City Council Meeting Agenda

January 27, 2026
6:00 PM
City of Turlock Yosemite Room
156 S. Broadway, Turlock, California

Mayor
Amy Bublak*

Council Members
Kevin Bixel
Cassandra Abram

Erika Phillips
Rebecka Monez
(Vice Mayor)

*via telephone at 901 Massachusetts Avenue NW, Washington, DC 20001

Interim City Manager
Sue Borrego
City Clerk
Nichole Fiez
City Attorney
George A. Petrulakis

SPEAKER CARDS: To accommodate those wishing to address the Council and allow for staff follow-up, speaker cards are available for any agendized topic or any other topic delivered under Public Comment. Please fill out and provide the Comment Card to the City Clerk or Police Officer.

NOTICE REGARDING NON-ENGLISH SPEAKERS: The Turlock City Council meetings are conducted in English and translation to other languages is not provided. Please make arrangements for an interpreter if necessary.

EQUAL ACCESS POLICY: If you have a disability which affects your access to public facilities or services, please contact the City Clerk's Office at (209) 668-5540. The City is committed to taking all reasonable measures to provide access to its facilities and services. Please allow sufficient time for the City to process and respond to your request.

NOTICE: Pursuant to California Government Code Section 54954.3, any member of the public may directly address the City Council on any item appearing on the agenda, including Consent Calendar and Public Hearing items, before or during the City Council's consideration of the item. Members of the public will be allowed three (3) minutes for comments.

AGENDA PACKETS: Prior to the City Council meeting, a complete Agenda Packet is available for review on the City's website at www.cityofturlock.org and in the City Clerk's Office at 156 S. Broadway, Suite 230, Turlock, during normal business hours. Materials related to an item on this Agenda submitted to the Council after distribution of the Agenda Packet are also available for public inspection in the City Clerk's Office. Such documents may be available on the City's website subject to staff's ability to post the documents before the meeting.

1. **CALL TO ORDER**

2. **SALUTE TO THE FLAG**

3. **ROLL CALL AND DECLARATION OF CONFLICTS**

4. **APPROVAL OF AGENDA AS POSTED OR AMENDED**

   This is the time for the City Council to remove items from the agenda or to change the order of the agenda. Matters may be taken up out of order of the established agenda by a four-fifths vote of the

City Council.

5. **PROCLAMATIONS, RECOGNITIONS, APPOINTMENTS, ANNOUNCEMENTS, PRESENTATIONS, AND BRIEFINGS**

   A. Turlock Partnership Incentive Program Check Presentation: Javier Padilla CPA, Inc. (Economic Development)

   B. Industrial Ratepayer Assistance Program Presentation (Municipal Services)

6. **PUBLIC PARTICIPATION**

   Pursuant to California Government Code Section 54954.3(a), this portion of the meeting is set aside for members of the public to address the City Council on matters that are not listed on tonight's agenda but are within the subject matter jurisdiction of the City Council. Speakers will be allowed up to three (3) minutes for their comments. Speakers who wish to address a matter listed later on the agenda may be asked to wait until that item is heard. Comments on matters outside the Council's subject matter jurisdiction may be ruled out of order by the presiding officer and not permitted to continue. Pursuant to Government Code Section 54954.2(a)(3), the City Council may not take action or engage in substantive discussion on items not listed on the posted agenda. However, the Council or staff may briefly respond to public comments, refer matters to staff, or request that a topic be placed on a future agenda.

7. **CITY MANAGER REPORTS/UPDATES**

   City Manager reports/updates are provided for informational purposes only and no action or discussion may be undertaken. The City Manager may direct department heads to provide reports/updates at the City Manager's request.

8. **CONSENT CALENDAR**

   All matters listed under the Consent Calendar are considered routine and will be enacted by one motion with no separate discussion. Any item may be removed from the Consent Calendar and considered separately at the request of the Mayor or any Councilmember. Prior to Council action, members of the public may address the Council on the Consent Calendar. If during their Consent Calendar comments, a member of the public requests removal of an item for separate consideration, the Mayor or a Councilmember may do so. Public comment on the Consent Calendar is limited to one (1) minute per speaker, regardless of the number of items addressed by the speaker.

   A. Accepting the Weekly demands of January 1, 2026, through January 15, 2026, in the total amount of $7,754,830.05, and the Investment and Cash report for November and December 2025 in the total amount of $626,067,322.35 (Finance)

   B. Accepting the Minutes of the January 13, 2026 City Council Meeting, the Minutes of the January 14, 2026 City Council Special Meeting, and the Minutes of the January 22, 2026 City Council Special Meeting (City Clerk)

   C. Accepting improvements for City Project 24-033 "Transit Center EV Chargers" and authorizing the City Engineer to file a Notice of Completion (Engineering)

D. Awarding bid and approving an agreement with Safe-T-Lite of Modesto, Inc. for the rental of traffic control devices (Maintenance)

E. Authorizing a five-year banking services contract with WestAmerica Bank, in a form approved by the City Attorney, up to $300,000 annually, with a five-year extension option (Finance)

F. Approving an Agreement with L.N. Curtis & Sons for Miscellaneous Fire/Rescue Equipment for One Year Not to Exceed an Annual Amount of $100,000 (Fire Department)

9. **FINAL READINGS**

10. **PUBLIC HEARINGS**

11. **ACTION ITEMS**

A. Authorizing Agreement with Legacy Health Endowment to Continue Person-Centered Care Program and Appropriate $300,000 of American Resue Plan Act Funds (Risk Management)

B. Approving the Measure A Annual Accountability Report for the Fiscal Year 2024-2025 (Finance)

C. Authorizing the Sale of Properties Located at 537 Birchwood Way and 591 Birchwood Way to a Non-Profit Organization (Housing)

D. Adopting Reduced Capital Facilities Fees to Promote Business Growth (Finance)

E. Authorizing to Allow Modesto Fire Administration Services Agreement to Conclude on June 30, 2026 without Executing Two-Year Extension (Finance)

F. Authorizing Agreement with Badger Meter, Inc. for the Purchase of Water Meters for $6,218,334.28, to be Expensed from Fund 420 “Water" (Utilities)

G. Awarding Bid and Authorizing an Agreement with Dynamic Pavement Inc for Speed Lumps at Berkeley Roundabouts in the amount of $25,472.00 (Engineering)

12. **COUNCILMEMBER COMMENTS, ANNOUNCEMENTS AND FUTURE ITEMS**

13. **CLOSED SESSION**

A. Public Employee Resignation/Discipline/Dismissal/Release, Cal Gov't Code §54957

B. Conference with Labor Negotiators, Cal. Gov’t Code §54957.6(a)
“Notwithstanding any other provision of law, a legislative body of a local agency may hold closed sessions with the local agency's designated representatives regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits of its represented and unrepresented employees, and, for represented employees, any other matter within the statutorily provided scope of representation.”
Agency Designated Representative: Interim City Manager, Sue Borrego
Employee Organization: Turlock Management Association-Public Safety

14. **REPORTS FROM CLOSED SESSION**

15. **ADJOURNMENT**

Temporary Industrial Ratepayer Assistance Program

CITY OF TURLOCK - PROGRAM UPDATE & PARTICIPATION STATUS

Christopher Fisher
Municipal Services Director
January 27, 2025

Program Overview

(Reminders)

- Purpose: Provide temporary financial assistance to Significant Industrial Users (SIUs defined in TMC 6-4-103) affected by sewer rate increases.
- Industrial users face higher costs due to proportional cost-of-service analysis.
- Funding Source: $2.18M from penalty fees collected under TMC 6-4-505.
- Duration: Until allocated funds are exhausted.
    - Final month’s assistance will be shared equally by percentage across all participants.
- Participation: SIUs must sign an agreement to enroll.

Last presentation: August 12, 2025

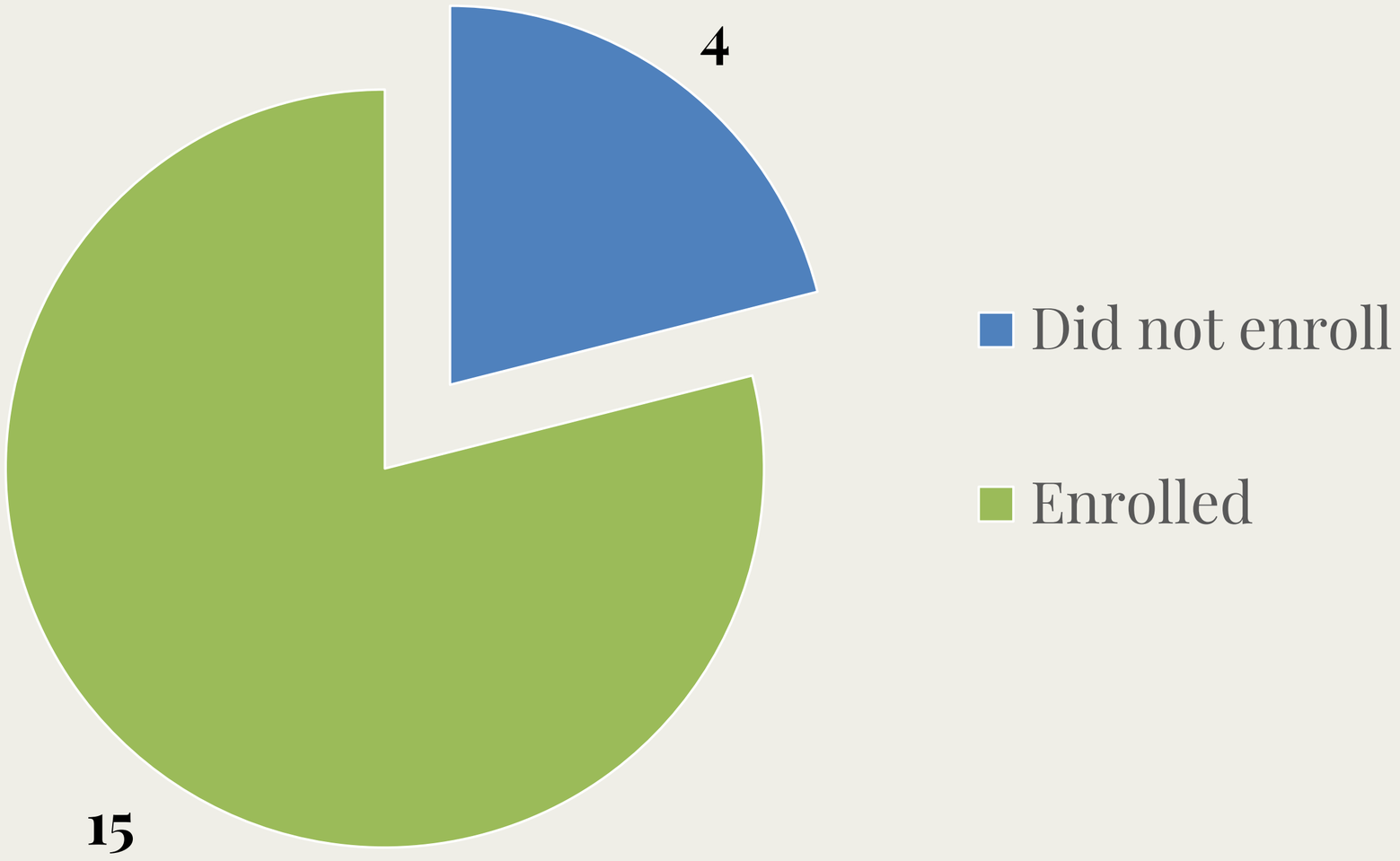
Background and Justification

- Sewer Rate Study conducted by NBS identified cost imbalances.
- Industrial users contributed 32.8% of revenue but represented 52.4% of net costs.
- Proposition 218 compliance required adjustments.
- New rates adopted on Oct. 8, 2024, effective Jan. 1, 2025.
- SIUs face significant increases, prompting need for temporary relief.
- Council established a temporary Industrial Ratepayer Assistance Program.

Key Features of the Program

- No repayment required unless agreement terms are violated.
- Participants waive right to legally challenge sewer rate increases.
- Assistance ends when allocated funds are depleted.
- Assistance Program provides 25% to total bill value, which means, on average, the City covers 37% of the increase.

Participants



Assistance

- Funds have been exhausted.
- The last month of full 25% assistance was applied to November’s bill.
- December’s bill saw just 4.05% assistance applied to each participant’s bill.

Next Steps

- Staff have sent an email, regular mail, and hand delivery notification of the program coming to an end.
- Staff are committed to following the standard that rate studies shall be conducted on a more frequent basis to avoid sudden changes in user rates for our customers – TMC 6-4-409

Payment Register

From Payment Date: 1/2/2026 - To Payment Date: 1/8/2026

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
AP - Accounts Payable									
Check									
151839	01/05/2026	Open			Accounts Payable	AT&T California, AT&T Wholesale, AT&T DataComm	$321.00		
	Invoice		Date	Description			Amount		
	12/18/25		12/18/2025	Monthly Internet Service - 12/19/25-1/18/26			$214.00		
	12/22/25		12/22/2025	PSF Monthly Internet Service - 12/23/25-1/22/26			$107.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$107.00		
	501 - Information Technology			501.11000 (Cash)			$214.00		
151840	01/05/2026	Open			Accounts Payable	FEDERAL EXPRESS	$94.98		
	Invoice		Date	Description			Amount		
	9-119-10935		12/26/2025	SHIPPING CHARGES FOR 12/26/25			$94.98		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$94.98		
151841	01/08/2026	Open			Accounts Payable	ALTA Language Services, Inc.	$69.00		
	Invoice		Date	Description			Amount		
	IS823823		12/31/2025	Alta December Invoice 2025			$69.00		
	Paying Fund			Cash Account			Amount		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$34.50		
	420 - WATER			420.11000 (Cash)			$34.50		
151842	01/08/2026	Open			Accounts Payable	AMERICAN MESSAGING	$16.80		
	Invoice		Date	Description			Amount		
	R1061876AA		01/01/2026	Acct #R1-061876 - Fire Department			$16.80		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$16.80		
151843	01/08/2026	Open			Accounts Payable	Arthur Shawn Avalos dba Mid Valley Window Tinting	$300.00		
	Invoice		Date	Description			Amount		
	1064		12/03/2025	WINDOW TINT FOR POL24-1397 & POL24-1403			$300.00		
	Paying Fund			Cash Account			Amount		
	506 - Vehicle/Equipment Replacement			506.11000 (Cash)			$300.00		
151844	01/08/2026	Open			Accounts Payable	AT&T / CALNET 3	$7,568.85		
	Invoice		Date	Description			Amount		
	000024520541		12/13/2025	BAN #9391034901 (T1 LINE - 4-way split) 11/13/25-12/12/25			$155.40		
	000024520395		12/13/2025	BAN #9391034842 / PSF Phones 2096323265 (11/13/25-12/12/25)			$469.37		
	MULTI 12/13/25		12/13/2025	Multiple COT accounts paid on 1/8/25 (NOV-DEC 2025)			$6,208.36		
	000024520399		12/13/2025	BAN #9391034847 /City-wide system 2096682612957 (11/13-12/12/25)			$735.72		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$6,815.26		
	205 - Sports Facilities			205.11000 (Cash)			$52.03		
	217 - Streets - Gas Tax			217.11000 (Cash)			$6.32		
	246 - Landscape Assessment			246.11000 (Cash)			$6.32		
	255 - CDBG			255.11000 (Cash)			$27.81		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$213.33		

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
	420 - WATER			420.11000 (Cash)			$74.76		
	426 - Transit			426.11000 (Cash)			$131.17		
	501 - Information Technology			501.11000 (Cash)			$153.29		
	505 - Fleet			505.11000 (Cash)			$88.56		
151845	01/08/2026	Open			Accounts Payable	AT&T MOBILITY	$2,746.49		
	Invoice		Date	Description			Amount		
	6865X10272025		10/19/2025	POLICE SEP 20 - OCT 19 2025			$2,746.49		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$2,746.49		
151846	01/08/2026	Open			Accounts Payable	BKS Law Firm, A Professional Corporation	$2,235.00		
	Invoice		Date	Description			Amount		
	November 2025		12/09/2025	SRWA - Legal Services for 2025-26 November 2025			$2,235.00		
	Paying Fund			Cash Account			Amount		
	950 - SRWA - JPA			950.11000 (Cash)			$2,235.00		
151847	01/08/2026	Open			Accounts Payable	BORDOVA OUTFITTERS LLC	$4,686.57		
	Invoice		Date	Description			Amount		
	U-12697		12/12/2025	Fall Adult Softball Shirts			$1,592.04		
	U-12738		12/12/2025	51st Annual Turkey Trot Shirts			$3,094.53		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$4,686.57		
151848	01/08/2026	Open			Accounts Payable	CENTRAL VALLEY BUSINESS FORMS	$1,713.18		
	Invoice		Date	Description			Amount		
	264424		12/16/2025	AP WHITE WINDOW ENVELOPES QTY:6000			$1,713.18		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$571.06		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$571.06		
	420 - WATER			420.11000 (Cash)			$571.06		
151849	01/08/2026	Open			Accounts Payable	CHAMPION INDUSTRIAL	$6,585.66		
	Invoice		Date	Description			Amount		
	86048		12/11/2025	SECTION 3: OCT. 2025- CITY HALL & BOILER TURNING			$1,959.14		
	86006		12/07/2025	SRWA - Champion Monthly PM/Scheduled Maintenance Oct 2025			$4,626.52		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$1,104.17		
	501 - Information Technology			501.11000 (Cash)			$854.97		
	950 - SRWA - JPA			950.11000 (Cash)			$4,626.52		
151850	01/08/2026	Open			Accounts Payable	CHARTER COMMUNICATIONS	$333.75		
	Invoice		Date	Description			Amount		
	0006514121525		12/15/2025	INTERNET AT CITY BLDGS; SENIOR CENTER; MARTY YERBY & RUBE BOESCH			$333.75		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$333.75		

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151851	01/08/2026	Open			Accounts Payable	Chemtrade Chemicals Corp DBA Chemtrade Chemicals	$3,982.89		

Invoice	Date	Description	Amount
90333489	12/12/2025	SRWA SUPPLY AND DELIVERY OF Aluminum Sulfate 12.12.25	$3,982.89

Paying Fund	Cash Account	Amount
450 - SRWA - Operations	450.11000 (Cash)	$3,982.89

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151852	01/08/2026	Open			Accounts Payable	CINTAS FIRST AID AND SAFETY, CINTAS CORP NO 2	$507.77		

Invoice	Date	Description	Amount
5307697910	12/12/2025	SRWA Medical Supplies 12.12.25	$136.06
5309292207	12/22/2025	First Aid & Safety Supplies Management - TPD	$293.70
5309292209	12/22/2025	First Aid & Safety Supplies Management - City Hall	$78.01

Paying Fund	Cash Account	Amount
110 - General Fund	110.11000 (Cash)	$371.71
450 - SRWA - Operations	450.11000 (Cash)	$136.06

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151853	01/08/2026	Open			Accounts Payable	ClearSource Financial Consulting	$7,800.00		

Invoice	Date	Description	Amount
UFC1225-489	01/06/2026	Comprehensive User Fee Study and Cost Allocation Plan Bill #1	$7,800.00

Paying Fund	Cash Account	Amount
110 - General Fund	110.11000 (Cash)	$7,800.00

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151854	01/08/2026	Open			Accounts Payable	COLUMBIA MACHINE WORKS INC	$19,310.27		

Invoice	Date	Description	Amount
9254	12/16/2025	CLARIFIER #4 PARTS	$19,310.27

Paying Fund	Cash Account	Amount
410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)	$19,310.27

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151855	01/08/2026	Open			Accounts Payable	CSJVRMA	$676,606.00		

Invoice	Date	Description	Amount
INV0457	12/19/2025	CSJVRMA 2025/26 Q3 Deposits	$676,606.00

Paying Fund	Cash Account	Amount
512 - Casualty Insurance	512.11000 (Cash)	$676,606.00

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151856	01/08/2026	Open			Accounts Payable	CULLIGAN INC	$45.05		

Invoice	Date	Description	Amount
CD3170251	01/05/2026	Water Softener Exchange Service for Transit 1/1-1/31/2026	$45.05

Paying Fund	Cash Account	Amount
426 - Transit	426.11000 (Cash)	$45.05

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151857	01/08/2026	Open			Accounts Payable	EDGES ELECTRICAL GROUP LLC	$292.97		

Invoice	Date	Description	Amount
S6611441.001	12/11/2025	supplies	$292.97

Paying Fund	Cash Account	Amount
410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)	$292.97

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151858	01/08/2026	Open			Accounts Payable	EQUIFAX	$9.66		

Invoice	Date	Description	Amount
2069359265	12/17/2025	PD BACKGROUNDS	$9.66

Paying Fund	Cash Account	Amount

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
	110 - General Fund			110.11000 (Cash)			$9.66		
151859	01/08/2026	Open			Accounts Payable	FEDERAL EXPRESS	$27.56		
	Invoice		Date	Description			Amount		
	9-126-80438		01/02/2026	SHIPPING CHARGES FOR 1/2/26			$27.56		
	Paying Fund			Cash Account			Amount		
	205 - Sports Facilities			205.11000 (Cash)			$13.78		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$13.78		
151860	01/08/2026	Open			Accounts Payable	GOMES & SONS INC, JOE M	$28,198.97		
	Invoice		Date	Description			Amount		
	99523		12/15/2025	CUST #24090 - Fuel Expense for 12/1/25 - 12/15/25			$27,237.61		
	99372		12/05/2025	Fuel for Fire #3			$961.36		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$15,289.31		
	205 - Sports Facilities			205.11000 (Cash)			$454.80		
	217 - Streets - Gas Tax			217.11000 (Cash)			$2,298.96		
	246 - Landscape Assessment			246.11000 (Cash)			$1,253.60		
	255 - CDBG			255.11000 (Cash)			$34.56		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$2,704.74		
	420 - WATER			420.11000 (Cash)			$2,737.13		
	426 - Transit			426.11000 (Cash)			$2,968.71		
	450 - SRWA - Operations			450.11000 (Cash)			$450.74		
	505 - Fleet			505.11000 (Cash)			$6.42		
151861	01/08/2026	Open			Accounts Payable	Government Consulting Partners, Inc.	$6,600.00		
	Invoice		Date	Description			Amount		
	168		01/05/2026	SB90 State Mandated Cost Claiming Project Progress Billing #1			$6,600.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$6,600.00		
151862	01/08/2026	Open			Accounts Payable	Guarantee Janitorial Service	$7,264.21		
	Invoice		Date	Description			Amount		
	3088		01/01/2026	Bus Stop Cleaning and Waste Removal December 2025			$7,264.21		
	Paying Fund			Cash Account			Amount		
	426 - Transit			426.11000 (Cash)			$7,264.21		
151863	01/08/2026	Open			Accounts Payable	HCI SYSTEMS, INC	$1,993.00		
	Invoice		Date	Description			Amount		
	I0139877		11/25/2025	SERVICE CALL; CITY HALL- REPAIRS TO FIRE SPRINKLERS 11/18/2025			$1,993.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$1,993.00		
151864	01/08/2026	Open			Accounts Payable	HD SUPPLY INC, DBA USABLUEBOOK	$264.42		
	Invoice		Date	Description			Amount		
	INV00906317		12/10/2025	SRWA supplies - Electrolyte			$132.21		
	INV00906608		12/10/2025	SRWA supplies - Electrolyte			$132.21		
	Paying Fund			Cash Account			Amount		
	450 - SRWA - Operations			450.11000 (Cash)			$264.42		

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151865	01/08/2026	Open			Accounts Payable	JARVIS FAY LLP	$8,280.00		
	Invoice		Date	Description			Amount		
	21164		11/30/2025	SPECIAL COUNSEL SERVICES CFD No. 3 November 2025			$2,404.50		
	21161		11/30/2025	SPECIAL COUNSEL SERVICES General Legal Advice November 2025			$962.50		
	21163		11/30/2025	SPECIAL COUNSEL SERVICES Sidewalk Repairs November 2025			$4,388.00		
	21162		11/30/2025	SPECIAL COUNSEL SERVICES Water Rate Study November 2025			$525.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$7,755.00		
	420 - WATER			420.11000 (Cash)			$525.00		
151866	01/08/2026	Open			Accounts Payable	K.B.R. Inc dba Rash Curtis & Associates	$916.22		
	Invoice		Date	Description			Amount		
	6250-357		11/07/2025	RASH CURTIS UT OCT 2025			$916.22		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$286.78		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$200.29		
	420 - WATER			420.11000 (Cash)			$429.15		
151867	01/08/2026	Open			Accounts Payable	Lamar Transit, LLC	$1,700.00		
	Invoice		Date	Description			Amount		
	117732999		01/05/2026	2025 Holiday Bus Wrap			$1,700.00		
	Paying Fund			Cash Account			Amount		
	426 - Transit			426.11000 (Cash)			$1,700.00		
151868	01/08/2026	Open			Accounts Payable	MALLORY CO FIRE	$1,288.79		
	Invoice		Date	Description			Amount		
	6284997		10/29/2025	GAS MONITOR			$1,288.79		
	Paying Fund			Cash Account			Amount		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$1,288.79		
151869	01/08/2026	Open			Accounts Payable	Mark Thomas & Company, Inc.	$3,976.40		
	Invoice		Date	Description			Amount		
	58070		12/15/2025	23-067 Design Task Order 3 Roads CIP-November 2025			$3,976.40		
	Paying Fund			Cash Account			Amount		
	115 - Measure A - Roads			115.11000 (Cash)			$3,976.40		
151870	01/08/2026	Open			Accounts Payable	MARTIN MARIETTA MATERIALS INC	$81.77		
	Invoice		Date	Description			Amount		
	48139086		12/16/2025	ASPHALT			$81.77		
	Paying Fund			Cash Account			Amount		
	219 - SB1 Road Maint & Rehab Account			219.11000 (Cash)			$81.77		
151871	01/08/2026	Open			Accounts Payable	Matrix Design Group, Inc.	$28,490.80		
	Invoice		Date	Description			Amount		
	0000048981		12/15/2025	Professional Services through 11/30/25			$28,490.80		
	Paying Fund			Cash Account			Amount		
	301 - Capital Improvements			301.11000 (Cash)			$28,490.80		

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151872	01/08/2026	Open			Accounts Payable	MICROBAC LABORATORIES, INC. dba GEOANALYTICAL LAB	$17,787.40		

Invoice	Date	Description	Amount
725000139	10/28/2025	SRWA LABORATORY ANALYSIS SERVICES 10.07.25	$802.60
725000131	10/28/2025	SRWA LABORATORY ANALYSIS SERVICES 9.08.25	$466.60
725000140	10/28/2025	SRWA LABORATORY ANALYSIS SERVICES 10.16.25	$110.25
725000162	10/29/2025	SRWA LABORATORY ANALYSIS SERVICES 9.08.25	$331.50
725000321	10/31/2025	SRWA LABORATORY ANALYSIS SERVICES 10.07.25	$835.00
725000796	12/02/2025	SRWA LABORATORY ANALYSIS SERVICES 11.06.25	$168.00
725000845	12/03/2025	SRWA LABORATORY ANALYSIS SERVICES 11.06.25	$362.25
725001139	12/29/2025	Annual Priority Pollutants - Liquid Sludge	$1,597.30
725001150	12/29/2025	Annual Priority Pollutants - Liquid Sludge	$170.50
725001152	12/29/2025	UDF Trial	$1,289.40
725001151	12/29/2025	UDF Trial	$1,902.90
725001154	12/29/2025	Corrosion Control WQP Monitoring - Well 38 (Final Effluent)	$43.00
725001153	12/29/2025	Corrosion Control WQP Monitoring - Terminal Tank Pump Station	$64.00
725001091	12/23/2025	Weekly Wastewater Sampling - Ammonia	$40.70
725001090	12/23/2025	Weekly Wastewater Sampling - Ammonia	$40.70
725001089	12/23/2025	Monthly Laboratory Dilution Water	$44.00
725001092	12/23/2025	Bimonthly Wastewater Analysis - Total Phosphorus	$46.20
725001062	12/18/2025	DW - Well 38 Monthly Analysis	$331.80
725001070	12/22/2025	Annual Biosolids	$1,802.00
725001059	12/18/2025	Annual Priority Pollutants - Effluent	$2,721.40
725001029	12/17/2025	Bimonthly Wastewater Analysis - Nitrate & Nitrate as N	$66.00
725001027	12/17/2025	Downtown PCE Remediation Project	$1,512.00
725001028	12/17/2025	Drinking Water Well analysis - 524 (PCE)	$307.50
725001026	12/17/2025	Quarterly Wastewater Analysis	$54.60
725001024	12/17/2025	Corrosion Control WQP Monitoring - Sites	$619.50
725001025	12/17/2025	Quarterly Wastewater Analysis	$54.60
725001012	12/17/2025	Annual Priority Pollutants - Influent	$2,003.10

Paying Fund	Cash Account	Amount
410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)	$8,641.10
420 - WATER	420.11000 (Cash)	$6,070.10
950 - SRWA - JPA	950.11000 (Cash)	$3,076.20

151873	01/08/2026	Open			Accounts Payable	MOTOROLA INC	$424,052.30		

Invoice	Date	Description	Amount
1188085202	12/22/2025	MOTOROLA SYSTEM UPGRADE AGREEMENT YEAR 6 07/01/25 - 06/30/26	$132,965.07
8230535892	12/22/2025	MOTOROLA SERVICE AGREEMENT RENEWAL JULY 2025 - JUNE 2026	$291,087.23

Paying Fund	Cash Account	Amount
110 - General Fund	110.11000 (Cash)	$10,482.00
116 - Special Public Safety	116.11000 (Cash)	$350,675.30

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From Payment Date: 1/2/2026 - To Payment Date: 1/8/2026

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		$15,723.00			
	420 - WATER			420.11000 (Cash)		$16,720.00			
	426 - Transit			426.11000 (Cash)		$19,970.00			
	505 - Fleet			505.11000 (Cash)		$10,482.00			
151874	01/08/2026	Open			Accounts Payable	NBS GOVERNMENT FINANCE GROUP	$1,250.00		
	Invoice		Date	Description		Amount			
	202512-3755		12/08/2025	Development Impact Fee Comparison through November 25, 2025		$1,250.00			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		$1,250.00			
151875	01/08/2026	Open			Accounts Payable	NOKIA OF AMERICA CORPORATION	$9,300.00		
	Invoice		Date	Description		Amount			
	4026409082		12/03/2025	YEAR 5 OF 5 - ANNUAL TECH. SUPPORT AGREEMENT 12.01.25 - 11.30.26		$9,300.00			
	Paying Fund			Cash Account		Amount			
	116 - Special Public Safety			116.11000 (Cash)		$9,300.00			
151876	01/08/2026	Open			Accounts Payable	NV5 INC.	$1,745.00		
	Invoice		Date	Description		Amount			
	475123		08/31/2025	SR03, 23-046 Well 29 Chlorination-8/31/25		$1,745.00			
	Paying Fund			Cash Account		Amount			
	420 - WATER			420.11000 (Cash)		$1,745.00			
151877	01/08/2026	Open			Accounts Payable	OFFICIA IMAGING INC DBA MO-CAL OFFICE SOLUTIONS	$78.28		
	Invoice		Date	Description		Amount			
	AR1355028		12/10/2025	STAPLE CARTRIDGES FOR BULK PRINTER		$78.28			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		$78.28			
151878	01/08/2026	Open			Accounts Payable	Operational Technical Services, LLC	$8,294.70		
	Invoice		Date	Description		Amount			
	5253		12/03/2025	SRWA - Senior Operator MC 12.01.25 - 12.03.25		$8,294.70			
	Paying Fund			Cash Account		Amount			
	450 - SRWA - Operations			450.11000 (Cash)		$8,294.70			
151879	01/08/2026	Open			Accounts Payable	P G & E	$215.49		
	Invoice		Date	Description		Amount			
	REC 12/24/25		12/24/2025	2749172768-4 / 144 S Broadway		$215.49			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		$215.49			
151880	01/08/2026	Open			Accounts Payable	PRECISION CONCRETE CUTTING	$3,163.23		
	Invoice		Date	Description		Amount			
	56381		12/18/2025	SIDEWALK OFFSET REPAIR 11.25.25-11.26.25		$356.62			
	56380		12/18/2025	SIDEWALK OFFSET REPAIR 11.24.25-11.25.25		$2,806.61			
	Paying Fund			Cash Account		Amount			
	301 - Capital Improvements			301.11000 (Cash)		$3,163.23			

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151881	01/08/2026	Open			Accounts Payable	REED INC, GEORGE	$1,319.68		
	Invoice		Date	Description			Amount		
	100386167		12/11/2025	ASPHALT			$704.15		
	100379779		10/06/2025	ASPHALT			$109.69		
	100386207		12/12/2025	ASPHALT			$109.69		
	100386080		12/11/2025	ASPHALT			$103.28		
	100385957		12/10/2025	ASPHALT			$292.87		
	Paying Fund			Cash Account			Amount		
	219 - SB1 Road Maint & Rehab Account			219.11000 (Cash)			$1,319.68		
151882	01/08/2026	Open			Accounts Payable	Rexel USA, Inc.	$425.06		
	Invoice		Date	Description			Amount		
	6W18389		12/12/2025	SUPPLIES			$11.10		
	6W35761		12/17/2025	MUNI SERVICES DEPARTMENT SUPPLIES			$252.39		
	6W39034		12/16/2025	MUNI SERVICES DEPARTMENT SUPPLIES			$161.57		
	Paying Fund			Cash Account			Amount		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$425.06		
151883	01/08/2026	Open			Accounts Payable	ROBERTSON - BRYAN INC	$1,048.00		
	Invoice		Date	Description			Amount		
	17277.5		11/30/2025	NPDES PERMIT COMPLIANCE SERVICES			$1,048.00		
	Paying Fund			Cash Account			Amount		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$1,048.00		
151884	01/08/2026	Open			Accounts Payable	SEEGERS PRINTING INC	$76.04		
	Invoice		Date	Description			Amount		
	0146896-IN		12/16/2025	Business Cards Engineering-J Avila			$76.04		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$76.04		
151885	01/08/2026	Open			Accounts Payable	SIEGFRIED ENGINEERING INC	$1,255.67		
	Invoice		Date	Description			Amount		
	50927		11/12/2025	23-069 Design Services Task Order 2 CIP-October 2025			$1,255.67		
	Paying Fund			Cash Account			Amount		
	115 - Measure A - Roads			115.11000 (Cash)			$1,255.67		
151886	01/08/2026	Open			Accounts Payable	Sloan Sakai Yeung & Wong LLP	$3,465.00		
	Invoice		Date	Description			Amount		
	60132		11/30/2025	Sloan Sakai Services November 2025			$3,465.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$3,465.00		
151887	01/08/2026	Open			Accounts Payable	STANISLAUS CO SHERIFF'S	$26,595.06		
	Invoice		Date	Description			Amount		
	9670		10/01/2025	LPR MONTHLY FEES OCT - DEC 2025			$26,595.06		
	Paying Fund			Cash Account			Amount		
	240 - Small Equipment Replacement			240.11000 (Cash)			$26,595.06		
151888	01/08/2026	Open			Accounts Payable	STANISLAUS COUNTY	$4,820.00		
	Invoice		Date	Description			Amount		
	TP25002333		12/18/2025	F25020 - MISC TRUST, FUND 7900, ORG AC06200, ACCT 02650			$4,820.00		
	Paying Fund			Cash Account			Amount		

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
	110 - General Fund			110.11000 (Cash)			$4,820.00		
151889	01/08/2026	Open			Accounts Payable	STORER TRANSIT SYSTEMS	$344,514.05		
	Invoice		Date	Description			Amount		
	10177T		12/17/2025	Management and Operation of Turlock Transit Nov 2025			$344,514.05		
	Paying Fund			Cash Account			Amount		
	426 - Transit			426.11000 (Cash)			$344,514.05		
151890	01/08/2026	Open			Accounts Payable	TANK TOWN MEDIA LLC	$396.00		
	Invoice		Date	Description			Amount		
	98121		12/31/2025	Tracy Press Chief Building Official Ad 12/12/25-12/26/25			$270.00		
	98186		12/31/2025	Tracy Press Water Treatment Plt. Op. Sr. Ad 12/19/25-12/19/25			$126.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$270.00		
	450 - SRWA - Operations			450.11000 (Cash)			$126.00		
151891	01/08/2026	Open			Accounts Payable	TARGETSOLUTIONS LEARNING LLC DBA VECTOR SOLUTIONS	$17,061.00		
	Invoice		Date	Description			Amount		
	INV131411		12/31/2025	Premier Membership & Maintenance Fee			$17,061.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$17,061.00		
151892	01/08/2026	Open			Accounts Payable	TID	$1,149.77		
	Invoice		Date	Description			Amount		
	073009014-2025-A		12/30/2025	State of assessment 073009014 1st Installment			$124.60		
	043038024-2025-A		12/30/2025	State of assessment 043038024 1st Installment			$876.79		
	044015008-2025-A		12/30/2025	State of assessment 044015008 1st Installment			$148.38		
	Paying Fund			Cash Account			Amount		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$1,149.77		
151893	01/08/2026	Open			Accounts Payable	TOWNSEND PUBLIC AFFAIRS INC	$5,500.00		
	Invoice		Date	Description			Amount		
	24525		01/06/2026	Consulting Services for December 2025			$5,500.00		
	Paying Fund			Cash Account			Amount		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$2,750.00		
	420 - WATER			420.11000 (Cash)			$2,750.00		
151894	01/08/2026	Open			Accounts Payable	TURLOCK SCAVENGER CO INC	$124.91		
	Invoice		Date	Description			Amount		
	0003090599		11/30/2025	SRWA 6 yd Bin Service December 2025			$124.91		
	Paying Fund			Cash Account			Amount		
	950 - SRWA - JPA			950.11000 (Cash)			$124.91		
151895	01/08/2026	Open			Accounts Payable	TURLOCK UMPIRE GROUP	$6,408.00		
	Invoice		Date	Description			Amount		
	2025-10		12/12/2025	Fall Softball Umpire Invoice			$5,400.00		
	2025-11		12/12/2025	Fall Softball Umpire Invoice			$1,008.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$6,408.00		

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151896	01/08/2026	Open			Accounts Payable	UNIVAR SOLUTIONS USA, LLC dba UNIVAR SOLUTIONS USA	$21,368.52		

Invoice	Date	Description	Amount
53542525	12/14/2025	SRWA Supply & Del. Of Calcium Thio, 12.14.25	$4,398.79
53551737	12/16/2025	SODIUM HYPOCHLORITE	$16,969.73

Paying Fund	Cash Account	Amount
410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)	$16,969.73
450 - SRWA - Operations	450.11000 (Cash)	$4,398.79

151897	01/08/2026	Open			Accounts Payable	UTILITY TELECOMP GROUP LLC	$1,280.53		

Invoice	Date	Description	Amount
0128444260101	01/01/2026	Acct #128444 - Public Safety internet service	$917.93
0131803260101	01/01/2026	Acct #131803 - Transit Center telephone	$362.60

Paying Fund	Cash Account	Amount
110 - General Fund	110.11000 (Cash)	$917.93
426 - Transit	426.11000 (Cash)	$362.60

151898	01/08/2026	Open			Accounts Payable	VERIZON WIRELESS	$10,208.26		

Invoice	Date	Description	Amount
6130146318	12/03/2025	972530635-00023 ENGINEERING - Nov 4-Dec 3 2025	$1,205.05
6130146323	12/03/2025	972530635-00030 WQC - Nov 4-Dec 3 2025	$494.13
6130146327	12/03/2025	972530635-00037 Master Radio WQC - Nov 4-Dec 3 2025	$42.65
6130146324	12/03/2025	972530635-00032 Electrical WQC - Nov 4-Dec 03 2025	$52.82
6130146322	12/03/2025	972530635-00029 UTILITIES - Nov 4-Dec 3 2025	$1,321.94
6130146328	12/03/2025	972530635-00038 SRWA Monthly Service & Equipment 12.03.25	$482.04
6130146317	12/03/2025	POLICE NOV 04 -DEC 03 2025	$4,656.32
6130146316	12/03/2025	Human Relations Verizon 11/4/25-12/3/25	$41.39
6130146325	12/03/2025	972530635-00033 Transit Nov 4-Dec 3, 2025	$301.81
6130146326	12/03/2025	972530635-00036 Maintenance Nov 4-Dec 3, 2025	$489.16
6130146321	12/03/2025	972530635-00028 Recreation Nov 4-Dec 3, 2025	$691.86
6130146320	12/03/2025	972530635-00026 - CM/CA/EDC/CC - Verizon	$429.09

Paying Fund	Cash Account	Amount
110 - General Fund	110.11000 (Cash)	$6,655.56
205 - Sports Facilities	205.11000 (Cash)	$68.03
217 - Streets - Gas Tax	217.11000 (Cash)	$259.75
246 - Landscape Assessment	246.11000 (Cash)	$80.02
270 - Recreation Grants	270.11000 (Cash)	$414.48
410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)	$1,185.08
420 - WATER	420.11000 (Cash)	$724.46
426 - Transit	426.11000 (Cash)	$301.81
450 - SRWA - Operations	450.11000 (Cash)	$482.04
505 - Fleet	505.11000 (Cash)	$37.03

151899	01/08/2026	Open			Accounts Payable	Vestis Group Inc DBA Vestis Services LLC	$1,391.33		

Invoice	Date	Description	Amount
27662888	11/27/2025	North Face Ridgewall Vests	$491.85
27662746	11/27/2025	Carh sweatshirts	$387.94
27635511	11/16/2025	Wearguard Track Jacket	$320.53

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
	27659016		11/26/2025	North Face Apex Jkt			$191.01		
	Paying Fund			Cash Account			Amount		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$1,391.33		
151900	01/08/2026	Open			Accounts Payable	VSS INTERNATIONAL INC	$431,268.22		
	Invoice		Date	Description			Amount		
	PP3/CP 21-033		12/16/2025	21-033 Slurry Seals 2023			$431,268.22		
	Paying Fund			Cash Account			Amount		
	246 - Landscape Assessment			246.11000 (Cash)			$431,268.22		
151901	01/08/2026	Open			Accounts Payable	VWR INTERNATIONAL INC	$365.51		
	Invoice		Date	Description			Amount		
	8820629117		12/17/2025	Spinstar			$153.10		
	8820602340		12/12/2025	Black Neoprene Bushings			$43.66		
	8820598832		12/12/2025	VWR BAR PTFE DBL SPINFIN			$25.69		
	8820605197		12/13/2025	POTASSIUM CHLORIDE 3 MOLAR			$86.99		
	8820612728		12/15/2025	PLASTIC SIDEARM AND BUSHING			$56.07		
	Paying Fund			Cash Account			Amount		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$99.73		
	420 - WATER			420.11000 (Cash)			$265.78		
151902	01/08/2026	Open			Accounts Payable	WILLDAN FINANCIAL SVCS	$735.00		
	Invoice		Date	Description			Amount		
	010-64436		11/30/2025	CFD #3 - Annexation 1 Monarch Estates Subdivision-11/30/25			$735.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$735.00		
151903	01/08/2026	Open			Accounts Payable	COOKSEY, BRIAN	$83.98		
	Invoice		Date	Description			Amount		
	DEMAND -BCOOKSEY		12/18/2025	DEMAND FOR LUNCH REIMBURSEMENT			$83.98		
	Paying Fund			Cash Account			Amount		
	266 - Police Services Grants			266.11000 (Cash)			$83.98		
151904	01/08/2026	Open			Accounts Payable	KAUFFMAN, PHILIP	$242.00		
	Invoice		Date	Description			Amount		
	TR 5230 PER DIEM		12/09/2025	MISSING/UNIDENTIFIED PERSONS, 1/26/26-1/29/26, WHITTIER			$242.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$242.00		
151905	01/08/2026	Open			Accounts Payable	MACHAIN, TANIA	$660.00		
	Invoice		Date	Description			Amount		
	19053102		12/15/2025	REIMBURSEMENT FOR FAMILY CREDIT DURING SUMMER CAMP 2025			$660.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$660.00		
151906	01/08/2026	Open			Accounts Payable	MULHIM, RYAN	$250.00		
	Invoice		Date	Description			Amount		
	TR 5229 PER DIEM		12/22/2025	BASIC CRISIS, 1/11/26-1/16/26, CLOVIS			$250.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$250.00		
Type Check Totals:					68 Transactions		$2,172,206.02		

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference

AP - Accounts Payable Totals

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	68	$2,172,206.02	$0.00
	Reconciled	0	$0.00	$0.00
	Voided	0	$0.00	$0.00
	Stopped	0	$0.00	$0.00
	Total	68	$2,172,206.02	$0.00

All	Status	Count	Transaction Amount	Reconciled Amount
	Open	68	$2,172,206.02	$0.00
	Reconciled	0	$0.00	$0.00
	Voided	0	$0.00	$0.00
	Stopped	0	$0.00	$0.00
	Total	68	$2,172,206.02	$0.00

Grand Totals:

Checks	**Status**	**Count**	**Transaction Amount**	**Reconciled Amount**
	Open	**68**	**$2,172,206.02**	**$0.00**
	Reconciled	**0**	**$0.00**	**$0.00**
	Voided	**0**	**$0.00**	**$0.00**
	Stopped	**0**	**$0.00**	**$0.00**
	Total	**68**	**$2,172,206.02**	**$0.00**

All	**Status**	**Count**	**Transaction Amount**	**Reconciled Amount**
	Open	**68**	**$2,172,206.02**	**$0.00**
	Reconciled	**0**	**$0.00**	**$0.00**
	Voided	**0**	**$0.00**	**$0.00**
	Stopped	**0**	**$0.00**	**$0.00**
	Total	**68**	**$2,172,206.02**	**$0.00**

