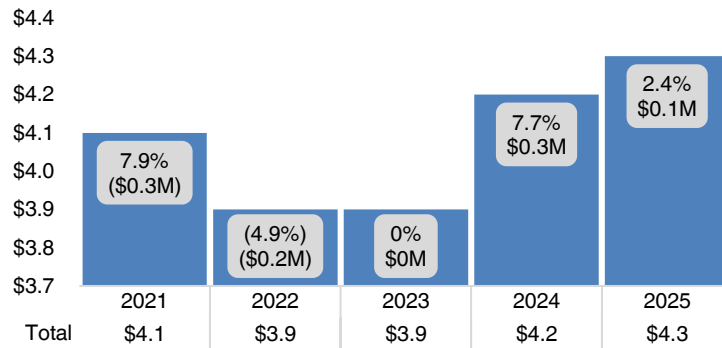


Fines & Forfeitures (1% of Total General Fund Revenue): \$772,870

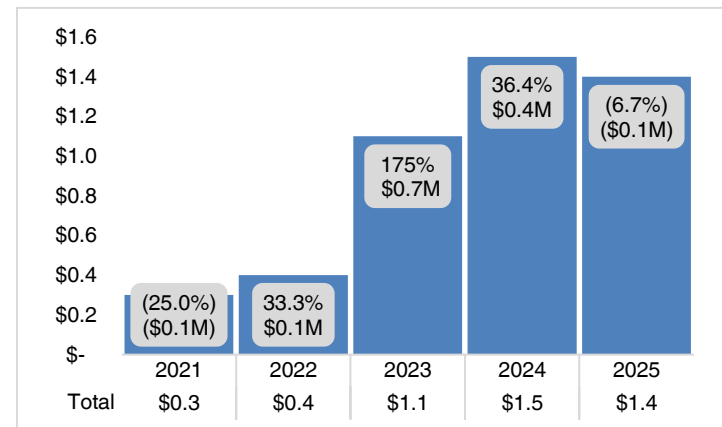
Fines & Forfeitures represent fees collected for vehicle code fines, parking ticket fines, other court fines, code enforcement citations, and impound fees. Overall revenue has increased by \$79,600 compared to the prior fiscal year.

**Rental Income (3% of Total General Fund Revenue): \$4.3 million**

The City receives lease and rental income from City owned properties, shared revenue with the City of San Diego for activity at the Vineyard Golf Course, and small cell tower lease revenue. Overall revenue has increased by \$65,060 compared to the prior fiscal year primarily due to increased receipts from the Vineyard Golf Course.

**Investment and Other Revenues (1% of Total General Fund Revenue): \$1,663,050**

Investments and Other Revenue includes interest earned from investing activities, and other miscellaneous receipts and combined decreased by \$681,270 compared to the prior year.



GENERAL FUND OPERATING EXPENDITURES

The total adopted FY2024/25 General Fund Operating Budget is \$134.6 million, an increase of approximately \$6.4 million or 5.0% compared to the FY2023/24 Operating Budget. In order to address an \$11 million budget deficit, Library Management Services and California Center for the Arts Management Services are funded by American Rescue Plan Act, the contract with the Humane Society was funded through December, and the City eliminated 10 full-time positions.

The following table includes cumulative expenditure comparisons for General Fund departments as of June 2025.

	FY2024/25 AMENDED BUDGET	ACTUAL RESULTS JUNE 2025	Over / (Under) Budget	% Of Budget
General Government Services	\$8,056,630	\$7,796,990	(\$259,639)	97%
Community Services	6,811,600	6,517,620	(293,982)	96%
Development Services	9,413,880	8,545,620	(868,260)	98%
Public Works	13,938,230	15,289,620	1,351,392	110%
Police	60,180,500	60,959,050	778,547	101%
Fire	36,017,840	37,807,540	1,789,703	105%
California Center for the Arts	1,282,180	1,287,480	5,300	100%
Other Expenditures	2,036,100	1,916,540	(119,559)	94%
TOTAL OPERATING EXPENDITURES	\$137,136,960	\$140,120,460	\$2,983,503	102%

The city continues to be impacted by a competitive labor market, as a result of recurring vacant positions and long recruitment efforts there are expenditure savings in regular salary and benefits through June 2025. Overtime expenses exceed the budgeted amount by \$4.2 million. However, the increase in overtime expenses was offset by savings in employee services due to vacant positions during the fiscal year.