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
AP - Accounts Payable									
Check									
151907	01/12/2026	Open			Accounts Payable	BLANC, KEVIN	$320.00		
	Invoice		Date	Description			Amount		
	TR4518 PER DIEM		08/14/2020	ICI SEXUAL ASSAULT 10/18/20 - 10/23/20			$320.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$320.00		
151908	01/12/2026	Open			Accounts Payable	BOYD, DAVID ERIC	$165.00		
	Invoice		Date	Description			Amount		
	2/19/20		02/25/2020	EDUCATIONAL REIMBURSEMENT BOYD FIRELINE EMT 2/19/2020			$165.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$165.00		
151909	01/12/2026	Open			Accounts Payable	Rodriguez, Maribel	$154.00		
	Invoice		Date	Description			Amount		
	TR4404 PerDiemMR		03/07/2019	Central Square Conference 3/17/19-3/21/19			$154.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$154.00		
151910	01/12/2026	Open			Accounts Payable	Sousa, Mary	$58.00		
	Invoice		Date	Description			Amount		
	TR4471 PerDiemMS		12/04/2019	LCW Annual Conference 1/22/20-1/24/20			$58.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$58.00		
151911	01/14/2026	Open			Utility Management Refund	ALKHALF, HAMIDI	$127.48		
	Account Type		Account Number	Description	Transaction Date	Transaction Type			
	Single Family Res Metered		781673-010	MOVE OUT CREDIT	01/13/2026	Refund			
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$127.48		
151912	01/14/2026	Open			Utility Management Refund	BERUMEN, MONICA	$249.69		
	Account Type		Account Number	Description	Transaction Date	Transaction Type			
	Single Family Res Metered		244643-005	MOVE OUT CREDIT	01/13/2026	Refund			
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$249.69		
151913	01/14/2026	Open			Utility Management Refund	BETTENCOURT, MANUEL	$23.69		
	Account Type		Account Number	Description	Transaction Date	Transaction Type			
	Single Family Res Metered		149691-006	MOVE OUT CREDIT	01/13/2026	Refund			
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$23.69		
151914	01/14/2026	Open			Utility Management Refund	CASTLE ASSETS LLC	$225.00		
	Account Type		Account Number	Description	Transaction Date	Transaction Type			
	Single Family Res Flat		374687-004	MOVE OUT CREDIT	01/13/2026	Refund			
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$225.00		

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151915	01/14/2026	Open			Utility Management Refund	ESPINOLA, REBECCA	$110.16		

Account Type	Account Number	Description	Transaction Date	Transaction Type
Single Family Res Metered	508748-006	MOVE OUT CREDIT	01/13/2026	Refund

Paying Fund	Cash Account	Amount
420 - WATER	420.11000 (Cash)	$110.16

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151916	01/14/2026	Open			Utility Management Refund	GUTIERREZ, JEREMY	$56.12		

Account Type	Account Number	Description	Transaction Date	Transaction Type
Single Family Res Flat	123765-004	MOVE OUT CREDIT	01/13/2026	Refund

Paying Fund	Cash Account	Amount
119 - American Rescue Plan Act	119.11000 (Cash)	$0.21
420 - WATER	420.11000 (Cash)	$55.91

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151917	01/14/2026	Open			Utility Management Refund	HEALY, JACKLYN, MARIE	$311.35		

Account Type	Account Number	Description	Transaction Date	Transaction Type
Single Family Res Metered	876607-003	MOVE OUT CREDIT	01/13/2026	Refund

Paying Fund	Cash Account	Amount
420 - WATER	420.11000 (Cash)	$311.35

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151918	01/14/2026	Open			Utility Management Refund	IYER, RAM	$310.74		

Account Type	Account Number	Description	Transaction Date	Transaction Type
Single Family Res Metered	144959-006	MOVE OUT CREDIT	01/13/2026	Refund

Paying Fund	Cash Account	Amount
420 - WATER	420.11000 (Cash)	$310.74

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151919	01/14/2026	Open			Utility Management Refund	KARAM, ALFRED	$178.92		

Account Type	Account Number	Description	Transaction Date	Transaction Type
Single Family Res Metered	240168-004	MOVE OUT CREDIT	01/13/2026	Refund

Paying Fund	Cash Account	Amount
420 - WATER	420.11000 (Cash)	$178.92

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151920	01/14/2026	Open			Utility Management Refund	KHMOUYAN, NINVA	$282.47		

Account Type	Account Number	Description	Transaction Date	Transaction Type
Single Family Res Metered	241652-006	MOVE OUT CREDIT	01/13/2026	Refund

Paying Fund	Cash Account	Amount
420 - WATER	420.11000 (Cash)	$282.47

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151921	01/14/2026	Open			Utility Management Refund	LEE, RANDALL	$380.35		

Account Type	Account Number	Description	Transaction Date	Transaction Type
Single Family Res Metered	203246-009	MOVE OUT CREDIT	01/13/2026	Refund

Paying Fund	Cash Account	Amount
420 - WATER	420.11000 (Cash)	$380.35

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151922	01/14/2026	Open			Utility Management Refund	LEWIS, JEFF	$31.31		

Account Type	Account Number	Description	Transaction Date	Transaction Type
Single Family Res Metered	50334-002	MOVE OUT CREDIT	01/13/2026	Refund

Paying Fund	Cash Account	Amount

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
	110 - General Fund			110.11000 (Cash)			$8.23		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$8.48		
	420 - WATER			420.11000 (Cash)			$14.60		
151923	01/14/2026	Open			Utility Management Refund	LUNDQUIST, DALE	$24.65		
	Account Type		Account Number	Description		Transaction Date	Transaction Type		
	Commercial Metered		926957-002	MOVE OUT CREDIT		01/13/2026	Refund		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$4.55		
	420 - WATER			420.11000 (Cash)			$20.10		
151924	01/14/2026	Open			Utility Management Refund	MANZANO, JOSE	$77.84		
	Account Type		Account Number	Description		Transaction Date	Transaction Type		
	Single Family Res Metered		T00415-007	MOVE OUT CREDIT		01/13/2026	Refund		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$77.84		
151925	01/14/2026	Open			Utility Management Refund	MIGLIO, GINA, M	$317.12		
	Account Type		Account Number	Description		Transaction Date	Transaction Type		
	Single Family Res Metered		T00605-013	MOVE OUT CREDIT		01/13/2026	Refund		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$25.00		
	420 - WATER			420.11000 (Cash)			$292.12		
151926	01/14/2026	Open			Utility Management Refund	MORRIS , SHAWNA	$230.89		
	Account Type		Account Number	Description		Transaction Date	Transaction Type		
	Single Family Res Metered		533297-008	MOVE OUT CREDIT		01/13/2026	Refund		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$230.89		
151927	01/14/2026	Open			Utility Management Refund	OTOOLE, TIMOTHY	$52.41		
	Account Type		Account Number	Description		Transaction Date	Transaction Type		
	Single Family Res Metered		425907-005	MOVE OUT CREDIT		01/13/2026	Refund		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$52.41		
151928	01/14/2026	Open			Utility Management Refund	SAI, KAYLA	$544.14		
	Account Type		Account Number	Description		Transaction Date	Transaction Type		
	Single Family Res Metered		417378-004	MOVE OUT CREDIT		01/13/2026	Refund		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$544.14		
151929	01/14/2026	Open			Utility Management Refund	VIRGEN, CESAR	$279.11		
	Account Type		Account Number	Description		Transaction Date	Transaction Type		
	Single Family Res Metered		889903-006	MOVE OUT CREDIT		01/13/2026	Refund		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$279.11		

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151930	01/14/2026	Open			Utility Management Refund	WESTBROOK, KRISTEN	$118.77		

Account Type	Account Number	Description	Transaction Date	Transaction Type
Single Family Res Metered	224448-004	MOVE OUT CREDIT	01/13/2026	Refund

Paying Fund	Cash Account	Amount
110 - General Fund	110.11000 (Cash)	$29.66
410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)	$34.72
420 - WATER	420.11000 (Cash)	$54.39

151931	01/14/2026	Open			Utility Management Refund	WESTSTEYN, GRANT	$340.39		

Account Type	Account Number	Description	Transaction Date	Transaction Type
Single Family Res Metered	881082-001	MOVE OUT CREDIT	01/13/2026	Refund

Paying Fund	Cash Account	Amount
110 - General Fund	110.11000 (Cash)	$78.80
410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)	$81.22
420 - WATER	420.11000 (Cash)	$180.37

151932	01/14/2026	Open			Utility Management Refund	WU, JUN	$168.82		

Account Type	Account Number	Description	Transaction Date	Transaction Type
Single Family Res Metered	836907-006	MOVE OUT CREDIT	01/13/2026	Refund

Paying Fund	Cash Account	Amount
420 - WATER	420.11000 (Cash)	$168.82

151933	01/15/2026	Voided	INCORRECT ENTRY	01/16/2026	Accounts Payable	A-Z BUS SALES INC	$401,099.32		

Invoice	Date	Description	Amount
INVSAC40997	11/21/2025	22484 Ford E-Transit 350 MR Battery Electric Vans	$200,549.66
INVSAC41000	11/21/2025	22483 Ford E-Transit 350 MR Battery Electric Vans	$200,549.66

Paying Fund	Cash Account	Amount
426 - Transit	426.11000 (Cash)	$401,099.32

151934	01/15/2026	Open			Accounts Payable	ALLEGIANCE INDUSTRIAL SUPPLY, LLC	$3,259.21		

Invoice	Date	Description	Amount
INV9592	01/06/2026	ALLEGIANCE - JANITORIAL SUPPLIES	$896.16
INV9486	12/18/2025	ALLEGIANCE - JANITORIAL SUPPLIES	$262.87
INV9283	12/05/2025	ALLEGIANCE - JANITORIAL SUPPLIES	$1,899.31
INV9364	12/12/2025	ALLEGIANCE - JANITORIAL SUPPLIES	$200.87

Paying Fund	Cash Account	Amount
505 - Fleet	505.11000 (Cash)	$3,259.21

151935	01/15/2026	Open			Accounts Payable	AMERICA'S AUTO GLASS	$298.11		

Invoice	Date	Description	Amount
00006821	01/07/2026	1309 DQ 11840 YPN -L(Solar) DRIVERS SIDE REAR QUARTER GLASS	$298.11

Paying Fund	Cash Account	Amount
505 - Fleet	505.11000 (Cash)	$298.11

151936	01/15/2026	Open			Accounts Payable	ANDREW MIKKELSEN DBA CALSCADA LLC	$3,300.00		

Invoice	Date	Description	Amount
1153	12/01/2025	SCADA SERVICES	$3,300.00

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	Paying Fund			Cash Account			Amount		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$3,300.00		
151937	01/15/2026	Open			Accounts Payable	Arkance USA LLCA dba U.S. CAD	$3,770.00		
	Invoice		Date	Description			Amount		
	INV74978		12/18/2025	Bluebeam - Upgrade Revu Standard to Complete 12/21/25-12/21/26			$3,770.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$3,380.00		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$195.00		
	420 - WATER			420.11000 (Cash)			$195.00		
151938	01/15/2026	Open			Accounts Payable	AssetWorks Inc	$5,280.00		
	Invoice		Date	Description			Amount		
	SIN019248		12/31/2025	Motor Pool Module Configuration Complete Production - Dec 2025			$3,520.00		
	SIN019249		12/31/2025	Motor Pool Remote Reservations Implementation - Dec 2025			$1,760.00		
	Paying Fund			Cash Account			Amount		
	505 - Fleet			505.11000 (Cash)			$5,280.00		
151939	01/15/2026	Open			Accounts Payable	AT&T MOBILITY	$6,174.26		
	Invoice		Date	Description			Amount		
	5470X12102025		12/02/2025	ADMIN/ENGINE PHONES NOV 03-DEC 02, 2025			$981.83		
	4412X11272025		11/19/2025	FIRE AIR CARDS - NOV 2025			$813.69		
	4412X12272025		12/19/2025	FIRE AIR CARDS - DEC 2025			$821.79		
	X01042026		12/26/2025	SRWA Industrial Data & Alarm December 2025			$142.92		
	6865X12272025		12/19/2025	POLICE NOV 20 - DEC 19 2025			$2,772.39		
	X12042025		11/26/2025	UT MIFI & IPADS			$318.82		
	1X01042026		12/26/2025	UT MIFI & IPADS			$322.82		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$5,389.70		
	420 - WATER			420.11000 (Cash)			$641.64		
	450 - SRWA - Operations			450.11000 (Cash)			$142.92		
151940	01/15/2026	Open			Accounts Payable	AT&T/SBC	$66.51		
	Invoice		Date	Description			Amount		
	RELAY 1/1/26		01/01/2026	Acct# 248 134-2929 655 9/ California Relay Srvc TDD			$4.33		
	FIRE 1/1/26		01/01/2026	Acct# 233 841-5391 333 1/ Fire Dept			$62.18		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$66.51		
151941	01/15/2026	Open			Accounts Payable	ATKINSON, ANDELSON, LOYA, RUUD & ROMO	$18,468.46		
	Invoice		Date	Description			Amount		
	771789		11/30/2025	Legal Services November 2025			$18,468.46		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$18,468.46		
151942	01/15/2026	Open			Accounts Payable	B & V Commercial Cleaning, Inc	$2,956.06		
	Invoice		Date	Description			Amount		
	3906		12/30/2025	SRWA - Janitorial Cleaning Service - Window Cleaning Dec 2025			$461.00		
	3928		01/02/2026	SRWA - Janitorial Cleaning Service December 2025			$2,495.06		

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
	Paying Fund			Cash Account			Amount		
	950 - SRWA - JPA			950.11000 (Cash)			$2,956.06		
151943	01/15/2026	Open			Accounts Payable	BADGER DAYLIGHTING CORP	$1,709.24		
	Invoice		Date	Description			Amount		
	2981086		12/19/2025	Fluctuating fuel recovery, badger combo vac, consumable material			$1,709.24		
	Paying Fund			Cash Account			Amount		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$1,709.24		
151944	01/15/2026	Open			Accounts Payable	BADGER METER INC dba NATIONAL METER & AUTOMATION	$63.00		
	Invoice		Date	Description			Amount		
	80222436		12/24/2025	ORION CELLULAR DEC 2025			$63.00		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$63.00		
151945	01/15/2026	Open			Accounts Payable	BARTON OVERHEAD DOOR INC	$2,676.00		
	Invoice		Date	Description			Amount		
	018443		12/01/2025	ST#31 - REPLACED CHAIN			$370.00		
	018821		12/16/2025	STATION #31 - TROLLELY OPER			$2,306.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$2,676.00		
151946	01/15/2026	Open			Accounts Payable	BAY CITY BOILER AND ENGINEERING CO., INC.	$5,148.60		
	Invoice		Date	Description			Amount		
	40672		12/16/2025	Boiler 3			$5,148.60		
	Paying Fund			Cash Account			Amount		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$5,148.60		
151947	01/15/2026	Open			Accounts Payable	BICSEC SECURITY INC	$266.25		
	Invoice		Date	Description			Amount		
	235539		01/01/2026	SRWA BICSEC - SECURITY AND FIRE ALARM MONITORING February 2026			$266.25		
	Paying Fund			Cash Account			Amount		
	950 - SRWA - JPA			950.11000 (Cash)			$266.25		
151948	01/15/2026	Open			Accounts Payable	Black Water Consulting Engineers, Inc.	$3,317.00		
	Invoice		Date	Description			Amount		
	8285		09/30/2025	SR01, 24-025 Morgan Ranch Sewer Lift Station-9/30/25			$1,617.00		
	8504		11/30/2025	SR01, 24-025 Morgan Ranch Sewer Lift Station-11/30/25			$1,700.00		
	Paying Fund			Cash Account			Amount		
	414 - Sewer LIne/Trunk Construction			414.11000 (Cash)			$3,317.00		
151949	01/15/2026	Open			Accounts Payable	Blair, Church & Flynn Consulting Engineers, Inc.	$1,420.00		
	Invoice		Date	Description			Amount		
	85323		09/30/2025	SR01, 25-036 Fire Station No. 32 Electrical Mod-9/30/25			$1,420.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$1,420.00		

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151950	01/15/2026	Open			Accounts Payable	BONANDER AUTO TRUCK & TRAILER INC	$265.26		

Invoice	Date	Description	Amount
283549	12/29/2025	13540600 (S)SENSOR	$265.26

Paying Fund	Cash Account	Amount
505 - Fleet	505.11000 (Cash)	$265.26

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151951	01/15/2026	Open			Accounts Payable	Brown Armstrong Accountancy Corporation	$4,721.75		

Invoice	Date	Description	Amount
283272	11/30/2025	2024 Audit - SRWA	$4,721.75

Paying Fund	Cash Account	Amount
950 - SRWA - JPA	950.11000 (Cash)	$4,721.75

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151952	01/15/2026	Open			Accounts Payable	California State University, Stanislaus Foundation	$3,000.00		

Invoice	Date	Description	Amount
FY 25/26 CEAG	01/09/2026	2025-2026 Community Events Grant	$3,000.00

Paying Fund	Cash Account	Amount
120 - Tourism	120.11000 (Cash)	$3,000.00

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151953	01/15/2026	Open			Accounts Payable	CDW LLC	$438.00		

Invoice	Date	Description	Amount
AH3QU2I	12/16/2025	MICR Toner for Payroll	$438.00

Paying Fund	Cash Account	Amount
110 - General Fund	110.11000 (Cash)	$438.00

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151954	01/15/2026	Open			Accounts Payable	CENTRAL SANITARY SUPPLY LLC dba BRADY INDUSTRIES	$956.19		

Invoice	Date	Description	Amount
11040810	12/19/2025	JANITORIAL PAPER & CLEANING SUPPLIES	$956.19

Paying Fund	Cash Account	Amount
505 - Fleet	505.11000 (Cash)	$956.19

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151955	01/15/2026	Open			Accounts Payable	CHARTER COMMUNICATIONS	$2,300.37		

Invoice	Date	Description	Amount
170078401010126	01/01/2026	170078401 / D. LEWIS 2014 Independence Dr. Admin Internet	$84.98
170074001010126	01/01/2026	170074001 / WQC 901 S Walnut Rd	$109.99
170078701010126	01/01/2026	170078701 / L. MACHADO 4304 Arcadian Dr IT Internet	$100.00
170075001010126	01/01/2026	170075001 / CITY HALL 156 S Broadway #116 City Wide Internet	$1,049.00
170073601010126	01/01/2026	170073601 / PSF TV & INTERNET 244 N Broadway	$643.42
170075101010726	01/07/2026	170075101 / CITY HALL (TV Service) 156 S Broadway #112	$312.98

Paying Fund	Cash Account	Amount
110 - General Fund	110.11000 (Cash)	$789.45
410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)	$94.24
420 - WATER	420.11000 (Cash)	$94.26
501 - Information Technology	501.11000 (Cash)	$1,322.42

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151956	01/15/2026	Open			Accounts Payable	CINCINNATI LIFE INS INC	$459.74		
	Invoice		Date	Description			Amount		
	4010560721		01/09/2026	DECEMBER 2025 PREMIUMS			$459.74		
	Paying Fund			Cash Account			Amount		
	104 - Payroll Clearing Fund			104.11000 (Cash)			$459.74		
151957	01/15/2026	Open			Accounts Payable	CINTAS FIRST AID AND SAFETY, CINTAS CORP NO 2	$235.92		
	Invoice		Date	Description			Amount		
	5309292206		12/22/2025	FIRST AID CABINET REFILL- WQC/ELECTRICAL			$111.80		
	5309292208		12/22/2025	First Aid & Safety Supplies Management - Fire			$46.70		
	5300056107		10/29/2025	First Aid & Safety Supplies Management - Muni			$77.42		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$66.46		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$55.90		
	420 - WATER			420.11000 (Cash)			$97.20		
	426 - Transit			426.11000 (Cash)			$8.18		
	505 - Fleet			505.11000 (Cash)			$8.18		
151958	01/15/2026	Open			Accounts Payable	CITY OF MODESTO	$25,656.57		
	Invoice		Date	Description			Amount		
	165128		12/18/2025	FLEET MAINTENANCE AUG 2025			$21,712.85		
	165129		12/18/2025	FLEET MAINTENANCE NOV 2025			$3,943.72		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$25,656.57		
151959	01/15/2026	Open			Accounts Payable	CITY OF TURLOCK - CASH	$383.20		
	Invoice		Date	Description			Amount		
	01-09-26 REPLIN		01/09/2026	FIN AR-REPLIN PETTY CASH-1-9-26			$383.20		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$161.19		
	120 - Tourism			120.11000 (Cash)			$37.08		
	256 - Stanislaus Housing Consortium			256.11000 (Cash)			$37.00		
	266 - Police Services Grants			266.11000 (Cash)			$135.22		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$12.71		
151960	01/15/2026	Open			Accounts Payable	CLARK PEST CONTROL OF STOCKTON, INC	$2,690.00		
	Invoice		Date	Description			Amount		
	38755549		12/17/2025	SRWA Pest/Weed Control Services Monthly FY 25/26 Pest Dec 2025			$320.00		
	38845156		12/09/2025	SRWA Pest/Weed Control Services Monthly FY 25/26 Weed Dec 2025			$2,370.00		
	Paying Fund			Cash Account			Amount		
	950 - SRWA - JPA			950.11000 (Cash)			$2,690.00		
151961	01/15/2026	Open			Accounts Payable	Cloudburst Consulting Group, Inc.	$155.00		
	Invoice		Date	Description			Amount		
	19006		11/30/2025	On Demand Consulting- Housing FY- 2025-26 for November 2025			$155.00		
	Paying Fund			Cash Account			Amount		
	255 - CDBG			255.11000 (Cash)			$77.50		
	256 - Stanislaus Housing Consortium			256.11000 (Cash)			$77.50		

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151962	01/15/2026	Open			Accounts Payable	CONDOR EARTH TECH INC	$1,246.50		
	Invoice		Date	Description			Amount		
	92880		11/30/2025	Environmental Compliance Assistance 10.1.25-10.31.25			$1,246.50		
	Paying Fund			Cash Account			Amount		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$1,246.50		
151963	01/15/2026	Open			Accounts Payable	Confluence Engineering Group LLC	$4,654.00		
	Invoice		Date	Description			Amount		
	35-1025TKWQ2		10/31/2025	PROF SVS THROUGH 9/1 - 10/31/25			$4,654.00		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$4,654.00		
151964	01/15/2026	Open			Accounts Payable	CONSOLE CLEANING SPECIALISTS INC	$2,700.00		
	Invoice		Date	Description			Amount		
	172265		12/22/2025	PREVENTATIVE MAINTENANCE OF DISPATCH CONSOLES			$2,700.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$2,700.00		
151965	01/15/2026	Open			Accounts Payable	COPWARE INC	$1,270.00		
	Invoice		Date	Description			Amount		
	87375		01/01/2026	LEGAL SOURCEBOOK MARCH 2026 - FEBRUARY 2027			$1,270.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$1,270.00		
151966	01/15/2026	Open			Accounts Payable	CRESCENT SURPLUS INC	$144.64		
	Invoice		Date	Description			Amount		
	075413		01/07/2026	ADD VELCRO TO NAME TAPE OR SHIRT - JDUSEL			$121.79		
	075403		01/03/2026	NAME BAR A. VERA MORENO			$22.85		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$144.64		
151967	01/15/2026	Open			Accounts Payable	CULLIGAN INC	$100.35		
	Invoice		Date	Description			Amount		
	CD3165826		12/26/2025	ACCT #180900 De-ionized water for WQC Lab			$100.35		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$100.35		
151968	01/15/2026	Open			Accounts Payable	CURTIS & SONS INC, L N	$63,967.29		
	Invoice		Date	Description			Amount		
	INV1012005		11/21/2025	HEAVY DUTY TRUCK BAG QUOTE#336184			$11,127.77		
	INV997518		10/08/2025	TURNOUT GEAR			$51,466.53		
	INV965203		07/03/2025	Traditional Helmet			$978.96		
	INV997949		10/09/2025	Crewboss Jacket			$394.03		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$52,839.52		
	240 - Small Equipment Replacement			240.11000 (Cash)			$11,127.77		
151969	01/15/2026	Open			Accounts Payable	DELL MARKETING LP	$3,894.33		
	Invoice		Date	Description			Amount		
	10853343910		12/15/2025	Dell Pro 27 Plus Video Conf			$502.76		
	10852960258		12/12/2025	Computer Replacement - ENG V4			$3,391.57		

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$3,894.33		
151970	01/15/2026	Open			Accounts Payable	DF ENGINEERING INC	$3,800.00		
	Invoice		Date	Description			Amount		
	24341		01/05/2026	SR01, 21-003 Fulkerth Road Widening-12/31/25			$3,800.00		
	Paying Fund			Cash Account			Amount		
	305 - Capital Facility Fees			305.11000 (Cash)			$3,800.00		
151971	01/15/2026	Open			Accounts Payable	DOCUSCRIPT, LLC	$145.96		
	Invoice		Date	Description			Amount		
	3010		01/02/2026	TRANSCRIPTION SERVICES FOR DECEMBER 2025			$145.96		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$145.96		
151972	01/15/2026	Open			Accounts Payable	DON PEDRO PUMP INC	$6,988.16		
	Invoice		Date	Description			Amount		
	32032		11/25/2025	PUMP REPAIRS			$6,988.16		
	Paying Fund			Cash Account			Amount		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$6,988.16		
151973	01/15/2026	Open			Accounts Payable	E Source Companies LLC	$3,000.00		
	Invoice		Date	Description			Amount		
	14558		12/19/2025	Level 1 Water Audit Validation Through 12/31/2025			$3,000.00		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$3,000.00		
151974	01/15/2026	Open			Accounts Payable	EMPLOYMENT DEVELOP DEPT	$40.00		
	Invoice		Date	Description			Amount		
	010326GONZALEZ		01/09/2026	01032026 PAYROLL WITHHOLDING			$40.00		
	Paying Fund			Cash Account			Amount		
	104 - Payroll Clearing Fund			104.11000 (Cash)			$40.00		
151975	01/15/2026	Open			Accounts Payable	ENGINEERED FIRE SYST INC	$6,412.50		
	Invoice		Date	Description			Amount		
	22886		12/01/2025	PLAN CHECKING SERVICE - NOV 2025			$4,050.00		
	22951		01/01/2026	FLEET MAINTENANCE NOV 2025			$2,362.50		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$6,412.50		
151976	01/15/2026	Open			Accounts Payable	ENTERPRISE FM TRUST	$4,804.20		
	Invoice		Date	Description			Amount		
	FBN5535360		01/06/2026	SRWA Enterprise Leased Vehicles - December 2025			$4,804.20		
	Paying Fund			Cash Account			Amount		
	450 - SRWA - Operations			450.11000 (Cash)			$4,804.20		
151977	01/15/2026	Open			Accounts Payable	Evergreen Svcs Group Topco, LLC DBA Solid Networks, LLC	$4,690.00		
	Invoice		Date	Description			Amount		
	CW-36660		01/01/2026	Co-Managed Support Services for Microsoft 365 11/18/25-11/17/26			$4,690.00		
	Paying Fund			Cash Account			Amount		
	501 - Information Technology			501.11000 (Cash)			$4,690.00		

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151978	01/15/2026	Open			Accounts Payable	FASTENAL COMPANY INC	$92.35		
	Invoice		Date	Description			Amount		
	CATUR202682		12/18/2025	25 25 0 12.9 SHCS M10-1.5x35			$92.35		
	Paying Fund			Cash Account			Amount		
	505 - Fleet			505.11000 (Cash)			$92.35		
151979	01/15/2026	Open			Accounts Payable	FasTrak SoftWorks, Inc.	$1,555.00		
	Invoice		Date	Description			Amount		
	31141		01/05/2026	PLC WORSHOP SUITE FOR MODICON - ANNUAL MAITENANCE AGREEMENT			$1,555.00		
	Paying Fund			Cash Account			Amount		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$1,555.00		
151980	01/15/2026	Open			Accounts Payable	FEDERAL EXPRESS	$55.37		
	Invoice		Date	Description			Amount		
	9-132-95728		01/09/2026	SHIPPING CHARGES FOR 1/9/26			$55.37		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$55.37		
151981	01/15/2026	Open			Accounts Payable	FIRST SHIELD SECURITY AND PATROL	$15,914.36		
	Invoice		Date	Description			Amount		
	6904		01/05/2026	SRWA - Unarmed Security Services December 2025			$10,584.00		
	6907		01/05/2026	Security Services for City Hall-Meetings December 2025			$234.36		
	6905		01/05/2026	Security Services for City Hall-December 2025			$5,096.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$5,330.36		
	950 - SRWA - JPA			950.11000 (Cash)			$10,584.00		
151982	01/15/2026	Open			Accounts Payable	FISHER SCIENTIFIC PRO INC	$119.30		
	Invoice		Date	Description			Amount		
	5786935		12/26/2025	LAB SUPPLIES			$119.30		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$119.30		
151983	01/15/2026	Open			Accounts Payable	GARTON TRACTOR INC	$80,897.46		
	Invoice		Date	Description			Amount		
	E0247601		12/29/2025	52502 Kubota M6060HD 4x4			$40,448.73		
	E0247701		01/05/2026	52503 Kubota M6060HD 4x4			$40,448.73		
	Paying Fund			Cash Account			Amount		
	506 - Vehicle/Equipment Replacement			506.11000 (Cash)			$80,897.46		
151984	01/15/2026	Open			Accounts Payable	GILLIG LLC	$862.53		
	Invoice		Date	Description			Amount		
	41386647		12/18/2025	04-42849-000 5.5PSI	1 EA VALVE-RELAY R-12DC		$191.01		
	41391270		01/06/2026	13-57023-000 W/O SWITCH	4 EA MICROPHONE,BOOM 24 IN		$671.52		
	Paying Fund			Cash Account			Amount		
	505 - Fleet			505.11000 (Cash)			$862.53		
151985	01/15/2026	Open			Accounts Payable	GLENWOOD FAST TRACK INC	$388.50		
	Invoice		Date	Description			Amount		
	1024		12/08/2025	CAR WASH SERVICES - NOVEMBER 2025			$392.00		

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
	CR 1030		12/31/2025	CREDIT - (1) WASH CHARGED IN ERROR			($3.50)		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$360.50		
	255 - CDBG			255.11000 (Cash)			$3.50		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$21.00		
	426 - Transit			426.11000 (Cash)			$3.50		
151986	01/15/2026	Open			Accounts Payable	GOLDSTAR PRODUCTS INC.	$1,155.54		
	Invoice		Date	Description			Amount		
	0083005-IN		12/31/2025	JETTER DEGREASER - 5 GAL			$1,155.54		
	Paying Fund			Cash Account			Amount		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$1,155.54		
151987	01/15/2026	Open			Accounts Payable	GOMES & SONS INC, JOE M	$24,339.44		
	Invoice		Date	Description			Amount		
	99997		12/31/2025	CUST #24090 - Fuel Expense for 12/16/25 - 12/31/25			$20,578.78		
	99745		12/16/2025	Fuel for Fire #3			$1,318.55		
	99835		12/23/2025	Fuel for Fire #3			$1,719.53		
	99903		12/31/2025	Fuel for Fire #3			$722.58		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$15,247.51		
	205 - Sports Facilities			205.11000 (Cash)			$174.60		
	217 - Streets - Gas Tax			217.11000 (Cash)			$1,195.94		
	246 - Landscape Assessment			246.11000 (Cash)			$616.51		
	255 - CDBG			255.11000 (Cash)			$42.48		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$2,177.86		
	420 - WATER			420.11000 (Cash)			$1,586.39		
	426 - Transit			426.11000 (Cash)			$2,940.60		
	450 - SRWA - Operations			450.11000 (Cash)			$357.55		
151988	01/15/2026	Open			Accounts Payable	GRAINGER INC, W W	$42.07		
	Invoice		Date	Description			Amount		
	9747095595		12/17/2025	SRWA Supplies - Gaskets			$42.07		
	Paying Fund			Cash Account			Amount		
	450 - SRWA - Operations			450.11000 (Cash)			$42.07		
151989	01/15/2026	Open			Accounts Payable	GREEN HORIZON INC	$2,220.00		
	Invoice		Date	Description			Amount		
	49207		01/02/2025	Landscape Services-570 Jason Dr., December Services			$100.00		
	49208		01/02/2025	Landscape Services- 1827 Shadow Park, November 2025 Services			$130.00		
	49209		01/02/2025	Landscape Services-2065 Cody Ct., December Services			$165.00		
	49210		01/02/2026	Landscape Services-573 Birchwood Way, December Services			$165.00		
	49406		01/02/2026	SRWA - Landscape Services-Green Horizon December 2025			$1,660.00		
	Paying Fund			Cash Account			Amount		
	255 - CDBG			255.11000 (Cash)			$560.00		
	950 - SRWA - JPA			950.11000 (Cash)			$1,660.00		

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151990	01/15/2026	Open			Accounts Payable	HAAKER EQUIPMENT COMPANY	$104.38		
	Invoice		Date	Description			Amount		
	INV24302		12/09/2025	175-4101 lid gasket			$104.38		
	Paying Fund			Cash Account			Amount		
	505 - Fleet			505.11000 (Cash)			$104.38		
151991	01/15/2026	Open			Accounts Payable	Harrington Industrial Plastics LLC	$4,396.78		
	Invoice		Date	Description			Amount		
	05921945		12/23/2025	SRWA Supplies - Minor Equip Fusion Welder			$1,663.92		
	05921946		12/23/2025	SRWA Supplies - Minor Equip Fusion Welder Tool Box/Sockets			$2,111.60		
	05922006		01/06/2026	SRWA Supplies - Fusion Heater Inserts			$621.26		
	Paying Fund			Cash Account			Amount		
	450 - SRWA - Operations			450.11000 (Cash)			$4,396.78		
151992	01/15/2026	Open			Accounts Payable	HAWORTH INC	$1,483.83		
	Invoice		Date	Description			Amount		
	3002132714		12/29/2025	HEIGHT ADJUSTABLE DESK AND 36" ROUND TABLE			$1,483.83		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$1,483.83		
151993	01/15/2026	Open			Accounts Payable	HCI SYSTEMS, INC	$4,035.00		
	Invoice		Date	Description			Amount		
	I0142737		12/29/2025	SRWA Annual Fire Sprinkler Inspection Admin/Ops Building			$1,511.00		
	I0142738		12/29/2025	SRWA Annual Fire Sprinkler Inspection Chemical Building			$1,262.00		
	I0142779		12/29/2025	SRWA Annual Fire Sprinkler Inspection Maintenance Bldg			$1,262.00		
	Paying Fund			Cash Account			Amount		
	950 - SRWA - JPA			950.11000 (Cash)			$4,035.00		
151994	01/15/2026	Open			Accounts Payable	HD SUPPLY INC, DBA USABLUEBOOK	$2,599.66		
	Invoice		Date	Description			Amount		
	INV00911207		12/16/2025	SRWA supplies - DPD, Sulfuric Acid, pH Buffer			$501.46		
	INV00913017		12/17/2025	SRWA supplies - Elkectrode arm, Stir Bars, Stirrers			$576.28		
	INV00913158		12/17/2025	SRWA supplies - pH Electrode Probe			$1,202.10		
	INV00924422		01/05/2026	BALL VALVE			$319.82		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$319.82		
	450 - SRWA - Operations			450.11000 (Cash)			$2,279.84		
151995	01/15/2026	Open			Accounts Payable	HILMAR LUMBER INC	$966.48		
	Invoice		Date	Description			Amount		
	755374		12/02/2025	Supplies for Municipal Services			$12.71		
	755508		12/03/2025	Supplies for Municipal Services			$48.97		
	755498		12/03/2025	Supplies for Municipal Services			$115.72		
	755490		12/03/2025	Supplies for Municipal Services			$368.07		
	757806		12/18/2025	WQC Supplies			$421.01		
	Paying Fund			Cash Account			Amount		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$966.48		

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151996	01/15/2026	Open			Accounts Payable	HLP INC	$5,250.00		
	Invoice		Date	Description			Amount		
	SIHLP00001817		01/01/2026	CHAMELEON SERVER & WORKSTATION SUPPORT & MAINTENANCE			$5,250.00		
	Paying Fund			Cash Account			Amount		
	116 - Special Public Safety			116.11000 (Cash)			$5,250.00		
151997	01/15/2026	Open			Accounts Payable	INDUSTRIAL ELECTRICAL CO.	$495.00		
	Invoice		Date	Description			Amount		
	PI-088803		12/11/2025	labor			$495.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$495.00		
151998	01/15/2026	Open			Accounts Payable	ITRON INC	$3,933.43		
	Invoice		Date	Description			Amount		
	723164		12/12/2025	HOSTING 1/1 - 01/31/26			$3,933.43		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$3,933.43		
151999	01/15/2026	Open			Accounts Payable	Jacobs Engineering Group Inc.	$55,062.60		
	Invoice		Date	Description			Amount		
	W8Y33800-07		11/23/2025	SRWA - OT Support, SCADA, Process Support, and Training Nov 25			$55,062.60		
	Paying Fund			Cash Account			Amount		
	950 - SRWA - JPA			950.11000 (Cash)			$55,062.60		
152000	01/15/2026	Open			Accounts Payable	JESTER AUTO WORKS	$1,718.94		
	Invoice		Date	Description			Amount		
	7714		12/18/2025	2026-00000785 - OP20-6008 REPAIR DRIVER SIDE DOOR AND MIRROR			$1,718.94		
	Paying Fund			Cash Account			Amount		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$1,718.94		
152001	01/15/2026	Open			Accounts Payable	JOAQUIN ROSE, INC dba B&B MFG CO/B&B FLUID POWER	$675.00		
	Invoice		Date	Description			Amount		
	00282897		12/17/2025	LABOR - MFG			$675.00		
	Paying Fund			Cash Account			Amount		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$675.00		
152002	01/15/2026	Open			Accounts Payable	Jocelyn E. Roland Ph.D., ABPP, INC	$1,000.00		
	Invoice		Date	Description			Amount		
	24614		12/31/2025	CONTRACT JANUARY 2026			$1,000.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$1,000.00		
152003	01/15/2026	Open			Accounts Payable	JORGENSEN & CO INC	$85.87		
	Invoice		Date	Description			Amount		
	6228592		12/23/2025	FIRE EXT ANNUAL MAINT			$85.87		
	6221911		11/11/2025	WELL #22 - FIRE EXT AMX #5			$61.92		
	6227568		11/11/2025	CREDIT MEMO FOR INV#6221911			($61.92)		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$85.87		

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
152004	01/15/2026	Open			Accounts Payable	LANGUAGE LINE SERVICES	$9.00		
	Invoice		Date	Description			Amount		
	11817533		12/31/2025	Acct #9020101104 - Translation services for Police Department			$9.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$9.00		
152005	01/15/2026	Open			Accounts Payable	Lhoist North America of Arizona, Inc.	$9,622.41		
	Invoice		Date	Description			Amount		
	1102525694		12/26/2025	SRWA SUPPLY AND DELIVERY OF Hydrated Lime 12.26.25			$9,622.41		
	Paying Fund			Cash Account			Amount		
	450 - SRWA - Operations			450.11000 (Cash)			$9,622.41		
152006	01/15/2026	Open			Accounts Payable	LIFE SCAN WELLNESS CENTERS	$37,756.00		
	Invoice		Date	Description			Amount		
	3690		06/27/2025	WELLNESS EXAMS			$37,756.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$37,756.00		
152007	01/15/2026	Open			Accounts Payable	Linde Inc.	$16,498.53		
	Invoice		Date	Description			Amount		
	53839413		12/18/2025	SRWA SUPPLY & DELIVERY OF LIQUID CARBON DIOXIDE 12.18.25			$13,386.79		
	53867952		12/20/2025	SRWA SUPPLY & DELIVERY OF LIQUID OXYGEN 12.20.25			$3,111.74		
	Paying Fund			Cash Account			Amount		
	450 - SRWA - Operations			450.11000 (Cash)			$16,498.53		
152008	01/15/2026	Open			Accounts Payable	LINDSAY CORPORATION DBA ELECSYS INTERNATIONAL, LLC	$84.00		
	Invoice		Date	Description			Amount		
	SIP-E225434		12/19/2025	DECEMBER 2025 SAT DATA SERVICES			$84.00		
	Paying Fund			Cash Account			Amount		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$84.00		
152009	01/15/2026	Open			Accounts Payable	Mark Thomas & Company, Inc.	$52,099.53		
	Invoice		Date	Description			Amount		
	58220		12/23/2025	23-052 Design Task Order 2 Roads-Geer Rd. CIP November 2025			$52,099.53		
	Paying Fund			Cash Account			Amount		
	115 - Measure A - Roads			115.11000 (Cash)			$52,099.53		
152010	01/15/2026	Open			Accounts Payable	MICROBAC LABORATORIES, INC. dba GEOANALYTICAL LAB	$470.10		
	Invoice		Date	Description			Amount		
	725001084		12/23/2025	SRWA LABORATORY ANALYSIS SERVICES 12.01.25			$138.60		
	725001085		12/23/2025	SRWA LABORATORY ANALYSIS SERVICES 12.01.25			$331.50		
	Paying Fund			Cash Account			Amount		
	950 - SRWA - JPA			950.11000 (Cash)			$470.10		

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
152011	01/15/2026	Open			Accounts Payable	MISCO WATER	$855.55		
	Invoice		Date	Description			Amount		
	59855B46604		12/22/2025	FLOAT F/FLT GAGE INTERNAL BLK			$855.55		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$855.55		
152012	01/15/2026	Open			Accounts Payable	MME	$879.51		
	Invoice		Date	Description			Amount		
	044782		12/22/2025	PB-5223-00 HOSE ASSY, LPG 1/4" x 15" L - 7 DAYS LEAD-TIME			$227.34		
	045138		01/05/2026	S-66165 FLAP SET, STD HEAD W/ BLAST ORF. AND HARDWARE. RE			$652.17		
	Paying Fund			Cash Account			Amount		
	505 - Fleet			505.11000 (Cash)			$879.51		
152013	01/15/2026	Open			Accounts Payable	MODESTO IRRIGATION DISTRICT	$2,120.99		
	Invoice		Date	Description			Amount		
	157493		01/05/2026	SRWA - Cost Sharing Tuolumne River Watershed Sanitary Survey			$2,120.99		
	Paying Fund			Cash Account			Amount		
	950 - SRWA - JPA			950.11000 (Cash)			$2,120.99		
152014	01/15/2026	Open			Accounts Payable	MODESTO STEEL INC	$99.52		
	Invoice		Date	Description			Amount		
	488164		12/16/2025	DIAMOND PLATE-1/8			$370.50		
	3838		12/15/2025	2 PCS SHEET-HOT ROLL 11GA			($270.98)		
	Paying Fund			Cash Account			Amount		
	505 - Fleet			505.11000 (Cash)			$99.52		
152015	01/15/2026	Open			Accounts Payable	Mountain Cascade, Inc.	$1,308,163.74		
	Invoice		Date	Description			Amount		
	PP4/CP23-067BP3		01/05/2026	23-067 Construction for Roads BP3-Oct 2025			$1,308,163.74		
	Paying Fund			Cash Account			Amount		
	218 - Measure L			218.11000 (Cash)			$1,308,163.74		
152016	01/15/2026	Open			Accounts Payable	MUNIQUIP LLC	$1,010.39		
	Invoice		Date	Description			Amount		
	108165		12/11/2025	GRUNDFOS KIT			$1,010.39		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$1,010.39		
152017	01/15/2026	Open			Accounts Payable	MWI VETERINARY SUPPLY CO DBA MWI ANIMAL HEALTH	$387.18		
	Invoice		Date	Description			Amount		
	65412571		01/07/2026	CANINE GIARIAPRO RAPID TEST			$166.73		
	65413881		01/07/2026	RAB VAC 3 50X1DS			$220.45		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$166.73		
	203 - Animal Fee Forfeiture			203.11000 (Cash)			$220.45		
152018	01/15/2026	Open			Accounts Payable	NAPA AUTO PARTS	$11,181.42		
	Invoice		Date	Description			Amount		
	850201		12/16/2025	48880178 NB BRAKE ROTOR HUB			$283.44		
	850233		12/16/2025	7237 BAT 18MO WTY BAT			$163.42		
	850250		12/16/2025	IC725 ECH COIL ON PLUG COIL (			$448.06		

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	850255		12/17/2025	9883 FIL AIR FILTER ()			$83.80			
	850260		12/17/2025	48882867 NB BRAKE ROTOR ()			$435.93			
	850319		12/18/2025	1877 FNY GRINDING WHEEL (618)			$12.77			
	850474		12/22/2025	FG0954 DFP FUEL MODULE ()			$194.11			
	850476		12/22/2025	755-1782 BK BRKAWAY BATTERY CHRGR ()			$10.25			
	850534		12/18/2025	15950 ATP ATP PLATINUM KIT ()			$739.07			
	850555		12/23/2025	G0363 DFP FUEL PUMP ()			$351.46			
	850556		12/23/2025	FG0954 DFP FUEL MODULE ()			($194.11)			
	850611		12/29/2025	E93276X24 MER CHAMBER ()			$1,795.54			
	850612		12/29/2025	C923276X24 MER CHAMBER ()			$844.02			
	850641		12/18/2025	710-1834 BK Tire Repair Kit (857)			$31.71			
	850722		12/18/2025	48880508 NB NAPA Premium Front Brake Rotor ()			$369.26			
	850730		12/30/2025	48880976 NB NAPA Premium Rear Brake Rotor ()			$141.47			
	850774		12/31/2025	SG8528X PSG NAPA SilentGUARD Front Disc Bra ()			$370.26			
	850789		12/31/2025	48881951 NB BRAKE ROTOR ()			($141.47)			
	850864		01/05/2026	SG7584M PSG SILENTGUARD BRK PADS ()			$43.16			
	850867		01/05/2026	1748XD FIL OIL FILTER			$1,495.00			
	850870		01/05/2026	AD1311LHP TWD 4 LUNAR HP PADS ()			$831.09			
	850899		01/05/2026	SG7576M PSG SILENTGUARD BRK PADS ()			$43.16			
	850915		01/05/2026	7565 BAT 2YR WTY BAT			$934.10			
	850937		01/06/2026	4886654 NB BRAKE ROTOR HUB ()			$177.29			
	850938		01/06/2026	4886654 NB BRAKE ROTOR HUB ()			$73.07			
	850940		01/06/2026	4071 FIL COOLANT FILTER			$242.26			
	850943		01/06/2026	2449292 RAY REMAN STARTER			$113.70			
	850955		01/06/2026	15925 ATP PLATINUM FILTER KIT			$69.12			
	850961		01/06/2026	1255H11N LMP BOXED CAPSULES			$22.92			
	851035		01/07/2026	IC369 XP103 17975 ECH ASP ATP COIL ON PLUG COIL ()			$907.24			
	851053		01/07/2026	DK23-105-00 DK23-106-00 TWD TWD Utility Trailer Brakes Assy - E			$240.04			
	851065		01/07/2026	FILTER-AIR; FILTER, AIR 6573			$50.28			
	Paying Fund			Cash Account			Amount			
	505 - Fleet			505.11000 (Cash)			$11,181.42			
152019	01/15/2026	Open			Accounts Payable	National Coating & Lining Co		$16,090.15		
	Invoice		Date	Description			Amount			
	PP9/CP 23-027		12/31/2025	23-027 Secondary Clarifier No. 4 Recoating-12/31/25			$16,090.15			
	Paying Fund			Cash Account			Amount			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$16,090.15			
152020	01/15/2026	Open			Accounts Payable	NBS GOVERNMENT FINANCE GROUP		$7,075.00		
	Invoice		Date	Description			Amount			
	202512-3828		12/10/2025	PROF SVS THROUGH 11/25/25			$250.00			
	202512-3717		12/03/2025	PROF SVS THROUGH 11/25/25			$6,825.00			
	Paying Fund			Cash Account			Amount			
	420 - WATER			420.11000 (Cash)			$7,075.00			
152021	01/15/2026	Open			Accounts Payable	New Century Construction & Consulting Inc.		$10,020.00		
	Invoice		Date	Description			Amount			
	229		12/16/2025	Service Orders- 591 Birchwood Way- Floors			$3,700.00			

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	234		01/06/2026	Service Orders- 1827 Shadow Park- Kitchen Counter Top			$6,320.00			
	Paying Fund			Cash Account			Amount			
	255 - CDBG			255.11000 (Cash)			$6,320.00			
	625 - Successor Agency - LMI			625.11000 (Cash)			$3,700.00			
152022	01/15/2026	Open			Accounts Payable	Northstar Chemical		$9,176.37		
	Invoice		Date	Description			Amount			
	329177		12/17/2025	SODIUM HYDROXIDE FOR WELL 38			$2,545.29			
	329161		12/26/2025	FERRIC CHLORIDE FOR WELL 38			$6,631.08			
	Paying Fund			Cash Account			Amount			
	420 - WATER			420.11000 (Cash)			$9,176.37			
152023	01/15/2026	Open			Accounts Payable	NORTHSTAR ENGINEERING GROUP INC		$3,333.95		
	Invoice		Date	Description			Amount			
	28750		10/31/2025	SR01, 14-44 Intersection Improv at W Main and Tegner Rd-10/31/25			$3,333.95			
	Paying Fund			Cash Account			Amount			
	215 - Streets - Grant Funded Projects			215.11000 (Cash)			$3,333.95			
152024	01/15/2026	Open			Accounts Payable	NV5 INC.		$215,800.31		
	Invoice		Date	Description			Amount			
	491654		12/23/2025	23-033 CM for Roads Task Order 2-Nov 2025			$1,987.59			
	491658		12/23/2025	23-068 CM for Roads Task Order 3 BP 1-Nov 2025			$590.38			
	491662		12/23/2025	23-067 CM for Roads Task Order 4 BP 2-Nov 2025			$6,934.20			
	491665		12/23/2025	23-067 CM for Roads Task Order 5 BP 3-Nov 2025			$115,663.23			
	491669		12/23/2025	23-032 Construction Close-Out Services Roads CIP-Nov 2025			$1,875.56			
	491671		12/23/2025	22-001 Construction Close-Out Services Roads-Nov 2025			$5,939.27			
	491674		12/23/2025	23-069 CM for Roads Task Order 6-Nov 2025			$81,083.55			
	491678		12/23/2025	23-068 CM Roads Task Order 8 BP2-Nov 2025			$1,726.53			
	Paying Fund			Cash Account			Amount			
	115 - Measure A - Roads			115.11000 (Cash)			$215,800.31			
152025	01/15/2026	Open			Accounts Payable	Operational Technical Services, LLC		$19,694.22		
	Invoice		Date	Description			Amount			
	5267		12/14/2025	SRWA - Senior Operator MC 12.10.25 - 12.14.25			$8,242.34			
	5278		12/17/2025	SRWA - Senior Operator MC 12.15.25 - 12.17.25			$4,595.70			
	5281		12/28/2025	SRWA - Senior Operator MC 12.25.25 - 12.28.25			$6,856.18			
	Paying Fund			Cash Account			Amount			
	450 - SRWA - Operations			450.11000 (Cash)			$19,694.22			
152026	01/15/2026	Open			Accounts Payable	OREILLY AUTO PARTS		$1,594.97		
	Invoice		Date	Description			Amount			
	2800-209523		12/16/2025	PRE K200520 SWAY BAR BSH			$19.17			
	2800-209850		12/17/2025	MP3 501-0129 RMN STG GEAR			$343.37			
	2800-211641		12/23/2025	PRE K200520 SWAY BAR BSH			$577.09			
	2800-211424		12/22/2025	MRY PM9393 BLOWER MOTOR			$83.58			
	2800-214818		01/05/2026	PRE MS408131 SWAY BR LINK			$547.36			
	2800-214798		01/05/2026	2 PRE K700536 SWAY LINK KT LT			$24.40			
	Paying Fund			Cash Account			Amount			

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name		Transaction Amount	Reconciled Amount	Difference
	505 - Fleet			505.11000 (Cash)			$1,594.97			
152027	01/15/2026	Open			Accounts Payable	P G & E		$7,886.75		
	Invoice		Date	Description			Amount			
	123025 573 Birch		01/07/2026	3511883216-7 573 Birchwood Way			$14.74			
	COLUMBIA12/31/25		12/31/2025	6180280303-3 / 600 Columbia St			$7.84			
	HIGH 12/31/25		12/31/2025	0221941093-9 / 595 High St			$7.84			
	R.BOESCH12/31/25		12/31/2025	4388605407-1 / 275 N Orange			$41.87			
	FIRE#3 1/4/26		01/04/2026	2087893140-9 / 501 E Monte Vista Ave			$1,321.09			
	CITY HALL 1/7/26		01/07/2026	3254375586-5 / 156 S Broadway			$1,055.62			
	FIRE#1 1/7/26		01/07/2026	3159594551-5 / 540 Marshall St			$2,159.55			
	SENIOR 1/7/26		01/07/2026	2890831960-2 / 1191 Cahill St			$872.10			
	FIRE#2 1/8/26		01/08/2026	6182877164-4 / 791 S Walnut Rd			$60.46			
	WQC 1/8/26		01/08/2026	6349543820-0 / 901 S Walnut Rd			$219.89			
	WQC 01/08/26		01/08/2026	6307877156-3 / 901 S Walnut Rd			$2,106.04			
	ARMORY 12/31/25		12/31/2025	7255483135-3 / 1040 Flower St			$19.71			
	Paying Fund			Cash Account			Amount			
	110 - General Fund			110.11000 (Cash)			$5,546.08			
	255 - CDBG			255.11000 (Cash)			$14.74			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$2,325.93			
152028	01/15/2026	Open			Accounts Payable	PACE SUPPLY CORPORATION		$10,312.67		
	Invoice		Date	Description			Amount			
	0510967827-3		12/12/2025	ALL SS REPAIR CLAMP			$564.85			
	0510967827-2		12/12/2025	REPAIR CLAMP ROMAC			$4,301.55			
	0111023191		12/22/2025	GRUNDFOS HEAD KIT			$1,637.85			
	0611051163		12/24/2025	COUPON RETAINING PILOT BIT SIMTAP			$295.48			
	0510938445-3		01/05/2026	ANGLE METER			$3,512.94			
	Paying Fund			Cash Account			Amount			
	420 - WATER			420.11000 (Cash)			$10,312.67			
152029	01/15/2026	Open			Accounts Payable	PIRES, LIPOMI & BURKETT ARCHITECTURAL CORP		$675.00		
	Invoice		Date	Description			Amount			
	7622		11/30/2025	SR01, 24-004 WQC Admin Building Reroof-11/30/25			$675.00			
	Paying Fund			Cash Account			Amount			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$337.50			
	420 - WATER			420.11000 (Cash)			$337.50			
152030	01/15/2026	Open			Accounts Payable	PRICE FORD OF TURLOCK INC		$164.98		
	Invoice		Date	Description			Amount			
	49576		12/17/2025	BRACKET; BRACKET - LICENSE PLATE, LK4Z17A385AA			$44.98			
	20651		12/23/2025	POL18-1331 PROGRAM KEYS			$120.00			
	Paying Fund			Cash Account			Amount			
	110 - General Fund			110.11000 (Cash)			$120.00			
	505 - Fleet			505.11000 (Cash)			$44.98			
152031	01/15/2026	Open			Accounts Payable	PROVOST & PRITCHARD ENGINEERING GROUP INC		$148,311.24		
	Invoice		Date	Description			Amount			
	124856		10/31/2025	SR03, 24-025 Morgan Ranch Sewer Lift Station & Offsite -10/31/25			$5,562.40			

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	126022		11/30/2025	SR03, 24-025 Morgan Ranch Sewer Lift Station & Offsite -11/30/25			$3,911.30			
	122619		07/31/2025	SR02, 24-045 Well 36 GAC Treatment-7/31/25			$26,353.65			
	123143		08/31/2025	SR02, 24-045 Well 36 GAC Treatment-8/31/25			$30,224.85			
	123903		09/30/2025	SR02, 24-045 Well 36 GAC Treatment-9/30/25			$50,448.45			
	123364		08/31/2025	SR02, 24-045 Well 36 GAC Treatment-Environmental-8/31/25			$10,106.66			
	125990		12/16/2025	25-040 Design Services Task Order 5 Roads CIP Nov. 2025			$17,379.93			
	124890		10/31/2025	SR01, 23-046 Well 29 Chlorination-10/31/25			$4,324.00			
	Paying Fund			Cash Account			Amount			
	218 - Measure L			218.11000 (Cash)			$17,379.93			
	414 - Sewer LIne/Trunk Construction			414.11000 (Cash)			$9,473.70			
	420 - WATER			420.11000 (Cash)			$4,324.00			
	422 - Well Remediation			422.11000 (Cash)			$117,133.61			
152032	01/15/2026	Open			Accounts Payable	PUMP PROS INC		$247.59		
	Invoice		Date	Description			Amount			
	2092		12/17/2025	CNA RING GASKET			$203.09			
	1635		04/07/2025	1 1/2" PVC PIPE			$44.50			
	Paying Fund			Cash Account			Amount			
	420 - WATER			420.11000 (Cash)			$247.59			
152033	01/15/2026	Open			Accounts Payable	QUADIENT, INC.		$4,816.98		
	Invoice		Date	Description			Amount			
	17892803		12/24/2025	Envelope Inserter			$4,816.98			
	Paying Fund			Cash Account			Amount			
	110 - General Fund			110.11000 (Cash)			$4,335.28			
	120 - Tourism			120.11000 (Cash)			$481.70			
152034	01/15/2026	Open			Accounts Payable	QUIROGA, ELIZABETH		$593.86		
	Invoice		Date	Description			Amount			
	Prof Dev FY25/26		01/08/2026	Professional Development Reimbursement for Elizabeth Quiroga			$593.86			
	Paying Fund			Cash Account			Amount			
	110 - General Fund			110.11000 (Cash)			$593.86			
152035	01/15/2026	Open			Accounts Payable	R & S ERECTION INC		$709.86		
	Invoice		Date	Description			Amount			
	145294		12/17/2025	ST#31 - KEYPAD/GATE ISSUE			$709.86			
	Paying Fund			Cash Account			Amount			
	110 - General Fund			110.11000 (Cash)			$709.86			
152036	01/15/2026	Open			Accounts Payable	R3 Consulting Group, Inc.		$1,942.50		
	Invoice		Date	Description			Amount			
	125016		01/06/2026	On-Call Solid Waste Consulting Services rendered up to December			$1,942.50			
	Paying Fund			Cash Account			Amount			
	204 - SolidWaste/Recycle/PublicEducati			204.11000 (Cash)			$1,942.50			
152037	01/15/2026	Open			Accounts Payable	Richard D. Jones, APLC dba Jones Mayer		$45.00		
	Invoice		Date	Description			Amount			
	137410		11/30/2025	Special Counsel Legal Services			$45.00			

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$45.00		
152038	01/15/2026	Open			Accounts Payable	RUSH TRUCK CENTERS OF CALIFORNIA, INC.	$4,035.28		
	Invoice		Date	Description			Amount		
	3044386732		12/17/2025	ML3Z1625324D:FRD WEATHERSTRIP			$109.66		
	3044397659		12/18/2025	29546229:AT SEL-OIL, TUBE, (OIL			$38.54		
	3044369577		12/26/2025	4 MF17-1004:MOM UNION-#6 ORB X #6 ORB			$160.33		
	3044391545		12/18/2025	AR15-1039:MOM REGULATOR-ITT, CROSS			$1,230.56		
	3044405576		12/22/2025	SP551259-K:SAM AIR SPRING, COMP. TYPE			$362.05		
	3044504906		01/05/2026	1 FL3Z11582B:FRD LOCK CYLINDER LESS KEYS			$236.25		
	3044552117		01/05/2026	309-7530 - HANDLE - IDK			$116.42		
	3044522611		01/05/2026	12 CV52055:FGD ELEMENT, CRAN			$1,338.43		
	3044565158		01/06/2026	1 4C2Z1513209AAA:FRD PLATE - DOOR SCUFF			$124.92		
	3044572553		01/06/2026	LB5Z18124H:FRD SHOCK ABSORBER ASY			$318.12		
	Paying Fund			Cash Account			Amount		
	505 - Fleet			505.11000 (Cash)			$4,035.28		
152039	01/15/2026	Open			Accounts Payable	Saf-T-Flo Water Services DBA Saf-T-Flo Chemical In	$11,918.16		
	Invoice		Date	Description			Amount		
	106670		12/05/2025	INJECTION QUILL RETRACTABLE			$11,918.16		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$11,918.16		
152040	01/15/2026	Open			Accounts Payable	SAFE-T-LITE OF MODESTO, INC	$1,009.81		
	Invoice		Date	Description			Amount		
	407878		12/16/2025	2025 Our Lady of Guadalupe			$1,009.81		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$1,009.81		
152041	01/15/2026	Open			Accounts Payable	SAFETY-KLEEN SYSTEMS, INC	$1,389.31		
	Invoice		Date	Description			Amount		
	98942933		01/06/2026	PERFORMANCE PLUS, PASSENGER CAR ENGINE OIL, 5W-20, SQ/GF-7A, SYN			$1,389.31		
	Paying Fund			Cash Account			Amount		
	505 - Fleet			505.11000 (Cash)			$1,389.31		
152042	01/15/2026	Open			Accounts Payable	SAN JOAQUIN VALLEY	$4,916.00		
	Invoice		Date	Description			Amount		
	N172885		01/01/2026	FACILITY ID: N3669			$4,916.00		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$4,916.00		
152043	01/15/2026	Voided	INCORRECT ENTRY	01/16/2026	Accounts Payable	Sandis Civil Engineers Surveyors Planners	$5,268.98		
	Invoice		Date	Description			Amount		
	2511370-M		11/30/2025	SR02, 25-030 Ped Crossing W Christoffersen & Mckenna-11/30/25			$5,268.98		
	Paying Fund			Cash Account			Amount		
	218 - Measure L			218.11000 (Cash)			$5,268.98		

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
152044	01/15/2026	Open			Accounts Payable	SCI Consulting Group	$6,500.00		
	Invoice		Date	Description			Amount		
	SBS12034-A		10/06/2025	Annual Financial Audit & Audit Reports for 2024			$6,500.00		
	Paying Fund			Cash Account			Amount		
	117 - Cannabis			117.11000 (Cash)			$6,500.00		
152045	01/15/2026	Open			Accounts Payable	SEEGERS PRINTING INC	$3,553.13		
	Invoice		Date	Description			Amount		
	0147056-IN		12/30/2025	Bill Insert TCP			$1,383.89		
	0147070-IN		12/30/2025	Organic Recycling Guide 20,000			$2,169.24		
	Paying Fund			Cash Account			Amount		
	204 - SolidWaste/Recycle/PublicEducati			204.11000 (Cash)			$2,169.24		
	420 - WATER			420.11000 (Cash)			$1,383.89		
152046	01/15/2026	Open			Accounts Payable	SOUTHERN TIRE MART	$1,937.95		
	Invoice		Date	Description			Amount		
	7320021083		01/06/2026	LT235/85R16/10 TRANSFORCE HT3			$295.07		
	7320021084		01/06/2026	LT265/70R18/10 DESTINATION XT			$974.94		
	7320021081		01/06/2026	23X9.50-12/4 CARL TURF MASTER			$667.94		
	Paying Fund			Cash Account			Amount		
	505 - Fleet			505.11000 (Cash)			$1,937.95		
152047	01/15/2026	Open			Accounts Payable	STANISLAUS CO SHERIFF'S	$115.00		
	Invoice		Date	Description			Amount		
	9683		12/17/2025	FTO UPDATE/BRETT CONRAD 12/8/25 - 12/10/25			$115.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$115.00		
152048	01/15/2026	Open			Accounts Payable	STANISLAUS COUNTY CLERK RECORDER	$57.00		
	Invoice		Date	Description			Amount		
	NOE 1-14-26		01/14/2026	NOE for CP 21-003 Fulkerth Rd Widening			$57.00		
	Paying Fund			Cash Account			Amount		
	305 - Capital Facility Fees			305.11000 (Cash)			$57.00		
152049	01/15/2026	Open			Accounts Payable	STATE WATER RESOURCE CTNL	$105.00		
	Invoice		Date	Description			Amount		
	Estrada - T5		01/06/2026	Salena Estrada T5 Renewal			$105.00		
	Paying Fund			Cash Account			Amount		
	450 - SRWA - Operations			450.11000 (Cash)			$105.00		
152050	01/15/2026	Open			Accounts Payable	STATE WATER RESOURCES CONTROL BOARD	$87,472.96		
	Invoice		Date	Description			Amount		
	WS-1056008		12/03/2025	WATER SYSTEM ANNUAL FEES 7/1/25-6/30/26			$87,472.96		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$87,472.96		
152051	01/15/2026	Open			Accounts Payable	STERICYCLE INC	$115.76		
	Invoice		Date	Description			Amount		
	8012700746		11/25/2025	ST#3 - STERI-SAFE MONTHLY TREATMENT			$28.94		
	8012700744		11/25/2025	ST#2 - STERI-SAFE MONTHLY TREATMENT			$28.94		
	8012700749		11/25/2025	ST#1 - STERI-SAFE MONTHLY TREATMENT			$28.94		
	8012700742		11/25/2025	ST#4 - STERI-SAFE MONTHLY TREATMENT			$28.94		

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	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$115.76		
152052	01/15/2026	Open			Accounts Payable	SUPPORT PAYMENT CLEARING	$405.35		
	Invoice		Date	Description			Amount		
	010326BECCHETTI		01/09/2026	01032026 PAYROLL WITHHOLDING			$405.35		
	Paying Fund			Cash Account			Amount		
	104 - Payroll Clearing Fund			104.11000 (Cash)			$405.35		
152053	01/15/2026	Open			Accounts Payable	T I D	$32,529.63		
	Invoice		Date	Description			Amount		
	122625 1827 Shad		12/26/2025	5637003297 1827 Shadow Park Dr.			$26.30		
	624170 - Dec 25		12/12/2025	ACC#6241700000 - December 2025			$32,503.33		
	Paying Fund			Cash Account			Amount		
	255 - CDBG			255.11000 (Cash)			$26.30		
	950 - SRWA - JPA			950.11000 (Cash)			$32,503.33		
152054	01/15/2026	Open			Accounts Payable	THORSEN'S-NORQUIST, INC.	$1,482.03		
	Invoice		Date	Description			Amount		
	0715311		12/02/2025	ARMORY STRAIGHT STOP			$1,056.03		
	1167604		12/17/2025	STATION #31 - SNAKE DRAIN			$426.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$1,482.03		
152055	01/15/2026	Open			Accounts Payable	TOM PONTON INDUSTRIES, INC	$1,350.00		
	Invoice		Date	Description			Amount		
	32763		12/03/2025	Field Verification of six Siemens 5100W Magnetic Flow Meters			$1,350.00		
	Paying Fund			Cash Account			Amount		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$900.00		
	416 - Recycled Water Sales			416.11000 (Cash)			$450.00		
152056	01/15/2026	Open			Accounts Payable	TURLOCK COMMUNITY THEATRE	$6,731.00		
	Invoice		Date	Description			Amount		
	R2025-27		01/09/2026	Fall Dance 2025			$6,731.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$6,731.00		
152057	01/15/2026	Open			Accounts Payable	TURLOCK JOURNAL	$1,764.00		
	Invoice		Date	Description			Amount		
	409888		12/28/2025	Public Notice for 1/25/26 PC Spc Mtg			$315.00		
	409563		12/21/2025	Public Notice for 1/15/26 PC Spc Mtg			$184.00		
	409560		12/21/2025	LEGAL AD TJ#12-17 SEIZURE & FORFEITURE TP25002259			$414.00		
	409561		12/21/2025	TJ#12-18 SEIZURE & FORFEITURE TP25003696			$414.00		
	410306		12/31/2025	Legal Ad: BID 25-025 12/3/25			$161.00		
	410308		12/31/2025	Legal Ad: BID 25-014 12/20/25			$138.00		
	410307		12/31/2025	Legal Ad: BID 25-010 12/13/25			$138.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$637.00		
	201 - Asset Forfeiture			201.11000 (Cash)			$828.00		
	255 - CDBG			255.11000 (Cash)			$161.00		
	420 - WATER			420.11000 (Cash)			$138.00		

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152058	01/15/2026	Open			Accounts Payable	TURLOCK SCAVENGER CO INC	$1,300,000.00		
	Invoice		Date	Description			Amount		
	JAN 2026 PAYMENT		01/09/2026	JAN 2026 PAYMENT			$1,300,000.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$1,300,000.00		
152059	01/15/2026	Open			Accounts Payable	TURLOCK SCAVENGER/SWEEPING	$20,105.50		
	Invoice		Date	Description			Amount		
	11-2025		11/30/2025	Street Sweeping Services			$20,105.50		
	Paying Fund			Cash Account			Amount		
	217 - Streets - Gas Tax			217.11000 (Cash)			$17,692.84		
	246 - Landscape Assessment			246.11000 (Cash)			$2,412.66		
152060	01/15/2026	Open			Accounts Payable	TURLOCK SMOG LLC	$84.00		
	Invoice		Date	Description			Amount		
	#13516		01/05/2026	AD08-0442 smog			$28.00		
	#13541		01/05/2026	OP17-6000 smog			$28.00		
	#13553		01/05/2026	ST04-7102 smog			$28.00		
	Paying Fund			Cash Account			Amount		
	217 - Streets - Gas Tax			217.11000 (Cash)			$28.00		
	246 - Landscape Assessment			246.11000 (Cash)			$28.00		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$28.00		
152061	01/15/2026	Open			Accounts Payable	UNITED PAVEMENT MAINTENANCE, INC.	$213,613.28		
	Invoice		Date	Description			Amount		
	PP5 CP23-068BP1		11/06/2025	23-068 Construction BP1 Roads CIP FINAL 7/01/2025 -8/30/2025			$82,277.21		
	PP1/CP 14-44		11/26/2025	14-44 Intersection Improvements at W Main and Tegner Rd-11/26/25			$131,336.07		
	Paying Fund			Cash Account			Amount		
	215 - Streets - Grant Funded Projects			215.11000 (Cash)			$131,336.07		
	218 - Measure L			218.11000 (Cash)			$82,277.21		
152062	01/15/2026	Open			Accounts Payable	UNIVAR SOLUTIONS USA, LLC dba UNIVAR SOLUTIONS USA	$91,170.08		
	Invoice		Date	Description			Amount		
	53556575		12/17/2025	SODIUM BISULFITE			$7,313.40		
	53567143		12/26/2025	SODIUM HYPOCHLORITE			$17,521.17		
	53575800		12/30/2025	SODIUM HYPOCHLORITE			$16,056.63		
	53564795		12/23/2025	SODIUM HYPOCHLORITE			$16,647.38		
	53561042		12/19/2025	SODIUM HYPOCHLORITE			$16,406.14		
	53554965		12/17/2025	SRWA SUPPLY AND DELIVERY OF SODIUM HYPOCHLORITE 12.17.25			$14,807.37		
	53540471		12/11/2025	WELL 27			$536.06		
	53540474		12/11/2025	CORP YARD			$988.49		
	53540473		12/11/2025	WELL 32			$428.85		
	53540472		12/11/2025	WELL 33			$464.59		
	Paying Fund			Cash Account			Amount		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$73,944.72		
	420 - WATER			420.11000 (Cash)			$2,417.99		
	450 - SRWA - Operations			450.11000 (Cash)			$14,807.37		

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
152063	01/15/2026	Open			Accounts Payable	US BANK	$499,257.70		
	Invoice		Date	Description			Amount		
	3111395		01/05/2026	TUR. REDEVELOPMENT TAX ALLOCATION REFUNDING BONDS, SERIES 2016			$499,257.70		
	Paying Fund			Cash Account			Amount		
	621 - Successor Agency - Non LMI			621.11000 (Cash)			$499,257.70		
152064	01/15/2026	Open			Accounts Payable	US CONF OF MAYORS, THE	$6,567.00		
	Invoice		Date	Description			Amount		
	inv006433		01/01/2026	2026 Annual Membership			$6,567.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$6,567.00		
152065	01/15/2026	Open			Accounts Payable	VERIZON WIRELESS	$565.55		
	Invoice		Date	Description			Amount		
	6131339908		12/18/2025	642482150-00001 Utilities Wellsite-Sim Card Nov 19-Dec 18 2025			$565.55		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$565.55		
152066	01/15/2026	Open			Accounts Payable	Vestis Group Inc DBA Vestis Services LLC	$5,475.73		
	Invoice		Date	Description			Amount		
	27681802		12/09/2025	CARH TRML ZIP HOOD SWSHRT			$103.91		
	12/31/25		12/31/2025	UNIFORM RENTAL & LAUNDRY SERVICES - DECEMBER 2025			$5,371.82		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$1,594.58		
	205 - Sports Facilities			205.11000 (Cash)			$191.10		
	217 - Streets - Gas Tax			217.11000 (Cash)			$210.73		
	246 - Landscape Assessment			246.11000 (Cash)			$289.58		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$1,617.69		
	420 - WATER			420.11000 (Cash)			$366.05		
	426 - Transit			426.11000 (Cash)			$158.10		
	450 - SRWA - Operations			450.11000 (Cash)			$537.05		
	505 - Fleet			505.11000 (Cash)			$510.85		
152067	01/15/2026	Open			Accounts Payable	Vestra Resources, Inc.	$3,623.00		
	Invoice		Date	Description			Amount		
	82212-31		01/06/2026	GIS Professional Services			$3,389.50		
	82212-30		12/11/2025	GIS Professional Services			$233.50		
	Paying Fund			Cash Account			Amount		
	501 - Information Technology			501.11000 (Cash)			$3,623.00		
152068	01/15/2026	Open			Accounts Payable	VIRTUAL PROJECT MANAGER LLC	$1,250.00		
	Invoice		Date	Description			Amount		
	12-4732		11/01/2025	Project Management Software Tool for Capital Projects-Nov 2025			$1,250.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$1,250.00		
152069	01/15/2026	Open			Accounts Payable	VWR INTERNATIONAL INC	$391.44		
	Invoice		Date	Description			Amount		
	8820664785		12/23/2025	LAB SUPPLIES			$391.44		

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
	Paying Fund			Cash Account			Amount		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$391.44		
152070	01/15/2026	Open			Accounts Payable	WALKER ASSOC INC, LARRY	$11,083.50		
	Invoice		Date	Description			Amount		
	00339.15-5		12/15/2025	NPDES Permit Compliance Services through 11.30.25			$11,083.50		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$11,083.50		
152071	01/15/2026	Open			Accounts Payable	WEST YOST & ASSOCIATES INC.	$7,634.25		
	Invoice		Date	Description			Amount		
	2065681		11/30/2025	Professional Services from November 8, 2025 to December 5, 2025			$7,634.25		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$7,634.25		
152072	01/15/2026	Open			Accounts Payable	Western Extrication Specialists, Inc.	$1,076.65		
	Invoice		Date	Description			Amount		
	3323		12/15/2025	BATTERY 6AH			$1,076.65		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$1,076.65		
152073	01/15/2026	Open			Accounts Payable	WMB ARCHITECTS INC	$400.00		
	Invoice		Date	Description			Amount		
	26679		12/16/2025	SR01, 24-010 Fire Station 31 SCBA Compressor Room 12-16-25			$400.00		
	Paying Fund			Cash Account			Amount		
	240 - Small Equipment Replacement			240.11000 (Cash)			$400.00		
152074	01/15/2026	Open			Accounts Payable	Castro, Valerie	$160.00		
	Invoice		Date	Description			Amount		
	TR5161PerDiem		01/12/2026	2026 CAPPO Conference 1/31/26-2/4/26			$160.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$160.00		
152075	01/15/2026	Open			Accounts Payable	CMRTA, C/O JOHN MCGIRR	$200.00		
	Invoice		Date	Description			Amount		
	4328		12/19/2025	CMRTA 2026 MEMBERSHIP DUES			$200.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$200.00		
152076	01/15/2026	Open			Accounts Payable	Dhami, Jasjit	$412.29		
	Invoice		Date	Description			Amount		
	TR 5209 Reimb		10/31/2025	Reimbursement to Jasjit Dhami for CalPERS Forum10/12/25-10/15/25			$412.29		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$412.29		
152077	01/15/2026	Open			Accounts Payable	EVANS, EVELYN	$143.50		
	Invoice		Date	Description			Amount		
	82 EPAULET ORDER		12/10/2025	82 EPAULETS FOR VIPS PROGRAM			$143.50		
	Paying Fund			Cash Account			Amount		
	266 - Police Services Grants			266.11000 (Cash)			$143.50		

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152078	01/15/2026	Open			Accounts Payable	HOOKER, CONNIE	$30.00		
	Invoice		Date	Description			Amount		
	12-16-25 ONLINE		12/19/2025	A/C REFUND DUPLICATE PAYMENT			$30.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$30.00		
152079	01/15/2026	Open			Accounts Payable	KAUFFMAN, PHILIP	$640.00		
	Invoice		Date	Description			Amount		
	TR 5231 PER DIEM		12/09/2025	ICI CORE COURSE, 2/1/26 - 2/13/26, MONTEREY			$640.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$640.00		
152080	01/15/2026	Open			Accounts Payable	LAZETTE, JAMES	$323.25		
	Invoice		Date	Description			Amount		
	103175173		11/28/2025	BOOT REIMBURSEMENT			$323.25		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$323.25		
152081	01/15/2026	Open			Accounts Payable	MURGALLIS, MARCEL	$350.00		
	Invoice		Date	Description			Amount		
	3106259		11/26/2025	BOOT REIMBURSEMENT			$350.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$350.00		
152082	01/15/2026	Open			Accounts Payable	NENA 9-1-1	$152.00		
	Invoice		Date	Description			Amount		
	300087861		12/04/2025	MEMBERSHIP DUES 2026 - MRODRIGUEZ			$152.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$152.00		
152083	01/15/2026	Voided	INCORRECT ENTRY	01/16/2026	Accounts Payable	Quiroga, Lisa	$160.00		
	Invoice		Date	Description			Amount		
	TR5159PerDiem		01/12/2026	2026 CAPPO Conference 1/31/26-2/4/26			$160.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$160.00		
152084	01/15/2026	Open			Accounts Payable	Renteria, Kelly	$1,524.47		
	Invoice		Date	Description			Amount		
	TR5206 PER DIEM		01/05/2026	RenteriaOct2025 Training Reimbursement - CMC Series 400			$1,524.47		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$1,524.47		
152085	01/15/2026	Open			Accounts Payable	Stow, Connysue	$160.00		
	Invoice		Date	Description			Amount		
	TR5160PerDiem		01/12/2026	2026 CAPPO Conference 1/31/26-2/4/26			$160.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$160.00		
152086	01/15/2026	Open			Accounts Payable	THE PIN CENTER	$256.00		
	Invoice		Date	Description			Amount		
	1225122		12/29/2025	YOS PINS			$256.00		
	Paying Fund			Cash Account			Amount		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$128.00		

Payment Register

From Payment Date: 1/9/2026 - To Payment Date: 1/15/2026

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
	420 - WATER			420.11000 (Cash)		$128.00			
152087	01/15/2026	Open			Accounts Payable	TURLOCK MARKETPLACE, LLC	$517,000.00		
	Invoice		Date	Description		Amount			
	EP 25-122E		01/09/2026	EP 25-122E IMP SECURITY REFUND 2630 W TUOLUMNE		$517,000.00			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		$517,000.00			
152088	01/15/2026	Open			Accounts Payable	WOODLAND CONSTRUCTION BUILDERS	$3,449.96		
	Invoice		Date	Description		Amount			
	METER #00450679		01/05/2026	REFUND HYNDRANT METER #00450679		$3,449.96			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		$3,495.00			
	420 - WATER			420.11000 (Cash)		($45.04)			
Type Check Totals:					182 Transactions		$5,582,624.03		

AP - Accounts Payable Totals

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	179	$5,176,095.73	$0.00
	Reconciled	0	$0.00	$0.00
	Voided	3	$406,528.30	$0.00
	Stopped	0	$0.00	$0.00
	Total	182	$5,582,624.03	$0.00

All	Status	Count	Transaction Amount	Reconciled Amount
	Open	179	$5,176,095.73	$0.00
	Reconciled	0	$0.00	$0.00
	Voided	3	$406,528.30	$0.00
	Stopped	0	$0.00	$0.00
	Total	182	$5,582,624.03	$0.00

Grand Totals:

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	**179**	**$5,176,095.73**	**$0.00**
	Reconciled	**0**	**$0.00**	**$0.00**
	Voided	**3**	**$406,528.30**	**$0.00**
	Stopped	**0**	**$0.00**	**$0.00**
	Total	**182**	**$5,582,624.03**	**$0.00**

All	Status	Count	Transaction Amount	Reconciled Amount
	Open	**179**	**$5,176,095.73**	**$0.00**
	Reconciled	**0**	**$0.00**	**$0.00**
	Voided	**3**	**$406,528.30**	**$0.00**
	Stopped	**0**	**$0.00**	**$0.00**
	Total	**182**	**$5,582,624.03**	**$0.00**

INVESTMENT AND CASH REPORT FOR NOVEMBER 30, 2025

CURRENT INVESTMENT AND CASH BALANCE

The City's cash and investments as of NOVEMBER 30, 2025 totaled the following:

Invested Cash	$	306,163,188.45
Demand Deposits (excludes outstanding items)	$	7,504,727.60
Total Cash and Investments	$	313,667,916.05

See the attached *Schedule of Investments* for detail regarding individual investments.

In compliance with the California Government Code, The City of Turlock has adequate resources to meet its expenditure requirements for the next six months.

COMPLIANCE WITH INVESTMENT POLICY

As of NOVEMBER 30, 2025, the investment portfolio was in compliance with all elements of the City's Investment Policy.

Prepared by: Jamie Gomes, Accountant III

Jamie Gomes — 01/08/2026

Signature — Date Signed

Reviewed and approved as to accuracy by: Michael Abram, City Treasurer

Michael Abram — 01/13/2026

Signature — Date Signed

Updated: January 8, 2026

CITY OF TURLOCK

Schedule of Investments - As of November 30, 2025

INVESTMENT DETAIL	Cost	Par	Coupon Rate	YIELD	Purchase Date	Maturity Date	Market	When Interest Paid
Local Agency Investment Fund (LAIF)	$ 10,150,740.53	$ 10,150,740.53	n/a	4.096%	n/a	n/a	$ 10,150,740.53	Quarterly
Total LAIF	**10,150,740.53**	**10,150,740.53**					**10,150,740.53**	
California Asset Management Program (CAMP)	43,400,998.90	43,400,998.90	n/a	4.100%	n/a	n/a	$ 43,400,998.90	Monthly
Total CAMP	**43,400,998.90**	**43,400,998.90**					**43,400,998.90**	
DEMAND DEPOSITS:								
West America Bank Daily Receipts (unreconciled)	6,921,067.95	6,921,067.95	n/a	n/a	n/a	n/a	6,921,067.95	monthly
Petty Cash	7,880.00	7,880.00	n/a	n/a	n/a	n/a	7,880.00	n/a
Charles Schwab	575,779.65	575,779.65	n/a	3.810%	n/a	n/a	575,779.65	n/a
Total Demand Deposits	**7,504,727.60**	**7,504,727.60**					**7,504,727.60**	
CERTIFICATES OF DEPOSIT:								
Valley Natl Bk Wayne	245,000.00	245,000.00	n/a	4.600%	4/2/24	4/2/27	247,905.95	Monthly
Owen County St Bk Spencer Ind	248,000.00	248,000.00	n/a	5.100%	10/31/23	10/29/27	254,897.62	Monthly
JPMorgan Chase Bank	249,000.00	250,000.00	4.400%	4.488%	3/3/25	1/16/30	249,952.25	Jan & July
Total Certificates of Deposit	**742,000.00**	**743,000.00**					**752,755.82**	
MONEY MARKET AND MUTUAL FUNDS								
WestAmerica Bank-MM	10,827,671.77	10,827,671.77	n/a	3.640%	10/23/23	open	10,827,671.77	monthly
	10,827,671.77	**10,827,671.77**					**10,827,671.77**	
U.S. TREASURIES:								
US Treasury Note	1,955,000.00	2,000,000.00	0.375%	0.942%	11/10/21	11/30/25	2,000,000.00	May & Nov
US Treasury Note	2,003,400.00	2,000,000.00	4.875%	4.149%	8/29/25	11/30/25	2,000,000.00	May & Nov
US Treasury Note	1,898,750.00	2,000,000.00	2.625%	5.086%	10/19/23	12/31/25	1,997,656.20	Jun & Dec
US Treasury Note	1,999,730.84	2,000,000.00	4.000%	4.024%	8/29/25	2/15/26	2,000,546.80	Feb & Aug
US Treasury Note	1,977,734.38	2,000,000.00	0.750%	1.010%	11/10/21	3/31/26	1,980,312.40	March & Sept
US Treasury Note	1,791,406.25	2,000,000.00	0.750%	3.602%	6/16/22	5/31/26	1,970,312.40	May & Nov
US Treasury Note	978,398.44	1,000,000.00	4.125%	5.001%	10/19/23	6/15/26	3,006,562.50	Jun & Dec
US Treasury Note	1,997,656.25	2,000,000.00	4.125%	4.176%	2/6/24	6/15/26		Jun & Dec
US Treasury Note	970,781.25	1,000,000.00	0.875%	1.564%	2/3/22	6/30/26	983,554.60	Jun & Dec
US Treasury Note	1,982,187.50	2,000,000.00	4.500%	4.843%	10/3/23	7/15/26	2,009,375.00	Jan & July
US Treasury Note	1,918,750.00	2,000,000.00	0.625%	1.565%	2/3/22	7/31/26	1,959,531.20	Jan & July
US Treasury Note	1,845,000.00	2,000,000.00	1.625%	3.590%	6/16/22	9/30/26	1,966,718.60	March & Sept
US Treasury Note	2,018,664.38	2,000,000.00	4.625%	4.021%	3/3/25	10/15/26	2,016,093.60	Apr & Oct
US Treasury Note	1,788,671.88	2,000,000.00	1.125%	4.068%	11/29/22	10/31/26	1,954,531.20	Apr & Oct
US Treasury Note	897,343.75	1,000,000.00	1.500%	4.924%	10/19/23	1/31/27	976,015.60	Jan & July
US Treasury Note	1,858,750.00	2,000,000.00	2.500%	4.717%	10/3/23	3/31/27	1,972,031.20	March & Sept
US Treasury Note	1,859,687.50	2,000,000.00	2.625%	4.735%	10/3/23	5/31/27	1,973,046.80	May & Nov
US Treasury Note	1,964,375.00	2,000,000.00	3.250%	3.691%	2/3/23	6/30/27	1,991,093.60	Jun & Dec
US Treasury Note	962,187.50	1,000,000.00	2.750%	3.671%	2/3/23	7/31/27	987,265.60	Jan & July
US Treasury Bond	2,223,125.00	2,000,000.00	6.375%	3.680%	2/3/23	8/15/27	2,089,843.60	Feb & Aug
US Treasury Note	2,004,687.50	2,000,000.00	4.125%	4.062%	7/25/23	9/30/27	2,021,328.00	March & Sept
US Treasury Note	2,005,312.50	2,000,000.00	4.125%	4.055%	7/25/23	10/31/27	2,022,500.00	Apr & Oct
US Treasury Note	954,531.25	1,000,000.00	3.500%	4.672%	10/3/23	1/31/28	999,960.90	Jan & July
US Treasury Note	1,947,500.00	2,000,000.00	4.000%	4.665%	10/3/23	2/29/28	2,021,562.40	Feb & Aug
US Treasury Note	1,714,062.50	2,000,000.00	1.250%	4.863%	10/19/23	3/31/28	1,900,625.00	March & Sept

CITY OF TURLOCK

Schedule of Investments - As of November 30, 2025

INVESTMENT DETAIL	Cost	Par	Coupon Rate	YIELD	Purchase Date	Maturity Date	Market	When Interest Paid
US Treasury Note	1,959,375.00	2,000,000.00	3.500%	4.026%	2/6/24	4/30/28	2,000,234.20	Apr & Oct
US Treasury Note	1,968,906.25	2,000,000.00	3.625%	4.020%	2/6/24	5/31/28	2,006,406.20	May & Nov
US Treasury Note	1,704,687.50	2,000,000.00	1.250%	4.860%	10/19/23	5/31/28	1,893,515.60	May & Nov
US Treasury Note	1,703,437.50	2,000,000.00	1.000%	4.528%	11/13/23	7/31/28	3,747,968.40	Jan & July
US Treasury Note	1,755,078.13	2,000,000.00	1.000%	4.012%	2/6/24	7/31/28		Jan & July
US Treasury Note	1,761,250.00	2,000,000.00	1.125%	4.014%	2/6/24	8/31/28	1,876,640.60	Feb & Aug
US Treasury Note	2,008,125.00	2,000,000.00	4.375%	4.272%	3/28/24	8/31/28	2,045,546.80	Feb & Aug
US Treasury Note	2,014,375.00	2,000,000.00	4.625%	4.440%	5/28/24	9/30/28	2,060,625.00	March & Sept
US Treasury Note	2,050,000.00	2,000,000.00	4.875%	4.269%	3/28/24	10/31/28	2,075,312.40	Apr & Oct
US Treasury Note	1,905,625.00	2,000,000.00	3.125%	4.258%	3/28/24	11/15/28	1,979,062.40	May & Nov
US Treasury Note	501,386.72	500,000.00	4.375%	4.294%	2/5/25	11/30/28	512,343.75	May & Nov
US Treasury Note	1,754,062.50	2,000,000.00	1.375%	4.257%	3/28/24	12/31/28	1,876,875.00	Jun & Dec
US Treasury Note	1,965,000.00	2,000,000.00	4.000%	4.417%	5/28/24	1/31/29	2,028,750.00	Jan & July
US Treasury Note	1,848,437.50	2,000,000.00	2.625%	4.422%	5/28/24	2/15/29	3,892,500.00	Feb & Aug
US Treasury Note	1,863,984.38	2,000,000.00	2.625%	4.250%	6/20/24	2/15/29		Feb & Aug
US Treasury Note	1,834,687.50	2,000,000.00	2.375%	4.320%	7/3/24	3/31/29	1,928,125.00	March & Sept
US Treasury Note	1,975,000.00	2,000,000.00	4.125%	4.413%	5/28/24	3/31/29	2,037,656.20	March & Sept
US Treasury Note	1,997,343.75	2,000,000.00	4.250%	4.280%	7/3/24	6/30/29	2,047,968.60	Jun & Dec
US Treasury Note	1,973,281.26	2,000,000.00	4.000%	4.332%	2/10/25	7/31/29	2,031,406.20	Jan & July
US Treasury Note	1,900,011.30	2,000,000.00	3.125%	4.348%	2/10/25	8/31/29	1,970,468.60	Feb & Aug
US Treasury Note	3,947,343.75	4,000,000.00	3.625%	3.968%	6/23/25	8/31/29	4,010,937.20	Feb & Aug
US Treasury Note	1,956,560.00	2,000,000.00	3.875%	4.400%	2/19/25	9/30/29	2,022,968.60	March & Sept
US Treasury Note	6,029,296.86	6,000,000.00	4.125%	4.003%	5/30/25	10/31/29	6,124,218.60	Apr & Oct
US Treasury Note	1,970,500.00	2,000,000.00	4.000%	4.348%	2/10/25	10/31/29	2,032,031.20	Apr & Oct
US Treasury Note	1,958,940.00	2,000,000.00	3.875%	4.352%	2/10/25	11/30/29	2,023,281.20	May & Nov
US Treasury Note	1,947,109.38	2,000,000.00	3.875%	4.473%	1/8/25	12/31/29	4,046,562.40	Jun & Dec
US Treasury Note	1,934,760.00	2,000,000.00	3.875%	4.618%	1/14/25	12/31/29		Jun & Dec
US Treasury Note	1,963,111.78	2,000,000.00	3.500%	3.929%	5/5/25	1/31/30	5,984,530.80	Jan & July
US Treasury Note	3,897,880.00	4,000,000.00	3.500%	4.109%	6/9/25	1/31/30		Jan & July
US Treasury Note	2,002,578.12	2,000,000.00	4.000%	3.968%	7/18/25	2/28/30	2,033,750.00	Feb & Aug
US Treasury Note	1,974,920.00	2,000,000.00	3.625%	3.908%	5/7/25	3/31/30	2,003,906.20	March & Sept
US Treasury Note	5,856,562.50	6,000,000.00	3.500%	4.040%	5/30/25	4/30/30	5,981,250.00	Apr & Oct
US Treasury Note	1,964,977.56	2,000,000.00	3.750%	4.139%	5/22/25	5/31/30	2,013,750.00	May & Nov
US Treasury Note	1,991,718.76	2,000,000.00	3.750%	3.842%	6/30/25	6/30/30	2,013,750.00	
Total U.S. Treasuries	**119,358,006.67**	**123,500,000.00**					**123,102,808.35**	
U.S. AGENCY SECURITIES:								
FFCB (Federal Farm Credit Bank)	1,992,294.00	2,000,000.00	1.440%	1.540%	2/3/22	1/27/26	1,992,252.00	Jan & July
FFCB (Federal Farm Credit Bank)	2,000,000.00	2,000,000.00	1.560%	1.560%	2/3/22	2/3/26	1,992,112.00	Feb & Aug
FFCB (Federal Farm Credit Bank)	1,988,990.00	2,000,000.00	4.875%	5.112%	10/19/23	4/20/26	2,008,054.00	Apr & Oct
FFCB (Federal Farm Credit Bank)	1,987,672.00	2,000,000.00	4.375%	4.700%	6/20/24	6/23/26	2,006,796.00	June & Dec
FFCB (Federal Farm Credit Bank)	957,212.00	1,000,000.00	0.600%	1.580%	2/3/22	8/18/26	978,120.00	Feb & Aug
FFCB (Federal Farm Credit Bank)	1,004,300.00	1,000,000.00	4.875%	4.664%	7/3/24	8/28/26	1,008,218.00	Feb & Aug
FFCB (Federal Farm Credit Bank)	2,344,629.43	2,358,000.00	4.750%	4.960%	10/3/23	9/1/26	2,375,786.39	March & Sept
FFCB (Federal Farm Credit Bank)	2,977,740.00	3,000,000.00	3.625%	3.841%	2/3/23	10/26/26	2,990,010.00	Apr & Oct
FHLB (Federal Home Loan Bank)	1,047,690.00	1,000,000.00	2.625%	1.600%	2/3/22	12/11/26	989,527.00	June & Dec
FHLB (Federal Home Loan Bank)	983,617.00	1,000,000.00	1.250%	1.600%	2/3/22	12/21/26	975,241.00	June & Dec
TVA (Tennessee Valley Authority)	1,907,880.00	2,000,000.00	2.875%	4.300%	7/25/23	2/1/27	1,982,590.00	Feb & Aug