	FY2024/25 AMENDED BUDGET	ACTUAL RESULTS JUNE 2025	Over / (Under) Budget	% Of Budget
Regular Salaries	\$65,522,280	60,285,360	(\$5,236,920)	92%
Overtime	6,156,800	10,373,880	4,217,080	168
Benefits & Employee Overhead	44,623,900	43,836,230	(787,670)	98
SUBTOTAL EMPLOYEE SERVICES	\$116,302,980	\$114,495,470	(\$1,807,510)	98%
Maintenance and Operations	21,778,560	24,183,710	2,405,150	111
Internal Service Charges	17,124,220	17,124,220	-	100
Allocations	(17,468,800)	(15,082,940)	2,385,860	86%
SUBTOTAL OPERATING EXPENDITURES	\$22,688,270	\$26,224,990	\$4,791,010	122%
Historical Cost Savings Reduction	(600,000)	(600,000)	-	-
TOTAL OPERATING EXPENDITURES	\$138,391,250	\$139,559,510	\$2,983,500	102%

The following tables show each department's operating expenses through June 2025 compared to the amended budget for FY2024/25 as well as the list of Budget Adjustments approved this fiscal year:

GENERAL GOVERNMENT SERVICES	FY2024/25 ADOPTED BUDGET	BUDGET ADJUSTMENTS	FY2024/25 AMENDED BUDGET	ACTUAL RESULTS JUNE 2025	Over / (Under) Budget	% Of Budget
City Council	\$414,950	\$25,000	\$439,950	\$375,015	(\$64,935)	85%
City Manager	1,799,630	156,760	1,958,390	1,776,518	(181,872)	90%
City Attorney	170,550	51,360	221,910	172,673	(49,237)	78%
City Clerk	642,520	-	642,520	607,634	(34,886)	95%
City Treasurer	180,110	-	180,110	185,202	5,092	113%
Finance	1,658,170	-	1,658,170	1,880,340	222,170	113%
Human Resources	717,430	-	717,430	626,415	(91,015)	94%
Information Systems	1,471,640	-	1,471,640	1,458,034	(13,606)	99%
Communications & Digital Media	729,810	36,700	766,510	715,160	(51,350)	93%
TOTAL GENERAL GOVERNMENT	\$7,784,810	\$271,820	\$8,056,630	\$7,796,991	(\$259,639)	98%

City Treasurer: Investment software costs exceeded the budget amount by \$4,238

Finance: Wittman Paramedic Services provides ambulance billing services for the city. The fee for services is a percentage of revenue (4.5%) billed so as the ambulance revenue fees increase so do the fees for service. The amount exceeded the budgeted amount by \$147,372 this fiscal year.

COMMUNITY SERVICES	FY2024/25 ADOPTED BUDGET	BUDGET ADJUSTMENTS	FY2024/25 AMENDED BUDGET	ACTUAL RESULTS JUNE 2025	Over / (Under) Budget	% Of Budget
Recreation	\$4,744,940	\$ -	\$4,744,940	\$4,502,737	(\$242,203)	95%
Main Library*	543,970	95,000	638,970	825,250	186,280	129%
Older Adult Services	729,830	-	729,830	688,851	(40,979)	94%
Senior Nutrition	697,860	-	697,860	500,780	(197,080)	72%
TOTAL COMMUNITY SERVICES	\$6,716,600	\$95,000	\$6,811,600	\$6,517,618	(\$293,982)	96%

*Library Management Services with LS&S are funded by American Rescue Plan Act Funds in FY2024/25 & FY2025/26. Expenses are for maintenance and internal service charges which are offset by reimbursements from LS&S.

DEVELOPMENT SERVICES	FY2024/25 ADOPTED BUDGET	BUDGET ADJUSTMENTS	FY2024/25 AMENDED BUDGET	ACTUAL RESULTS JUNE 2025	Over / (Under) Budget	% Of Budget
Planning	\$2,633,330	\$472,500	\$4,744,940	\$2,733,156	(\$372,674)	88%
Building	2,005,690	73,640	2,079,330	1,697,211	(382,119)	82%
Engineering	2,973,100	55,010	3,028,110	2,902,872	(125,239)	96%
Code Compliance	1,140,820	59,790	1,200,610	1,212,382	11,772	101%
TOTAL DEVELOPMENT SERVICES	\$8,752,940	\$660,940	\$9,413,880	\$8,545,621	(\$868,260)	98%

Code Compliance: Expenses exceed the amount budgeted due to the contract with 4Leaf for professional services, partially offset by savings in employee services