CITY OF TURLOCK

Schedule of Investments - As of November 30, 2025

INVESTMENT DETAIL	Cost	Par	Coupon Rate	YIELD	Purchase Date	Maturity Date	Market	When Interest Paid
FFCB (Federal Farm Credit Bank)	2,003,580.00	2,000,000.00	4.500%	4.435%	3/28/24	3/26/27	2,021,816.00	March & Sept
FFCB (Federal Farm Credit Bank)	1,903,352.00	2,000,000.00	2.875%	4.282%	7/25/23	4/26/27	1,979,432.00	Apr & Oct
FFCB (Federal Farm Credit Bank)	1,999,930.00	2,000,000.00	4.500%	4.500%	6/20/24	5/20/27	2,025,478.00	May & Nov
FHLB (Federal Home Loan Bank)	1,995,276.00	2,000,000.00	4.125%	4.190%	7/25/23	6/11/27	2,015,414.00	June & Dec
FFCB (Federal Farm Credit Bank)	1,996,124.00	2,000,000.00	4.625%	4.679%	11/15/23	11/15/27	2,039,432.00	May & Nov
FHLB (Federal Home Loan Bank)	1,818,046.00	2,000,000.00	2.500%	4.956%	10/19/23	12/10/27	1,958,870.00	June & Dec
FHLB (Federal Home Loan Bank)	1,986,000.00	2,000,000.00	4.250%	4.471%	7/3/24	12/10/27	2,026,662.00	June & Dec
FHLB (Federal Home Loan Bank)	1,878,638.00	2,000,000.00	3.250%	4.708%	10/3/23	6/9/28	3,969,236.00	June & Dec
FHLB (Federal Home Loan Bank)	1,916,302.00	2,000,000.00	3.250%	4.420%	7/3/24	6/9/28		June & Dec
FHLB (Federal Home Loan Bank)	3,000,000.00	3,000,000.00	4.000%	4.000%	8/14/25	8/14/28	3,002,478.00	Feb & Aug
FFCB (Federal Farm Credit Bank)	3,000,000.00	3,000,000.00	4.070%	4.069%	8/29/25	8/21/28	3,002,493.00	Feb & Aug
FNMA (Fannie Mae)	3,750,000.00	3,750,000.00	4.000%	4.000%	9/26/25	9/25/28	3,744,401.25	March & Sept
FFCB (Federal Farm Credit Bank)	2,005,680.00	2,000,000.00	4.625%	4.561%	11/13/23	11/13/28	2,060,260.00	May & Nov
FFCB (Federal Farm Credit Bank)	500,125.00	500,000.00	4.690%	4.682%	3/3/25	2/13/29	1,501,633.50	Feb & Aug
FFCB (Federal Farm Credit Bank)	500,125.00	500,000.00	4.690%	4.682%	3/3/25	2/13/29		Feb & Aug
FFCB (Federal Farm Credit Bank)	500,125.00	500,000.00	4.690%	4.682%	3/3/25	2/13/29		Feb & Aug
FFCB (Federal Farm Credit Bank)	2,026,700.00	2,000,000.00	4.750%	4.444%	5/28/24	4/30/29	2,075,180.00	Apr & Oct
FNMA (Fannie Mae)	2,159,700.00	2,000,000.00	6.250%	4.439%	5/28/24	5/15/29	4,346,908.00	May & Nov
FNMA (Fannie Mae)	2,174,240.00	2,000,000.00	6.250%	4.261%	6/20/24	5/15/29		May & Nov
FHLB (Federal Home Loan Bank)	2,031,170.00	2,000,000.00	4.625%	4.271%	6/20/24	6/8/29	2,068,538.00	June & Dec
FHLB (Federal Home Loan Bank)	501,320.00	500,000.00	4.750%	4.688%	3/3/25	1/28/30	500,650.00	Jan & July
FHLB (Federal Home Loan Bank)	2,002,750.00	2,000,000.00	4.900%	4.865%	5/30/25	2/11/30	2,002,746.00	Feb & Aug
FHLB (Federal Home Loan Bank)	501,425.00	500,000.00	4.950%	4.885%	3/3/25	2/26/30	500,919.50	Feb & Aug
FFCB (Federal Farm Credit Bank)	1,398,250.00	1,398,000.00	4.470%	4.465%	7/18/25	3/5/30	1,408,094.96	March & Sept
FHLMC (Freddie Mac)	2,001,584.00	2,000,000.00	4.500%	4.480%	7/21/25	5/23/30	2,011,330.00	May & Nov
FHLB (Federal Home Loan Bank)	2,002,750.00	2,000,000.00	4.320%	4.288%	7/21/25	7/1/30	2,012,586.00	Jan & July
FHLB (Federal Home Loan Bank)	2,750,000.00	2,750,000.00	4.000%	4.000%	9/26/25	9/11/30	2,743,999.50	March & Sept
FFCB (Federal Farm Credit Bank)	1,998,750.00	2,000,000.00	4.120%	4.134%	10/22/25	10/21/30	1,993,650.00	Apr & Oct
FFCB (Federal Farm Credit Bank)	2,000,050.00	2,000,000.00	3.870%	3.869%	11/26/25	11/18/30	1,995,138.00	May & Nov
Total U.S. Agencies	**73,494,016.43**	**73,756,000.00**					**74,306,052.10**	
CORPORATE NOTES/BONDS								
Microsoft Corp	1,930,730.00	2,000,000.00	3.300%	4.210%	11/29/22	2/6/27	1,992,934.00	Feb & Aug
Apple Inc	1,905,342.00	2,000,000.00	3.000%	4.100%	2/3/23	11/13/27	1,977,724.00	May & Nov
Stanford University	483,500.00	500,000.00	3.089%	3.975%	4/7/25	5/1/29	485,140.00	May & Nov
Walmart Inc	480,800.00	500,000.00	3.250%	4.225%	3/3/25	7/8/29	491,236.00	Jan & July
Apple Inc	457,305.00	500,000.00	2.200%	4.298%	3/3/25	9/11/29	944,218.00	March & Sept
Apple Inc	462,565.00	500,000.00	2.200%	4.064%	4/7/25	9/11/29		March & Sept
State Street Bank	508,360.00	500,000.00	4.782%	4.354%	7/18/25	11/23/29	515,042.50	May & Nov
Johnson & Johnson	203,038.00	200,000.00	4.700%	4.358%	3/3/25	3/1/30	1,547,191.50	March & Sept
Johnson & Johnson	507,245.00	500,000.00	4.700%	4.358%	3/3/25	3/1/30		March & Sept
Johnson & Johnson	304,375.00	300,000.00	4.700%	4.358%	3/3/25	3/1/30		March & Sept
Johnson & Johnson	512,700.00	500,000.00	4.700%	4.121%	4/7/25	3/1/30		March & Sept
Berkshire Hathaway	445,150.00	500,000.00	1.850%	4.333%	3/28/25	3/12/30	919,321.00	March & Sept
Berkshire Hathaway	450,355.00	500,000.00	1.850%	4.094%	4/7/25	3/12/30		March & Sept
President & Fellows	2,044,490.00	2,000,000.00	4.887%	4.374%	5/7/25	3/15/30	2,069,936.00	March & Sept
Visa Inc.	450,190.00	500,000.00	2.050%	4.368%	6/23/25	4/15/30	925,672.00	Apr & Oct
Visa Inc.	452,260.00	500,000.00	2.050%	4.297%	7/18/25	4/15/30		Apr & Oct

CITY OF TURLOCK

Schedule of Investments - As of November 30, 2025

INVESTMENT DETAIL	Cost	Par	Coupon Rate	YIELD	Purchase Date	Maturity Date	Market	When Interest Paid
Yale University	1,738,810.00	2,000,000.00	1.482%	4.422%	4/15/25	4/15/30	1,803,932.00	
Walmart Inc	500,840.00	500,000.00	4.350%	4.311%	5/30/25	4/28/30	508,878.50	Apr & Oct
BlackRock, Inc.	457,665.00	500,000.00	2.400%	4.355%	6/24/25	4/30/30	935,097.00	Apr & Oct
BlackRock, Inc.	459,625.00	500,000.00	2.400%	4.266%	6/30/25	4/30/30		Apr & Oct
Chevron	452,255.00	500,000.00	2.236%	4.432%	6/23/25	5/11/30	929,629.00	May & Nov
Chevron	453,650.00	500,000.00	2.236%	4.393%	7/18/25	5/11/30		May & Nov
Alphabet Inc	494,545.00	500,000.00	4.000%	4.245%	5/30/25	5/15/30	502,748.00	May & Nov
Total Corporate Notes/Bonds	**16,155,795.00**	**17,000,000.00**					**16,548,699.50**	
HELD WITH TRUSTEE								
Money Market - US Bank - Roads Bond	21,975,516.76	21,975,516.76	n/a	3.470%	1/31/25	open	21,975,516.76	monthly
US Treasury Note - US Bank - Roads Bond	10,058,442.39	10,000,000.00	4.500%	4.480%	7/30/25	7/15/26	10,047,700.00	Jan & July
Total Held with Trustee	**32,033,959.15**	**31,975,516.76**					**32,023,216.76**	
TOTAL INVESTMENTS	**$ 306,163,188.45**	**$ 311,353,927.96**					**$ 311,112,943.73**	
TOTAL INVESTMENTS AND DEMAND DEPOSITS	**313,667,916.05**	**318,858,655.56**					**318,617,671.33**	

Note: Market values are as stated by Charles Schwab Investment statements.

INVESTMENT AND CASH REPORT FOR DECEMBER 31, 2025

CURRENT INVESTMENT AND CASH BALANCE

The City's cash and investments as of DECEMBER 31, 2025 totaled the following:

Invested Cash	$	302,640,327.80
Demand Deposits	$	9,759,078.50
(excludes outstanding items)		
Total Cash and Investments	$	312,399,406.30

See the attached *Schedule of Investments* for detail regarding individual investments.

In compliance with the California Government Code, The City of Turlock has adequate resources to meet its expenditure requirements for the next six months.

COMPLIANCE WITH INVESTMENT POLICY

As of DECEMBER 31, 2025, the investment portfolio was in compliance with all elements of the City's Investment Policy.

Prepared by: Jamie Gomes, Accountant III

Jamie Gomes — 01/20/2026

Signature — Date Signed

Reviewed and approved as to accuracy by: Michael Abram, City Treasurer

Michael Abram — 01/20/2026

Signature — Date Signed

Updated: January 20, 2026

CITY OF TURLOCK

Schedule of Investments - As of December 31, 2025

INVESTMENT DETAIL	Cost	Par	Coupon Rate	YIELD	Purchase Date	Maturity Date	Market	When Interest Paid
Local Agency Investment Fund (LAIF)	$ 10,258,070.75	$ 10,258,070.75	n/a	4.025%	n/a	n/a	$ 10,258,070.75	Quarterly
Total LAIF	**10,258,070.75**	**10,258,070.75**					**10,258,070.75**	
California Asset Management Program (CAMP)	43,546,445.73	43,546,445.73	n/a	3.950%	n/a	n/a	$ 43,546,445.73	Monthly
Total CAMP	**43,546,445.73**	**43,546,445.73**					**43,546,445.73**	
DEMAND DEPOSITS:								
West America Bank Daily Receipts (unreconciled)	9,355,969.22	9,355,969.22	n/a	n/a	n/a	n/a	9,355,969.22	monthly
Petty Cash	7,880.00	7,880.00	n/a	n/a	n/a	n/a	7,880.00	n/a
Charles Schwab	395,229.28	395,229.28	n/a	3.610%	n/a	n/a	395,229.28	n/a
Total Demand Deposits	**9,759,078.50**	**9,759,078.50**					**9,759,078.50**	
CERTIFICATES OF DEPOSIT:								
Valley Natl Bk Wayne	245,000.00	245,000.00	n/a	4.600%	4/2/24	4/2/27	247,739.10	Monthly
Owen County St Bk Spencer Ind	248,000.00	248,000.00	n/a	5.100%	10/31/23	10/29/27	254,480.98	Monthly
JPMorgan Chase Bank	249,000.00	250,000.00	4.400%	4.488%	3/3/25	1/16/30	250,001.50	Jan & July
Total Certificates of Deposit	**742,000.00**	**743,000.00**					**752,221.58**	
MONEY MARKET AND MUTUAL FUNDS								
WestAmerica Bank-MM	10,861,649.89	10,861,649.89	n/a	3.480%	10/23/23	open	10,861,649.89	monthly
	10,861,649.89	**10,861,649.89**					**10,861,649.89**	
U.S. TREASURIES:								
US Treasury Note	MATURED	MATURED	0.375%	0.942%	11/10/21	11/30/25	MATURED	May & Nov
US Treasury Note	MATURED	MATURED	4.875%	4.149%	8/29/25	11/30/25	MATURED	May & Nov
US Treasury Note	MATURED	MATURED	2.625%	5.086%	10/19/23	12/31/25	MATURED	Jun & Dec
US Treasury Note	1,999,730.84	2,000,000.00	4.000%	4.024%	8/29/25	2/15/26	2,000,078.00	Feb & Aug
US Treasury Note	1,977,734.38	2,000,000.00	0.750%	1.010%	11/10/21	3/31/26	1,986,328.00	March & Sept
US Treasury Note	1,791,406.25	2,000,000.00	0.750%	3.602%	6/16/22	5/31/26	1,976,171.80	May & Nov
US Treasury Note	978,398.44	1,000,000.00	4.125%	5.001%	10/19/23	6/15/26	3,007,968.60	Jun & Dec
US Treasury Note	1,997,656.25	2,000,000.00	4.125%	4.176%	2/6/24	6/15/26		Jun & Dec
US Treasury Note	970,781.25	1,000,000.00	0.875%	1.564%	2/3/22	6/30/26	986,875.00	Jun & Dec
US Treasury Note	1,982,187.50	2,000,000.00	4.500%	4.843%	10/3/23	7/15/26	2,010,234.20	Jan & July
US Treasury Note	1,918,750.00	2,000,000.00	0.625%	1.565%	2/3/22	7/31/26	1,966,406.20	Jan & July
US Treasury Note	1,845,000.00	2,000,000.00	1.625%	3.590%	6/16/22	9/30/26	1,971,406.20	March & Sept
US Treasury Note	2,018,664.38	2,000,000.00	4.625%	4.021%	3/3/25	10/15/26	2,015,937.40	Apr & Oct
US Treasury Note	1,788,671.88	2,000,000.00	1.125%	4.068%	11/29/22	10/31/26	1,959,843.60	Apr & Oct
US Treasury Note	897,343.75	1,000,000.00	1.500%	4.924%	10/19/23	1/31/27	978,632.80	Jan & July
US Treasury Note	1,858,750.00	2,000,000.00	2.500%	4.717%	10/3/23	3/31/27	1,975,156.20	March & Sept
US Treasury Note	1,859,687.50	2,000,000.00	2.625%	4.735%	10/3/23	5/31/27	1,975,937.40	May & Nov
US Treasury Note	1,964,375.00	2,000,000.00	3.250%	3.691%	2/3/23	6/30/27	1,993,125.00	Jun & Dec
US Treasury Note	962,187.50	1,000,000.00	2.750%	3.671%	2/3/23	7/31/27	988,710.90	Jan & July
US Treasury Bond	2,223,125.00	2,000,000.00	6.375%	3.680%	2/3/23	8/15/27	2,086,718.60	Feb & Aug
US Treasury Note	2,004,687.50	2,000,000.00	4.125%	4.062%	7/25/23	9/30/27	2,021,484.20	March & Sept
US Treasury Note	2,005,312.50	2,000,000.00	4.125%	4.055%	7/25/23	10/31/27	2,022,187.40	Apr & Oct
US Treasury Note	954,531.25	1,000,000.00	3.500%	4.672%	10/3/23	1/31/28	1,000,195.30	Jan & July
US Treasury Note	1,947,500.00	2,000,000.00	4.000%	4.665%	10/3/23	2/29/28	2,020,859.20	Feb & Aug
US Treasury Note	1,714,062.50	2,000,000.00	1.250%	4.863%	10/19/23	3/31/28	1,903,593.60	March & Sept

CITY OF TURLOCK

Schedule of Investments - As of December 31, 2025

INVESTMENT DETAIL	Cost	Par	Coupon Rate	YIELD	Purchase Date	Maturity Date	Market	When Interest Paid
US Treasury Note	1,959,375.00	2,000,000.00	3.500%	4.026%	2/6/24	4/30/28	1,999,687.40	Apr & Oct
US Treasury Note	1,968,906.25	2,000,000.00	3.625%	4.020%	2/6/24	5/31/28	2,005,234.20	May & Nov
US Treasury Note	1,704,687.50	2,000,000.00	1.250%	4.860%	10/19/23	5/31/28	1,896,328.00	May & Nov
US Treasury Note	1,703,437.50	2,000,000.00	1.000%	4.528%	11/13/23	7/31/28	3,753,281.20	Jan & July
US Treasury Note	1,755,078.13	2,000,000.00	1.000%	4.012%	2/6/24	7/31/28		Jan & July
US Treasury Note	1,761,250.00	2,000,000.00	1.125%	4.014%	2/6/24	8/31/28	1,878,828.00	Feb & Aug
US Treasury Note	2,008,125.00	2,000,000.00	4.375%	4.272%	3/28/24	8/31/28	2,042,421.80	Feb & Aug
US Treasury Note	2,014,375.00	2,000,000.00	4.625%	4.440%	5/28/24	9/30/28	2,056,640.60	March & Sept
US Treasury Note	2,050,000.00	2,000,000.00	4.875%	4.269%	3/28/24	10/31/28	2,071,015.60	Apr & Oct
US Treasury Note	1,905,625.00	2,000,000.00	3.125%	4.258%	3/28/24	11/15/28	1,977,656.20	May & Nov
US Treasury Note	501,386.72	500,000.00	4.375%	4.294%	2/5/25	11/30/28	511,386.70	May & Nov
US Treasury Note	1,754,062.50	2,000,000.00	1.375%	4.257%	3/28/24	12/31/28	1,877,656.20	Jun & Dec
US Treasury Note	1,965,000.00	2,000,000.00	4.000%	4.417%	5/28/24	1/31/29	2,025,625.00	Jan & July
US Treasury Note	1,848,437.50	2,000,000.00	2.625%	4.422%	5/28/24	2/15/29	3,889,062.40	Feb & Aug
US Treasury Note	1,863,984.38	2,000,000.00	2.625%	4.250%	6/20/24	2/15/29		Feb & Aug
US Treasury Note	1,834,687.50	2,000,000.00	2.375%	4.320%	7/3/24	3/31/29	1,927,343.60	March & Sept
US Treasury Note	1,975,000.00	2,000,000.00	4.125%	4.413%	5/28/24	3/31/29	2,033,750.00	March & Sept
US Treasury Note	1,997,343.75	2,000,000.00	4.250%	4.280%	7/3/24	6/30/29	2,042,968.60	Jun & Dec
US Treasury Note	1,973,281.26	2,000,000.00	4.000%	4.332%	2/10/25	7/31/29	2,026,250.00	Jan & July
US Treasury Note	1,900,011.30	2,000,000.00	3.125%	4.348%	2/10/25	8/31/29	1,966,562.40	Feb & Aug
US Treasury Note	3,947,343.75	4,000,000.00	3.625%	3.968%	6/23/25	8/31/29	4,000,937.20	Feb & Aug
US Treasury Note	1,956,560.00	2,000,000.00	3.875%	4.400%	2/19/25	9/30/29	2,017,500.00	March & Sept
US Treasury Note	6,029,296.86	6,000,000.00	4.125%	4.003%	5/30/25	10/31/29	6,104,530.80	Apr & Oct
US Treasury Note	1,970,500.00	2,000,000.00	4.000%	4.348%	2/10/25	10/31/29	2,026,718.60	Apr & Oct
US Treasury Note	1,958,940.00	2,000,000.00	3.875%	4.352%	2/10/25	11/30/29	2,017,031.20	May & Nov
US Treasury Note	1,947,109.38	2,000,000.00	3.875%	4.473%	1/8/25	12/31/29	4,035,000.00	Jun & Dec
US Treasury Note	1,934,760.00	2,000,000.00	3.875%	4.618%	1/14/25	12/31/29		Jun & Dec
US Treasury Note	1,963,111.78	2,000,000.00	3.500%	3.929%	5/5/25	1/31/30	5,967,187.20	Jan & July
US Treasury Note	3,897,880.00	4,000,000.00	3.500%	4.109%	6/9/25	1/31/30		Jan & July
US Treasury Note	2,002,578.12	2,000,000.00	4.000%	3.968%	7/18/25	2/28/30	2,026,093.60	Feb & Aug
US Treasury Note	1,974,920.00	2,000,000.00	3.625%	3.908%	5/7/25	3/31/30	1,996,875.00	March & Sept
US Treasury Note	5,856,562.50	6,000,000.00	3.500%	4.040%	5/30/25	4/30/30	5,958,750.00	Apr & Oct
US Treasury Note	1,964,977.56	2,000,000.00	3.750%	4.139%	5/22/25	5/31/30	2,005,468.60	May & Nov
US Treasury Note	1,991,718.76	2,000,000.00	3.750%	3.842%	6/30/25	6/30/30	2,005,703.00	
US Treasury Note	1,985,460.00	2,000,000.00	3.500%	3.662%	12/31/25	11/30/30	1,980,781.20	May & Nov
Total U.S. Treasuries	**115,486,316.67**	**119,500,000.00**					**118,972,123.90**	
U.S. AGENCY SECURITIES:								
FFCB (Federal Farm Credit Bank)	1,992,294.00	2,000,000.00	1.440%	1.540%	2/3/22	1/27/26	1,996,792.00	Jan & July
FFCB (Federal Farm Credit Bank)	2,000,000.00	2,000,000.00	1.560%	1.560%	2/3/22	2/3/26	1,996,240.00	Feb & Aug
FFCB (Federal Farm Credit Bank)	1,988,990.00	2,000,000.00	4.875%	5.112%	10/19/23	4/20/26	2,006,718.00	Apr & Oct
FFCB (Federal Farm Credit Bank)	1,987,672.00	2,000,000.00	4.375%	4.700%	6/20/24	6/23/26	2,006,100.00	June & Dec
FFCB (Federal Farm Credit Bank)	957,212.00	1,000,000.00	0.600%	1.580%	2/3/22	8/18/26	980,947.00	Feb & Aug
FFCB (Federal Farm Credit Bank)	1,004,300.00	1,000,000.00	4.875%	4.664%	7/3/24	8/28/26	1,007,510.00	Feb & Aug
FFCB (Federal Farm Credit Bank)	2,344,629.43	2,358,000.00	4.750%	4.960%	10/3/23	9/1/26	2,374,171.16	March & Sept
FFCB (Federal Farm Credit Bank)	2,977,740.00	3,000,000.00	3.625%	3.841%	2/3/23	10/26/26	2,991,753.00	Apr & Oct
FHLB (Federal Home Loan Bank)	1,047,690.00	1,000,000.00	2.625%	1.600%	2/3/22	12/11/26	991,009.00	June & Dec
FHLB (Federal Home Loan Bank)	983,617.00	1,000,000.00	1.250%	1.600%	2/3/22	12/21/26	977,865.00	June & Dec

CITY OF TURLOCK

Schedule of Investments - As of December 31, 2025

INVESTMENT DETAIL	Cost	Par	Coupon Rate	YIELD	Purchase Date	Maturity Date	Market	When Interest Paid
TVA (Tennessee Valley Authority)	1,907,880.00	2,000,000.00	2.875%	4.300%	7/25/23	2/1/27	1,985,044.00	Feb & Aug
FFCB (Federal Farm Credit Bank)	2,003,580.00	2,000,000.00	4.500%	4.435%	3/28/24	3/26/27	2,021,828.00	March & Sept
FFCB (Federal Farm Credit Bank)	1,903,352.00	2,000,000.00	2.875%	4.282%	7/25/23	4/26/27	1,982,132.00	Apr & Oct
FFCB (Federal Farm Credit Bank)	1,999,930.00	2,000,000.00	4.500%	4.500%	6/20/24	5/20/27	2,024,950.00	May & Nov
FHLB (Federal Home Loan Bank)	1,995,276.00	2,000,000.00	4.125%	4.190%	7/25/23	6/11/27	2,015,564.00	June & Dec
FFCB (Federal Farm Credit Bank)	1,996,124.00	2,000,000.00	4.625%	4.679%	11/15/23	11/15/27	2,038,658.00	May & Nov
FHLB (Federal Home Loan Bank)	1,818,046.00	2,000,000.00	2.500%	4.956%	10/19/23	12/10/27	1,961,144.00	June & Dec
FHLB (Federal Home Loan Bank)	1,986,000.00	2,000,000.00	4.250%	4.471%	7/3/24	12/10/27	2,026,154.00	June & Dec
FHLB (Federal Home Loan Bank)	1,878,638.00	2,000,000.00	3.250%	4.708%	10/3/23	6/9/28	3,970,776.00	June & Dec
FHLB (Federal Home Loan Bank)	1,916,302.00	2,000,000.00	3.250%	4.420%	7/3/24	6/9/28		June & Dec
FHLB (Federal Home Loan Bank)	3,000,000.00	3,000,000.00	4.000%	4.000%	8/14/25	8/14/28	3,003,618.00	Feb & Aug
FFCB (Federal Farm Credit Bank)	3,000,000.00	3,000,000.00	4.070%	4.069%	8/29/25	8/21/28	3,002,721.00	Feb & Aug
FNMA (Fannie Mae)	3,750,000.00	3,750,000.00	4.000%	4.000%	9/26/25	9/25/28	3,751,725.00	March & Sept
FFCB (Federal Farm Credit Bank)	2,005,680.00	2,000,000.00	4.625%	4.561%	11/13/23	11/13/28	2,055,370.00	May & Nov
FFCB (Federal Farm Credit Bank)	500,125.00	500,000.00	4.690%	4.682%	3/3/25	2/13/29	1,501,552.50	Feb & Aug
FFCB (Federal Farm Credit Bank)	500,125.00	500,000.00	4.690%	4.682%	3/3/25	2/13/29		Feb & Aug
FFCB (Federal Farm Credit Bank)	500,125.00	500,000.00	4.690%	4.682%	3/3/25	2/13/29		Feb & Aug
FFCB (Federal Farm Credit Bank)	2,026,700.00	2,000,000.00	4.750%	4.444%	5/28/24	4/30/29	2,069,688.00	Apr & Oct
FNMA (Fannie Mae)	2,159,700.00	2,000,000.00	6.250%	4.439%	5/28/24	5/15/29	4,331,012.00	May & Nov
FNMA (Fannie Mae)	2,174,240.00	2,000,000.00	6.250%	4.261%	6/20/24	5/15/29		May & Nov
FHLB (Federal Home Loan Bank)	2,031,170.00	2,000,000.00	4.625%	4.271%	6/20/24	6/8/29	2,063,162.00	June & Dec
FHLB (Federal Home Loan Bank)	501,320.00	500,000.00	4.750%	4.688%	3/3/25	1/28/30	500,377.50	Jan & July
FHLB (Federal Home Loan Bank)	2,002,750.00	2,000,000.00	4.900%	4.865%	5/30/25	2/11/30	2,002,384.00	Feb & Aug
FHLB (Federal Home Loan Bank)	501,425.00	500,000.00	4.950%	4.885%	3/3/25	2/26/30	500,884.00	Feb & Aug
FFCB (Federal Farm Credit Bank)	1,398,250.00	1,398,000.00	4.470%	4.465%	7/18/25	3/5/30	1,408,237.55	March & Sept
FHLMC (Freddie Mac)	2,001,584.00	2,000,000.00	4.500%	4.480%	7/21/25	5/23/30	2,011,646.00	May & Nov
FHLB (Federal Home Loan Bank)	2,002,750.00	2,000,000.00	4.320%	4.288%	7/21/25	7/1/30	2,010,656.00	Jan & July
FHLB (Federal Home Loan Bank)	2,750,000.00	2,750,000.00	4.000%	4.000%	9/26/25	9/11/30	2,741,279.75	March & Sept
FFCB (Federal Farm Credit Bank)	1,998,750.00	2,000,000.00	4.120%	4.134%	10/22/25	10/21/30	1,994,242.00	Apr & Oct
FFCB (Federal Farm Credit Bank)	2,000,050.00	2,000,000.00	3.870%	3.869%	11/26/25	11/18/30	1,986,016.00	May & Nov
Total U.S. Agencies	**73,494,016.43**	**73,756,000.00**					**74,289,926.46**	
CORPORATE NOTES/BONDS								
Microsoft Corp	1,930,730.00	2,000,000.00	3.300%	4.210%	11/29/22	2/6/27	1,991,612.00	Feb & Aug
Apple Inc	1,905,342.00	2,000,000.00	3.000%	4.100%	2/3/23	11/13/27	1,980,344.00	May & Nov
Stanford University	483,500.00	500,000.00	3.089%	3.975%	4/7/25	5/1/29	485,883.50	May & Nov
Walmart Inc	480,800.00	500,000.00	3.250%	4.225%	3/3/25	7/8/29	492,532.00	Jan & July
Apple Inc	457,305.00	500,000.00	2.200%	4.298%	3/3/25	9/11/29	942,368.00	March & Sept
Apple Inc	462,565.00	500,000.00	2.200%	4.064%	4/7/25	9/11/29		March & Sept
State Street Bank	508,360.00	500,000.00	4.782%	4.354%	7/18/25	11/23/29	514,064.00	May & Nov
Johnson & Johnson	203,038.00	200,000.00	4.700%	4.358%	3/3/25	3/1/30	1,544,016.00	March & Sept
Johnson & Johnson	507,245.00	500,000.00	4.700%	4.358%	3/3/25	3/1/30		March & Sept
Johnson & Johnson	304,375.00	300,000.00	4.700%	4.358%	3/3/25	3/1/30		March & Sept
Johnson & Johnson	512,700.00	500,000.00	4.700%	4.121%	4/7/25	3/1/30		March & Sept
Berkshire Hathaway	445,150.00	500,000.00	1.850%	4.333%	3/28/25	3/12/30	918,088.00	March & Sept
Berkshire Hathaway	450,355.00	500,000.00	1.850%	4.094%	4/7/25	3/12/30		March & Sept
President & Fellows	2,044,490.00	2,000,000.00	4.887%	4.374%	5/7/25	3/15/30	2,065,514.00	March & Sept
Visa Inc.	450,190.00	500,000.00	2.050%	4.368%	6/23/25	4/15/30	926,707.00	Apr & Oct

CITY OF TURLOCK

Schedule of Investments - As of December 31, 2025

INVESTMENT DETAIL	Cost	Par	Coupon Rate	YIELD	Purchase Date	Maturity Date	Market	When Interest Paid
Visa Inc.	452,260.00	500,000.00	2.050%	4.297%	7/18/25	4/15/30		Apr & Oct
Yale University	1,738,810.00	2,000,000.00	1.482%	4.422%	4/15/25	4/15/30	1,802,086.00	
Walmart Inc	500,840.00	500,000.00	4.350%	4.311%	5/30/25	4/28/30	508,022.50	Apr & Oct
BlackRock, Inc.	457,665.00	500,000.00	2.400%	4.355%	6/24/25	4/30/30	934,555.00	Apr & Oct
BlackRock, Inc.	459,625.00	500,000.00	2.400%	4.266%	6/30/25	4/30/30		Apr & Oct
Chevron	452,255.00	500,000.00	2.236%	4.432%	6/23/25	5/11/30	927,296.00	May & Nov
Chevron	453,650.00	500,000.00	2.236%	4.393%	7/18/25	5/11/30		May & Nov
Alphabet Inc	494,545.00	500,000.00	4.000%	4.245%	5/30/25	5/15/30	500,987.50	May & Nov
Total Corporate Notes/Bonds	**16,155,795.00**	**17,000,000.00**					**16,534,075.50**	
HELD WITH TRUSTEE								
Money Market - US Bank - Roads Bond	22,037,590.94	22,037,590.94	n/a	3.230%	1/31/25	open	22,037,590.94	monthly
US Treasury Note - US Bank - Roads Bond	10,058,442.39	10,000,000.00	4.500%	4.480%	7/30/25	7/15/26	10,051,300.00	Jan & July
Total Held with Trustee	**32,096,033.33**	**32,037,590.94**					**32,088,890.94**	
TOTAL INVESTMENTS	**$ 302,640,327.80**	**$ 307,702,757.31**					**$ 307,303,404.75**	
TOTAL INVESTMENTS AND DEMAND DEPOSITS	**312,399,406.30**	**317,461,835.81**					**317,062,483.25**	

Note: Market values are as stated by Charles Schwab Investment statements.

City Council Meeting Minutes

January 13, 2026
6:00 PM
City of Turlock Yosemite Room
156 S. Broadway, Turlock, California

1. **CALL TO ORDER**

Vice Mayor Monez called the meeting to order at 6:01 PM.

2. **SALUTE TO THE FLAG**
3. **ROLL CALL AND DECLARATION OF CONFLICTS**

Present: Councilmembers Cassandra Abram, Kevin Bixel, Erika Phillips, and Vice Mayor Rebecka Monez
Absent: Mayor Amy Bublak

Councilmember Abram	Councilmember Bixel	Vice Mayor Monez	Councilmember Phillips	Mayor Bublak
None	None	None	None	Absent

4. **APPROVAL OF AGENDA AS POSTED OR AMENDED**

Motion: Approval of Agenda as posted, motioned by Councilmember Abram, seconded by Councilmember Bixel and carried 4/0 by the following vote:

Councilmember Abram	Councilmember Bixel	Vice Mayor Monez	Councilmember Phillips	Mayor Bublak
Yes	Yes	Yes	Yes	Absent

5. **PROCLAMATIONS, RECOGNITIONS, APPOINTMENTS, ANNOUNCEMENTS, PRESENTATIONS, AND BRIEFINGS**

A. Appointing members of the City Council to the Boards, Commissions, and Committees for 2026 as listed in the agenda item

Motion: A motion to amend the appointments by removing Councilmember Abram from the StanCOG alternate position and leaving the seat vacant was made by Councilmember Abram, seconded by Councilmember Phillips, and carried 4/0 by the following vote:

Councilmember Abram	Councilmember Bixel	Vice Mayor Monez	Councilmember Phillips	Mayor Bublak
Yes	Yes	Yes	Yes	Absent

6. **PUBLIC PARTICIPATION**

Vice Mayor Monez opened public comment and the following members of the public spoke:

Karina Mendoza
Brad Bates
Anusch Hightman-Siegel
Tom Mickelson
Mary Jackson
Garthy Prasad

With no further comments, Vice Mayor Monez closed public comment.

7. **CITY MANAGER REPORTS/UPDATES**

A. Monthly Department Reports

Interim City Manager Sue Borrego presented key updates regarding the City of Turlock.

8. **CONSENT CALENDAR**

Vice Mayor Monez opened the Consent Calendar for public comment. There were no comments from the public, and Vice Mayor Monez closed public comment.

Action: Motion: by Councilmember Abram, seconded by Councilmember Bixel, to adopt as amended by pulling item 8J for separate consideration of the Consent Calendar and carried 4/0 by the following vote:

Councilmember Abram	Councilmember Bixel	Vice Mayor Monez	Councilmember Phillips	Mayor Bublak
Yes	Yes	Yes	Yes	Absent

A. Accepting the Weekly demands of November 28, 2025 through January 1, 2026 in the amount of 14,677,735.39, the AP EFT payments for October and November 2025, and the Payroll EFT payments for August and September 2025

Action: Approved **Motion**

B. Accepting the Minutes of the December 9, 2025 Joint City Council, Public Financing Authority and Successor Agency to the Turlock Redevelopment Agency Meeting and the Minutes of the January 3, 2026 Special Council Meeting

Action: Approved **Motion**

C. Approving the Purchase of Outdoor Shooting Range Equipment from Action Target to expand the Turlock Police Department Range (Police Department)

Action: Approved **Resolution No. 2026-001:** Approving the purchase of outdoor shooting range equipment from Action Target to expand the Turlock Police Department Range by twelve lanes in a total amount not to exceed $150,000, without compliance to the formal bid procedures in accordance with Turlock Municipal Code Section 2-7-08(b)(6)

D. Adopting a New Department of Transportation Federal Transit Administration and Federal Motor Carrier Safety Administration Drug and Alcohol Policy and Rescinding and Replacing the Existing Policy and Resolution (Risk Management)

Action: Approved **Resolution No. 2026-002:** Rescinding and Replacing Resolution No. 2017-018 and the Existing Anti-Drug and Alcohol Misuse Prevention Program Policy and Procedures and Adopting a New Department of Transportation Federal Transit Administration and Federal Motor Carrier Safety Administration Drug and Alcohol Policy

E. Awarding Bid and Approving an Agreement with Agee Construction Corporation for Construction of Bid Package 2 for City Project No. 23-068 “Provost & Pritchard Task Order No. 2 for Roads Program CIP Projects" in the Amount of $6,127,005.00 (Roads Program)

Action: Approved **Motion:** Awarding bid and approving an Agreement between the City of Turlock and Agee Construction Corporation, of Clovis, CA, in the amount of $6,127,005.00 and a contingency amount of $613,000.00 (10%) to be funded by Fund 115 “Measure A - Roads” bond proceeds for construction of Bid Package 2 for City Project No. 23-068 “Provost & Pritchard Task Order No. 2 for Roads Program CIP Projects"

Action: Approved **Resolution No. 2026-003:** Determining the award of bid for construction of Bid Package 2 for City Project No. 23-068 “Provost & Pritchard Task Order No. 2 for Roads Program CIP Projects" is exempt from the provisions of CEQA in accordance with section 15301 of the CEQA guidelines

F. Approving Amendment No. 17 for Task Order No. 8A with NV5, Inc. for Construction Management and Inspection Services for the City of Turlock’s Roads Initiative Program in the amount of $1,152,500.63 (Roads Program)

Action: Approved **Motion:** Approving Amendment No. 17 for Task Order No. 8A under the terms of the Master Agreement (City Contract No. 2024-111) with NV5, Inc. (Fresno, California office) for Construction Management and Inspection Services for the City of Turlock’s Roads Initiative Program in the amount of $1,152,500.63 to be funded by Fund 115 “Measure A – Roads” for Bid Package 2 for City Project No. 23-068 as “NV5 CM Task Order No. 8A for City Project No. 23-068, Bid Package 2”

G. Authorizing Expenditures with Southern Tire Mart, LLC for the Purchase of Tire Products and Services Under the NASPO ValuePoint Cooperative Contract No. 24158 (Bridgestone/Firestone) in an amount not to exceed $600,000 (Fleet)

Action: Approved **Resolution No. 2026-004:** Authorizing expenditures with Southern Tire Mart, LLC for the purchase of tire products and services under the NASPO ValuePoint Cooperative Contract No. 24158 (Bridgestone/Firestone) in an amount not to exceed $600,000 for the Fleet Maintenance Division

H. Declaring the Intention to Annex Territory to the City of Turlock Community Facilities District No. 3 and Adopt a Map (Engineering)

Action: Approved **Resolution No. 2026-005**: Adopting a Resolution of Intention of the City

Council of the City of Turlock, California, declaring intention to annex territory to the City of Turlock Community Facilities District No. 3 (Maintenance Services) and adopting a map of the area proposed to be annexed thereto (Annexation No. 1)

I. Accepting Improvements for City Project 19-51B "Columbia Pool Improvements", Authorizing the City Engineer to File a Final Notice of Completion, and Re-appropriating Funds for the Same (Engineering)

Action: Approved **Resolution No. 2026-006:** Appropriating $330,000 to Fund 301 “Capital Improvement,” account number 301-50-520.51300 “Construction Repairs/Improvements” from unallocated reserves for the construction of City Project No. 19-51B "Columbia Pool Improvements"

Action: Approved **Motion:** Accepting improvements for City Project 19-51B "Columbia Pool Improvements" and authorizing the City Engineer to file a final Notice of Completion

J. Awarding Bid and Approving an Agreement with Dynamic Pavement Inc for Speed Lumps at Berkeley Roundabouts in the amount of $25,472.00 (Engineering)

This item was pulled for separate consideration.

K. Awarding Bid and Approving an Agreement with Hensley's Paving and General Engineering, Inc. for Fulkerth Road Widening in the amount of $801,615.45 (Engineering)

Action: Approved **Motion:** Awarding bid and approving an Agreement with Hensley's Paving and General Engineering, Inc of Hickman, California in the amount of $801,615.45 and authorizing a construction contingency amount of $80,000.00 (10.0%) for the construction of City Project No. 21-003 "Fulkerth Road Widening" to be funded by Fund 305 “Capital Facility Fees”

Action: Approved **Resolution No. 2026-007:** Determining the award of bid for construction of City Project No. 21-003 "Fulkerth Road Widening" is exempt from the provisions of CEQA in accordance with section 15301 of the CEQA guidelines

L. Approving the Purchase of a Video Security System from Development Group, Inc. for the Public Safety Facility in an amount not to exceed $243,817.76 (Information Technology)

Action: Approved **Motion:** Approving the purchase and installation of a Verkada Security Video System and authorizing the City Manager to execute an agreement in a form approved by the City Attorney with Development Group, Inc. (DGI) in accordance with OMNIA Contract No. R250206 for a total amount not to exceed $243,817.76. This expenditure is to be funded through the American Rescue Plan Act (ARPA) account 119-10-188.51270.

M. Authorizing an Agreement with KAM Technologies DBA Crossroads Inc, for Police Collision Reporting Software (Police Department)

Action: Approved **Resolution No. 2026-008:** Authorizing an Agreement with KAM Technologies DBA Crossroads Software Inc. for police collision reporting software in an amount not to exceed $80,000 over three years and appropriating $35,000 to fund 206 "Traffic

Safety" for initial payment

N. Approving an Agreement with POSM Software LLC for Annual Software Licensing, Maintenance, and Technical Support for the City's Utilities Televising Van System, for a One-Year Term with Automatic Annual Renewals Unless Terminated in Writing (Utilities)

Action: Approved **Motion:** Approving an agreement (City Contract No. 2026-082), in a form approved by the City Attorney, with POSM Software LLC for annual software licensing, maintenance, and technical support for the City's utilities televising van system, for a one-year term with automatic annual renewals unless terminated in writing by either party, with costs funded from Fund 410 (Water Quality Control)

8J. Awarding Bid and Approving an Agreement with Dynamic Pavement Inc for Speed Lumps at Berkeley Roundabouts in the amount of $25,472.00 (Engineering)

Vice Mayor Monez opened public comment and the following member of the public spoke:

Tom Mickelson

With no further comments, Vice Mayor Monez closed public comment.

Muncipal Services Director Chris Fisher responded to public comments.

Motion: Amended motion by Councilmember Abram to table the item and continue to a future meeting once staff can provide additional information to the Council, seconded by Councilmember Bixel, and carried 4/0 by the following vote:

Councilmember Abram	Councilmember Bixel	Vice Mayor Monez	Councilmember Phillips	Mayor Bublak
Yes	Yes	Yes	Yes	Absent

Action: Item was tabled and will be continued to a future meeting once staff can provide additional information to the Council.

9. **FINAL READINGS**

A. Second and Final Reading of an Ordinance Amending Turlock Municipal Code Title 7 (Public Works), Chapter 7-2 (Street Improvements), Article 6 (Miscellaneous Provisions), and Amending Chapter 7-6 (Sidewalk Maintenance and Repair Obligations) (Municipal Services)

Vice Mayor Monez opened the item for public comment. There were no comments from the public, and Vice Mayor Monez closed public comment.

Motioned by Councilmember Abram, seconded by Councilmember Bixel and carried 4/0 by the following vote:

Councilmember Abram	Councilmember Bixel	Vice Mayor Monez	Councilmember Phillips	Mayor Bublak

Yes	Yes	Yes	Yes	Absent

Action: Approved **Ordinance 1338-CS**

B. Second and Final Reading of an Ordinance Amending Turlock Municipal Code Title 8, Chapter 1, Article 1; Section 02, Chapter 2, Article 1, Section 02; Chapter 5, Article 1, Section 02 and Chapter 6 Article 1 Section 02 to Adopt the 2025 California Building Standards Code. (Development Services)

Vice Mayor Monez opened the item for public comment. There were no comments from the public, and Vice Mayor Monez closed public comment.

Motioned by Councilmember Abram, seconded by Councilmember Bixel and carried 4/0 by the following vote:

Councilmember Abram	Councilmember Bixel	Vice Mayor Monez	Councilmember Phillips	Mayor Bublak
Yes	Yes	Yes	Yes	Absent

Action: Approved **Ordinance 1339-CS**

10. **PUBLIC HEARINGS**

A. Approval of Proposed Annexation #40 of 2831 N. Walnut Road, Stanislaus County Assessor's Parcel, 088-008-068, into Community Facilities District No. 2 Following a Public Hearing and Mailed Ballot Election of Affected Property Owners (Development Services)
Development Services Director Adrienne Werner presented the item.

Vice Mayor Monez asked City Clerk Fiez to confirm the following:

Proof of publication of the notice of public hearing; Signed waiver and consent forms for the properties being annexed; Completed and signed ballots; Signed certificate of Clerk regarding receipt of property owner waiver and consent form; and the Ballot declaring election results

Vice Mayor Monez opened the item for public comment. There were no comments from the public, and Vice Mayor Monez closed public comment.

Motioned by Councilmember Abram, seconded by Councilmember Bixel and carried 4/0 by the following vote:

Councilmember Abram	Councilmember Bixel	Vice Mayor Monez	Councilmember Phillips	Mayor Bublak
Yes	Yes	Yes	Yes	Absent

Action: Approved **Resolution No. 2026-009**
Approved **Resolution No. 2026-010**

11. **ACTION ITEMS**

A. Authorize Agreement with Legacy Health Endowment to Continue Person-Centered Care

Program and Appropriate $300,000 of American Resue Plan Act Funds (Risk Management) Risk Manager Director Paul Loehr initiated the discussion on the item, followed by a presentation from Jeffery Lewis, the President of Legacy Health Endowment.

Vice Mayor Monez opened public comment and the following members of the public spoke:

John Gabelon
Jim Reape
Mary Jackson
Roslyn Noble

With no further comments, Vice Mayor Monez closed public comment.

Motioned by Councilmember Abram to continue to the next City Council meeting on January 27, 2026, seconded by Councilmember Phillips and carried 4/0 by the following vote:

Councilmember Abram	Councilmember Bixel	Vice Mayor Monez	Councilmember Phillips	Mayor Bublak
Yes	Yes	Yes	Yes	Absent

Action: To be considered at the January 27, 2026 City Council Meeting

B. Approving an Agreement with Guidepost Solutions LLC for Design Services for A Camera System at Multiple City Locations (Municipal Services)

Director Fisher presented the item.

Vice Mayor Monez opened the item for public comment. There were no comments from the public, and Vice Mayor Monez closed public comment.

Motioned by Councilmember Abram, seconded by Councilmeber Bixel and carried 4/0 by the following vote:

Councilmember Abram	Councilmember Bixel	Vice Mayor Monez	Councilmember Phillips	Mayor Bublak
Yes	Yes	Yes	Yes	Absent

Action: Approved **Resolution No. 2026-011**

C. Consider the Adoption by a 4/5 vote of an Urgency Ordinance, making findings and establishing a temporary moratorium on the establishment of new, and relocation or physical expansion of existing, tobacco retailer businesses, also known as smoke shops, within the City of Turlock to become effective immediately. (City Attorney’s Office and Police Department)

City Attorney George Petrulakis presented the temporary urgency ordinance.

Vice Mayor Monez opened the item for public comment. There were no comments from the

public, and Vice Mayor Monez closed public comment.

Motioned by Councilmember Abram, seconded by Councilmember Bixel and carried 4/0 by the following vote:

Councilmember Abram	Councilmember Bixel	Vice Mayor Monez	Councilmember Phillips	Mayor Bublak
Yes	Yes	Yes	Yes	Absent

Action: Approved **Ordinance 1340-CS**

12. **COUNCILMEMBER COMMENTS, ANNOUNCEMENTS AND FUTURE ITEMS**

Interim Sue Borrego introduced the Modesto Fire Chief Chris Jelinek.

Councilmember Bixel - Announced happy New Year.

Vice Mayor Monez - Welcomed Chief Jelinek and mentioned the Turlock Annual Swap Meet happening on January 24, 2026.

13. **CLOSED SESSION**

None

14. **REPORTS FROM CLOSED SESSION**

None

15. **ADJOURNMENT**

Vice Mayor Monez adjourned the meeting at 7:24 PM.

Respectfully Submitted.

_____
Kelly Renteria, Deputy City Clerk

City Council Special Meeting Minutes

January 14, 2026
4:00 PM
City of Turlock Yosemite Room
156 S. Broadway, Turlock, California

1. **CALL TO ORDER**

Mayor Bublak called the meeting to order at 4:00 PM.

2. **SALUTE TO THE FLAG**
3. **ROLL CALL AND DECLARATION OF CONFLICTS**

Present: Councilmembers Cassandra Abram, Kevin Bixel, Erika Phillips, Vice Mayor Rebecka Monez and Mayor Amy Bublak
Absent: None

Councilmember Abram	Councilmember Bixel	Vice Mayor Monez	Councilmember Phillips	Mayor Bublak
None	None	None	None	None

4. **APPROVAL OF AGENDA AS POSTED OR AMENDED**

Motion: Approval of Agenda as Posted, motioned by Vice Mayor Monez, seconded by Councilmember Abram and carried 5/0 by the following vote:

Councilmember Abram	Councilmember Bixel	Vice Mayor Monez	Councilmember Phillips	Mayor Bublak
Yes	Yes	Yes	Yes	Yes

5. **PUBLIC PARTICIPATION - LIMITED TO ITEMS DESCRIBED IN THE NOTICE FOR THIS MEETING**

Mayor Bublak opened public comment and the following members of the public spoke:

Milt Trieweiler

With no further comments, Mayor Bublak closed public comment.

6. **CLOSED SESSION**

A. Public Employee Appointment, Cal. Gov't Code §54957
Title: City Attorney (Interviews)

7. **REPORTS FROM CLOSED SESSION**

None

8. **ADJOURNMENT**

Mayor Bublak adjourned the meeting at 6:31 PM.

City Council Special Meeting Minutes

January 22, 2026
1:30 PM
City of Turlock Yosemite Room
156 S. Broadway, Turlock, California

1. **CALL TO ORDER**

Mayor Bublak called the meeting to order at 1:30 PM.

2. **SALUTE TO THE FLAG**
3. **ROLL CALL AND DECLARATION OF CONFLICTS**

Present: Councilmembers Cassandra Abram, Kevin Bixel, Erika Phillips, Vice Mayor Rebecka Monez and Mayor Amy Bublak
Absent: None

Councilmember Abram	Councilmember Bixel	Vice Mayor Monez	Councilmember Phillips	Mayor Bublak
None	None	None	None	None

4. **APPROVAL OF AGENDA AS POSTED OR AMENDED**

Motion: Approval of Agenda as Posted, motioned by Councilmember Abram, seconded by Councilmember Bixel and carried 5/0 by the following vote:

Councilmember Abram	Councilmember Bixel	Vice Mayor Monez	Councilmember Phillips	Mayor Bublak
None	None	None	None	None

5. **PUBLIC PARTICIPATION - LIMITED TO ITEMS LISTED ON THE AGENDA**

Mayor Bublak opened the item for public comment. There were no comments from the public, and Mayor Bublak closed public comment.

6. **CLOSED SESSION**

A. Public Employee Appointment, Cal. Gov't Code §54957
Title: City Attorney (Interviews)

B. Public Employee Resignation/Discipline/Dismissal/Release, Cal Gov't Code §54957

7. **REPORTS FROM CLOSED SESSION**

None

8. **ADJOURNMENT**

Mayor Bublak adjourned the meeting at 3:56 PM.

CITY OF TURLOCK
CITY COUNCIL
SPECIAL MEETING MINUTES
Thursday, January 22, 2026

Respectfully Submitted

_____
Nichole Fiez, City Clerk

City Council Staff Report

January 27, 2026

From:	Christopher Fisher, Municipal Services Director
Prepared by:	Oscar Molina, Assistant Engineer
Agendized by:	Susan E. Borrego, Interim City Manager

1. ACTION RECOMMENDED:

Motion: Accepting improvements for City Project No. 24-033 "Transit Center EV Chargers" and authorizing the City Engineer to file a Notice of Completion

2. NARRATIVE:

The purpose of City Project No. 24-033 “Transit Center EV Chargers” is to replace two existing damaged electric vehicle charging stations, swap light poles, associated electrical upgrades and other associated work. The existing electrical vehicle chargers were damaged by acts of vandalism. The new electric vehicle chargers will be dedicated to charging Turlock Transit’s electric vans and are not intended for general public use at this time.

The main elements of the scope of work for this project consist of:

- Replacement and upgrade of (2) existing EV charging stations to accommodate future electric vans
- Swap locations of two existing light poles at the Transit Center
    - The purpose of relocating the two existing light poles is to ensure that one of them, which is equipped with an electrical outlet, is positioned for use by Transit during their events in the parking lot.
- Upsize electrical breaker in existing electrical panel to accommodate requirements of upgraded EV Charging stations

Change Order Summary:

	Amount	Approval Date
Original Contract	$70,000.00	4/8/2025
Change Order No. 01 (Final)	$3,500.00	10/27/2025
Adjusted Total Contract	**$73,500.00**	

Change Order No. 01 was approved by the City Engineer in accordance with the City's change order policy identified in Resolution 2025-007.

A summary of work performed with Change Order No. 01 totaling a debit of $3,500.00 is provided below.

CCO 1.1: On September 30, Transit staff reported that one of the EV chargers was only delivering 15.4 kW instead of the intended 19.2 kW. After coordinating with Transit, the

Contractor, and the electrical engineer, City staff confirmed that the two (2) 80-amp breakers installed under the project were not able to provide the full 240V/80-amp load needed to reach 19.2 kW due to NEC limitations and voltage drop over the wire run. The breaker sizing was identified as the limiting factor. To resolve the issue and achieve the intended performance, the City proceeded with a change order to replace the two (2) 80-amp breakers with two (2) 100-amp breakers.

3. FISCAL IMPACT / BUDGET AMENDMENT:

No General Fund money was used for this project.

Fund 426 "Transit" account number 426-40-415-238-002.51240 "Transit Capital" is the designated account number for all project expenses.

The total project costs are presented below:

Description	Cost
Preliminary Engineering *- City Staff*	$12,882.86
Adjusted Construction Contract *- DV Electric Co*	$73,500.00
Construction Engineering and Inspection *- City Staff*	$6,688.29
Architect Fee *- RED Inc Architects*	$10,080.00
Building Permit Fee	$2,074.35
Miscellaneous Expenses	$743.27
Total Project Costs	**$105,968.77**

The projects costs above were expended as presented below:

Project costs prior to Fiscal Year 2025-2026	$32,255.81
Project costs in Fiscal Year 2025-2026	$73,712.96
Total Project Costs	**$105,968.77**

Sufficient funds were available in the designated account for Fiscal Year 2025–26. No additional budget appropriation is required.

4. ENVIRONMENTAL DETERMINATION:

A. On April 8, 2025, the City Council determined the award of bid exempt from the provisions of CEQA in accordance with Section 15301 (Existing Facilities) of the

CEQA guidelines as the project involves negligible or no expansion of use in the existing facilities.

5. ATTACHMENTS:

1. Notice of Completion
2. Final Quantities

RECORDED AT THE REQUEST OF:
CITY OF TURLOCK

WHEN RECORDED MAIL TO:
CITY OF TURLOCK
OFFICE OF THE CITY CLERK
156 S. BROADWAY, SUITE 230
TURLOCK, CA 95380-5454

NOTICE OF COMPLETION
CITY PROJECT NO. 24-033
TRANSIT CENTER EV CHARGERS

Notice is hereby given that work on the above-referenced project located at 1418 N Golden State Blvd, Turlock, CA was completed by the undersigned agency on January 27, 2026. The contractor of work is DV Electric Co, of San Jose, California, and the owner is the City of Turlock, 156 South Broadway, Suite 150, Turlock, California. Kindly refer to said Project Number on all communications relating to this work.

Date: _____

_____
(Signature- William D. Morris, P.E., City Engineer, Owner's Agent),
City of Turlock

VERIFICATION

I, the undersigned, City Engineer of the owner of the aforesaid interest, have read this notice; I know and understand the contents thereof; and the facts stated therein are true of my own knowledge.

I declare under penalty of perjury that the foregoing is true and correct.

CITY OF TURLOCK

_____
WILLIAM D. MORRIS, P.E.
CITY ENGINEER
OWNER'S AGENT

Executed on January 28, 2026 at Turlock, California, Stanislaus County

FINAL QUANTITIES

City Project No: 24-033
Project Title: Transit Center EV Chargers

Item No.	Item Description	Unit of Measure	Contractor's Unit Price	Final Actual Quantities	Final Actual Amount	Bid Quantities	Bid Amount	Total Difference
1	Mobilization and Demobilization	LS	$ 2,000.00	1.00	$ 2,000.00	1.00	$ 2,000.00	$ -
2	Remove Existing Improvements	LS	$ 3,000.00	1.00	$ 3,000.00	1.00	$ 3,000.00	$ -
3	Electrical Pole Relocation	LS	$ 3,000.00	1.00	$ 3,000.00	1.00	$ 3,000.00	$ -
4	Electrical - Breaker Upgrade	LS	$ 1,000.00	1.00	$ 1,000.00	1.00	$ 1,000.00	$ -
5	Electric Vehicle Chargers	LS	$ 60,000.00	1.00	$ 60,000.00	1.00	$ 60,000.00	$ -
6	All Other Work Not Included in Line Items Above	LS	$ 1,000.00	1.00	$ 1,000.00	1.00	$ 1,000.00	$ -
	SUB-TOTAL CONTRACT ITEMS =				**$ 70,000.00**		**$ 70,000.00**	**$ -**
C.O. #	***CHANGE ORDERS***							
1	(2) Breaker Upsizing	LS	$ 3,500.00	1.00	$ 3,500.00			$ 3,500.00
	SUB-TOTAL CHANGE ORDER ITEMS =				**$ 3,500.00**		**$ -**	**$ 3,500.00**
	TOTAL PROJECT =				**$ 73,500.00**		**$ 70,000.00**	**$ 3,500.00**

City Council Staff Report

January 27, 2026

From:	Christopher Fisher, Municipal Services Director
Prepared by:	Mike Murphy, Parks, Streets, and Public Facilities Maintenance Superintendent
Agendized by:	Susan E. Borrego, Interim City Manager

1. ACTION RECOMMENDED:

Motion: Approving an agreement (City Contract No. 2026-104) with Safe-T-Lite of Modesto, Inc. in response to RFB No. 25-012, for rental of traffic control devices for five (5) years, with a total amount not to exceed $300,000, to be funded by a particular applicant, project or event

2. NARRATIVE:

The City of Turlock regularly participates in projects and both arranges and facilitates community special events that involve the use of traffic control devices as part of an approved, Temporary Traffic Control Plan (TTCP). While the City does have a limited supply of some devices, large or unique traffic control needs require the rental of signs, barricades or other traffic safety materials.

The Purchasing Division issued a Request for Bids (RFB) 25-012 seeking qualified applicants for rental of traffic control devices. Two (2) vendors submitted proposals, and Safe-T-Lite of Modesto, Inc. was the lowest responsive and responsible bid.

An agreement with Safe-T-Lite will allow the City, on an as-needed basis, to rent traffic control devices for special events or unique projects where the traffic control demands exceed our existing supply of resources. The charges for each rental would be applied against a funding line appropriate for that particular project or event. Each rental cost will be fully reimbursed to this line, either by the non-City sponsored event applicant or the City-sponsored event budgeted line number.

Staff recommend approval of a contract with Safe-T-Lite of Modesto, Inc. for rental of traffic control devices.

3. FISCAL IMPACT / BUDGET AMENDMENT:

The total cost of services under this agreement shall not exceed $300,000. Costs associated with Non-City sponsored special events are paid from applicant deposits held in G/L account 110.25000_002 - Special Deposits Special Event Permits, which functions as a pass-through account. Deposits are collected from event applicants and drawn down as traffic control and related event costs are incurred. City-sponsored events are funded by the applicable departmental budget.

4. ENVIRONMENTAL DETERMINATION:

This action is not subject to the provisions of the California Environmental Quality Act (CEQA) in accordance with Section 15378(b)(5) of the CEQA guidelines. This action consists

of “organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment” and therefore is not considered a project.

5. ATTACHMENTS:

1. City Contract 2026-104 with Safe-T-Lite

SUPPLIER AGREEMENT BETWEEN THE CITY OF TURLOCK
and
SAFE-T-LITE OF MODESTO, INC.
for
RENTAL OF TRAFFIC CONTROL DEVICES

City Contract No. 2026-104

THIS SUPPLIER AGREEMENT (the "Agreement") is entered into by and between the CITY OF TURLOCK, a California municipal corporation ("CITY"), and SAFE-T-LITE OF MODESTO, INC., a California corporation ("SUPPLIER"), on this 27th day of January, 2026 (the "Effective Date"). CITY and SUPPLIER may be collectively referred to herein as the "Parties" or individually as "Party." There are no other parties to this Agreement.

RECITALS

WHEREAS, CITY has a need for the rental of traffic control devices; and

WHEREAS, SUPPLIER has made a proposal to CITY to provide rental of traffic control devices. A description that of which SUPPLIER proposes to provide is included in Exhibit A attached hereto and incorporated herein by reference; and

WHEREAS, CITY desires to rent traffic control devices from SUPPLIER, subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, the parties hereto mutually agree as follows:

AGREEMENT

1. RECITALS: The recitals set forth above ("Recitals") are true and correct and are hereby incorporated into and made part of this Agreement by this reference. In the event of any inconsistency between the Recitals and Sections 1 through 37 of this Agreement, Sections 1 through 37 shall prevail.

2. PURCHASE OF PRODUCT: SUPPLIER agrees to provide, and CITY agrees to rent traffic control devices, as described in Exhibit A.

3. SAFETY REQUIREMENT: All services and products must comply with California State Division of Industrial Safety orders and O.S.H.A.

4. COMPENSATION: CITY agrees to pay SUPPLIER in accordance with Exhibit A as full remuneration for performing all Services and furnishing all staffing and materials called for in Exhibit A and for performance by SUPPLIER of all of its duties and obligations under this Agreement. In no event shall the total amount of this Agreement exceed Three Hundred Thousand and No/100^{ths} Dollars ($300,000.00). SUPPLIER agrees that compensation shall be paid in the manner and at the times set forth below:

(a) Invoices: SUPPLIER shall submit dated invoices to CITY specifying the date, location and service rendered, and the charge therefor.

(b) Payment: All payments by CITY shall be made in arrears, after satisfactory service, as determined and approved by CITY, has been provided. Payment shall be made by CITY no more than thirty (30) days from CITY's receipt of invoice.

5. TERM OF AGREEMENT: The term of this Agreement shall be five (5) years and will commence on the Effective Date and terminate on the 27th day of January, 2031 (Term), unless the Parties mutually agree in writing to terminate the Agreement earlier or extend the Term pursuant to this Agreement.

6. EXTENSION OF AGREEMENT: [INTENTIONALLY OMITTED]

7. INSURANCE: SUPPLIER shall not commence work under this Agreement until SUPPLIER has obtained City's approval regarding all insurance requirements, forms, endorsements, amounts, and carrier ratings, nor shall SUPPLIER allow any subcontractor to commence work on a subcontract until all similar insurance required of the subcontractor shall have been so obtained and approved. SUPPLIER shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by SUPPLIER, its agents, representatives, employees or subcontractors. Failure to maintain or renew coverage or to provide evidence of renewal may constitute a material breach of contract. Any available insurance proceeds in excess of the specified minimum limits and coverage shall be available to CITY.

(a) **Commercial General Liability Insurance:** SUPPLIER shall maintain Commercial General Liability Insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than One Million Dollars ($1,000,000.00) per occurrence, Two Million Dollars ($2,000,000.00) general aggregate, and One Million Dollars ($1,000,000.00) products and completed operations for bodily injury, personal injury, and property

damage. The general aggregate limit shall apply separately to this Project or the general aggregate shall be doubled.

(b) **Workers' Compensation Insurance:** SUPPLIER shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance with limits of at least One Million Dollars ($1,000,000.00) each accident or disease. SUPPLIER shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City, its officers, agents, employees, and volunteers.

(c) **Commercial Automobile Liability Insurance:** SUPPLIER shall maintain Commercial Automobile Liability Insurance using ISO Business Auto Coverage form CA 00 01, or the exact equivalent, in the amount of no less than One Million Dollars ($1,000,000.00) each accident for owned, leased, hired, non-owned, and borrowed automobiles. The policy shall provide and be endorsed that the City, its officials, officers, agents, employees, and volunteers are included or named as additional insureds. If SUPPLIER owns no vehicles, this requirement may be met through a non-owned auto endorsement to the CGL policy.

(d) **Umbrella or Excess Policy:** SUPPLIER may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required. The Umbrella or Excess policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying policies of insurance. No coverage or policies maintained by the City ("Additional Insureds"), whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the SUPPLIER's primary and excess liability policies are exhausted.

(e) **Deductibles and Self-Insured Retentions:** Upon request of City, any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its elective and appointive boards, officers, agents, employees, and volunteers; or (2) SUPPLIER shall provide a financial guarantee satisfactory to City guaranteeing payment of losses and related investigations, claim administration and defense expenses.

(f) **Other Insurance Provisions:** The commercial general liability policy shall contain, or be endorsed to contain, the following provisions:

(1) City, its elective and appointive boards, officers, agents, employees, and volunteers are to be covered as additional insureds with respect to liability arising out of work or operations performed by or on behalf of SUPPLIER, including materials, parts or equipment furnished in connection with such work or operations, which coverage shall be maintained in effect for at least three (3) years following the completion of the work specified in the contract. General liability coverage can be provided in the form of an endorsement to SUPPLIER's insurance (at least as broad as CG 20 10 for ongoing operations and CG 20 37 for products/completed

operations), or as a separate Owners and Contractors Protective Liability policy providing both ongoing operations and completed operations coverage.

(2) For any claims related to this project, SUPPLIER's insurance coverage shall be primary insurance as respects City and any insurance or self-insurance maintained by City shall be excess of SUPPLIER's insurance and shall not contribute with it.

(3) In the event of cancellation, non-renewal, or material change that reduces or restricts the insurance coverage afforded to City under this Agreement, the insurer, broker/producer, or SUPPLIER shall provide City with thirty (30) days' prior written notice of such cancellation, non-renewal, or material change.

(4) Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

(g) **Acceptability of Insurers:** Insurance is to be placed with insurers admitted in California with a current A.M. Best's rating of no less than A-:VII or with an insurer to which the City has provided prior approval.

(h) **Verification of Coverage:** SUPPLIER shall furnish City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive SUPPLIER's obligation to provide them. City reserves the right, at any time, to require complete, certified copies of all required insurance policies and endorsements.

(i) **Waiver of Subrogation:** With the exception of professional liability, Contractor hereby agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. The commercial general liability policy, automobile liability policy, and workers' compensation policy shall be endorsed to contain a waiver of subrogation in favor of City for all work performed by Contractor, its agents, employees, independent contractors and subcontractors. Contractor shall provide written proof of waiver of subrogation in the Certificate of Insurance. Additionally, Contractor agrees to obtain any available endorsements that may be necessary to effectuate this waiver of subrogation.

(j) **Subcontractors:** SUPPLIER shall ensure all subcontractors furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

(k) **Additional Insurance Requirements:** Within five (5) days of the Effective Date, SUPPLIER shall provide City with certificates of insurance and amendatory endorsements for all of the policies required under this Agreement ("Certificates and Endorsements"). Such

Certificates and Endorsements shall be kept current for the Term of the Agreement and SUPPLIER shall be responsible for providing updated copies. With the exception of the workers' compensation insurance, all of the insurance policies required in this Agreement shall: (a) provide that the policy will not be cancelled, allowed to expire, or materially reduced in coverage without at least thirty (30) days' prior written notice to City of such cancellation, expiration, or reduction and each policy shall be endorsed to state such. IF a carrier will not provide the required notice of cancellation, the SUPPLIER shall provide written notice to the City no later than ten (10) business days before cancellation; (b) name City, and City's Agents as additional insureds with respect to liability arising out of Services, work or operations performed by or on behalf of SUPPLIER and shall be endorsed to state such; (c) name City of Turlock as a certificate holder; (d) cover products and completed operations of SUPPLIER, premises owned, occupied, or used by the SUPPLIER, or automobiles owned, leased, or hired or borrowed by the SUPPLIER; contain no special limitations on the scope of protection afforded to City; (e) allow and be endorsed primary with respect to any insurance or self-insurance programs covering City or City's Agents and any insurance or self-insurance maintained by City or City's Agents shall be in excess of SUPPLIER's insurance and shall not contribute to it; (f) contain standard separation of insured provisions; and (g) state that any failure to comply with reporting or other provisions of the policy including breaches of warranties shall not affect the coverage provided to City.

8. INDEMNIFICATION: To the full extent permitted by law, SUPPLIER shall indemnify, defend, and hold harmless City and any and all of its elective and appointive boards, officers, officials, agents, employees or volunteers from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsel's fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by SUPPLIER or by any individual or agency for which SUPPLIER is legally liable, including, but not limited to, officers, agents, employees, or subcontractors of SUPPLIER.

9. INDEPENDENT CONTRACTOR RELATIONSHIP: All acts of SUPPLIER, its agents, officers, and employees and all others acting on behalf of SUPPLIER relating to the performance of this Agreement, shall be performed as independent contractors and not as agents, officers, or employees of CITY. SUPPLIER, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of CITY. SUPPLIER has no authority or responsibility to exercise any rights or power vested in the CITY. No agent, officer, or employee of the CITY is to be considered an employee of SUPPLIER. It is understood by both SUPPLIER and CITY that this Agreement shall not under any circumstances be construed or considered to create an employer-employee relationship or a joint venture.

SUPPLIER, its agents, officers and employees are and, at all times during the terms of this Agreement, shall represent and conduct themselves as independent contractors and not as employees of CITY.

SUPPLIER shall determine the method, details and means of performing the work and Services to be provided by SUPPLIER under this Agreement. SUPPLIER shall be responsible to CITY only for the requirements and results specified in this Agreement, and, except as expressly provided in this Agreement, shall not be subjected to CITY's control with respect to the physical action or activities of the SUPPLIER in fulfillment of this Agreement. SUPPLIER has control over the manner and means of performing the Services under this Agreement. SUPPLIER is permitted to provide services to others during the same period service is provided to CITY under this Agreement. If necessary, SUPPLIER has the responsibility for employing other persons or firms to assist SUPPLIER in fulfilling the terms and obligations under this Agreement.

If in the performance of this Agreement any third persons are employed by SUPPLIER, such persons shall be entirely and exclusively under the direction, supervision, and control of SUPPLIER. All terms of employment including hours, wages, working conditions, discipline, hiring, and discharging or any other term of employment or requirement of law shall be determined by the SUPPLIER.

It is understood and agreed that as an independent contractor and not an employee of CITY neither the SUPPLIER or SUPPLIER'S assigned personnel shall have any entitlement as a CITY employee, right to act on behalf of the CITY in any capacity whatsoever as an agent, or to bind the CITY to any obligation whatsoever.

It is further understood and agreed that SUPPLIER must issue W-2 forms or other forms as required by law for income and employment tax purposes for all of SUPPLIER'S personnel.

As an independent contractor, SUPPLIER hereby indemnifies and holds CITY harmless from any and all claims that may be made against CITY based upon any contention by any third party that an employer-employee relationship exists by reason of this Agreement.

10. TERMINATION: Either Party may terminate this Agreement without cause or legal excuse by providing thirty (30) days' written notice to the other party.

11. CONFORMANCE WITH FEDERAL AND STATE LAW: All equipment, supplies and services used by SUPPLIER in the performance of this Agreement shall conform to the laws of the government of the United States and the State of California.

12. NO CONFLICT OF INTEREST. SUPPLIER represents that no conflict of interest will be created under state or federal law by entering into or in carrying out this Agreement.

13. TIME: Time is of the essence in this Agreement for each covenant and term of a condition herein.

14. EXCUSABLE DELAYS; NOTICE TO OTHER PARTY OF DELAY. SUPPLIER shall not be in breach of this Agreement in the event that performance of Services is temporarily interrupted or discontinued due to a "Force Majeure" event which is defined as: riots, wars, sabotage, civil disturbances, insurrections, explosion, natural disasters such as floods, earthquakes, landslides, fires, strikes, lockouts and other labor disturbances or other catastrophic events, which are beyond the reasonable control of SUPPLIER. Force Majeure does not include: (a) SUPPLIER's financial inability to perform; (b) SUPPLIER's failure to obtain any necessary permits or licenses from other governmental agencies; or (c) SUPPLIER's failure to obtain the right to use the facilities of any public utility where such failure is due solely to the acts or omissions of the SUPPLIER.

15. ENTIRE AGREEMENT AND MODIFICATION: This Agreement supersedes all previous Agreements and constitutes the entire understanding of the parties hereto. SUPPLIER shall be entitled to no other benefits than those specified herein. No changes, amendments or alterations shall be effective unless in writing and signed by both parties. SUPPLIER specifically acknowledges that in entering into and executing this Agreement, SUPPLIER relies solely upon the provisions contained in this Agreement and no others. Should any conflict exist between the terms and conditions of the Agreement and any and all exhibits attached hereto, the terms and conditions of the Agreement shall prevail.

16. AMENDMENTS: Both parties to this Agreement understand that it may become desirable or necessary during the execution of this Agreement, for CITY or SUPPLIER to modify the scope of Services provided for under this Agreement. Any material extension or change in the scope of work shall be discussed with CITY and the change and cost shall be memorialized in a written amendment to the original contract prior to the performance of the additional work.

Until an Amendment is so executed, CITY will not be responsible to pay any charges SUPPLIER may incur in performing such additional services, and SUPPLIER shall not be required to perform any such additional services.

17. EXECUTION AND COUNTERPARTS. This Agreement may be executed simultaneously, and in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument. The Parties agree that this Agreement and any other documents to be delivered in connection herewith may be electronically signed utilizing services such as DocuSign and Nitro Sign, or by transmitting signatures in pdf or similar format, and that any electronic signatures appearing on this Agreement or such other documents are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

18. PARTIAL INVALIDITY: If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

19. WAIVER: No covenant, term, or condition or the breach thereof shall be deemed waived, except by written consent of the Party against whom the waiver is claimed, and any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition.

20. AUDIT: CITY's duly authorized representative shall have access at all reasonable times to all reports, contract records, contract documents, contract files, and personnel necessary to audit and verify SUPPLIER'S charges to CITY under this Agreement.

SUPPLIER agrees to retain reports, records, documents, and files related to charges under this Agreement for a period of four (4) years following the date of final payment for SUPPLIER Services. CITY's representative shall have the right to reproduce any of the aforesaid documents.

21. GOVERNING LAW: This Agreement shall be governed according to the laws of the State of California.

22. HEADINGS NOT CONTROLLING: Headings used in the Agreement are for reference purposes only and shall not be considered in construing this Agreement.

23. COMPLIANCE WITH LAWS: SUPPLIER shall insure compliance with all safety and hourly requirements for employees, in accordance with federal, state, and county safety and health regulations and laws including, but not limited to, prevailing wage laws, if applicable. SUPPLIER shall fully comply with all applicable federal, state, and local laws, ordinances, regulations and permits.

24. CITY BUSINESS LICENSE: SUPPLIER will obtain a City of Turlock business license prior to commencement of the Agreement. SUPPLIER shall maintain the business license through the term of the Agreement.

25. ASSIGNMENT: This Agreement is binding upon CITY and SUPPLIER and their successors. Except as otherwise provided herein, neither CITY nor SUPPLIER shall assign, sublet, or transfer interest in this Agreement or any part thereof without the prior written consent of the other.

26. NOTICE: Any and all notices permitted or required to be given hereunder shall be deemed duly given and effective (1) upon actual delivery, if delivery is by hand; or (2) five (5) days after delivery into the United States mail, if delivery is by postage paid, registered, or certified (return receipt requested) mail. Each such notice shall be sent to the parties at the address respectively indicated below or to any other address as the respective parties may designate from time to time:

To City:

City of Turlock
Attention: Christopher Fisher, Municipal Services Director
156 South Broadway, Suite 150
Turlock, California 95380

With courtesy copy to:

City of Turlock, City Attorney's Office
George A. Petrulakis, City Attorney
156 S. Broadway, Suite 230
Turlock, California 95380-5456

If to Supplier:

Safe-T-Lite of Modesto, Inc.
Attention: Alberto Delgado
1051 N. Emerald Ave
Modesto, CA 95351
Telephone: (209) 522-8913
Email: sales@safetlite.com

27. CITY CONTRACT ADMINISTRATOR: The City's contract administrator and contact person for this Agreement is:

Mike Murphy
Parks/Streets/Public Facilities Superintendent
144 S. Broadway
Turlock, California 95380
E-mail: mmurphy@turlock.ca.us

28. MODIFICATION: No alteration, amendment, modification, or termination of this Agreement shall be valid unless made in writing and executed by all of the Parties to this Agreement.

29. AUTHORITY: All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by such entities, persons, states or firms and that all former requirements necessary or required by state or federal law in order to enter into the Agreement have been fully complied with. Further, by entering into this Agreement, neither Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

30. VENUE. Venue for all legal proceedings shall be in the Superior Court of the State of California, in and for the County of Stanislaus.

31. SEVERIBILITY: If this Agreement in its entirety is determined by a court to be invalid or unenforceable, this Agreement shall automatically terminate as of the date of final entry

of judgment. If any provision of this Agreement shall be determined by a court to be invalid and unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable according to the terms of any federal or state statute, which becomes effective after the Effective Date of this Agreement, the remaining provisions shall continue in full force and effect and shall be construed to give effect to the intent of this Agreement.

32. ENTIRE AGREEMENT: This Agreement, together with its specific references, attachments, and exhibits, constitutes the entire agreement of the Parties with respect to the subject matters hereof and supersedes any and all prior negotiations, understanding, and agreements with respect hereto, whether oral or written.

33. SUPERSEDES PRIOR AGREEMENT: It is the intention of the Parties hereto that this Agreement shall supersede any prior agreements, discussions, commitments, or representations, whether written, electronic or oral, between the Parties with respect to the subject matter of this Agreement.

34. MANDATORY AND PERMISSIVE: "Shall" and "will" and "agrees" are mandatory. "May" and "can" are permissive.

35. SUCCESSORS AND ASSIGNS: All representations, covenants, and warranties specifically set forth in this Agreement, by or on behalf of, or for the benefit of, any or all of the Parties hereto, shall be binding upon and inure to the benefit of such Party, its successors and assigns.

36. ATTORNEY'S FEES AND COSTS: If any action at law or in equity not resolved pursuant to the "Arbitration of Disputes" section of this Agreement, including action for declaratory relief, is brought to enforce or interpret provisions of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

37. NECESSARY ACTS AND FURTHER ASSURANCES: The Parties shall at their own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement.

[*Signatures on Following Page*]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by and through their respective officers' thereunto duly authorized.

CITY OF TURLOCK, a California municipal corporation

By: _____
Susan E. Borrego, Interim City Manager

Date: _____

APPROVED AS TO SUFFICIENCY:

By: _____
Christopher Fisher, Municipal Services Director

APPROVED AS TO FORM:

By: _____
George A. Petrulakis, City Attorney

ATTEST:

By: _____
Nichole Fiez, City Clerk

SAFE-T-LITE OF MODESTO, INC., a California corporation

By: A. Delgado

Title: Operations Manager

Print name: Alberto Delgado

Date: 1/08/26

RFB No. 25-012
Rental of Traffic Control Devices
Exhibit A

Name of Firm: Safe-T-Lite of Modesto

Contact Person(s): Alberto Delgado

Address: 1051 N. Emerald Ave Modesto, Ca 95351

Phone: (209)522-8913 Fax: (209)522-1918

Email: sales@safetlite.com

City of Turlock Business License No. (if applicable): 200181

*Unique Entity Identifier (if applicable): _____

A. Delgado

(Signature)

*A Unique Entity Identifier (UEI) is the primary means of entity identification for Federal awards government-wide. UEIs are required in accordance with 2 CFR Part 25, and are being issued by the Federal Government in SAM.gov. SAM.gov, or the System for Awards Management is the official site for registering to do business with the Federal Government. All prime contractors will be verified for SAM registration upon bid evaluation.

Safe-T-Lite of Modesto, Inc.

ITEM	DESCRIPTION	RENTAL PRICE		
Barricades		Daily	Weekly	Monthly
	Type 1 (Wood)	$ 1.00	$ 7.00	$ 30.00
	Type 1 with light (Wood)	$ 1.60	$ 11.20	$ 48.00
	Type 1 (Plastic)	$ 1.80	$ 12.60	$ 54.00
	Type 1 with light (Plastic)	$ 2.60	$ 18.20	$ 78.00
	Type 3	$ 2.85	$ 19.95	$ 85.50
	Type 3 with light	$ 3.20	$ 22.40	$ 96.00
	Pedestrian (Plastic)	$ 4.00	$ 28.00	$ 120.00
	Water fillable K-Rails	$ 5.50	$ 38.50	$ 165.00
Cones	28" with reflective bands	$ 0.80	$ 5.60	$ 24.00
Channelizer	Drum with reflective bands	$ 2.50	$ 17.50	$ 75.00
Delineator	T-Top and looper with base	$ 0.80	$ 5.60	$ 24.00
Flag stand	Flex mast with flags	$ 3.20	$ 22.40	$ 96.00
Signs	Vinyl high intensity for flag stand	$ 3.20	$ 22.40	$ 96.00
	Metal high intensity	$ 2.90	$ 20.30	$ 87.00
Arrow Board	Trailer Mount-solar	$ 70.00	$ 175.00	$ 500.00
Message Boards	Solar	$ 200.00	$ 600.00	$ 1,200.00
Light Tower	Towable	$ 100.00	$ 400.00	$ 1,000.00

RATES	DESCRIPTION	RATES PER HOUR		
		Standard	Overtime	Weekends
	Rental Delivery	$ 150.00	$ 200.00	$ 300.00
	Rental Pickup	$ 150.00	$ 200.00	$ 300.00

SUPPLIES	DESCRIPTION	QUANTITY	COST
	Paper Signs		.49ea
	Sign Creation	1	$ 15.00
	Caution Tape (Rolls)	1	11.69ea
	Install Paper signs	60	$30.00/hr
	Install aluminum signs to barricades	25	$30.00/hr

Do you have a minimum quantity or rental period for each order? 2 day minimum

How far in advance must orders be submitted? 5 - 10 working days

City Council Staff Report

January 27, 2026

From:	Isaac Moreno, Acting Deputy City Manager
Prepared by:	Nadine Silva, Principal Accountant
Agendized by:	Susan E. Borrego, Interim City Manager

1. ACTION RECOMMENDED:

Motion: Authorizing the City Manager to enter into a contract for banking services with WestAmerica Bank, in a form approved by the City Attorney, for five (5) years through January 31, 2031, in an amount not to exceed $300,000 annually with an option to extend the contract for five (5) additional years, with total compensation not to exceed $3,000,000 if the option to extend is exercised.

2. NARRATIVE:

The banking contract includes an array of services designed to minimize fees and charges to the City and provide the City with a high level of service by a highly stable bank, especially in today's banking environment.

A total of six (6) banks submitted Proposals to the City of Turlock in response to our RFP for banking services dated October 21, 2025. The banks that responded are WestAmerica Bank, Tri Counties Bank, Oak Valley Community Bank, J.P. Morgan, Farmers & Merchants Bank, and BAC Community Bank.

After reviewing all Proposals submitted by the above banks, the City of Turlock Staff found WestAmerica Bank to be the bank best suited to meet our needs. We came to this determination based on their excellent customer service and competitive pricing. WestAmerica Bank's analysis fees came in lower than the other five (5) banks. The City was able to negotiate an increase in the Money Market interest rate with WestAmerica Bank at a competitive rate that will increase the City's interest income.

Proposed average monthly analysis bank charges with WestAmerica Bank will be approximately $5,500 per month for all banking service fees with an additional $19,500 per month for credit card processing fees. The credit card processing is being transitioned over to Tyler Payments, through the City's current ERP (Enterprise Resource Planning) software system. As a result, the credit card processing fees paid to WestAmerica Bank will decrease to a minimal amount once this transition is finalized. During this transitional period, West America Bank reduced the current merchant rate from .10% to .09% for credit card fees and a per transaction fee from .12 cents to .10 cents.

This will save the City approximately $150 per month ($1,800 annually). WestAmerica Bank has cut all analysis fees by 50% with the exception of Lockbox Fees and Armored Car Service, as these fees are based on the complexity of the service including both electronic and manual item processing for Lockbox and a passthrough for Armored Car Service.

Under the agreement, the City will also earn interest on our compensating balances (monies left in our account to offset bank fees, but not credit card transaction fees) at a current rate

of .24%. Based on this interest rate, staff projects approximately $12,000 per year in compensated earnings to offset these fees. The net cost to the City is projected to be under $300,000 per year, which consists mostly of credit card transaction fees. Once the transition of all credit card processing to Tyler Payments is complete, the net analysis fees are projected to be about $5,500 monthly which equates to about $66,000 annually.

3. FISCAL IMPACT / BUDGET AMENDMENT:

Based on the new agreement, Staff projects net banking fees (including credit card transaction fees) to be approximately $300,000 annually. Sufficient funding for this expenditure is included in the City's budget in various department budgets in account number XXX-XX-XXX.47010 "Bank Charges".

4. ENVIRONMENTAL DETERMINATION:

This action is not subject to the provisions of the California Environmental Quality Act (CEQA) in accordance with Section 15378(b)(5) of the CEQA guidelines. This action consists of "organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment" and therefore is not considered a project.

5. ATTACHMENTS:

1. Agreement for Banking Services between the City of Turlock and West America Bank

AGREEMENT BETWEEN THE CITY OF TURLOCK
and
WESTAMERICA BANK
for
BANKING SERVICES

City Contract No. 2026-118

THIS PROFESSIONAL SERVICES AGREEMENT (the "Agreement") is entered into by and between the CITY OF TURLOCK, a California municipal corporation ("City"), and WESTAMERICA BANK, a California corporation ("Professional"), on this 1st day of February 2026 (the "Effective Date"). City and Professional may be collectively referred to herein as the "Parties" or individually as "Party." There are no other parties to this Agreement.

RECITALS

A. City seeks to hire an independent contractor to perform professional services to assist City with banking services (the "Project").

B. Professional has made a proposal to City to provide such professional services. A description of the services Professional proposes to provide is included in the Scope of Services in **Exhibit A** attached hereto and incorporated herein by reference ("Services"). City desires to retain Professional to perform the Services, subject to the terms and conditions set forth in this Agreement.

C. The Parties have outlined the schedule or timeline for providing the Services ("Completion Schedule"), which shall be included in the Scope of Services in **Exhibit A**.

D. The Parties have outlined the rates and method of payment to Professional for its performance of the Services under this Agreement ("Compensation Schedule"), which shall be included in the Scope of Services in **Exhibit A**.

NOW, THEREFORE, in consideration of the promises and covenants set forth below, the Parties agree as follows:

AGREEMENT

1. Recitals. The recitals set forth above ("Recitals") are true and correct and are hereby incorporated into and made part of this Agreement by this reference. In the event of any inconsistency between the Recitals and Sections 1 through 53 of this Agreement, Sections 1 through 55 shall prevail.

2. Term. The term of this Agreement shall be five (5) years and will commence on the Effective Date and terminate on the 31st day of January, 2031 ("Term") unless the Parties mutually agree in writing to terminate the Agreement earlier or extend the Term pursuant to this Agreement.

3. Extension of Agreement. City may elect to extend this Agreement for five (5) additional years, on the same terms and conditions, upon issuing an "Election to Extend Agreement" letter executed by the City Manager and Professional thirty (30) days prior to the expiration of this Agreement.

4. Effective Date. This Agreement shall only become effective once all of the Parties have executed the Agreement (the "Effective Date").

5. Work.

5.1. Services. Subject to the terms and conditions set forth in this Agreement, Professional shall provide City the Services described in **Exhibit A**. Any request for Services not included in **Exhibit A** will be considered a request for additional or modified Services ("Modification" or "Modifications"). Professional shall not receive additional compensation for any Modification of the Services unless the Parties agree otherwise in a writing executed by both Parties.

5.2. City Requested Modification of Services. City may, by written order, authorize Modifications to the Services described in **Exhibit A**. If such Modifications cause an increase in the cost or time required for performance of Professional's Services, the Parties shall enter into a written amendment to this Agreement to adjust the Services and the compensation to be paid to Professional and, if necessary, amend the Completion Schedule or Compensation Schedule. The Services, Completion Schedule, or Compensation Schedule shall not be revised unless City and Professional mutually agree to a written amendment to this Agreement reflecting such revisions, additional compensation, time for performance or such other terms or conditions mutually agreed upon by the Parties.

5.3. Professional Requested Modification in Services. Professional shall not be compensated for work outside the Services described in this Agreement, unless, prior to the commencement of the Services:

(a) Professional provides City with written notice that specific work requested by City or required to complete the Project is outside the agreed upon Services. Such notice shall: (1) be supported by substantial evidence that the work is outside the Services; (2) set forth the Professional's proposed course of action for completing the work and a specific request for City

to approve the Modification to the Services; (3) set forth the Professional's proposed revisions, if any, to the Completion Schedule; and (4) set forth the Professional's proposed revisions, if any, to the Compensation Schedule; and

(b) City agrees that the work requires a Modification;

(c) City approves all adjustments, if any, to the Completion Schedule and Compensation Schedule; and

(d) The Parties execute a written amendment to this Agreement describing any Modification, together with any adjustment in the Completion Schedule and Compensation Schedule for Professional's work.

6. Compensation.

6.1. Amount, Time and Manner of Payment for Professional Services. City shall pay Professional according to the rates and timing set forth in the Compensation Schedule. City's annual compensation to Professional shall not exceed Three Hundred Thousand and No/100ths Dollars ($300,000) and total compensation to Professional shall not exceed Three Million and No/100ths Dollars ($3,000,000) ("Maximum Payment"), unless the Parties mutually agree in writing otherwise.

6.2. Deposit. {Intentionally Omitted}

6.3. Subsequent Payments. City shall make monthly payments in the amount invoiced by Professional within thirty (30) calendar days of receiving such invoice. In the event that an amount of an invoice is in dispute, City shall inform Professional of the amount and basis for the dispute and may withhold the amount which is in dispute until the dispute has been resolved.