	FY2024/25 ADOPTED BUDGET	BUDGET ADJUSTMENT S	FY2024/25 AMENDED BUDGET	ACTUAL RESULTS JUNE 2025	Over / (Under) Budget	% Of Budge t
PUBLIC WORKS						
Street Maintenance	\$9,280,510	\$171,790	\$9,452,300	\$10,545,289	\$1,092,989	112%
Park Maintenance	4,485,930	-	4,485,930	4,752,355	266,425	106%
Radio Communications	-	-	-	(8,022)	(8,022)	0%
TOTAL PUBLIC WORKS	\$13,736,440	\$171,790	\$13,938,230	\$15,289,622	\$1,351,392	110%

Street and Parks Maintenance: Overtime costs exceeded the amount budgeted by \$188,570. Utility costs for SDG&E exceeded the amount budgeted by \$285,235. In addition, the amount budgeted to programs and projects was updated during the fiscal year. Employee service costs of \$89,100 was budgeted towards the CDBG Graffiti program which was not funded in FY2025. The amount of staff time budgeted to Storm Drain Maintenance and Permitted Channel Cleaning was decreased by Environmental Programs from \$956,000 to \$800,000. Streets Maintenance also covered several unanticipated expenses, including: Operation Harmony Grove: \$80,000, Reidy Creek Golf Course Pond Clearing: \$75,000, Daley Ranch Bio Monitoring: \$52,000

	FY2024/25 ADOPTED BUDGET	BUDGET ADJUSTMENTS	FY2024/25 AMENDED BUDGET	ACTUAL RESULTS JUNE 2025	Over / (Under) Budget	% Of Budget
POLICE DEPARTMENT						
Police Department	\$58,229,080	\$1,951,420	\$60,180,500	\$60,959,047	\$778,547	101%

Historically as a cost savings measure in previous budget cycles, the Police Department has used savings in personnel costs to cover actual expenses of the police department maintenance and operations budget. As the Police Department vacant positions are filled and staffing levels increase, the cost savings in employee services will no longer cover the critical operation expenses. This was addressed in the FY2025/26 operating budget, Measure I funds are now contributing to the overall Police Department Budget.

	FY2024/25 ADOPTED BUDGET	BUDGET ADJUSTMENTS	FY2024/25 AMENDED BUDGET	ACTUAL RESULTS JUNE 2025	Over / (Under) Budget	% Of Budget
FIRE DEPARTMENT						
Fire Department	\$35,636,680	\$381,160	\$36,017,840	\$37,752,746	\$1,734,906	105%

The Fire Department exceed the amount budgeted as a result of overtime expenses. CalOES reimburses the city for overtime expenses when firefighters are deployed to assist with fire events. In FY2025, \$1,411,532 was received from CalOES for time and other equipment expenses.

	FY2024/25 ADOPTED BUDGET	BUDGET ADJUSTMENTS	FY2024/25 AMENDED BUDGET	ACTUAL RESULTS JUNE 2025	Over / (Under) Budget	% Of Budget
CENTER FOR THE ARTS						
California Center for the Arts*	\$1,282,180	\$-	\$1,282,180	\$1,287,480	\$5,300	100%

*Center for the Arts Management Services with the CCAE Foundation are funded by American Rescue Plan Act Funds in FY2024/25. Expenses are for maintenance and internal service charges, and \$5,300 for a Steinway piano rebuild.

	FY2024/25 ADOPTED BUDGET	BUDGET ADJUSTMENTS	FY2024/25 AMENDED BUDGET	ACTUAL RESULTS JUNE 2025	Over / (Under) Budget	% Of Budget
OTHER EXPENSES						
Non-Departmental Community Relations	\$1,956,100	\$80,000	\$2,036,100	\$1,916,541	(\$119,559)	94%

The following table is a list of General Fund budget amendments approved by City Council this fiscal year:

DEPARTMENT	DESCRIPTION	CITY COUNCIL DATE	AMOUNT
Multiple Departments	Revenue: Adjusted User Fees to Full Cost Recovery, increasing the projected revenue	July 10, 2024	(\$2,601,020)
Police Department	COPPS Unit Expansion: 4 Police Officers, Supplies, and Vehicles	June 19, 2024	1,013,000
Street Maintenance	COPPS Unit Expansion: 2 Maintenance Technicians and 1 Truck	June 19, 2024	246,790
City Manager's Office	Position Reclassification for the Short-Term Rental Program	July 10, 2024	65,340
Fire Department	Additional funding for Medix Ambulances	December 4, 2024	157,752
Police Department	Renewal of the San Diego Humane Society Contract	December 4, 2024	768,708
Multiple Departments	Harmony Grove Emergency Declaration	December 16, 2024	4,000,000
Multiple Departments	Carryovers from Fiscal Year 2023/24	February 19, 2025	258,310
Multiple Departments	Additional funding for the ERP Project	February 19, 2025	407,700
Library	Library utilities and relocation consulting	February 19, 2025	95,000
City Manager's Office	Addition of a Management Analyst II position	February 19, 2025	31,470
City Attorney's Office	Addition of a Deputy City Attorney and Legal Assistant – STR Program	February 19, 2025	51,360
Police Department	Addition of a Program Coordinator – STR Program	February 19, 2025	23,930
Code Compliance	Addition of 2 Code Enforcement Officers & 2 Vehicles – STR Program	February 19, 2025	138,530
Development Services	Addition of 1 Principal Planner, 1 Senior Planner, 1 Associate Planner, and 1 Senior Administrative Assistant	February 19, 2025	161,640
City Council	Sister City Program	February 26, 2025	25,000
Fire Department	Firefighters Association MOU	March 26, 2025	310,500
Police Department	Police Officers Association MOU	March 26, 2025	445,780
Economic Development	Indigenous Culture & Art Festival	April 2, 2025	61,950
Community Services – Library	Library Relocation Services	April 9, 2025	828,000
Development Services	Second Amendment to the Matrix Contract	April 16, 2025	300,000

GENERAL FUND AVAILABLE FUND BALANCES

General Fund Reserve

In December 2015, City Council adopted a Fund Balance Policy and established a General Fund target Reserve balance of 25% of General Fund operating revenues in order to maintain adequate levels of fund balance. This goal is based on a risk-based analysis to mitigate current and future risks, adequately provide for cash flow requirements, and to fund one-time unanticipated expenditure requirements.

Total General Fund budgeted operating revenue in FY2024/25 is \$132,924,390 and 25% of this amount is \$33,231,098. The current General Fund Reserve balance is \$17,392,319, or 13% of budgeted operating revenue, which is below the identified acceptable risk-based analysis adopted by City Council and general government practices.

Section 115 Irrevocable Pension Trust Fund

In February 2018, City Council authorized the establishment of a Section 115 Irrevocable Pension Trust Fund. The Trust Fund is used to set aside and hold money to meet future pension liabilities and can be used to provide economic relief during recessionary cycles and/or rate increases that are significantly above anticipated projected employee rate increases. Funds placed in this Trust can also be used to offset the City's "normal" CalPERS costs, such that if funds are necessary for other purposes, a certain amount of flexibility is present. Another benefit is that funds held in the Trust can be invested in the same manner as funds in a typical pension fund rather than as part of the City's General Fund, which means a potentially higher rate of return.

When the Pension Trust Fund was established, a funding policy for contributions to the Fund was recommended and included the four years of annual Successor Agency Redevelopment Loan Repayments of \$14 million that began in FY2018/19, future proceeds from the sale of City Property belonging to the General Fund, and a portion of General Fund surplus at the end of each fiscal year, if one exists.

On June 30, 2025, the Section 115 Pension Trust Fund had a balance of \$37,259,260.95 which included City contributions of \$31,257,650 plus investment earnings net of expenses of \$7,985,610. The Trust Fund has a 3-year rate of return of 7.28%, a 1-year rate of return of 8.62%, and a 3-month rate of return of 3.93%.

The following table provides a summary of the activity since the establishment of the Trust Fund.

Section 115 Pension Trust Fund

<i>Initial Deposit – General Fund</i>	\$1,984,000
<i>General Fund Operating Results (5 years)</i>	20,705,235
<i>Successor Agency Advance Repayments</i>	8,568,415
<i>Investment Earnings, net of expenses</i>	7,985,610
Balance as of June 30, 2025	\$37,259,260

General Fund Other Available Resources

The General Fund has accumulated unrestricted resources in the fund that are available for City Council direction. The General Fund reported an Operating Surplus in FY2022/23 and FY2023/24. American Rescue Plan Act Lost Revenue funds were also fully recognized and used to support General Fund Public Safety services during this same timeframe. In January 2024 City Council approved the use of a portion of those funds totaling \$5,221,000 listed below. In FY2024/25 two properties were sold by the city resulting in net revenue of \$4,816,695. Additional funds have been allocated during the fiscal year with City Council approval.