6.4. Invoices. Professional shall provide City with monthly invoices sufficiently evidencing Professional's expenses and completion of the Services. All invoices furnished to City by Professional shall be in a form approved by City. The payments specified shall be the only payments made to Professional for performance of the Services, including compensation for any Modification. Professional shall submit all billings for Services to City within forty-five (45) days of the performance of such Services. City shall issue payment according to City's customary procedures and practices for issuing payments to independent contractors.

7. Notice to Proceed. Professional shall not commence the performance of the Services until it has been given notice by City ("Notice to Proceed").

8. Time of Performance. Professional warrants that it will commence performance of the Services upon date the agreement was executed. The time of performance is a material term of this Agreement relied on by City in entering into this Agreement.

9. City Assistance to Professional. {Intentionally Omitted}

10. Time and Personnel Devoted to Services. Professional shall devote such time and personnel to the performance of this Agreement, as is necessary to perform the Services in compliance with the Completion Schedule, Compensation Schedule, and this Agreement.

11. Performance by Qualified Personnel; No Subcontracting. Services under this Agreement shall be performed only by competent personnel under the supervision and direct employment of Professional. Professional will conform with City's reasonable requests regarding assignment of personnel, but all personnel, including those assigned at City's request, shall be supervised by Professional. Professional is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is expressly approved by City in writing. Neither Party shall, on the basis of this Agreement, contract on behalf of, or in the name of the other Party. An agreement made in violation of this provision shall confer no rights on any Party and shall be null and void.

12. Representations of Professional. City relies upon the following representations by Professional in entering into this Agreement:

12.1. Qualifications. Professional represents that it is qualified to perform the Services provided in **Exhibit A** and that it possesses the necessary licenses and permits required to perform the Services or will obtain such licenses or permits prior to the time such licenses or permits are required. Professional shall also ensure that all subcontractors are similarly licensed and qualified. Professional and all subcontractors shall also obtain a business license from City before they commence performance of the Services. Professional represents and warrants to City that Professional shall, at Professional's sole cost and expense, keep in effect or obtain at all times during the Term of this Agreement, any licenses, permits, and approvals which are legally required for Professional to practice Professional's profession at the time the Services are rendered.

12.2. Professional Performance. Professional represents that all Services under this Agreement shall be performed in a professional manner and shall conform to the customs and standards of practice observed on similar, successfully completed projects by specialists in the Services to be provided. Professional shall adhere to accepted professional standards as set forth by relevant professional associations and shall perform all Services required under this Agreement in a manner consistent with generally accepted professional customs, procedures and standards for such Services. All work or products completed by Professional shall be completed using the best practices available for the profession. Professional agrees that, if a Service is not so performed, in addition to all of its obligations under this Agreement and at law, Professional shall re-perform or replace unsatisfactory Service at no additional expense to City.

12.3. No Waiver of Claims. The granting of any progress payment by City, or the receipt thereof by Professional, or any inspection, review, approval or oral statement by any representative of City, or state certification shall not, in any way, waive, limit, or replace any certification or approval procedures normally required or lessen the liability of Professional to re-perform or replace unsatisfactory Service, including, but not limited to, cases where the unsatisfactory character of such Service may not have been apparent or detected at the time of such payment, inspection, review or approval.

12.4. City's Remedies are Cumulative. Nothing in this Section shall constitute a waiver or limitation of any right or remedy, whether in equity or at law, which City or Professional may have under this Agreement or any applicable law. All rights and remedies of City, whether under this Agreement or applicable law, shall be cumulative.

12.5. No Conflict of Interest. Professional represents that no conflict of interest will be created under state or federal law by entering into or in carrying out this Agreement.

13. Conformity with Law and Safety. Professional shall observe and comply with all applicable laws, ordinances, codes and regulations of governmental agencies, including federal, state, municipal and local governing bodies having jurisdiction over any or all of the scope of Services, including all provisions of the Occupational Safety and Health Act of 1979 as amended, all California Occupational Safety and Health Regulations, the California Building Code, the Americans with Disabilities Act, any copyright, patent, or trademark law, and all other applicable federal, state, municipal and local safety regulations, appropriate trade association safety standards, and appropriate equipment manufacturer instructions. All Services performed by Professional must be in accordance with these laws, ordinances, codes and regulations. Professional's failure to comply with any laws, ordinances, codes, or regulations applicable to the performance of the Services hereunder shall constitute a breach of contract. In cases where standards conflict, the standard providing the highest degree of protection shall prevail.

If a death, serious personal injury or substantial property damage occurs in connection with the performance of this Agreement, Professional shall immediately notify City's risk manager by telephone. If any accident occurs in connection with this Agreement, Professional shall promptly submit a written report to City, in such form as City may require. This report shall include the following information: (a) name and address of the injured or deceased person(s); (b) name and address of Professional's subcontractor, if any; (c) name and address of Professional's liability insurance carrier; and (d) a detailed description of the accident, including whether any of City's equipment, tools or materials were involved.

If a release of a hazardous material, substance, or waste occurs in connection with the performance of this Agreement, Professional shall immediately notify City. Professional shall not store hazardous materials or hazardous waste within City limits without a proper permit from City.

14. Contact by Professional with Project Owner or Project Applicant. Unless otherwise set forth in the Services, neither Professional nor Professional's subcontractors shall directly contact the owner of the property involved in the Project or any party who is the applicant for the Project ("Interested Party"), or an employee or contractor of an Interested Party, on any matter relating to the Project without the prior consent of the Contract Administrator. In no event shall Professional take any instructions or directions from an Interested Party on any matter pertaining to the Professional's Services to be performed for City under this Agreement.

15. Confidentiality. Professional understands and agrees that, in the performance of Services under this Agreement or in the contemplation thereof, Professional may have access to private or confidential information that may be owned or controlled by City and that such information may

contain proprietary or confidential details, the disclosure of which to third parties may be damaging to City ("Confidential Information").

Professional shall not, either during or after the Term, disclose to any third party any Confidential Information without the prior written consent of City. If City gives Professional written authorization to make any such disclosure, Professional shall do so only within the limits and to the extent of that authorization. Professional may be directed or advised by the City Attorney on various matters relating to the performance of the Services on the Project or on other matters pertaining to the Project and, in such event, Professional agrees that it will treat all communications between itself, its employees and its subcontractors as being communications which are within the attorney-client privilege.

Notwithstanding the foregoing, Professional may disclose Confidential Information required to be disclosed under law, provided that, prior to disclosure, Professional shall first give notice to City and make a reasonable effort to obtain a protective order requiring that City's Confidential Information not be disclosed. This exception is limited to the extent disclosure is required under law.

16. Excusable Delays; Notice to Other Party of Delay. Professional shall not be in breach of this Agreement in the event that performance of Services is temporarily interrupted or discontinued due to a "Force Majeure" event which is defined as: riots, wars, sabotage, civil disturbances, insurrections, explosion, natural disasters such as floods, earthquakes, landslides, fires, strikes, lockouts and other labor disturbances or other catastrophic events, which are beyond the reasonable control of Professional. Force Majeure does not include: (a) Professional's financial inability to perform; (b) Professional's failure to obtain any necessary permits or licenses from other governmental agencies; or (c) Professional's failure to obtain the right to use the facilities of any public utility where such failure is due solely to the acts or omissions of the Professional.

17. Assignment Prohibited. No Party to this Agreement may assign any right or obligation pursuant to this Agreement. Any attempt or purported assignment of any right or obligation pursuant to this Agreement shall be void and of no effect.

18. Suspension of Services by City. City reserves the right to suspend Professional's Services under this Agreement when City determines that it is necessary to do so. When possible, City shall give Professional notice of such suspension and Professional shall, upon receipt of said notice, suspend all Services except any Services, the completion of which is authorized by the notice given by City. If the Services are suspended by City for more than sixty (60) consecutive days, for reasons other than the fault of the Professional, the Professional shall be compensated for Services performed prior to notice of such suspension. When the Project is resumed, the Professional's compensation shall be equitably adjusted by City to provide for expenses incurred by the interruption of the Services. In this regard, Professional shall furnish to City such financial information that, in the judgment of the City Manager, is necessary to determine the reasonable value of the Services rendered by Professional during the period when Services were suspended.

If the Parties are unable to agree upon the amount of extra compensation which is due to Professional within thirty (30) days of Professional resuming Services, the amount of such

additional compensation, if any, that is required to appropriately compensate the Professional for its expenses incurred by the interruption of Services may, upon the request of either Party, be determined by arbitration conducted in accordance with the "Arbitration of Disputes" section of this Agreement. Such arbitration shall be commenced by the Professional no later than sixty (60) calendar days following the event which entitles the Parties to pursue arbitration unless the Parties agree in writing to an extended time period for commencement of arbitration. Unless otherwise agreed in writing, all Parties shall carry on the Services and perform their duties during any arbitration proceedings, and City shall continue to make payments for the Services in progress as required by this Agreement.

19. Ownership of Work Product. Any and all work, artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, designs, specifications, drawings, diagrams, surveys, source codes, professional or technical information or data, photographs, notes, letters, emails or any original works of authorship created by Professional or its subcontractors or subcontractors in connection with Services performed under this Agreement ("Products") shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works are the property of City. In the event it is ever determined that any Product created by Professional or its subcontractors, or subcontractors under this Agreement, are not works for hire under U.S. law, Professional hereby assigns all copyrights to such Products to City. With the prior written approval of City's point of contact for the Project, Professional may retain and use copies of such Products for reference and as documentation of its experience and capabilities.

All Products shall become the property of City irrespective of where located or stored, and Professional agrees to deliver all such documents and information to City, without charge and in whatever form it exists, on the completion of the Professional's Services hereunder. Professional shall have no ownership interest in such Products.

All work product of Professional under this Agreement, including written information which City will cause to be distributed for either internal or public circulation, including both preliminary and final drafts, shall be delivered to City in both printed and electronic form, or as may be specified in **Exhibit A**.

When this Agreement is terminated, Professional agrees to return to City all documents, drawings, photographs and other written or graphic material, however produced, that it received from City, its contractors or agents, in connection with the performance of its Services under this Agreement. All materials shall be returned in the same condition as received.

20. Termination of Work by City for Its Convenience. City shall have the right to terminate this Agreement at any time for its convenience by giving notice of such termination to Professional. In the event City shall give such notice of termination, Professional shall cease rendering Services upon receipt of said notice given as required in this Agreement. If City terminates this Agreement:

(a) Professional shall deliver copies of all Products prepared by it pursuant to this Agreement.

(b) If City terminates this Agreement for convenience before City issues the Notice to Proceed to Professional or before Professional commences any Services hereunder, whichever last occurs, City shall not be obligated to make any payment to Professional. If City terminates this Agreement after City has issued the Notice to Proceed to Professional and after Professional has commenced performance under this Agreement, City shall pay Professional the reasonable value of the Services rendered by Professional pursuant to this Agreement prior to termination of this Agreement. City shall not in any manner be liable for Professional's actual or projected lost profits had Professional completed the Services. Professional shall furnish to City such financial information that, in the judgment of the City Manager, is necessary to determine the reasonable value of the Services rendered by Professional prior to termination. In the event of a dispute as to the reasonable value of the Services rendered by Professional prior to termination and the Parties are unable to agree upon said amount within sixty (60) calendar days following the date of the notice of termination by City, such dispute may, upon the request of either Party, be resolved by arbitration conducted in accordance with the "Arbitration of Disputes" section of this Agreement.

(c) Except as provided in this Agreement, in no event shall City be liable for costs incurred by or on behalf of Professional after the date of the notice of termination.

21. Assurance of Performance. If, at any time, City believes Professional may not be adequately performing its obligations under this Agreement or may fail to complete the Services as required by this Agreement, City may submit a written request to Professional for written assurances of performance and a plan to correct observed deficiencies in Professional's performance. Failure to provide written assurances subsequent to such written request, constitutes grounds to declare a breach under this Agreement.

22. Cancellation for Breach by Either Party. Should either Party fail to substantially perform its obligations in accordance with the provisions of this Agreement, the other Party shall thereupon have the right to cancel the Agreement by giving written notice and specifying the effective date of such cancellation. If City cancels this Agreement for breach and it is subsequently determined that Professional did not fail to substantially perform its obligations in accordance with this Agreement, then cancellation for breach by City shall be deemed, and treated, as termination for convenience.

Neither Party waives the right to recover damages against the other for breach of this Agreement, including any amount necessary to compensate City for all detriment proximately caused by Professional's failure to perform its obligations hereunder or which in the ordinary course of things would be likely to result therefrom. City reserves the right to offset such damages against any payments owed to Professional.

City shall not in any manner be liable for Professional's actual or projected lost profits had Professional completed the Services required by this Agreement.

23. Non-Discrimination. In its performance of the Services, Professional shall adhere to City's EEO Policy which states, "The City is committed to ensuring that all qualified individuals have a full and fair opportunity to compete in all phase of the hiring process and promotion, and to enjoy the benefits of employment with the City. All employees and applicants shall receive

equal consideration and treatment in employment without regard to race, color, religion, gender, sexual orientation, national origin, age, disability, genetic information, marital status, amnesty, or status as a covered veteran in accordance with applicable federal or state statutes, the City's ordinances, resolutions, rules or regulations."

In addition, all agreements with sub-contractors will include language as required by the Office of Federal Contract Compliance Programs (OFCCP) that requires sub-contractors to maintain equal employment opportunity policies, and, as necessary, affirmative action policies.

24. Arbitration of Disputes. All claims, disputes, and other matters in question between City and Professional arising out of or relating to this Agreement or the breach thereof, including claims of Professional for extra compensation for Services related to the Project, shall be decided by arbitration before a single arbitrator in accordance with the provisions of Sections 1281 to 1284.2 of the California Code of Civil Procedure (the "Arbitration Laws") unless the Parties mutually agree otherwise. The provisions of Section 1283.05 of the Arbitration Laws apply to any arbitration proceeding except as otherwise provided in this Agreement. The arbitrator shall have authority to decide all issues between the Parties including, but not limited to, claims for extras, delay and liquidated damages, if any, provided for in this Agreement, matters involving defects in the work product of the Professional, rights to payment, and whether the necessary procedures for arbitration have been followed. The award rendered by the arbitrator shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

Notice of the demand for arbitration shall be filed in writing with the other Party. The demand for arbitration shall be made within a reasonable time after the claim, dispute, or other matter in question has arisen, and in no event shall it be made after the date when institution of legal or equitable proceedings based on such claim, dispute, or other matter in question would be barred by the applicable statute of limitation.

The Parties shall jointly appoint an arbitrator within fifteen (15) calendar days of the date of giving of the notice of the demand for arbitration. If the Parties are unable to jointly agree upon the appointment of an arbitrator within said fifteen (15) calendar day period, and do not agree in writing to extend said period for a fixed period, then either Party may seek to have the arbitrator appointed by the Superior Court of Stanislaus County in accordance with the Arbitration Laws.

If any proceeding is brought to contest the right to arbitrate and it is determined that such right exists, the losing Party shall pay all costs and attorneys' fees incurred by the prevailing party.

In addition to the other rules of law which may be applicable to any arbitration hereunder, the following shall apply:

(a) Promptly upon the filing of the arbitration, each Party shall be required to set forth in writing and to serve upon each other Party a detailed statement of its contentions of fact and law.

(b) All parties to the arbitration shall be entitled to the discovery procedures as provided in Section 1283.05 of the California Code of Civil Procedure.

(c) The arbitration shall be commenced and conducted as expeditiously as possible consistent with affording reasonable discovery as provided herein.

(d) These additional rules shall be implemented and applied by the arbitrator.

The costs of arbitration shall be borne by the Parties as determined by the arbitrator, but each Party shall bear its own attorney's fees associated with the dispute with the other Party and to the arbitration.

25. Insurance Coverage. During the Term, the Professional, at its own cost and expense, shall maintain in full force and effect policies of insurance set forth herein, which shall be placed with insurers admitted in California with a current A M Best's rating of no less than A-:VII and will provide City with written proof of said insurance. Professional shall maintain coverage as follows:

25.1. Commercial General Liability. Professional shall carry commercial general liability insurance with coverage at least as broad as Insurance Services Office (ISO) form CG 00 01, in the amount of no less than Two Million Dollars ($2,000,000) per occurrence, Four Million Dollars ($4,000,000) general aggregate, and Two Million Dollars ($2,000,000) products and completed operations for bodily injury, personal injury, and property damage. The general aggregate limit shall apply separately to this Project or the general aggregate shall be doubled.

25.2. Worker's Compensation Insurance. Professional shall maintain workers' compensation insurance (Statutory Limits) and Employer's Liability Insurance with limits of at least One Million Dollars ($1,000,000) each accident or disease. Professional shall submit to City, along with the certificate of insurance a Waiver of Subrogation endorsement in favor of City, its officers, agents employees, and volunteers.

25.3 Professional Liability. The Bank takes full responsibility for the acts of its directors, officers, employees and agents against claims of negligence, errors, omissions, or wrongful acts in performance of professional services. The Bank provides its guarantee up to Two Million Dollars ($2,000,000) for payment of legal defense costs and any damages or settlements awarded related to claims where the Bank is found at fault. The Bank's guarantee is backed by the full faith and capability of the Bank as evidenced by its financial strength and wherewithal.

25.4 Commercial Automobile Liability. Professional shall maintain commercial automobile liability insurance using ISO Business Auto Coverage form CA 00 01, or the equivalent, in the amount of no less than Two Million Dollars ($2,000,000) each accident for owned, leased, hired, non-owned, and borrowed automobiles. The policy shall provide and be endorsed that the City, its officials, officers, agents, employees, and volunteers are included or named as additional insureds. If Professional owns no vehicles, this requirement may be met through a non-owned auto coverage or an endorsement to the CGL policy.

25.5 Cyber Liability. The Bank maintains a comprehensive information security program that is continuously monitored to ensure all vulnerabilities are addressed expeditiously. The Bank maintains a physical "air gap", which separates its production network from the internet to provide the highest level of security. By law, the Bank must adhere to data breach reporting requirements and, if applicable, disclose such data breach to the public. The Bank's information security program and related internal controls mitigate its cyber liability risk. The Bank takes full financial and legal responsibility and provides its guarantee of limits not less than Two Million Dollars ($2,000,000) per claim and Four Million Dollars ($4,000,000) aggregate to respond to claims for failure to adhere to the duties and obligations arising from cyberattacks, data breaches, and other technology-related incidents. The Bank's guarantee is backed by the full faith and capability of the Bank as evidenced by its financial strength and wherewithal.

25.4. Umbrella or Excess Policy. Professional may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required. The Umbrella or Excess policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying policies of insurance. No insurance coverage or policies maintained by the City ("Additional Insured"), whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Professional's primary and excess liability policies are exhausted.

25.5. Waiver of Subrogation. With the exception of professional liability, Professional hereby agrees to waive subrogation which any insurer of Professional may acquire from Professional by virtue of the payment of any loss. The commercial general liability policy, automobile liability policy, and workers' compensation policy shall be endorsed to contain a waiver of subrogation in favor of City for all work performed by Professional, its agents, employees, independent contractors and subcontractors. Professional shall provide written proof of waiver of subrogation in the Certificate of Insurance. Additionally, Professional agrees to obtain any available endorsements that may be necessary to effectuate this waiver of subrogation.

26. Additional Insurance Requirements. Within five (5) days of the Effective Date, Professional shall provide City with certificates of insurance and amendatory endorsements for all of the policies required under this Agreement ("Certificates and Endorsements"). Such Certificates and Endorsements shall be kept current for the Term of the Agreement and Professional shall be responsible for providing updated copies. With the exception of the workers' compensation insurance, all of the insurance policies required in this Agreement shall: (a) provide that the policy will not be cancelled, allowed to expire, or materially reduced in coverage without at least thirty (30) days' prior written notice to City of such cancellation, expiration, or reduction and each policy shall be endorsed to state such. If a carrier will not provide the required notice of cancellation, the Professional shall provide written notice to the City no later than ten (10) days before cancellation; and (b) name City, and City's Agents as additional insureds with respect to liability arising out of Services, work or operations performed by or on behalf of Professional and shall be endorsed to state such; (c) name City of Turlock as a certificate holder (d) cover products and completed

operations of Professional, premises owned, occupied, or used by the Professional, or automobiles owned, leased, or hired or borrowed by the Professional; contain no special limitations on the scope of protection afforded to City; (e) allow and be endorsed primary with respect to any insurance or self-insurance programs covering City or City's Agents and any insurance or self-insurance maintained by City or City's Agents shall be in excess of Professional's insurance and shall not contribute to it; (f) contain standard separation of insured provisions; and (g) state that any failure to comply with reporting or other provisions of the policy including breaches of warranties shall not affect the coverage provided to City.

27. Subconsultants. Professional must enter into a written and executed contract agreement with each of its subconsultants or any other party that provides services to Professional under this Agreement. The contract agreement must contain a defense, indemnification and hold harmless provision in favor of the City and City Agents. The contract agreement shall also cause the hired parties to comply with the insurance requirements required of Professional, including but not limited to providing statutory workers' compensation and employer's liability insurance for all persons employed directly or indirectly by the subconsultant. Professional shall obtain certificates of insurance and required policy endorsements from each of its subconsultants and provide a copy to the City upon request.

28. Bond Requirements. Consultant shall provide proof of a bankers blanket bond on a form that is at least as broad as the Financial Institution Bond, Standard Form No. 24 with limits of at least $1,000,000 for any one loss and $2,000,000 aggregate. Coverage shall include, but not be limited to: Fidelity, On Premises, In Transit, Forgery, and Alteration with extended coverage for computer system fraud and fraudulent transfer instructions. Consultant shall be responsible for any deductible or self-insured retention in addition to the minimum limits required herein.

29. Indemnification by Professional. To the fullest extent permitted by law, Professional shall defend with legal counsel reasonably acceptable to City, indemnify and hold harmless City and City's Agents from and against any and all claims, loss, cost, damage, injury (including, without limitation, injury to or death of an employee of Professional or its subcontractors), expense and liability of every kind, nature and description that arise out of, pertain to, or relate to acts or omissions of Professional, or any direct or indirect subcontractor, employee, contractor, representative or agent of Professional, or anyone that Professional controls (collectively "Liabilities"). Such obligations to defend, hold harmless, and indemnify City and City's Agents shall not apply to the extent that such Liabilities are caused in whole by the sole negligence, active negligence, reckless or willful misconduct of City or City's Agents, but shall apply to all other Liabilities. With respect to third party claims against the Professional, the Professional waives any and all rights of any type of express or implied indemnity against City and City's Agents.

30. Liability of City. Notwithstanding any other provision of this Agreement, in no event shall City be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits or revenue,

arising out of or in connection with this Agreement or the Services performed in connection with this Agreement.

31. Independent Contractor. At all times during the Term, Professional shall be deemed to be an independent contractor and shall be wholly responsible for the manner in which Professional performs the Services required under this Agreement. Professional shall be liable for its acts and omissions and those of its employees, contractors, subcontractors, representatives, volunteers, and its agents. Nothing contained herein shall be construed as creating an employment, agency or partnership relationship between City and Professional. City shall have the right to control Professional only insofar as the result of Professional's Services rendered pursuant to this Agreement; however, City shall not have the right to control the means by which Professional accomplishes Services rendered pursuant to this Agreement.

32. Professional Not Agent. Except as City may specify in writing, Professional shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Professional shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

33. Payment of Taxes and Other Expenses. Payment of any taxes, including California sales and use taxes, levied upon this Agreement, the transaction, or the Services or goods delivered pursuant hereto, shall be the obligation of Professional.

34. Notices. All notices shall be in writing and delivered in person or transmitted by certified mail, postage prepaid. Any Party hereto may at any time, by giving ten (10) days' written notice to the other Party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below.

If to City:	**City of Turlock** **Attn: Isaac Moreno, Acting Deputy City Manager** **156 S. Broadway, Suite 270** **Turlock, California 95380**
With courtesy copies to:	**City of Turlock, City Attorney's Office** **Attn: George A. Petrulakis, City Attorney** **156 S. Broadway, Suite 230** **Turlock, California 95380-5456**
If to Professional:	**WestAmerica Bank** **Attn: Linda Swaim,** **Vice President – Senior Regional Service Manager** **2891 Geer Road** **Turlock, California 95382**

35. City Contract Administrator. City's contract administrator and contact person for this Agreement is:

City of Turlock
Attn: Nadine C. Silva, Principal Accountant
156 S. Broadway, Suite 110
Turlock, California 95380
Telephone: (209) 668-6070
E-mail: nsilva@turlock.ca.us

36. Interpretation. As used herein, any gender includes each other gender, the singular includes the plural and vice versa.

37. Use of City Project Number. {Intentionally Omitted}

38. Modification. No alteration, amendment, modification, or termination of this Agreement shall be valid unless made in writing and executed by all of the Parties to this Agreement.

39. Waiver. No covenant, term, or condition or the breach thereof shall be deemed waived, except by written consent of the Party against whom the waiver is claimed, and any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition.

40. Assignment. No Party to this Agreement shall assign, transfer, or otherwise dispose of this Agreement, in whole or in part, to any individual, firm, or corporation without the prior written consent of the other Party. Subject to the forgoing provisions, this Agreement shall be binding upon, and inure to the benefit of, the respective successors and assigns of the Parties hereto.

41. Authority. All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by such entities, persons, states or firms and that all former requirements necessary or required by state or federal law in order to enter into the Agreement have been fully complied with. Further, by entering into this Agreement, neither Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

42. Drafting and Ambiguities. Each Party acknowledges that it has reviewed this Agreement with its own legal counsel, and based upon the advice of that counsel, freely entered into this Agreement. Each Party has participated fully in the review and revision of this Agreement. Any rule of construction that ambiguities are to be resolved against the drafting Party does not apply in interpreting this Agreement.

43. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of California.

44. Venue. Venue for all legal proceedings shall be in the Superior Court of the State of California, in and for the County of Stanislaus.

45. Severability. If this Agreement in its entirety is determined by a court to be invalid or unenforceable, this Agreement shall automatically terminate as of the date of final entry of judgment. If any provision of this Agreement shall be determined by a court to be invalid and unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable according to the terms of any federal or state statute, which becomes effective after the Effective Date of this Agreement, the remaining provisions shall continue in full force and effect and shall be construed to give effect to the intent of this Agreement.

46. Execution and Counterparts. This Agreement may be executed simultaneously, and in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument. The Parties agree that this Agreement and any other documents to be delivered in connection herewith may be electronically signed utilizing services such as DocuSign and Nitro Sign, or by transmitting signatures in pdf or similar format, and that any electronic signatures appearing on this Agreement or such other documents are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

47. Audit. City shall have access at all reasonable times to all reports, contract records, contract documents, contract files, and personnel necessary to audit and verify Professional's charges to City under this Agreement.

48. Entire Agreement. This Agreement, together with its specific references, attachments, and exhibits, constitutes the entire agreement of the Parties with respect to the subject matters hereof and supersedes any and all prior negotiations, understanding, and agreements with respect hereto, whether oral or written.

49. Supersedes Prior Agreement. It is the intention of the Parties hereto that this Agreement shall supersede any prior agreements, discussions, commitments, or representations, whether written, electronic or oral, between the Parties with respect to the subject matter of this Agreement.

50. Mandatory and Permissive. "Shall" and "will" and "agrees" are mandatory. "May" and "can" are permissive.

51. Successors and Assigns. All representations, covenants, and warranties specifically set forth in this Agreement, by or on behalf of, or for the benefit of, any or all of the Parties hereto, shall be binding upon and inure to the benefit of such Party, its successors and assigns.

52. Headings. Headings used in this Agreement are for reference purposes only and shall not be considered in construing this Agreement.

53. Attorney's Fees and Costs. If any action at law or in equity not resolved pursuant to the "Arbitration of Disputes" section of this Agreement, including action for declaratory relief, is brought to enforce or interpret provisions of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the court in the same action or in a

separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

54. Necessary Acts and Further Assurances. The Parties shall at their own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement.

55. Time is of the Essence. Time is of the essence in this Agreement for each covenant and term of a condition herein.

[*Signatures on Following Page*]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by and through their respective officers thereunto duly authorized.

PROFESSIONAL

WestAmerica Bank, a
California Corporation

By:_____

Print Name: Linda Swaim.

Title: Vice President – Senior Regional Service Manager

Date_____

CITY OF TURLOCK, a California municipal corporation

By: _____
Susan E. Borrego, Interim City Manager

Date:_____

APPROVED AS TO SUFFICIENCY:

By: _____
Isaac Moreno, Acting Deputy City Manager

APPROVED AS TO FORM:

By: _____
George A. Petrulakis, City Attorney

ATTEST:

By: _____
Nichole Fiez, City Clerk

WESTAMERICA BANK
SCOPE OF SERVICES / COMPENSATION SCHEDULE

Service Description	Standard Fees	City of Turlock Contract Fees	Discount
Balance & Compensation Information			
Deposit Insurance Charge	0.1167	0.0584	50%
General Account Services			
Account Maintenance	17.00	8.50	50%
ZBA Maintenance-Master	10.00	5.00	50%
ZBA Maintenance-Sub Account	15.00	7.50	50%
Lockbox Services			
Lockbox Monthly Fee	100.00	100.00	none
I Remit E-Lockbox Monthly Fee	200.00	200.00	none
I Remit Scan Imaging	0.02	0.02	none
I Remit E-Lockbox ACH Items	0.15	0.15	none
Lockbox Items	0.25	0.25	none
Lockbox Items	0.45	0.45	none
Express Depository Services			
Express Deposit Monthly Fee	50.00	25.00	50%
Express Deposit Items	0.10	0.05	50%
Depository Services			
Credits And Deposits	1.40	0.70	50%
Checks Deposited, Westamerica	0.15	0.075	50%
Checks Deposited Non - WestAmerica	0.15	0.075	50%
Return Item	no fee	no fee	n/a
Resubmitted Deposited Item	3.00	1.50	50%
Armored Car Service	pass through	pass through	pass through
Armored Car Additional Services	pass through	pass through	pass through
Cash Vault Service	pass through	pass through	pass through
Paper Disbursement Services			
Checks And Debits Paid	0.20	0.10	50%
Commercial Dvd Items	0.04	0.02	50%
Commercial Dvd	50.00	25.00	50%
Acct Recon / Positive Pay Services			
Positive Pay Monthly	60.00	30.00	50%
Positive Pay Per Item	0.05	0.025	50%
ACH Positive Pay Monthly	30.00	15.00	50%
Payee Positive Pay Monthly	60.00	30.00	50%
Payee Positive Pay Per Item	0.08	0.04	50%

WESTAMERICA BANK
SCOPE OF SERVICES / COMPENSATION SCHEDULE

Service Description	Standard Fees	City of Turlock Contract Fees	Discount
Wire Transfer Services			
PC-Outgoing Wire	25.00	12.50	50%
Incoming Wire	15.00	7.50	50%
ACH Services			
ACH Received Debit/Credit	0.20	0.10	50%
Onsite Banker Plus ACH Itm 1-100	0.25	0.125	50%
Onsite Banker Plus ACH Itm 101-500	0.20	0.10	50%
Onsite Banker Plus ACH Itm 501-1000	0.15	0.075	50%
Onsite Banker Plus ACH Itm 1001+	0.10	0.05	50%
Onsite Banker Plus ACH Origination	20.00	10.00	50%
Onsite Banker Plus ACH Files	8.00	4.00	50%
Electronic Banking Services			
Onsite Banker Plus Basic Fee	20.00	10.00	50%
Onsite Banker Plus Add'L Accounts	5.00	2.50	50%
Onsite Banker Plus Items, 1-200	0.05	0.025	50%
Onsite Banker Plus Items, 201-800	0.04	0.02	50%
Onsite Banker Plus Items, 801+	0.03	0.015	50%
PC Stop Payment	18.00	9.00	50%
EDI Services			
EDI Translation Report-Internet	4.00	2.00	50%
Misc. Services			
Branch Stop Payment	30.00	15.00	50%
Merchant Services			
Discount Rate	0.10%	0.09%	10%
Per Transaction Cost	0.12	0.10	17%

City Council Staff Report

January 27, 2026

From:	Michael Harcksen, Fire Division Chief Operations
Prepared by:	Christianne Burbank, Fire Administration Support Analyst
Agendized by:	Susan E. Borrego, Interim City Manager

1. ACTION RECOMMENDED:

Motion: Authorizing the City Manager to enter into an agreement with L.N. Curtis & Sons for the purchase of miscellaneous fire/rescue equipment for a term of one (1) year in an amount not to exceed $100,000.00.

2. NARRATIVE:

Staff is requesting City Council approval of a contract with L.N. Curtis & Sons for the purchase of essential minor equipment which are necessary to maintain effective fire suppression, rescue capabilities, and overall operational readiness. The requested equipment includes fire hose, nozzles, heavy extrication tools, battery-operated rescue tools, and forcible entry training props. Each of these items plays a critical role in ensuring our firefighters can respond safely and efficiently to emergencies within our community.

Over the past several years, increased call volume, training demands, and regular wear have contributed to the deterioration of our current equipment. Replacing and upgrading these tools is essential to maintaining compliance with industry standards, supporting firefighter performance, and ensuring we can continue to deliver timely and effective emergency services.

The acquisition of this equipment represents a proactive investment in community safety. Providing our firefighters with reliable, modern tools ensures they can continue to perform their duties effectively while reducing risks to both responders and the public. These purchases will strengthen our operational capabilities, support ongoing training, and help our department meet the increasing demands of emergency response.

Formal bid procedure was not required as quote pricing was obtained from the Sourcewell Contract #020124-LNC.

3. FISCAL IMPACT / BUDGET AMENDMENT:

Funds have been appropriated in the Minor Equipment Miscellaneous Fund $20,0000; Minor Equipment Fire Hose Replacement Fund $20,500; Minor Equipment Arson Fund $5,000; and Minor Equipment Rescue Fund $22,000 for this expenditure.

The Purchasing Division has made the determination that this item does not require a competitive procedure due to TMC 2-7-08 (b) (5) that states, bidding is not required when engaged in joint, cooperative, or leveraged purchasing plans that have been solicited and awarded on a competitive basis.

4. ENVIRONMENTAL DETERMINATION:

This action is not subject to the provisions of the California Environmental Quality Act (CEQA) in accordance with Section 15378(b)(5) of the CEQA guidelines. This action consists of “organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment” and therefore is not considered a project.

5. ATTACHMENTS:

1. L.N. CURTIS AGREEMENT

SUPPLIER AGREEMENT BETWEEN THE CITY OF TURLOCK
and
L.N. CURTIS & SONS, INC.
for
MISCELLANEOUS FIRE AND RESCUE EQUIPMENT

City Contract No. 2026-93

THIS SUPPLIER AGREEMENT (the "Agreement") is entered into by and between the CITY OF TURLOCK, a California municipal corporation ("CITY"), and L.N. CURTIS & SONS, INC., a California corporation ("SUPPLIER"), on this 1st day of February 2026 (the "Effective Date"). CITY and SUPPLIER may be collectively referred to herein as the "Parties" or individually as "Party." There are no other parties to this Agreement.

RECITALS

WHEREAS, CITY has a need for miscellaneous fire and rescue equipment and supplies; and

WHEREAS, SUPPLIER has made a proposal to CITY to provide miscellaneous fire and rescue equipment and supplies. A description that of which SUPPLIER proposes to provide is included in **Exhibit A** attached hereto and incorporated herein by reference; and

WHEREAS, CITY desires to purchase miscellaneous fire and rescue equipment and supplies from SUPPLIER, subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, the parties hereto mutually agree as follows:

AGREEMENT

1. RECITALS: The recitals set forth above ("Recitals") are true and correct and are hereby incorporated into and made part of this Agreement by this reference. In the event of any inconsistency between the Recitals and Sections 1 through 37 of this Agreement, Sections 1 through 37 shall prevail.

2. PURCHASE OF PRODUCT: SUPPLIER agrees to sell, and CITY agrees to purchase miscellaneous fire and rescue equipment and supplies, as described in **Exhibit A.**

3. SAFETY REQUIREMENT: All services and products must comply with California State Division of Industrial Safety orders and O.S.H.A.

4. COMPENSATION: CITY agrees to pay SUPPLIER in accordance with **Exhibit A** as full remuneration for performing all Services and furnishing all staffing and materials called for in **Exhibit A** and for performance by SUPPLIER of all of its duties and obligations under this Agreement. In no event shall the total amount of this Agreement exceed One Hundred Thousand and No/100^{ths} Dollars ($100,000.00). SUPPLIER agrees that compensation shall be paid in the manner and at the times set forth below:

(a) Invoices: SUPPLIER shall submit dated invoices to CITY specifying the date, location and service rendered, and the charge therefor.

(b) Payment: All payments by CITY shall be made in arrears, after satisfactory service, as determined and approved by CITY, has been provided. Payment shall be made by CITY no more than thirty (30) days from CITY's receipt of invoice.

5. TERM OF AGREEMENT: The term of this Agreement shall be one (1) year and will commence on the Effective Date and terminate on the 31st day of January, 2027 (Term), unless the Parties mutually agree in writing to terminate the Agreement earlier or extend the Term pursuant to this Agreement.

6. EXTENSION OF AGREEMENT: [Intentionally Omitted]

7. INSURANCE: SUPPLIER shall not commence work under this Agreement until SUPPLIER has obtained City's approval regarding all insurance requirements, forms, endorsements, amounts, and carrier ratings, nor shall SUPPLIER allow any subcontractor to commence work on a subcontract until all similar insurance required of the subcontractor shall have been so obtained and approved. SUPPLIER shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by SUPPLIER, its agents, representatives, employees or subcontractors. Failure to maintain or renew coverage or to provide evidence of renewal may constitute a material breach of contract. Any available insurance proceeds in excess of the specified minimum limits and coverage shall be available to CITY.

(a) **Commercial General Liability Insurance:** SUPPLIER shall maintain Commercial General Liability Insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than Two Million Dollars ($2,000,000.00) per occurrence, Four Million Dollars ($4,000,000.00) general aggregate, and Two Million Dollars ($2,000,000.00) products and completed operations for bodily injury, personal injury, and property

damage. The general aggregate limit shall apply separately to this Project or the general aggregate shall be doubled.

(b) **Workers' Compensation Insurance:** SUPPLIER shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance with limits of at least One Million Dollars ($1,000,000.00) each accident or disease. SUPPLIER shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City, its officers, agents, employees, and volunteers.

(c) **Commercial Automobile Liability Insurance:** SUPPLIER shall maintain Commercial Automobile Liability Insurance using ISO Business Auto Coverage form CA 00 01, or the exact equivalent, in the amount of no less than Two Million Dollars ($2,000,000.00) each accident for owned, leased, hired, non-owned, and borrowed automobiles. The policy shall provide and be endorsed that the3 City, its officials, officers, agents, employees, and volunteers are included or named as additional insureds. If SUPPLIER owns no vehicles, this requirement may be met through a non-owned auto endorsement to the CGL policy.

(d) **Umbrella or Excess Policy:** SUPPLIER may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required. The Umbrella or Excess policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying policies of insurance. No coverage or policies maintained by the City ("Additional Insureds"), whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the SUPPLIER's primary and excess liability policies are exhausted.

(e) **Deductibles and Self-Insured Retentions:** Upon request of City, any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its elective and appointive boards, officers, agents, employees, and volunteers; or (2) SUPPLIER shall provide a financial guarantee satisfactory to City guaranteeing payment of losses and related investigations, claim administration and defense expenses.

(f) **Other Insurance Provisions:** The commercial general liability policy shall contain, or be endorsed to contain, the following provisions:

(1) City, its elective and appointive boards, officers, agents, employees, and volunteers are to be covered as additional insureds with respect to liability arising out of work or operations performed by or on behalf of SUPPLIER, including materials, parts or equipment furnished in connection with such work or operations, which coverage shall be maintained in effect for at least three (3) years following the completion of the work specified in the contract. General liability coverage can be provided in the form of an endorsement to SUPPLIER's insurance (at least as broad as CG 20 10 for ongoing operations and CG 20 37 for products/completed

operations), or as a separate Owners and Contractors Protective Liability policy providing both ongoing operations and completed operations coverage.

(2) For any claims related to this project, SUPPLIER's insurance coverage shall be primary insurance as respects City and any insurance or self-insurance maintained by City shall be excess of SUPPLIER's insurance and shall not contribute with it.

(3) In the event of cancellation, non-renewal, or material change that reduces or restricts the insurance coverage afforded to City under this Agreement, the insurer, broker/producer, or SUPPLIER shall provide City with thirty (30) days' prior written notice of such cancellation, non-renewal, or material change.

(4) Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

(g) **Acceptability of Insurers:** Insurance is to be placed with insurers admitted in California with a current A.M. Best's rating of no less than A-:VII or with an insurer to which the City has provided prior approval.

(h) **Verification of Coverage:** SUPPLIER shall furnish City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive SUPPLIER's obligation to provide them. City reserves the right, at any time, to require complete, certified copies of all required insurance policies and endorsements.

(i) **Waiver of Subrogation:** With the exception of professional liability, Contractor hereby agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. The commercial general liability policy, automobile liability policy, and workers' compensation policy shall be endorsed to contain a waiver of subrogation in favor of City for all work performed by Contractor, its agents, employees, independent contractors and subcontractors. Contractor shall provide written proof of waiver of subrogation in the Certificate of Insurance. Additionally, Contractor agrees to obtain any available endorsements that may be necessary to effectuate this waiver of subrogation.

(j) **Subcontractors:** SUPPLIER shall ensure all subcontractors furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

(k) **Additional Insurance Requirements:** Within five (5) days of the Effective Date, SUPPLIER shall provide City with certificates of insurance and amendatory endorsements for all of the policies required under this Agreement ("Certificates and Endorsements"). Such

Certificates and Endorsements shall be kept current for the Term of the Agreement and SUPPLIER shall be responsible for providing updated copies. With the exception of the workers' compensation insurance, all of the insurance policies required in this Agreement shall: (a) provide that the policy will not be cancelled, allowed to expire, or materially reduced in coverage without at least thirty (30) days' prior written notice to City of such cancellation, expiration, or reduction and each policy shall be endorsed to state such. IF a carrier will not provide the required notice of cancellation, the SUPPLIER shall provide written notice to the City no later than ten (10) business days before cancellation; (b) name City, and City's Agents as additional insureds with respect to liability arising out of Services, work or operations performed by or on behalf of SUPPLIER and shall be endorsed to state such; (c) name City of Turlock as a certificate holder; (d) cover products and completed operations of SUPPLIER, premises owned, occupied, or used by the SUPPLIER, or automobiles owned, leased, or hired or borrowed by the SUPPLIER; contain no special limitations on the scope of protection afforded to City; (e) allow and be endorsed primary with respect to any insurance or self-insurance programs covering City or City's Agents and any insurance or self-insurance maintained by City or City's Agents shall be in excess of SUPPLIER's insurance and shall not contribute to it; (f) contain standard separation of insured provisions; and (g) state that any failure to comply with reporting or other provisions of the policy including breaches of warranties shall not affect the coverage provided to City.

8. INDEMNIFICATION: To the full extent permitted by law, SUPPLIER shall indemnify, defend, and hold harmless City and any and all of its elective and appointive boards, officers, officials, agents, employees or volunteers from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsel's fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by SUPPLIER or by any individual or agency for which SUPPLIER is legally liable, including, but not limited to, officers, agents, employees, or subcontractors of SUPPLIER.

9. INDEPENDENT CONTRACTOR RELATIONSHIP: All acts of SUPPLIER, its agents, officers, and employees and all others acting on behalf of SUPPLIER relating to the performance of this Agreement, shall be performed as independent contractors and not as agents, officers, or employees of CITY. SUPPLIER, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of CITY. SUPPLIER has no authority or responsibility to exercise any rights or power vested in the CITY. No agent, officer, or employee of the CITY is to be considered an employee of SUPPLIER. It is understood by both SUPPLIER and CITY that this Agreement shall not under any circumstances be construed or considered to create an employer-employee relationship or a joint venture.

SUPPLIER, its agents, officers and employees are and, at all times during the terms of this Agreement, shall represent and conduct themselves as independent contractors and not as employees of CITY.

SUPPLIER shall determine the method, details and means of performing the work and Services to be provided by SUPPLIER under this Agreement. SUPPLIER shall be responsible to CITY only for the requirements and results specified in this Agreement, and, except as expressly provided in this Agreement, shall not be subjected to CITY's control with respect to the physical action or activities of the SUPPLIER in fulfillment of this Agreement. SUPPLIER has control over the manner and means of performing the Services under this Agreement. SUPPLIER is permitted to provide services to others during the same period service is provided to CITY under this Agreement. If necessary, SUPPLIER has the responsibility for employing other persons or firms to assist SUPPLIER in fulfilling the terms and obligations under this Agreement.

If in the performance of this Agreement any third persons are employed by SUPPLIER, such persons shall be entirely and exclusively under the direction, supervision, and control of SUPPLIER. All terms of employment including hours, wages, working conditions, discipline, hiring, and discharging or any other term of employment or requirement of law shall be determined by the SUPPLIER.

It is understood and agreed that as an independent contractor and not an employee of CITY neither the SUPPLIER or SUPPLIER'S assigned personnel shall have any entitlement as a CITY employee, right to act on behalf of the CITY in any capacity whatsoever as an agent, or to bind the CITY to any obligation whatsoever.

It is further understood and agreed that SUPPLIER must issue W-2 forms or other forms as required by law for income and employment tax purposes for all of SUPPLIER'S personnel.

As an independent contractor, SUPPLIER hereby indemnifies and holds CITY harmless from any and all claims that may be made against CITY based upon any contention by any third party that an employer-employee relationship exists by reason of this Agreement.

10. TERMINATION: Either Party may terminate this Agreement without cause or legal excuse by providing thirty (30) days' written notice to the other party.

11. CONFORMANCE WITH FEDERAL AND STATE LAW: All equipment, supplies and services used by SUPPLIER in the performance of this Agreement shall conform to the laws of the government of the United States and the State of California.

12. NO CONFLICT OF INTEREST. SUPPLIER represents that no conflict of interest will be created under state or federal law by entering into or in carrying out this Agreement.

13. TIME: Time is of the essence in this Agreement for each covenant and term of a condition herein.

14. EXCUSABLE DELAYS; NOTICE TO OTHER OPARTY OF DELAY.

SUPPLIER shall not be in breach of this Agreement in the event that performance of Services is temporarily interrupted or discontinued due to a "Force Majeure" event which is defined as: riots, wars, sabotage, civil disturbances, insurrections, explosion, natural disasters such as floods, earthquakes, landslides, fires, strikes, lockouts and other labor disturbances or other catastrophic events, which are beyond the reasonable control of SUPPLIER. Force Majeure does not include: (a) Service Provider's financial inability to perform; (b) SUPPLIER's failure to obtain any necessary permits or licenses from other governmental agencies; or (c) SUPPLIER's failure to obtain the right to use the facilities of any public utility where such failure is due solely to the acts or omissions of the SUPPLIER.

15. ENTIRE AGREEMENT AND MODIFICATION: This Agreement supersedes all previous Agreements and constitutes the entire understanding of the parties hereto. SUPPLIER shall be entitled to no other benefits than those specified herein. No changes, amendments or alterations shall be effective unless in writing and signed by both parties. SUPPLIER specifically acknowledges that in entering into and executing this Agreement, SUPPLIER relies solely upon the provisions contained in this Agreement and no others. Should any conflict exist between the terms and conditions of the Agreement and any and all exhibits attached hereto, the terms and conditions of the Agreement shall prevail.

16. AMENDMENTS: Both parties to this Agreement understand that it may become desirable or necessary during the execution of this Agreement, for CITY or SUPPLIER to modify the scope of Services provided for under this Agreement. Any material extension or change in the scope of work shall be discussed with CITY and the change and cost shall be memorialized in a written amendment to the original contract prior to the performance of the additional work.

Until an Amendment is so executed, CITY will not be responsible to pay any charges SUPPLIER may incur in performing such additional services, and SUPPLIER shall not be required to perform any such additional services.

17. EXECUTION AND COUNTERPARTS. This Agreement may be executed simultaneously, and in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument. The Parties agree that this Agreement and any other documents to be delivered in connection herewith may be electronically signed utilizing services such as DocuSign and Nitro Sign, or by transmitting signatures in pdf or similar format, and that any electronic signatures appearing on this Agreement or such other documents are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

18. PARTIAL INVALIDITY: If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

19. WAIVER: No covenant, term, or condition or the breach thereof shall be

deemed waived, except by written consent of the Party against whom the waiver is claimed, and any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition.

20. AUDIT: CITY's duly authorized representative shall have access at all reasonable times to all reports, contract records, contract documents, contract files, and personnel necessary to audit and verify SUPPLIER'S charges to CITY under this Agreement.

SUPPLIER agrees to retain reports, records, documents, and files related to charges under this Agreement for a period of four (4) years following the date of final payment for SUPPLIER Services. CITY's representative shall have the right to reproduce any of the aforesaid documents.

21. GOVERNING LAW: This Agreement shall be governed according to the laws of the State of California.

22. HEADINGS NOT CONTROLLING: Headings used in the Agreement are for reference purposes only and shall not be considered in construing this Agreement.

23. COMPLIANCE WITH LAWS: SUPPLIER shall insure compliance with all safety and hourly requirements for employees, in accordance with federal, state, and county safety and health regulations and laws including, but not limited to, prevailing wage laws, if applicable. SUPPLIER shall fully comply with all applicable federal, state, and local laws, ordinances, regulations and permits.

24. CITY BUSINESS LICENSE: SUPPLIER will have a City of Turlock business license.

25. ASSIGNMENT: This Agreement is binding upon CITY and SUPPLIER and their successors. Except as otherwise provided herein, neither CITY nor SUPPLIER shall assign, sublet, or transfer interest in this Agreement or any part thereof without the prior written consent of the other.

26. NOTICE: Any and all notices permitted or required to be given hereunder shall be deemed duly given and effective (1) upon actual delivery, if delivery is by hand; or (2) five (5) days after delivery into the United States mail, if delivery is by postage paid, registered, or certified (return receipt requested) mail. Each such notice shall be sent to the parties at the address respectively indicated below or to any other address as the respective parties may designate from time to time:

To City:

City of Turlock Fire Department
Attention: Chris Jelinek
244 N. Broadway
Turlock, California 95380

With courtesy copy to:

City of Turlock, City Attorney's Office
George A. Petrulakis, City Attorney
156 S. Broadway, Suite 230
Turlock, California 95380-5456

If to Supplier:

L.N. CURTIS & SONS, INC.
Attention: Eric Anderson
P.O. Bos 884921
Los Angeles, California 90088

27. CITY CONTRACT ADMINISTRATOR: The City's contract administrator and contact person for this Agreement is:

Christi Burbank
Fire Department
244 N. Broadway
Turlock, California 95380
Telephone: (209) 668-6572
E-mail: CBurbank@turlock.ca.us

28. MODIFICATION: No alteration, amendment, modification, or termination of this Agreement shall be valid unless made in writing and executed by all of the Parties to this Agreement.

29. AUTHORITY: All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by such entities, persons, states or firms and that all former requirements necessary or required by state or federal law in order to enter into the Agreement have been fully complied with. Further, by entering into this Agreement, neither Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

30. VENUE. Venue for all legal proceedings shall be in the Superior Court of the State of California, in and for the County of Stanislaus.

31. SEVERIBILITY: If this Agreement in its entirety is determined by a court to be invalid or unenforceable, this Agreement shall automatically terminate as of the date of final entry

of judgment. If any provision of this Agreement shall be determined by a court to be invalid and unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable according to the terms of any federal or state statute, which becomes effective after the Effective Date of this Agreement, the remaining provisions shall continue in full force and effect and shall be construed to give effect to the intent of this Agreement.

32. ENTIRE AGREEMENT: This Agreement, together with its specific references, attachments, and exhibits, constitutes the entire agreement of the Parties with respect to the subject matters hereof and supersedes any and all prior negotiations, understanding, and agreements with respect hereto, whether oral or written.

33. SUPERSEDES PRIOR AGREEMENT: It is the intention of the Parties hereto that this Agreement shall supersede any prior agreements, discussions, commitments, or representations, whether written, electronic or oral, between the Parties with respect to the subject matter of this Agreement.

34. MANDATORY AND PERMISSIVE: "Shall" and "will" and "agrees" are mandatory. "May" and "can" are permissive.

35. SUCCESSORS AND ASSIGNS: All representations, covenants, and warranties specifically set forth in this Agreement, by or on behalf of, or for the benefit of, any or all of the Parties hereto, shall be binding upon and inure to the benefit of such Party, its successors and assigns.

36. ATTORNEY'S FEES AND COSTS: If any action at law or in equity not resolved pursuant to the "Arbitration of Disputes" section of this Agreement, including action for declaratory relief, is brought to enforce or interpret provisions of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

37. NECESSARY ACTS AND FURTHER ASSURANCES: The Parties shall at their own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement.

[*Signatures on Following Page*]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by and through their respective officers' thereunto duly authorized.

CITY OF TURLOCK, a California municipal corporation

By: _____
Susan E. Borrego, Interim City Manager

Date: _____

APPROVED AS TO SUFFICIENCY:

By: _____
Chris Jelinek, Interim Deputy Fire Chief

APPROVED AS TO FORM:

By: _____
George A. Petrulakis, City Attorney

ATTEST:

By: _____
Nichole Fiez, City Clerk

L.N. CURTIS & SONS, INC., a California corporation

By: Angela Mackey

Title: Director of Customer Service

Print name: Angela Mackey

Date: 01.23.26

Contract No. 2026-93
{PLA 2024}
10/2025

Exhibit A

CURTIS
TOOLS FOR HEROES

Turlock City Fire Department

Attn: Christi Burbank

This Contract #020124, is between Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and L.N. Curtis & Sons, 185 Lennon Lane, Suite 110, Walnut Creek, CA 94598 (Supplier).

All Equipment, Products, or Services under this Contract will be priced at or below the price stated in Supplier's Proposal.

SUPPLIER	PRODUCT	DISCOUNT OFF LIST	COOP CONTRACT	CONTRACT (PRODUCT) CATEGORY
Agility Technologies	Rescue Kits	1%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.f. Extrication tools and equipment;
Air Shelters USA/Zumro	Shelters	5%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.i. Hazardous materials (HazMat) response equipment;
Ajax	Chisels, Pneumatic	5%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.f. Extrication tools and equipment;
Akron Brass	Nozzles, Hose	26%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.a. Firefighting water flow equipment;
Akron Brass	Waterflow Equipment	26%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.a. Firefighting water flow equipment;
Akron Brass	Lighting and mounts	20%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.k. Related tools and accessories complementary to the offering of 1.a-j.
Allegro	Ventilation Systems	5%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.d. Firefighting attack, ventilation, and rescue tools;
Amerex	Fire extinguishers	25%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.c. Firefighting suppression;
Ansul	Foam, Firefighting	15%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.c. Firefighting suppression;
Ansul	Fire extinguishers	15%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.c. Firefighting suppression;
Bullard	Thermal Imagers	5%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.e. Thermal imaging and similar situational awareness equipment;
Bullard	Thermal Imagers, Model TSX	2%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.e. Thermal imaging and similar situational awareness equipment;
Bulldog Hose	Hose, Firefighting	15%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.a. Firefighting water flow equipment;
C & S Supply	Nozzles, Hose	20%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.a. Firefighting water flow equipment;
C & S Supply	Waterflow Equipment	20%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.a. Firefighting water flow equipment;
CET	Pumps, Firefighting	5%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.b. Fire pumps, skid units, and compressed air foam systems (CAFS);
CET	Skid Unit	5%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.b. Fire pumps, skid units, and compressed air foam systems (CAFS);
CMC	Rope Rescue Equipment	10%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.g. Technical, vertical, trench, and confined space rescue equipment;
CMC	Tools, Rescue	10%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.g. Technical, vertical, trench, and confined space rescue equipment;
Council Tools	Tools, Hand Firefighting Attack	25%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.d. Firefighting attack, ventilation, and rescue tools;
CurtisCARE	Service and Maintenance, Heavy Rescue Tools	2%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.k. Related tools and accessories complementary to the offering of 1.a-j.
CurtisCARE	Product Familiarization, Heavy Rescue Tools	2%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.k. Related tools and accessories complementary to the offering of 1.a-j.
Duo Safety	Ladders	10%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.h. Portable ladders;
Elkhart Brass	Nozzles, Hose	23%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.a. Firefighting water flow equipment;
Elkhart Brass	Waterflow Equipment	23%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.a. Firefighting water flow equipment;
Euramco	Ventilation Systems	1%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.d. Firefighting attack, ventilation, and rescue tools;
Euramco	Fans	1%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.d. Firefighting attack, ventilation, and rescue tools;
Fire Engineering	Training & Educational Materials	5%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.k. Related tools and accessories complementary to the offering of 1.a-j.
Fire Hooks	Tools, Firefighting Attack	2%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.d. Firefighting attack, ventilation, and rescue tools;
Fire Research	Firefighting Foam Proportioning & Refill Systems	2%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.c. Firefighting suppression;
Fire Research	Lighting, Video, Flow & Misc. Systems	2%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.k. Related tools and accessories complementary to the offering of 1.a-j.
Fire Research	Ladders, Skull Savers	2%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.k. Related tools and accessories complementary to the offering of 1.a-j.
Fol-Da-Tank	Portable Water Tanks and Related Equipment	15%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.i. Hazardous materials (HazMat) response equipment;
Fotokite	Drones	5%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.k. Related tools and accessories complementary to the offering of 1.a-j.
Fotokite	Accessories, Parts, Options & Services	1%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.k. Related tools and accessories complementary to the offering of 1.a-j.
Fountainhead	Pump, Backpack	20%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.j. Wildland firefighting equipment and upfits for vehicles, ATV/UTVs;
Fox Manufacturing	Saw, Windshield Glass	10%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.f. Extrication tools and equipment;
Foxfury	Lighting and mounts	1%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.k. Related tools and accessories complementary to the offering of 1.a-j.

SUPPLIER	PRODUCT	DISCOUNT OFF LIST	COOP CONTRACT	CONTRACT (PRODUCT) CATEGORY
FSI North America	Shelters	5%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.j. Hazardous materials (HazMat) response equipment;
Hale	Pumps, Firefighting	5%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.b. Fire pumps, skid units, and compressed air foam systems (CAFS);
Hale - Class 1	Gauges, Firefighting	2%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.a. Firefighting water flow equipment;
Harrington	Adapters & Fittings, Hose	30%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.a. Firefighting water flow equipment;
Harrington	Hose & Drafting Equipment	30%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.a. Firefighting water flow equipment;
Harrington	Valves	30%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.a. Firefighting water flow equipment;
Harrington	Waterflow Devices, Tools & Mounts	30%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.a. Firefighting water flow equipment;
Hurst Jaws of Life	Tools, Rescue Hydraulic	10%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.f. Extrication tools and equipment;
Hurst Jaws of Life	Tools, Rescue Battery-Powered (e-Draulic)	10%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.f. Extrication tools and equipment;
Hurst Jaws of Life	Tools, Rescue, Strong Arm	2%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.f. Extrication tools and equipment;
Hurst Jaws of Life	Parts	2%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.f. Extrication tools and equipment;
Hurst Jaws of Life	Specialty Accessories	5%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.f. Extrication tools and equipment;
Husky	Spill Containment	15%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.j. Hazardous materials (HazMat) response equipment;
Husky	Decontamination	15%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.j. Hazardous materials (HazMat) response equipment;
Husky	Portable Water Tanks and Related Equipment	25%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.j. Hazardous materials (HazMat) response equipment;
Husqvarna	Diamond Tools, and Soft-Cut & Surface Prep Tooling	20%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.d. Firefighting attack, ventilation, and rescue tools;
Husqvarna	Saws, Power Cutters, Cordless & Related Equipment	1%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.d. Firefighting attack, ventilation, and rescue tools;
IFSTA	Training & Educational Materials, e-Books	1%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.k. Related tools and accessories complementary to the offering of 1.a-j.
IFSTA	Training & Educational Materials, Fire Protection Publications Manuals	3%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.k. Related tools and accessories complementary to the offering of 1.a-j.
IFSTA	Training & Educational Materials, Fire Protection Publications Curriculum & Support	1%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.k. Related tools and accessories complementary to the offering of 1.a-j.
IFSTA	Training & Educational Materials, Manuals & Curriculum	8%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.k. Related tools and accessories complementary to the offering of 1.a-j.
IFSTA	Training & Educational Materials, Support Products	1%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.k. Related tools and accessories complementary to the offering of 1.a-j.
IFSTA	Training & Educational Materials, Instructor Resource Kits	3%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.k. Related tools and accessories complementary to the offering of 1.a-j.
Junkin	First Aid	5%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.k. Related tools and accessories complementary to the offering of 1.a-j.
Kochek	Waterflow Devices & Equipment	30%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.j. Wildland firefighting equipment and upfits for vehicles, ATV/UTVs;
Koehler/Brightstar	Lighting	15%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.k. Related tools and accessories complementary to the offering of 1.a-j.
K-Tool	Tools, Entry	5%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.d. Firefighting attack, ventilation, and rescue tools;
Leatherhead Tools	Tools, Firefighting	25%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.d. Firefighting attack, ventilation, and rescue tools;
Little Giant	Ladders	5%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.h. Portable ladders;
Merot	Bags, Medical	10%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.k. Related tools and accessories complementary to the offering of 1.a-j.
Mitl	Showers/pools/wands, Decon	5%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.j. Hazardous materials (HazMat) response equipment;
MSA	Thermal Imagers	2%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.e. Thermal imaging and similar situational awareness equipment;
MSA	Instrumentation, Parts (MSA)	5%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.k. Related tools and accessories complementary to the offering of 1.a-j.
MSA	Instrumentation, Portable (MSA)	10%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.k. Related tools and accessories complementary to the offering of 1.a-j.
Nasco Healthcare	Training Aids and Mannequins	5%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.k. Related tools and accessories complementary to the offering of 1.a-j.
National Foam	Foam, Firefighting	10%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.c. Firefighting suppression;
North American Hose	Hose, Firefighting	30%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.a. Firefighting water flow equipment;
Nupla	Tools, Firefighting	25%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.d. Firefighting attack, ventilation, and rescue tools;

SUPPLIER	PRODUCT	DISCOUNT OFF LIST	COOP CONTRACT	CONTRACT (PRODUCT) CATEGORY
Paratech	Tools, Forcible Entry	5%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.d. Firefighting attack, ventilation, and rescue tools;
Paratech	Tools Air Lifting Bags	5%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.f. Extrication tools and equipment;
Paratech	Tools Stabilization	5%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.f. Extrication tools and equipment;
Paratech	Tools, Trench Rescue	5%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.f. Extrication tools and equipment;
Pearson	Training & Educational Materials	5%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.k. Related tools and accessories complementary to the offering of 1.a-j.
Pelican	Lighting	15%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.k. Related tools and accessories complementary to the offering of 1.a-j.
Pelican	Cases	15%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.k. Related tools and accessories complementary to the offering of 1.a-j.
Pelican	Rehab Coolers & Outdoor Equipment	1%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.k. Related tools and accessories complementary to the offering of 1.a-j.
Performance Advantage	Tool Storage, Mounts	5%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.k. Related tools and accessories complementary to the offering of 1.a-j.
Perimeter Solutions	Foam, Firefighting	5%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.c. Firefighting suppression;
Petzl	Rope Rescue Equipment	5%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.g. Technical, vertical, trench, and confined space rescue equipment;
PMI	Rope Rescue Equipment, Standard	10%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.g. Technical, vertical, trench, and confined space rescue equipment;
PMI	Rope Rescue Equipment, Special	1%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.g. Technical, vertical, trench, and confined space rescue equipment;
Public Safety Group	Training & Educational Materials	5%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.k. Related tools and accessories complementary to the offering of 1.a-j.
Rapco Industries	Saws, Chains and related Rescue Equipment	1%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.d. Firefighting attack, ventilation, and rescue tools;
Red Head Brass	Adapters, Hose, Speedswivel	10%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.a. Firefighting water flow equipment;
Red Head Brass	Adapters, Hose	25%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.a. Firefighting water flow equipment;
Red Head Brass	Couplings, Hose	25%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.a. Firefighting water flow equipment;
Red Head Brass	Fittings, Hose	25%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.a. Firefighting water flow equipment;
Red Head Brass	Valves	25%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.a. Firefighting water flow equipment;
Red Head Brass	Waterflow Devices, Tools & Mounts	25%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.a. Firefighting water flow equipment;
Rescue 42	Tools, Stabilization	2%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.f. Extrication tools and equipment;
RIT Safety Solutions	Bags, Rapid Intervention Team (RIT)	5%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.k. Related tools and accessories complementary to the offering of 1.a-j.
Sam Carbis	Ladders	5%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.h. Portable ladders;
Scotty Firefighter	Water Flow Backpacks, Devices & Tools	10%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.a. Firefighting water flow equipment;
Seco	Bags	5%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.k. Related tools and accessories complementary to the offering of 1.a-j.
Snap-tite Hose	Hose, Firefighting	30%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.a. Firefighting water flow equipment;
South Park	Wrenches	25%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.a. Firefighting water flow equipment;
South Park	Adapters & Fittings, Hose	25%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.a. Firefighting water flow equipment;
South Park	Couplings, Hose	25%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.a. Firefighting water flow equipment;
South Park	Waterflow Devices and Mounts	25%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.a. Firefighting water flow equipment;
Sterling	Rope Rescue Equipment	10%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.g. Technical, vertical, trench, and confined space rescue equipment;
Streamlight	Flashlights	30%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.k. Related tools and accessories complementary to the offering of 1.a-j.
Super Vac	Fans, Smoke Machines & Ventilation Equipment	10%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.d. Firefighting attack, ventilation, and rescue tools;
Super Vac	Saws & Related Equipment	10%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.d. Firefighting attack, ventilation, and rescue tools;
Super Vac	Rehab Equipment	10%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.k. Related tools and accessories complementary to the offering of 1.a-j.
Task Force Tips	Adapters, Hose	27%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.a. Firefighting water flow equipment;
Task Force Tips	Waterflow Equipment	27%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.a. Firefighting water flow equipment;

SUPPLIER	PRODUCT	DISCOUNT OFF LIST	COOP CONTRACT	CONTRACT (PRODUCT) CATEGORY
Task Force Tips	Nozzles, Hose	27%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.a. Firefighting water flow equipment;
Task Force Tips	Health-Air Decontamination & Monitoring	2%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.j. Hazardous materials (HazMat) response equipment;
Tempest	Smoke Machines & Ventilation Systems	12%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.d. Firefighting attack, ventilation, and rescue tools;
Tempest	Saws & Related Equipment	12%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.d. Firefighting attack, ventilation, and rescue tools;
Tempest	Safety Equipment	12%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.d. Firefighting attack, ventilation, and rescue tools;
Tingley	Boots, HAZMAT	25%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.j. Hazardous materials (HazMat) response equipment;
Turtle Plastics	Cribbing, Ramps & Flooring/Matting	5%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.f. Extrication tools and equipment;
Waterax	Pumps, Firefighting	2%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.b. Fire pumps, skid units, and compressed air foam systems (CAFS);
Waterous	Pumps, Firefighting	5%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.b. Fire pumps, skid units, and compressed air foam systems (CAFS);
Wolfpack	Packs, Wildland	2%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.j. Wildland firefighting equipment and upfits for vehicles, ATV/UTVs;
Yates	Rope Rescue Equipment	5%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.g. Technical, vertical, trench, and confined space rescue equipment;
Zistos	Camera, Systems Search & Rescue	1%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.k. Related tools and accessories complementary to the offering of 1.a-j.
Zistos	Video Systems, Search & Rescue	1%	Sourcewell 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories	1.k. Related tools and accessories complementary to the offering of 1.a-j.

City Council Staff Report

January 27, 2026

From:	Paul Loehr, Risk Management Director
Prepared by:	Paul Loehr, Risk Management Director
Agendized by:	Susan E. Borrego, Interim City Manager

1. ACTION RECOMMENDED:

Resolution: Authorize the Interm City Manager to enter into another agreement with Legacy Health Endowment for the City to continue to support the Person-Centered Care Program from January 1, 2026 to December 31, 2026 and appropriate $300,000 from Fund 119 "American Rescue Plan Act" unassigned reserve to account 119-10-188.43060_000 “Contract Services General.”

2. NARRATIVE:

The City’s participation in the Person-Centered Care Program started as a recommendation in a report from the City’s Ad Hoc Committee on the Homeless that was presented to the City Council on February 22, 2022. Contained within that report was a recommendation to prevent additional homelessness by supporting Legacy Health Endowment's (LHE) program for respite care and homemaker services for families in need. As noted in the report, the need to assist families caring for aging parents, a spouse or partner with dementia or Alzheimer’s, or families caring for a disabled child or adult increases as the City's population ages in place. This program provides those eligible residents with respite care and homemaker services at no cost.

On May 24, 2022, the City Council initially approved a $200,000 grant using City American Rescue Plan Act (ARPA) funds to supplement the $650,000 funding that LHE secured to implement a pilot program to provide Person-Centered Care services to qualifying individuals and families. The $200,000 provided by the City was used to increase the program scope solely for residents of Turlock. The goal of the program was, and still remains, to prevent residents who live at home from being unnecessarily displaced into long-term care facilities or homelessness by providing respite care and homemaker services to them at home. On October 10, 2023, the City Council approved another agreement with LHE to continue support for the Person-Centered Care Program for an additional year from October 1, 2023 to September 30, 2024. A budget appropriation was approved in the amount of $400,000 from ARPA funds to pay for these services. Finally, on August 27, 2024, the City Council approved the most recent request to continue support for the Person-Centered Care Program for another year from October 1, 2024 to September 30, 2025 using ARPA funding in the amount of $400,000.

As previously reported, eligible seniors and disabled Turlock residents qualify for services that range from respite care, homemaker services, mental health assistance, palliative care, food assistance, medication assistance, home modifications, durable medical equipment support, and access to primary care providers through this program. The program aims to provide an added layer of support for families who are caring for aging or chronically ill individuals at home by increasing their access to medical and nonmedical resources and services in the community. Jeffrey Lewis, President and Chief Executive Officer of LHE, will

provide an update of the program at the City Council meeting. In terms of the program demographics, 69 participants are currently being served in Turlock, with 62% of those enrolled in the program being female and the average age of enrollees being 76 years old. It is worth mentioning that 81% of Turlock enrollees reported two or more chronic conditions and 92% of enrollees reported needing assistance with two or more Activities of Daily Living (ADL). Mr. Lewis' update will include additional information on program demographics, participant comorbidities and ADLs, program results, program costs, a participant story, and the positive impact of the program.

3. FISCAL IMPACT / BUDGET AMENDMENT:

A budget appropriation is necessary in the amount of $300,000 to fund the program as requested. The City Council has the option to appropriate unrestricted reserves from Fund 119 “American Rescue Plan Act” to account 119-10-188.43060_000 “Contract Services General” for the one-year term of this contract.

4. ENVIRONMENTAL DETERMINATION:

This action is not subject to the provisions of the California Environmental Quality Act (CEQA) in accordance with Section 15378(b)(5) of the CEQA guidelines. This action consists of "organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment" and therefore is not considered a project.

5. ATTACHMENTS:

1. Resolution - Agreement for Person-Centered Care Program 1-13-2026
2. Agreement - Person-Centered Care Program 1-13-2026
3. LHE PCC 12 23 25

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF AUTHORIZING THE INTERIM CITY MANAGER TO ENTER INTO ANOTHER AGREEMENT WITH LEGACY HEALTH ENDOWMENT FOR THE CITY TO CONTINUE TO SUPPORT THE PERSON-CENTERED CARE PROGRAM FROM JANUARY 1, 2026 TO DECEMBER 31, 2026 AND APPROPRIATE $300,000 FROM FUND 119 "AMERICAN RESCUE PLAN ACT" UNASSIGNED RESERVE TO EXPENSE ACCOUNT NUMBER 119-10-188.43060_000 "CONTRACT SERVICES GENERAL"	}	**RESOLUTION NO. 2026-**

WHEREAS, the City's participation in the Person-Centered Care Program started as a recommendation in a report from the City's Ad Hoc Committee on the Homeless that was presented to the City Council on February 22, 2022. Contained within that report was a recommendation to prevent additional homelessness by supporting Legacy health Endowment's (LHE's) program for respite care and homemaker services for families in need. As noted in the report, the need to assist families caring for aging parents, a spouse or partner with dementia or Alzheimer's, or families caring for a disabled child or adult increases as the City's population ages in place. This program provides those eligible residents with respite care and homemaker services at no cost; and

WHEREAS, on May 24, 2022, the City Council approved a $200,000 grant from City American Rescue Plan Act (ARPA) funds to supplement the $650,000 funding that LHE secured to implement a pilot program to provide Person-Centered Care services to qualifying individuals and families. The $200,000 provided by the City was used to increase the program scope solely for residents of Turlock. The goal of the program was, and still remains, to prevent residents who live at home from being unnecessarily displaced into long-term care facilities or homelessness by providing respite care and homemaker services to them at home.

WHEREAS, on October 10, 2023, the City Council approved another agreement with LHE to continue to support the Person-Centered Care Program for an additional year from October 1, 2023 to September 30, 2024. A budget appropriate was approved in the amount of $400,000 from ARPA funds to pay for these services;

WHEREAS, on August 27, 2024, the City Council approved the most recent request to continue support for the Person-Centered Care Program for another year from October 1, 2024 to September 30, 2025 using ARPA funding in the amount of $400,000.

WHEREAS, this request is to continue to support the Person-Centered Care Pilot Program for another year from January 1, 2026 to December 31, 2026 by approving another City-provided grant in the amount of $300,000 using ARPA funding.

WHEREAS, included with this report is an annual update from Jeffrey Lewis with LHE on the Person-Centered Care Program. As reported, eligible seniors and disabled Turlock residents qualify for services that range from respite care, homemaker services, mental health assistance, palliative care, food assistance, medication assistance, home modifications, durable medical equipment support, and access to primary care providers through this program. The program aims to provide an added layer of support for families who are caring for aging or chronically ill individuals at home by increasing their access to medical and nonmedical resources and services in the community; and

WHEREAS, in terms of the program demographics, 69 participants are currently being served in Turlock, with 62% of those enrolled in the program being female and the average age of enrollees being 76 years old. It is worth mentioning that 81% of Turlock enrollees reported two or more chronic conditions and 92% of enrollees reported needing assistance with two or more Activities of Daily Living (ADL). Mr. Lewis' update will include additional information on program demographics, participant comorbidities and ADLs, program results, program costs, a participant story, and the positive impact of the program.; and

WHEREAS, if approved, LHE will continue to monitor the program and provide an annual update to the City Council on measurable results of the program so that future assessments can be made by the City Council of the City's continued support of the program; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Turlock does hereby authorize the City Manager to enter into another agreement, with Legacy Health Endowment for the City to continue to support the Person-Centered Care Program from January 1, 2026 to December 31, 2026 and appropriate $300,000 from Fund 119 (American Rescue Plan Act (ARPA)) Unassigned Reserve to Expense Account Number 119-10-188.43060_000 "Contract Services General."

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 13th day of January 2026, by the following vote:

AYES:
NOES:
NOT PARTICIPATING:
ABSENT:

ATTEST:

_____
Nichole Fiez, City Clerk,
City of Turlock, County of Stanislaus,
State of California

AGREEMENT BETWEEN THE CITY OF TURLOCK
and
LEGACY HEALTH ENDOWMENT
for
PERSON-CENTERED CARE PILOT PROGRAM IN THE CITY OF TURLOCK

Contract No. 26-_____

THIS AGREEMENT (the "Agreement") is entered into by and between the CITY OF TURLOCK, a California municipal corporation ("CITY"), and Legacy Health Endowment, a California nonprofit public benefit corporation, hereinafter referred to as "LHE."

WITNESSETH:

WHEREAS, LHE is a Turlock-based charitable foundation tasked with improving the health and wellbeing of residents in its service area, which includes the entirety of the City of Turlock, and

WHEREAS, LHE implemented a Person-Centered Care pilot program in 2022 with the goal of helping ensure that socially isolated seniors, families, and disabled residents have access to needed services to avoid either unnecessary placement into a long-term care facility or hospital, or falling into homelessness, by providing long-term care and other wraparound services at home (the "PCC Pilot Program"); and

WHEREAS, the services under the PCC Pilot Program are to be provided at no cost to the qualifying seniors, families, and disabled residents, and

WHEREAS, LHE secured $650,000 in funding for the PCC Pilot Program of which a proportionate share is being expended in the CITY; and

WHEREAS, the CITY provided $200,000 towards the PCC Pilot Program in 2022 for a one-year period; and

WHEREAS, the CITY provided $400,000 towards the PPCC Pilot Program in 2023 for a one-year period; and

WHEREAS, the CITY provided another $400,000 towards the PPCC Pilot Program in 2024 for a one-year period and LHE is now requesting an additional $300,000 to continue the PCC Program for another year in 2026.

NOW, THEREFORE, the parties hereto mutually agree as follows:

1. **SCOPE OF SERVICES**: LHE shall provide the services listed in the Scope of Services attached hereto as Exhibit "A" and referenced in this agreement as the "Person-Centered Care Services." As provided in the Scope of Services, LHE shall provide up to quarterly reports to the CITY's Council and a final report regarding the measurable results of the PCC Pilot Program.

2. **PERSONEL AND EQUIPMENT**: LHE shall provide and/or arrange for the provision of all program partners, subcontractors, personnel, services, and equipment needed to accomplish the Person-Centered Care Services.

3. **REQUIREMENTS FOR SERVICES**: LHE shall provide and/or arrange for the provision of Person-Centered Care Services without any religious test or requirement for a person seeking Person-Centered Care Services including, without limitation, a requirement that a person seeking such services must attend religion-based or faith-based treatment programs or religious services and there shall be no interference with the free exercise of religion of any person seeking Person-Centered Care Services.

4. **CITY FUNDING OF PROGRAM**: CITY agrees to provide Three Hundred Thousand and No/100 Dollars ($300,000) to help continue the PCC Pilot Program for another year in addition to the Two Hundred Thousand and No/100 Dollars ($200,000) provided in 2022, the Four Hundred Thousand and No/100 Dollars ($400,000) provided in 2023, and the Four Hundred Thousand and No/100 Dollars ($400,000) provided in 2024. The $300,000 shall be paid to LHE in equal payments of Seventy-Five Thousand and No/100 Dollars ($75,000) on a quarterly basis. These funds provided by the CITY can only be expended for the benefit of residents of the CITY participating in the PCC Pilot Program.

5. **TERM OF AGREEMENT**: This Agreement shall be effective from January 1, 2026 to December 31, 2026. Before that date, either Party may terminate this agreement for any reason with such termination to take effect 30 days after written notice has been delivered to the other Party. If the agreement is terminated before December 31, 2026, LHE will reconcile any remaining unspent funds provided by the CITY for the PCC Pilot Program as of the effective date of termination, and return those unspent funds to the CITY within 60 days.

6. **INSURANCE**: During the term, LHE shall maintain in full force and effect policies of insurance and shall ensure that its program partners and subcontractors maintain in full force and effect policies of insurance as set forth in the Insurance Addendum attached hereto as Exhibit "B" pursuant to the requirements listed therein; provided, however, that nothing in this Section 6 or in Exhibit "B" shall require LHE to provide a benefit in a manner that constitutes "Self-

Dealing" as defined in Section 4941 of the Internal Revenue Code of 1986, as amended, and the regulations thereto ("Self-Dealing").

7. **INDEMNIFICATION**: LHE shall indemnify, defend, and hold harmless CITY and its agents, employees, and volunteers from and against all liabilities, claims, damages, losses and expenses (including without limitation any costs and fees, including attorney fees, of litigation or alternative dispute resolution) of every nature arising out of or in connection with the PPC Program or providing Person-Centered Care Services, caused in whole or in part by any act or omission of LHE, its agents, officers, representatives, employees, and volunteers, and any program partner or subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts of them may be liable, except such loss or damage which was cause by the sole negligence or willful misconduct of CITY; provided, however, that nothing in this Section 7 shall require LHE to make a payment or otherwise provide a benefit in a manner that constitutes Self-Dealing. In addition, LHE will ensure that its program partners and subcontractors indemnify the City and related parties as set forth in the Insurance Addendum in Exhibit "B."

8. **INDEPENDENT CONTRACTOR RELATIONSHIP**: All acts of LHE, its agents, officers, representatives, employees, and volunteers, any program partner or subcontractor, and all others acting on behalf of LHE relating to the performance of this Agreement, shall be performed as independent contractors and not as agents, officers, employees, or other representatives of CITY. LHE, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of CITY. LHE has no authority or responsibility to exercise any rights or power vested in the CITY. No agent, officer, or employee of the CITY is to be considered an employee of LHE. It is understood by both LHE and CITY that this Agreement shall not, under any circumstances, be construed or considered to create an employer-employee relationship or joint venture.

9. **CONFORMANCE WITH FEDERAL AND STATE LAW**: LHE shall observe and comply with all applicable laws, ordinances, codes and regulations of governmental agencies, including federal, state, municipal and local governing bodies having jurisdiction over any or all of the scope of Services, including all provisions of the Occupational Safety and Health Act of 1979 as amended, all California Occupational Safety and Health Regulations, the California Building Code, the Americans with Disabilities Act, any copyright, patent, or trademark law, and all other applicable federal, state, municipal and local safety regulations, appropriate trade association safety standards, and appropriate equipment manufacturer instructions. All Services performed by LHE must be in accordance with these laws, ordinances, codes and regulations. LHE's failure to comply with any laws, ordinances, codes, or regulations applicable to the performance of the Services hereunder shall constitute a breach of contract. In cases where standards conflict, the standard providing the highest degree of protection shall prevail.

If LHE becomes aware that a death, serious personal injury or substantial property damage has occurred in connection with LHE's performance of this Agreement, LHE shall immediately notify City's risk manager by telephone. If any accident occurs in connection with this Agreement, LHE shall promptly submit a written report to City, in such form as City may require. This report shall include the following information: (a) name and address of the injured

or deceased person(s); (b) name and address of LHE subcontractor, if any; (c) name and address of LHE's liability insurance carrier; and (d) a detailed description of the accident, including whether any of City's equipment, tools or materials were involved.

If a release of a hazardous material, substance, or waste occurs in connection with the performance of this Agreement, LHE shall immediately notify City. LHE shall not store hazardous materials or hazardous waste within City limits without a proper permit from City.

LHE agrees to comply with all applicable federal statutes, regulations, and requirements, including but not limited to:

- 2 CFR Part 200 (Uniform Guidance) procurement and cost principles;
- Equal Employment Opportunity (41 CFR Part 60);
- Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352);
- Debarment and Suspension (2 CFR Part 180).

LHE certifies it is not debarred, suspended, or otherwise excluded from participation in federal programs.

10. **NONDISCRIMINATION**: In connection with the execution of this Agreement, LHE shall not discriminate against any employee or applicant for employment because of age, race, religion, color, sex, or national origin. LHE shall take affirmative action to ensure that applicants are employed, and that employees are treated during their employment, without regard to their age, race, religion, color, sex or national origin. Such actions shall include, but not limited to, the following: employment, promotions, demotions, or transfers, recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training, including apprenticeship. LHE shall also comply with the requirement of Title VII of the City Rights Act of 1964 (P.L. 88-352) and with all applicable regulations, statutes, laws, etc., promulgated pursuant to the civil rights acts of the government of the United States and the State of California now in existence or hereafter enacted. Further, LHE shall comply with the provisions of Section 1735 of the California Labor Code.

11. **ENTIRE AGREEMENT AND MODIFICATION**: This Agreement supersedes all previous Agreements and constitutes the entire understanding of the parties hereto. LHE shall be entitled to no other benefits than those specified herein. No changes, amendments or alterations shall be effective unless in writing and signed by both parties. LHE specifically acknowledges that in entering into and executing this Agreement, LHE relies solely upon the provisions contained in this Agreement and no others.

12. **OBLIGATIONS OF LHE**: Throughout the term of this Agreement, LHE and its program partners and subcontractors shall possess, or secure all licenses, permits, qualifications, and approvals legally required to conduct their profession or business. LHE warrants that it has all of the necessary professional capabilities and experience, as well as all tools, instrumentalities, facilities, and other resources necessary to provide the CITY with the services contemplated by this Agreement. LHE further represents that it will follow the best current,

generally accepted and professional practices to make findings, render opinions, prepare factual presentations, and provide professional advice and recommendations regarding this project.

13. **NEWS AND INFORMATION RELEASE**: The parties agree that neither will issue any news releases in connection with either the approval of this Agreement, or any subsequent amendment of or efforts under this Agreement, without first obtaining review and approval of said news releases from the other party.

14. **AMENDMENTS**: Any amendment to this Agreement must be in writing and executed by both parties.

15. **PARTIAL INVALIDITY**: If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

16. **WAIVER**: The waiver by any party to this Agreement of a breach of any provision hereof shall be in writing and shall not operate or be construed as a waiver of any other or subsequent breach hereof unless specifically stated in writing.

17. **RECORDS INSPECTION AND AUDIT**: LHE shall maintain adequate records to permit inspection and audit of the CITY funds provided under this Agreement for a period of four (4) years after CITY's payment under this Agreement. CITY's duly authorized representative shall have access at all reasonable times to all reports, contract records, contract documents, contract files, any similar records, and personnel necessary for inspection or audit. Such records, or copies of such records, shall be provided to CITY upon request.

18. **GOVERNING LAW**: This Agreement shall be governed according to the laws of the State of California.

19. **HEADINGS NOT CONTROLLING**: Headings used in the Agreement are for reference purposes only and shall not be considered in construing this Agreement.

20. **CITY BUSINESS LICENSE**: LHE will have a City of Turlock business license during the term of this Agreement.

21. **ASSIGNMENT**: This Agreement is binding upon CITY and LHE, and their successors. Except as otherwise provided herein, neither CITY nor LHE shall assign, sublet, or transfer interest in this Agreement or any party thereof without the prior written consent of the other.

22. **EMPLOYMENT OF CITY OFFICIAL OR EMPLOYEE**: LHE shall employ no CITY official or employee in the work performed pursuant to this Agreement. No officer or employee of CITY shall have any financial interest in this Agreement in violation of California Government Code Sections 1090 et seq.; nor shall CITY violate any provision of its Conflict of Interest Code adopted pursuant to the provisions of California Government Code Sections 87300 et seq. LHE agrees to file a Statement of Economic Interests with the City Clerk at the start and end of this contract if so required at the option of CITY.

23. **NOTICE**: Any and all notices permitted or required to be given hereunder shall be deemed duly given and effective (1) upon actual delivery, if delivery is by hand; or (2) five (5) days after delivery into the United States mail, if delivery is by postage paid, registered, certified (return receipt requested) mail. Each such notice shall be sent to the parties at the address respectively indicated below or to any other address as the respective parties may designate from time to time.

For LHE:

LEGACY HEALTH ENDOWMENT
2881 Geer Road, Suite A
Turlock, California 95382
Attn: Jeffrey R. Lewis, President & CEO
Phone: (209) 250-2312
Email: jeffrey@legacyhealthendowment.org

For CITY:

CITY OF TURLOCK
156 S. Broadway, Suite 230
Turlock, California 95380
Attn: Susan Borrego, Interim City Manager
Phone: (209) 664-7304
Email: sborrego@turlock.ca.us

[*Signatures on Following Page*]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by and through their respective officers thereunto duly authorized.

CITY OF TURLOCK, a California municipal corporation

By: _____
Susan Borrego, Interim City Manager

Date: _____

APPROVED AS TO FORM:

By: _____
George A. Petrulakis, City Attorney

ATTEST:

By: _____
Nichole Fiez, City Clerk

LEGACY HEALTH ENDOWMENT, a California nonprofit public benefit corporation

By: _____
Jeffrey R. Lewis, President & CEO

Date: January 7, 2026

EXHIBIT A

SCOPE OF SERVICES
PERSON-CENTERED CARE STATEMENT OF WORK

Program Summary:

The purpose of this "Person-Centered Care" Program, is to put in place a public-private partnership model to provide community-based long-term care services (both clinical and non-clinical care) to individuals over 55 (or disabled and Medicare-eligible) with one or more comorbidities, who are in need of assistance with one or more "Activities of Daily Living" (such as bathing, grooming, feeding, and mobility). Our goal is to help ensure that socially isolated seniors, families, and disabled residents have access to needed services to avoid either unnecessary placement into a long-term care facility or hospital, or falling into homelessness, by providing long-term care and other wraparound services at home.

Our hypothesis is that by providing an extra layer of support through in-home personal care, wrap-around clinical and social services, and support for caregivers, we will allow chronically ill and disabled individuals to remain independent in their own homes longer, thereby meaningfully delaying or avoiding placement into long-term care facilities or falling into homelessness.

To deliver the Person-Centered Care ("PCC") Pilot Program, Legacy Health Endowment is partnering with CareLinx, a for-profit community-based long-term care provider of non-medical, in-home support services, Community Care Choices, a nonprofit Palliative Care Program of Community Hospice Inc. (CHI), Community Health Centers of America, a federally qualified health center to launch the Person-Centered Care initiative, and TIN Rx, as our exclusive pharmacy partner.

Objectives:

1) To assist seniors and their caregivers with support to remain independent, at home, avoiding unnecessary hospital emergency room visits and premature placement into a long-term care facility or falling into homelessness.
2) Understand the healthcare and social care needs of community-dwelling older and disabled adults and their caregivers in Stanislaus County.
3) Observe changes in participant-reported outcomes, and in the utilization of health and social services in recipients of care through the Patient-Centered Care program.
4) Understand associations between self-reported outcomes for recipients of Person-Centered Care and their caregivers
5) Understand the costs of care associated with the delivery of comprehensive medical and social services in a home and community-based setting.

Duration: Twelve (12) months

Target Enrollment: Up to 200 participants/caregivers from the City of Turlock

Participant and Caregiver Evaluation: Participants and caregivers will undergo an initial pre-screening and intake process to ensure that they meet the eligibility criteria for the program, and to gather basic information on the needs for home-based care. A comprehensive needs assessment will be conducted in the home at baseline, with follow-up assessments at 2, 4, and 6 months after the start of program participation. Additionally, home-based care providers will collect additional data during home visits, to track acute care utilization, falls, care gaps, and care gap closures related to chronic disease management, referrals to and utilization of social services. At the end of the 6-month study, 20% of the study population will be targeted for an additional exit interview.

Outcomes of Interest:

The following outcomes will be tracked for participants and their caregivers throughout the study:

- Health-related quality of life
- Loneliness
- Daily symptoms and chronic pain
- Behavioral health measures for anxiety, depression
- Caregiver burden
- Acute care utilization (ED visits, hospitalizations)
- Total number of completed referrals and subsequent follow up care, including:
    - Care gap closures
    - Referrals for preventive care and routine management of chronic conditions
    - Referrals for behavioral health
    - Referrals to third-party community resources for unmet social needs (food, housing, transportation, social support)
    - Medication reconciliations performed and subsequent outcomes (e.g., deprescribing, generic substitutions)
    - Home safety evaluations performed and subsequent outcomes (e.g. falls)

Proposed Eligibility Criteria:

Inclusion:

- Person-Centered Care recipient must be a resident of the City of Turlock
- Person-Centered Care recipient must be age 55 years or older OR Person-Centered Care recipient must be Medicare disabled adult are recipients and caregivers must be able to communicate with care providers in a familiar language
- Person-Centered Care recipients with cognitive impairment are supported by cognitively intact caregivers to communicate with care providers
- Person-Centered Care recipient must require assistance with at least 1 activity of daily living (ADL- bathing, grooming, dressing, feeding, toileting, transfers, and mobility)
- Person-Centered Care recipient must have at least 2 chronic medical conditions
- Must not be enrolled in Medi-Cal

Exclusion:

- Person-Centered Care recipient and caregivers are unwilling to give informed consent
- Person-Centered Care recipient does not have a dwelling or permanent place of residence where care can be provided
- Person-Centered Care recipient is actively receiving Hospice care
- Person-Centered Care recipient is enrolled in TriCare or Medi-Cal
- Person-Centered Care recipient is actively receiving paid in-home care services through another source (such as Medi-Cal In-Home Support Services, Multipurpose Senior services Program Waiver)

Cost:

- $300,000 to be paid by the City of Turlock under the terms and conditions of this Agreement.