DESCRIPTION	CITY COUNCIL DATE	AMOUNT
General Fund FY2022/23 Operating Surplus		\$3,167,030
General Fund FY2023/24 Operating Surplus (net of carryovers)		678,299
ARPA Lost Revenue		10,000,000
Utility Allocation	January 31, 2024	(1,500,000)
Grand Avenue – Kalmia Roundabout	January 31, 2024	(1,221,000)
Splash Pad in Grove Park	January 31, 2024	(2,500,000)
Net Resources FY2023/24		\$8,624,329
Sale of Animal Shelter Facility	November 25, 2024	4,386,192
Sale of 707 S. Hale Avenue	December 23, 2024	430,503
Operation Harmony Grove	December 16, 2024	(4,000,000)
Library Utilities and Preliminary Relocation Costs	February 19, 2025	(95,000)
Additional Funding for the ERP Project	February 19, 2025	(327,700)
Temporary Library Relocation	April 9, 2025	(828,000)
Net Available General Fund Resources		\$8,190,324

FOR MORE INFORMATION

This summary report is based on detailed information generated by the City's Finance department. If you have any questions or would like additional information on this report, please contact the Finance department at (760) 839-4676 or visit www.escondido.gov.



BUDGET ADJUSTMENT REQUEST

Department:	Finance
Department Contact:	Christina Holmes
City Council Meeting Date: (attach staff report)	October 15, 2025

EXPLANATION OF REQUEST

Fiscal Year 2024/25 Financial Status Report - Carryovers and Budget Amendments

BUDGET ADJUSTMENT INFORMATION

Project / Account Description	Ledger Accounts	Spend Category	Cost Center	Fund	Amount of Increase / (Decrease)
Carryovers	Supplies	Safety Equipment	Fire	1001	85,710
Carryovers	Professional Services	Professional Services	Fire	1001	94,715
Carryovers	Professional Services	Professional Services	Building	1001	37,720
Carryovers	Professional Services	Professional Services	Engineering	1001	33,970
Carryovers	Professional Services	Professional Services	Planning	1001	313,610
Carryovers	Professional Services	Professional Services	Building	1001	95,000
Carryovers	Professional Services	Professional Services	Engineering	1001	60,080
Carryovers	Repairs and Maintenance	Maintenance of Equipment	Wastewater	1558	138,890
Carryovers	Professional Services	Professional Services	Wastewater	1558	244,500
Carryovers	Professional Services	Professional Services	Environmental Programs	1558	305,780
Carryovers	Professional Services	Professional Services	Recycling	1561	67,780

Attachment "2"

Project / Account Description	Ledger Accounts	Spend Category	Cost Center	Fund	Amount of Increase / (Decrease)
Carryovers	Repairs and Maintenance	Repair Parts	Fleet Services	1653	19,230
Carryovers	Repairs and Maintenance	Outside Repairs	Fleet Services	1653	12,730
Carryovers	Capital Outlay	Motive Equipment	Fleet Services	1653	3,122,000
Sales Tax on Pumpers	Capital Outlay	Motive Equipment	Fire	1001	341,040
2 New Vehicles	Capital Outlay	Motive Equipment	Fire	1001	405,000
CPR Machines	Capital Outlay	Equipment	Fire	1001	180,000
CalOES Reimbursements	Supplies	Safety Equipment	Fire	1001	107,500
Command Vehicle	PROJECT: Command Vehicle	Motive Equipment	Police	1229 (from 1001)	218,040
4 New Vehicles	Capital Outlay	Motive Equipment	Parks Maintenance	1001	190,000
City Clerk's Contracts	Professional Services	Professional Services	City Clerk's Office	1001	54,400
Library Capital Project	PROJECT: Library Infrastructure	Capital Outlay	Library	1229 (from 1001)	815,000
Interwest Consulting Agreement	Professional Services	Professional Services	Building	1001	500,000
Two New Vehicles	Capital Outlay	Motive Equipment	Engineering	1001	140,000
Development Services Director	Employee Services	Employee Services	Planning	1002	158,330
Visit Escondido Expenses	Professional Services	Professional Services	Economic Development	1001	58,600

APPROVALS

	FINANCE	DATE

KEY-

CONSENT CALENDAR CURRENT BUSINESS
PUBLIC HEARING WORKSHOP PROCLAMATION

Item 17.



CITY of ESCONDIDO

FUTURE AGENDA

10/22/2025

CURRENT BUSINESS - (J. SCHOENECK) - ECONOMIC DEVELOPMENT DEPARTMENT COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDs) UPDATE

10/29/2025 - NO MEETING (5TH WEDNESDAY)

11/5/2025

CONSENT CALENDAR - (C. MCKINNEY) - BID AWARD FOR THE STORM DRAIN PIPE LINING AND REHABILITATION PROJECT PHASE IV