Reporting:

- The Turlock City Manager and Deputy City Manager will receive updates every two (2) months. Updates to the City Council as requested, up to quarterly.
- The updates will include the number of Turlock residents enrolled and the average Person-Centered Care staff time approved for each recipient
- Patient demographics (age, race, income level, etc.)
- Explain if care is being provided to both the patient and the caregiver/spouse or partner.
- Report of housing status (Living alone, living with caregiver, etc.)
- Explain what kinds of services are being provided and how often.
- LHE will provide full accountability for how American Rescue Plan Act (ARPA) funds were spent on a quarterly basis.

Staffing:

Jeffrey Lewis, President and CEO of Legacy Health Endowment will be the executive in charge of the Person-Centered Care Initiative for City of Turlock. He can be reached at jeffrey@legacyhealthendowment.org or via phone 209/250-2315 / mobile 703/403-9695

EXHIBIT B

INSURANCE ADDENDUM
PERSON-CENTERED CARE PROGRAM

1. **INSURANCE:**

LHE shall not commence work under this Agreement, and shall not allow any subcontractors or program partners to commence work under this Agreement, until LHE has obtained City's approval regarding all insurance requirements, forms, endorsements, amounts, and carrier ratings. LHE and its subcontractors and program partners or, in the alternative, solely all of the subcontractors and program partners involved in work under this Agreement (the "Insurers"), shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by LHE, the sub-contractors and program partners, and their agents, representatives, and employees. Failure to maintain or renew coverage or to provide evidence of renewal may constitute a material breach of contract. Any available insurance proceeds in excess of the specified minimum limits and coverage shall be available to City.

(A) **Insurance Coverage**. During the Term, the Insurers shall maintain in full force and effect policies of insurance set forth herein, which shall be placed with insurers with a current AM Best's rating of no less than A VII and will provide City with written proof of said insurance. Insurers shall maintain coverage as follows:

(B) **General Liability**. Insurers shall carry general liability insurance in the amount of Two Million Dollars ($2,000,000.00) per occurrence for bodily injury, personal injury, and property damage. If commercial general liability insurance or another form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this Project or the general aggregate shall be Four Million Dollars ($4,000,000.00).

(C) **Workers' Compensation Insurance and Employer's Liability**. Insurers shall carry workers' compensation insurance as required by the State of California under the Labor Code. Insurers shall also carry employer's liability insurance in the amount of One Million Dollars ($1,000,000.00) per accident, with a One Million Dollars ($1,000,000.00) policy limit for bodily injury by disease, and a One Million Dollars ($1,000,000.00) limit for each employee's bodily injury by disease.

(D) **Errors and Omissions Liability**. LHE and City shall meet and confer to determine which subcontractors and program partners require errors and omission insurance due to the nature of their work, profession, or occupation. Those subcontractors and program partners shall carry errors and omissions liability insurance in the amount of no less than Two Million Dollars ($2,000,000.00) per claim or greater if appropriate for the particular subcontractor or program partner's occupation or profession. Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions with respect to City, its elected and appointed councils,

commissions, directors, officers, employees, agents, volunteer, and representatives ("City's Agents"); or the City shall be provided a financial guarantee satisfactory to City guaranteeing payment of losses and related investigations, claims administration and defense expenses.

(E) **Commercial Automobile Liability**. Insurers shall carry commercial automobile liability insurance in the amount of One Million Dollars ($1,000,000.00) or greater per occurrence for owned, leased, hired, and borrowed automobiles.

(F) **Waiver of Subrogation**.

(i) FOR LHE. LHE hereby agrees to waive subrogation which any insurer of LHE may acquire from LHE by virtue of the payment of any loss. The commercial general liability policy and worker's compensation policy shall be endorsed to contain a waiver of subrogation in favor of City for all work performed by LHE, its agents, employees, independent contractors, and subcontractors. LHE agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation.

(ii) FOR SUBCONTRACTORS AND PROGRAM PARTNERS. With the exception of errors and omissions liability insurance, LHE, in a form approved by City, shall require subcontractors and program partners to waive subrogation which any insurer of such subcontractors and program partners may acquire from these subcontractors and program partners by virtue of the payment of any loss. The commercial general liability policy and workers' compensation policy shall be endorsed to contain a waiver of subrogation in favor of City for all work performed by the subcontractors and program partners, their agents, employees, independent contractors, and subcontractors. LHE shall, in a form approved by City, require subcontractors and program partners to obtain any endorsement that may be necessary to affect this waiver of subrogation.

2. **ADDITIONAL INSURANCE REQUIREMENTS**:

Within five (5) days of the Effective Date, Insurers shall provide City with certificates of insurance for all of the policies required under this Agreement ("Certificates"), excluding the required workers' compensation insurance. Such Certificates shall be kept current for the Term of the Agreement and Insurers shall be responsible for providing updated copies and notifying City if a policy is cancelled, suspended, reduced, or voided. With the exception of the workers' compensation insurance, all of the insurance policies required in this Agreement shall: (a) provide that the policy will not be cancelled, allowed to expire, or materially reduced in coverage without at least thirty (30) days' prior written notice to City of such cancellation, expiration, or reduction and each policy shall be endorsed to state such; (b) name City, and City's Agents as additional insureds with respect to liability arising out of Services, work or operations performed by or on behalf of Insurers; (c) cover products and completed operations of Insurers, premises owned, occupied, or used by the LHE, or automobiles owned, leased, or hired or borrowed by the LHE; contain no special limitations on the scope of protection afforded to City; (d) be

primary with respect to any insurance or self-insurance programs covering City or City's Agents and any insurance or self-insurance maintained by City or City's Agents shall be in excess of Insurers' insurance and shall not contribute to it; (e) contain standard separation of insured provisions; and (f) state that any failure to comply with reporting or other provisions of the policy including breaches of warranties shall not affect the coverage provided to City.

sharecare | LHE Legacy Health Endowment

Person-Centered Care Program

Program Update

December 2025

Confidential and proprietary document by Sharecare, Inc. Dates and materials are subject to change.

Program Demographics

- 69 Participants served from Turlock
- **76** Average age of enrollees
- **62%** Female enrollees
- **23%** Enrollees living alone
- **81%** Enrollees reporting 2 or more chronic conditions
- **33%** Enrollees reporting mobility issues
- **31%** Reporting Diabetes as diagnosis
- **92%** Enrollees reporting 2 or more Activities of Daily Living (ADL) needs

Comorbidities and ADLs

Self-reported Conditions	Percentage
Impaired mobility/weakness/paralysis	38%
Diabetes (w/ and without complications)	29%
Cancer	24%
Lung Disease, COPD	21%
Cardiovascular Disease	18%
ALS/Parkinsons/Neurodegenerative Disease	18%
Arthritis/Chronic Pain	18%
Hypertension	12%
Dementia or Cognitive Impairment	12%
Behavioral Health (Anxiety, Depression, PTSD)	12%
Stroke	6%
Hearing Impaired or Blind	3%
Kidney Disease / Epilepsy	1%

Activities of Daily Living (ADL) Needs	Percentage
Light Housekeeping	81%
Mobility	65%
Meal Preparation	60%
Bathing	59%
Grocery Shopping or Errands	56%
Transfers (in/out of bed, chair)	55%
Laundry	54%
Managing medications	48%
Transportation	48%
Dressing	47%
Grooming	40%
Toileting	36%
Feeding	35%
Other (Companionship)	27%

Program Results

Caregiver Burden Among the Care Recipients' Friend and Family Caregivers

	All Caregivers with Positive Baseline Burden Score (>0)	Caregivers with Positive Baseline and a Decrease in Burden Score
Number of Participants	54	38
Avg Baseline Score	19.7	20.7
Avg Final Score	12.1	7.5
Avg Change in Score	-7.7	-13.1

P-values:
All Caregivers: 0.007
Positive Baseline Score: <0.001
Positive Score + Decrease: <0.001

Summary

Non-professional caregivers experienced a large reduction in burden—especially those under significant strain.

High-Stress Caregivers:
- Those who began with the highest burden saw the greatest impact
  - Their average starting score was 20.7 (out of a maximum 30 points)
  - Their scores went down by 13.1 points, a 63.6% decrease

All Caregivers with Positive Baseline Scores:
- Their average starting score was 19.7
- Their scores went down by 7.7 points, a 39.1% decrease

Program Results

Loneliness Among Care Recipients

	Positive Baseline Score	Positive Score + Decrease
# of Positive Screens	23	14
Avg Baseline Score	6.9	7
Avg Final Score	5.3	4.1
Avg Decrease in Score	1.6	2.9

P-values:
Positive Baseline Score: 0.008
Positive Score + Decrease: <0.001

Summary

Participants experiencing loneliness saw measurable improvements over time.

Participants Analyzed:
- 84 total with multiple check-ins
- 23 had positive loneliness scores at baseline and were included in the analysis

Results for Those with High Loneliness:
- Average reduction: 1.6 points (↓ 23.4%)
- Impact: 47.8% improved enough to move into the **“No or Mild”** loneliness category

Program Cost Impact

41,418
Total hours of in-home, non-medical care

$1,344/month
Cost to cover 32 hours per month of in-home, community-based care

Living Arrangement	Monthly Median Cost (2025) - California*
Assisted Living	**$6,631/month**
Nursing Home: Semi-private Room	**$12,101/month**
Nursing Home: Private Room	**$14,037/month**

*Source: Cost of Long-Term Care by State | Cost of Care Report | Genworth

Member Story



Age & Gender

- 95-year-old female

Medical History

- Alzheimer’s disease
- Hypertension
- Dementia

Program Enrollment

- Enrolled since: March 2023
- Services received: Over 32 hours of free care monthly

Program Impact

- **Goal:** Prevent institutionalization and unnecessary hospitalizations

Age & Gender

- 65-year-old male

Member Health Status

- Cancer
- Undergoing active radiation therapy
- Suffered a stroke resulting in left-side paralysis

Partner Health Status

- 77-year-olf female
- Managing multiple chronic conditions
- Cancer, Barrett's Esophagus, Diverticulitis

Program Support

- The couple received 64 hours of free respite care
- Support provided to aid both in recovery

PERSON-CENTERED CARE PROGRAM

Program Impact

- Reduced caregiver burden → less likely to be institutionalized
- Reduced loneliness → improved quality of life, reduced mortality
- Lower cost of care as compared to institutionalization → strong ROI
- Better patient experience (care recipients rated caregivers 4.9/5 for quality and professionalism) → they get to stay home



Confidential and proprietary document by Sharecare, Inc. Dates and materials are subject to change.

City Council Staff Report

January 27, 2026

From:	Isaac Moreno, Acting Deputy City Manager
Prepared by:	Isaac Moreno, Acting Deputy City Manager
Agendized by:	Susan E. Borrego, Interim City Manager

1. ACTION RECOMMENDED:

Motion: Approving the Measure A Annual Accountability Report for the Fiscal Year 2024-2025

2. NARRATIVE:

Measure A general sales tax adoption requires a Citizens' Oversight Committee to review all revenues and expenditures allocated to these funds. This Committee shall meet on a quarterly basis per fiscal year with specific meeting dates to be determined by Committee members. The Finance Department will provide a summary and accounting records within these meetings plus an annual accountability report for review and approval. At the November 12, 2025 meeting, the Committee reviewed and approved unanimously the Annual Accountability Report.

Per TMC 3-11-15 this report shall be presented to Council for review and approval. This report is included as Attachment A.

The Citizens' Oversight Committee recommends approval of this annual report and has no findings.

3. FISCAL IMPACT / BUDGET AMENDMENT:

There is no fiscal impact for this action

4. ENVIRONMENTAL DETERMINATION:

This action is not subject to the provisions of the California Environmental Quality Act (CEQA) in accordance with Section 15378(b)(5) of the CEQA guidelines. This action consists of "organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment" and therefore is not considered a project.

5. ATTACHMENTS:

1. Measure A Annual Accountability Report FY 2024-2025

MEASURE A (Roads) - Annual Accountability Report

Prepared: 11/3/25
Fund: 115-Measure A Roads
FISCAL YEAR: 2024-2025
Period: 07/01/2024-06/30/2025

	2024-2025 Amended Budget	2024-2025 Actual to Date	2024-2025 Remaining Budget	% of Budget Received/ Expended
Revenues				
Sales Tax	$ 8,041,463	$ 8,202,980.49	$ (161,517)	102%
Program 801 - 2025 Roads Bond Program				
Interest Income 2025 Roads Bond	$ -	$ 405,497.58	$ (405,498)	
Long Term Debt Proceeds	$ -	$ 31,649,327.00	$ (31,649,327)	
	$ 8,041,463	$ 40,257,805.07	$ (32,216,342)	501%
Expenditures				
Division 115 - Measure A				
Salaries & Benefits - Measure A	$ 240,563	$ 189,363.27	$ 51,200	79%
Contract Attorney	$ 10,000	$ 22,901.65	$ (12,902)	229%
City Engineering Services	$ 350,000	$ 405,121.47	$ (55,121)	116%
Construction Management	$ 2,335,000	$ 2,204,328.94	$ 130,671	94%
Roads Design	$ 4,536,500	$ 3,506,343.71	$ 1,030,156	77%
Advertising	$ -	$ 228.00	$ (228)	0%
Shoe Allowance	$ 200	$ 250.00	$ (50)	125%
Construction Project	$ 13,050,000	$ 10,857,011.73	$ 2,192,988	83%
Program 801 - 2025 Roads Bond Program				
Cost of Issuance 2025 Roads Bond	$ -	$ 421,940.77	$ (421,941)	#DIV/0!
Total Expenditures	$ 20,522,263	$ 17,607,489.54	$ 2,800,926	86%
Revenue Over / (Under) Expenses	$ (12,480,800)	$ 22,650,315.53		

FUND BALANCE

Balance Forward from Prior Fiscal Year	$ 12,563,335.76
Net Change to Fund Balance	$ 22,650,315.53
Current Balance	$ 35,213,651.29

Construction Project	2024-2025 Actual to Date
P#23031 Construction for Roads CIP Task #1	$ 4,202,851.63
P#23032 Construction for Roads CIP Task #1	$ 4,146,419.07
P#23033 Construction for Roads CIP Task #1	$ 2,436,747.42
P#24046 Emergency Repair of Farr Street Sanitary Sewer Main	$ 70,993.61

Measure A Funded Roads Projects Completed

22-001 Design of Projects for 2022 Construction for Roads Program

Bid Package #1			
Streets	**Limits**	**Year**	**Length (Feet)**
Delbon Avenue	N. Olive Ave. to Colorado Ave.	Completed in 2023	1,296
20th Century Blvd.	Geer Rd. to N. Golden State Blvd.	Completed in 2023	2,442
Flower Street	N. Soderquist Rd. to N. 1st St.	Completed in 2023	3,693
N. Orange Street	W. Main St. to Flower St.	Completed in 2023	1,053
Spruce Street	South Ave. to High St.	Completed in 2023	1,818
Locust Street	Vermont Ave. to W. Main St.	Completed in 2023	1,709
Mira Flores Drive	El Paseo Dr. to Murphy Dr.	Completed in 2023	2,849
Corello Street	Marlee Dr. to Sierra Vista Dr.	Completed in 2023	1,608
Julian Street	N. Soderquist Rd. to N. 1st St.	Completion in 2024	2,981
Park Street	N. Soderquist Rd. to N. 1st St.	Completion in 2024	3,445
East Avenue	S. Golden State Blvd. to S. Daubenberger Rd.	Completion in 2024	5,967
Old Vineyard Road	E. Marshall St. to E. Canal Dr.	Completion in 2024	1,312
Carrigan St.	N. Johnson Rd. to N. Quincy Rd.	Completion in 2024	974
Wayside Drive	Geer Rd. to Pioneer Ave.	Completed in 2023; NOC Recorded	3,251
Fosberg Road	E. Monte Vista Ave. to E. Christoffersen Pkwy.	Completed in 2023; NOC in 2024	2,677
		TOTAL LENGTH	37,075

23-031 Mark Thomas Task Order No. 1 for Roads Program CIP Projects

Streets	**Limits**	**Year**	**Length (Feet)**
Mission Street	Old Vineyard Rd. to N. Quincy Rd.	2024 construction	613
Tokay Avenue	N. Johnson Rd. to N. Quincy Rd.	2024 construction	1,315
N. Quincy Road	E. Marshall St. to E. Canal Dr.	2024 construction	1,348
El Capitan Drive	N. Berkeley Ave. to Murphy Dr.	2024 construction	3,683
Kenneth Drive	N. Berkeley Ave. to East End	2024 construction	627
El Camino Drive	El Paseo Dr. to Murphy Dr.	2024 construction	2,845
La Linda Ct.	El Capitan Dr. to El Capitan Dr.	2024 construction	485
N. Quincy Road	E. Canal Dr. to Marie Dr.	2024 construction	1,343
Murphy Drive	E. Canal Dr. to Mira Flores Dr.	2024 construction	889
		TOTAL LENGTH	13,148

23-032 Provost & Pritchard Task Order No. 1 for Roads Program CIP Projects

Streets	**Limits**	**Year**	**Length (Feet)**
Lincoln Avenue	Geer Rd. to Monroe Ave.	2024 construction	584
Monroe Avenue	N. Center St. to N. Palm St.	2024 construction	771
Wolfe Avenue	N. Center St. to E. Canal Dr.	2024 construction	1,476
N. Thor Street	Wolfe Ave. to E. Canal Dr.	2024 construction	889
N. Center Street	E. Main St. to Monroe Ave.	2024 construction	1,446
Myrtle Street	Bell St. to N. Berkeley Ave.	2024 construction	1,299
Colorado Avenue	E. Marshall St. to E. Canal Dr.	2024 construction	1,384
S. Broadway Avenue	W. Main St. to D St.	2024 construction	915
		TOTAL LENGTH	8,764

23-033 Siegfried Task Order No. 1 for Roads Program CIP Projects

Streets	**Limits**	**Year**	**Length (Feet)**
Columbia Avenue	Lander Ave. to West Ave. South	2024 construction	2,595
Lane Street	High St. to Castor St.	2024 construction	466
S. Beech Street	W. Main St. to South End	2024 construction	662
S. Laurel Street	Columbia St. to Vermont Ave.	2024 construction	1,345
Farr Street	W. Main St. to Castor St.	2024 construction	1,305
		TOTAL LENGTH	6,373

23-069 Siegfried Task Order No. 2 for Roads Program CIP Projects

Street Name	**Limits**	**Year**	**Length (Feet)**
The Burl	North End to Chestnut St.	2025-26 construction	374
Florence St.	N. 1st St. to West Ave. North	2025-26 construction	2,785
N. Beech St.	W. Main St. to Park St.	2025-26 construction	1,388
Clifford Ave.	W. Main St. to Park St.	2025-26 construction	1,351
W. Olive Ave.	Lander Ave. to West Ave. North	2025-26 construction	2,532
Angelus St.	S. Soderquist Rd. to Lander Ave.	2025-26 construction	3,848
S. Orange St.	Lewis St. to Montana Ave.	2025-26 construction	519
S. Orange St.	South Ave. to Bernell Ave.	2025-26 construction	718
Bernell Ave.	Bethany Ave. to S. Orange St.	2025-26 construction	400
		TOTAL LENGTH	13,915

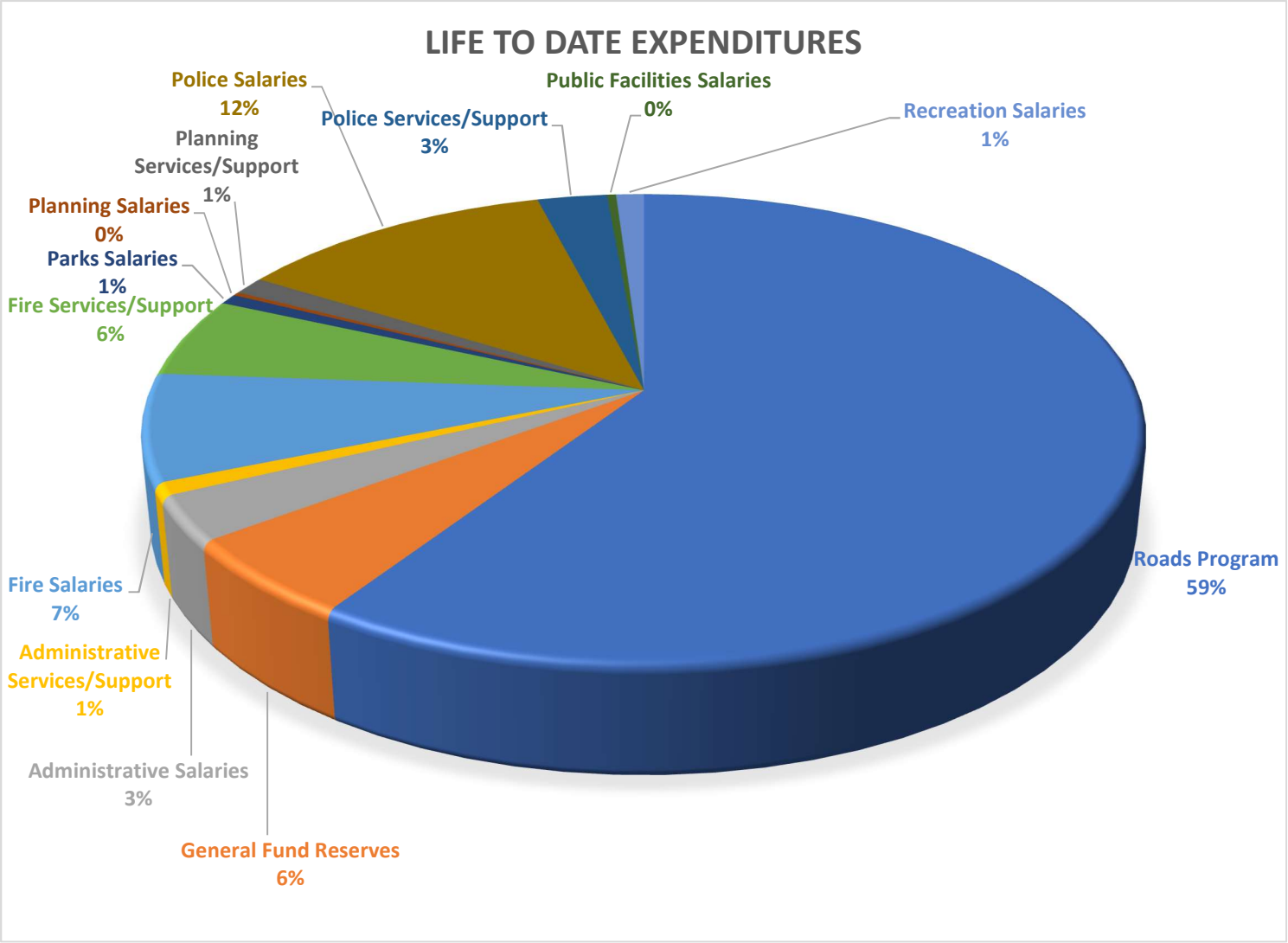
MEASURE A (General) - Accountability Report

Prepared: 11/3/25
Fund: 118-Measure A General
FISCAL YEAR: 2024-2025
Period: 07/01/2024-06/30/2025

	2024-2025 Amended Budget	2024-2025 Actual to Date	2024-2025 Remaining Budget	% of Budget Received/ Expended
Revenues	$ 6,579,379	$ 6,711,529.50	$ (132,151)	102%
Expenditures				
Services, Supplies and Equipment:				
Sales Tax Contingency Audit	$ 15,000	$ 8,422.87	$ 6,577	56%
Public Safety Building HVAC Project	$ 325,377	$ 309,055.14	$ 16,322	95%
Pierce Velocity Pumper Debt Payment	$ 151,415	$ 151,413.84	$ 1	100%
Police - Minor Equipment	$ 75,000	$ 54,286.85	$ 20,713	72%
Salaries & Benefits:				
Administration Salaries & Benefits - City Manager	$ 81,408	$ 66,570.60	$ 14,837	82%
Administration Salaries & Benefits - Economic Development	$ 81,777	$ 68,572.32	$ 13,205	84%
Administration Salaries & Benefits - Finance	$ 76,440	$ 58,281.24	$ 18,159	76%
Administration Salaries & Benefits - Human Relations	$ 43,266	$ 33,405.08	$ 9,861	77%
Police Salaries & Benefits - Special Operations	$ 144,664	$ 143,926.20	$ 738	99%
Police Salaries & Benefits - Support Operations	$ 548,226	$ 590,137.96	$ (41,912)	108%
Police Salaries & Benefits - Field Operations	$ 2,676,283	$ 2,587,291.46	$ 88,992	97%
Fire Salaries & Benefits - Operations	$ 1,753,586	$ 1,643,521.43	$ 110,065	94%
Development Services Salaries & Benefits - Planning	$ 63,463	$ 4,284.00	$ 59,179	7%
Municipal Services and Benefits - Public Facilities	$ 34,458	$ 24,752.63	$ 9,705	72%
Parks Salaries & Benefits - Maintenance	$ 331,996	$ 88,502.06	$ 243,494	27%
Recreation Salaries & Benefits - Recreation Administration	$ 102,410	$ 77,951.73	$ 24,458	76%
Transfers Out:				
Police Transfers Out - To F240 for LPR's	$ 566,775	$ 566,775.00	$ -	100%
Total Expenditures	$ 7,071,544	$ 6,477,150.41	$ 550,780	92%
Revenue Over / (Under) Expenses	$ (492,165)	$ 234,379.09		

FUND BALANCE

Balance Forward from Prior Fiscal Year	$ 7,037,772.59
Net Change to Fund Balance	$ 234,379.09
Current Balance	$ 7,272,151.68



Measure A Expenditures	Total YTD Expenditures	%
Roads Program	36,241,782.70	59%
General Fund Reserves	3,363,796.28	6%
Administrative Salaries	1,899,834.82	3%
Administrative Services/Support	531,492.80	1%
Fire Salaries	4,516,745.04	7%
Fire Services/Support	3,361,546.50	6%
Parks Salaries	432,410.46	1%
Planning Salaries	149,266.86	0%
Planning Services/Support	750,000.00	1%
Police Salaries	7,396,404.61	12%
Police Services/Support	1,613,708.10	3%
Public Facilities Salaries	208,727.29	0%
Recreation Salaries	645,093.77	1%
	61,110,809.23	100%

This report illustrates the total expenditures from the passing of Measure A to June 30, 2025. These amounts include expenditures in Fund 115 Measure A - Roads Program and Fund 118 Measure A - General. The total Public Safety expenditures are 27.6% of the $61.1 million spent but 67.9% of the total expenditures in Fund 118 Measure A – General.

City Council Staff Report

January 27, 2026

From:	Isaac Moreno, Acting Deputy City Manager
Prepared by:	Jennifer Figueroa, Housing Program Manager
Agendized by:	Susan E. Borrego, Interim City Manager

1. ACTION RECOMMENDED:

Resolution: Approving the purchase and sale agreement and joint escrow instructions, loan agreement, regulatory agreement, promissory note, deed of trust, and grant deed for the sale of the property located at 573 Birchwood Way, Turlock (APN 043-055-049), to be sold to Great Valley Housing Development Corporation, a non-profit organization, in the amount of $420,000, subject to the terms and conditions as outlined in Attachment B and authorize the Interim City Manager to sign all necessary documents to effectuate the transaction.

Resolution: Approving the purchase and sale agreement and joint escrow instructions, loan agreement, regulatory agreement, promissory note, deed of trust, and grant deed for the sale of the property located at 591 Birchwood Way, Turlock (APN 043-055-048), to be sold to Great Valley Housing Development Corporation, a non-profit organization, in the amount of $410,000, subject to the terms and conditions as outlined in Attachment C and authorize the City Manager to sign all necessary documents to effectuate the transaction.

2. NARRATIVE:

The City of Turlock currently owns three (3) residential properties that were purchased with the intent to rehabilitate the housing units, as necessary, to meet housing quality standards, and transfer the properties to qualified non-profit agencies to provide and sustain affordable rental housing or to sell to income eligible first-time homebuyers. Currently, one (1) unit is occupied by income-eligible tenants, while the other two (2) are vacant. One of the vacant properties is currently in the process of being sold through the First-Time Homebuyer Program.

A Request for Proposals (RFP) was issued in December 2025 for two (2) of the three (3) residential properties owned by the City of Turlock Housing Division. These properties were purchased with CDBG and HOME funds with the intent to be sold to an eligible non-profit organization to be used as affordable rental housing. The Loan Committee reviewed the proposals from responding agencies and has recommendations for the Council's consideration. The transfers would be subject to the terms as detailed in Attachments B and C.

573 Birchwood Way

The property located at 573 Birchwood Way, Turlock, California, is a single-family home with three (3) bedrooms and two (2) bathrooms and is currently vacant. It was acquired in February 2023 with Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) program funds. The unit was rehabilitated in October 2025 utilizing Permanent Local Housing Allocation (PLHA) funds and HOME funds. Due to PLHA being used for the rehabilitation, the unit must remain affordable housing for a minimum period of 55 years.

The property was appraised on April 3, 2025, by a certified appraiser for $420,000.00. Deed restrictions will ensure that the property remains designated as affordable housing for a minimum of 55 years. The property is proposed to have two (2) liens. The first lien will be in the form of a forgivable loan for $395,000.00, and a percentage of the loan will be forgiven each year for 55 years. The second lien will be a deferred equity share loan. In the event of a transfer of the property, $25,000.00, which is equal to the amount of PLHA used in the rehabilitation of the property price plus 50% of the amount by which the sales price exceeds the total purchase price of $420,000.00 will be due and payable to the City.

591 Birchwood Way

The property located at 591 Birchwood Way, Turlock, California, is a single-family home with three (3) bedrooms and two (2) bathrooms and is currently occupied with an income-eligible tenant. It was acquired in February 2021 and rehabilitated in April 2021 with CDBG funds. Additional maintenance and repairs were completed on this property with Housing Successor Agency funds in December 2025. This unit will remain affordable housing for a minimum period of 30 years.

The property was appraised on June 24, 2025, by a certified appraiser for $410,000. Deed restrictions will ensure that the property remains designated as affordable housing for a minimum of 30 years. The property is proposed to have two (2) liens. The first lien will be in the form of a forgivable loan for $205,000.00, and a percentage of the loan will be forgiven each year for 30 years. The second lien will be a deferred equity share loan. In the event of a transfer of the property, $205,000.00, plus 50% of the amount by which the sales price exceeds the total purchase price of $410,000.00 will be due and payable to the City.

There were two (2) responses received for the property located at 573 Birchwood Way and two (2) responses received for the property located at 591 Birchwood. After reviewing the proposals, the loan committee recommended awarding the sale to Great Valley Housing Development Corporation (GVHDC).

Great Valley Housing Development Corporation is a nonprofit affordable housing organization based in Modesto, California. The corporation has over 25 years of experience developing and managing affordable housing throughout Stanislaus County. After reviewing the proposals, the loan committee determined that GVHCD demonstrated a stronger understanding of preparing financial budget projections and submitted a more thorough proposal, indicating extensive experience in providing affordable housing.

Based on the recommendations from the loan committee in response to the RFP, staff is recommending the sale of the two (2) properties located at 573 and 591 Birchwood Way to Great Valley Housing Development Corporation.

3. FISCAL IMPACT / BUDGET AMENDMENT:

No Fiscal Impact has been identified. In the future, if the properties are sold and the equity share is paid to the City, it will go back into the HOME, PLHA and CDBG funds as program income to be used for other qualifying housing programs.

4. ENVIRONMENTAL DETERMINATION:
573 Birchwood Way

The NEPA Environmental review concluded on February 28, 2023 that this project is categorically excluded and converts to exempt per 24 CFR 58.34(a)(12).

591 Birchwood Way

The NEPA Environmental review concluded on February 12, 2021 that this project is categorically exclude and converts to exempt per 24 CFR 58.34(a)(12).

5. ATTACHMENTS:

1. Draft Resolution 573 Birchwood
2. 1. Attachment B - Loan Documents - 573 Birchwood
3. Draft Resolution 591 Birchwood
4. 1. Attachment C -Loan Documents - 591 Birchwood

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF APPROVING THE PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS, LOAN AGREEMENT, REGULATORY AGREEMENT, PROMISSORY NOTE, DEED OF TRUST, AND GRANT DEED FOR THE SALE OF THE PROPERTY LOCATED 573 BIRCHWOOD WAY, TURLOCK, (APN 043-055-049), TO BE SOLD TO GREAT VALLEY HOUISNG DEVELOPMENT CORPORATION, A NON-PROFIT ORGANIZATION, IN THE AMOUNT OF $420,000 SUBJECT TO THE TERMS AND CONDITIONS AS OUTLINED IN ATTACHMENT B AND AUTHORIZE THE INTERIM CITY MANAGER TO SIGN ALL NECESSARY DOCUMENTS TO EFFECTUATE THE TRANSACTION.	}	**RESOLUTION NO. 2026-**

WHEREAS, the City of Turlock purchased the property at 573 Birchwood Way, Turlock, a single-family dwelling, in 2023 with Community Development Block Grant (CDBG) funds and HOME Investment Partnerships (HOME) funds and rehabilitated the property in 2025 with HOME and Permanent Local Housing Allocation (PLHA) funds for the purpose of implementing the goal of the Consolidated Plan and Annual Action Plan of creating affordable housing; and

WHEREAS, the City of Turlock put out a Request of Proposal (RFP) for the sale of 573 Birchwood Way, to be for affordable rental units to income eligible tenants; and

WHEREAS, Great Valley Housing Development Corporation submitted a RFP Proposal for the acquisition of 573 Birchwood Way; and

WHEREAS, the sale of 573 Birchwood Way will be granted to Great Valley Housing Development Corporation in the amount of $420,000.00; and

WHEREAS, the City will grant Great Valley Housing Development Corporation a first lien in the form of a forgivable loan of $395,000.00 to be forgiven by a percentage annually over the 55-year term and a second lien in the form of a deferred loan of $25,000 plus 50% of the amount by which the sales price exceeds the total purchase price of $420,000.00, and

WHEREAS, the City of Turlock has taken steps to provide affordable housing options throughout the community that will assist our nonprofit service providers in building capacity to enhance the affordable housing stock, including providers who can provide services and programs to help prevent and address homelessness in Turlock.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Turlock does hereby approve the purchase and sale agreement and joint escrow instructions, loan agreement, regulatory agreement, promissory note, deed of trust, and grant deed for the sale of the property located at 573 Birchwood Way, Turlock, (APN 043-055-049), to Great Valley , a nonprofit organization, in the amount of $420,000.00, subject to the terms and conditions as outlined in Attachment B and authorize the Interim City Manager to sign all necessary documents to effectuate the transaction

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 27th day of January, 2026, by the following vote:

AYES:
NOES:
NOT PARTICIPATING:
ABSENT:

ATTEST:

_____
Nichole Fiez, City Clerk,
City of Turlock, County of Stanislaus,
State of California

LOAN AGREEMENT

CDBG/HOME/PLHA Funds

Between

CITY OF TURLOCK

And

GREAT VALLEY HOUSING DEVELOPMENT CORPORATION

dated (January 27, 2026)

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LOAN AGREEMENT
573 Birchwood Way –CDBG, HOME and PLHA funds

This CDBG, PLHA and HOME Loan Agreement (the "Agreement") is dated January 27, 2026, and is between the CITY OF TURLOCK, a municipal corporation (the "City"), and GREAT VALLEY HOUSING DEVLEOPMENT CORPORATION, a California nonprofit public benefit corporation ("Borrower").

RECITALS

A. Defined terms used but not defined in these recitals are as defined in Article 1 of this Agreement.

B. The City acquired that certain property located at 573 Birchwood Way, City of Turlock, County of Stanislaus, State of California more particularly described in Exhibit A (the "Property") with Home Investment Partnership Program ("HOME Funds") and Community Development Block Grant ("CDBG Funds") from the United States Department of Housing and Urban Development ("HUD") created under the National Affordable Housing Act of1990 (NAFA), as amended. Such funds must be used by the City in accordance with 24 CFR 92 et seq. and 24 CFR 570 et seq.

C. The City has received Permanent Local Housing Allocation ("PLHA") funds from the California Department of Housing and Community Development ("HCD"), which will be used along with additional HOME Funds to rehabilitate the Property.

D. Borrower intends to acquire the Property pursuant to a Purchase and Sale Agreement and Joint Escrow instructions between City and Borrower dated substantially concurrently herewith ("Purchase Agreement") for Four Hundred Twenty Thousand Dollars ($420,000) ("Purchase Price").

E. The Property is the site of a residential building that contains a single-family residential home. The building and all other improvements to the Property, including all landscaping, roads and parking spaces, are referred to herein as the "Improvements", or as the "Development." Borrower intends to acquire the Development and rent the Development to families or persons with household incomes at or below eighty percent (80%) of the median income for Stanislaus County, as defined by HUD.

F. Borrower desires to borrow the Purchase Price from the City and the City desires to lend the Purchase Price to Borrower in accordance with the terms of this Loan Agreement. The loan shall consist of two components, Twenty-Five Thousand Dollars ($25,000.00) in PLHA Funds (the "PLHA Loan") and Three Hundred Ninety-Five Thousand Dollars ($395,00000) in HOME Funds (the "HOME Loan") (collectively, the "Loans"). The Development will assist in maintaining the supply of affordable rental housing in the City of Turlock.

G. The Loans will be (i) evidenced by the Notes, (ii) conditioned on the parties entering into the Regulatory Agreement, and (iii) secured by separate Deeds of Trust for each of the Notes.

H. Due to the assistance provided to Borrower through the Loans, the City is classifying the single-family residence on the Property as an assisted unit ("City Assisted Unit").

I. The City has concluded that actions contemplated by this Agreement are exempt from the California Environmental Quality Act (Public Resources Code Sections 21000 et seq.) ("CEQA").

J. In accordance with the National Environmental Policy Act of 1969, as amended (42 U.S.C. 4321-4347) ("NEPA"), the City has completed and approved all applicable environmental review for the activities proposed to be undertaken under this Agreement.

The parties therefore agree as follows:

AGREEMENT

ARTICLE 1
DEFINITIONS AND EXHIBITS

Section 1.1 Definitions.

The following terms have the following meanings:

(a) "Agreement" means this CDBG/PLHA/ HOME Loan Agreement.

(b) "Borrower" has the meaning set forth in the first paragraph of this Agreement.

(c) "CDBG Funds" has the meaning set forth in Paragraph B of the Recitals.

(d) "CEQA" has the meaning set forth in Paragraph I of the Recitals.

(e) "City" means the City of Turlock, a municipal corporation.

(f) "City-Assisted Unit" has the meaning set forth in Paragraph H of the Recitals.

(g) "Deeds of Trust" means the Deeds of Trust with Assignment of Rents, Security Agreement, and Fixture Filing of even date herewith among Borrower, as Trustor, Old Republic Title Company, as trustee, and the City, as beneficiary, that will encumber the Property to secure repayment of the Loans and performance of the covenants of the Loan Documents.

(h) "Default Rate" means the lesser of the maximum rate permitted by law and ten percent (10%) per annum.

(i) "Development" has the meaning set forth in Paragraph E of the Recitals.

(j) "Event of Default" has the meaning set forth in Section 5.1.

(k) "Hazardous Materials" has the meaning set forth in Section 3.5.

(l) "Hazardous Materials Claims" has the meaning set forth in Section 3.5.

(m) "Hazardous Materials Law" has the meaning set forth in Section 3.5.

(n) "HOME Funds" has the meaning set forth in Paragraph B of the Recitals.

(o) "HUD" has the meaning set forth in Paragraph B of the Recitals.

(p) "Improvements" has the meaning set forth in Paragraph E of the Recitals.

(q) "Loans" has the meaning set forth in Paragraph F of the Recitals.

(r) "Loan Documents" means this Agreement, the Notes, the Regulatory Agreement, and the Deeds of Trust.

(s) "NEPA" has the meaning set forth in Paragraph J of the Recitals.

(t) "Notes" means the (i) PLHA Promissory Note of even date herewith that evidences Borrower's obligation to repay the PLHA Funds in the amount of Twenty-Five Thousand Dollars ($25,000) and ((ii) the HOME Promissory Note of even date herewith that evidences the Borrower's obligation to repay the HOME Funds and CDBG Funds in the amount of Three Hundred Ninety-Five Thousand Dollars ($395,000).

(u) "PLHA Funds" has the meaning set forth in Paragraph C of the Recitals.

(v) "Property" has the meaning set forth in Paragraph B of the Recitals.

(w) "Regulatory Agreement" means the Regulatory Agreement and Declarations of Restrictive Covenants, between the City and Borrower related to the Loan, to be recorded against the Property.

(x) "Tenant" means the tenant household that occupies the unit in the Development.

(y) "Term" means the period of time that commences on the date of this Agreement, and expires, unless sooner terminated in accordance with this Agreement, on the fifty-fifth (55^{th}) anniversary of the date of this Agreement.

(z) "Transfer" has the meaning set forth in Section 3.11 below.

ARTICLE 2 LOAN PROVISIONS

Section 2.1 Loan.

Upon acquisition of the Property by the Borrower, the City shall lend to Borrower the Loans for the purposes set forth in Section 2.3 of this Agreement. Borrower's obligation to repay the Loans is evidenced by the Notes.

Section 2.2 Interest.

(a) Subject to the provisions of Subsection (b) below, interest will not accrue on the outstanding principal balance of the Loan.

(b) Upon the occurrence of an Event of a Default, interest on the Loan will begin to accrue, beginning on the date of such occurrence and continuing until the date the Loan is repaid in full or the Event of Default is cured, at the Default Rate.

Section 2.3 Use of Loan Funds.

The Loan is purchase money financing for the Borrower's acquisition of the Development. The Loan funds shall be used in accordance with the HOME Regulations, the CDBG Regulations, and the PLHA Guidelines and the PLHA Program Requirements.

Section 2.4 Security.

The Loans will be secured by the Deeds of Trust which shall be recorded against the Property upon Borrower's acquisition of the Property. Borrower shall also cause or permit the Regulatory Agreement to be recorded against the Property upon its acquisition of the Property, all as described in the Purchase Agreement.

Section 2.5 Subordination.

The Deeds of Trust and the Regulatory Agreement shall not be subordinated to any other financing or encumbrances on the Property.

Section 2.6 Repayment Schedule.

(a) Annual Payments. Payments on the Loans shall be due as set forth below.

(b) Payment in Full. No payments shall be due on the Loan except as set forth below.

(i) PLHA Loan. In the event of a Transfer of the Property or an Event of Default, the full amount of the PLHA Loan, plus the City Appreciation Share, as defined below, will be due and payable to the City ("Repayment Amount"). For purposes of this Agreement, the City Appreciation Share shall mean fifty percent (50%) of the amount by which the sales price for the Property received by the Borrower upon Transfer exceeds the Purchase Price.

(ii) HOME Loan. One-Fifty-Fifth ($1/55^{th}$) of the HOME Loan principal amount shall be forgiven each year on the anniversary date of the HOME Note, provided, if an Event of Default occurs or Borrower Transfers the Property the outstanding principal balance of the Loan evidenced by the HOME Loan Note at the time of the Transfer or Event of Default as well as Default Interest accruing as of the date of the Transfer or the Event of Default shall be immediately due and payable as set forth in the HOME Note.

(iii) The principal balance and any interest on the Notes shall be due in full in an Event of Default.

(c) Prepayment. Borrower may prepay the Loan at any time without premium or penalty. However, the Regulatory Agreement and the Deeds of Trust will remain in effect for the entire Term, regardless of any prepayment or Transfer.

Section 2.7 Reports.

On or before December of each calendar year, Borrower shall furnish to the City:

(i) Income eligibility of tenants;

(ii) Rent limits calculation sheet;

(iii) All HUD required tenant documents; and

(iv) Any other documents or information that may be required by the City, HUD or HCD.

Section 2.8 Non-Recourse.

Except as provided below, Borrower will not have any direct or indirect personal liability for payment of the principal of, and interest on, the Loan. Following recordation of the Deeds of Trust, the sole recourse of the City with respect to the principal of, or interest on, the Notes will be to the property described in the Deeds of Trust; provided, however, that nothing contained in the foregoing limitation of liability limits or impairs the enforcement of all the rights and remedies of the City against all such security for the Notes, or impairs the right of City to assert the unpaid principal amount of the Notes as demand for money within the meaning and intendment of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto. The foregoing limitation of liability is intended to apply only to the obligation to repay the principal and interest on the Notes. Except as hereafter set forth; nothing contained herein is intended to relieve Borrower of its obligation to indemnify the City under Sections 3.4, and 6.4 of this Agreement, or liability for (i) loss or damage of any kind resulting from waste, fraud or willful misrepresentation; (ii) the failure to pay taxes, assessments or other charges which may create liens on the Property that are payable or applicable prior to any foreclosure under the Deeds of Trust (to the full extent of such taxes, assessments or other charges); (iii) the fair market value of any personal property or fixtures removed or disposed of by Borrower other than in accordance with the Deeds of Trust; and (iv) the misappropriation of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Property.

ARTICLE 3 LOAN REQUIREMENTS

Section 3.1 Information.

Borrower shall provide any information reasonably requested by the City in connection with the Development, including (but not limited to) any information required by HUD and/or HCD in connection with Borrower's use of the Loan funds and the Property.

Section 3.2 Records.

(a) Borrower shall keep and maintain at the principal place of business of the Borrower set forth in Section 6.8 below, or elsewhere with the City's written consent, full, complete and appropriate books, records and accounts relating to the Borrower's compliance with the terms, provisions, covenants and conditions of this Agreement. The Borrower shall provide the City with such information as is required by the City to comply with the City's reporting requirements regarding PLHA Funds. All such books, records, and accounts are to be open to and available for inspection and copying by HUD, HCD, the City, its auditors or other authorized representatives at reasonable intervals during normal business hours. Copies of all tax returns and other reports that Borrower may be required to furnish to any governmental agency are to be open for inspection by the City, HCD, and HUD at all reasonable times at the place that the books, records and accounts of Borrower are kept. Borrower shall preserve such records for a period of not less than five (5) years after the repayment of the Loans and all such records will be maintained in compliance with all HUD records and accounting requirements. If any litigation, claim, negotiation, audit exception, monitoring, inspection or other action relating to the use of the Loans is pending at the end of the record retention period stated herein, then Borrower shall retain the records until such action and all related issues are resolved. The records are to include all invoices, receipts, and other documents related to expenditures from the Loan funds. Borrower shall cause records to be accurate and current and in such a form as to allow the City to comply with the record keeping requirements contained in 24 C.F.R. 570.506, 24 C.F.R. 92.508 and the PLHA Guidelines and Program Requirements. Such records are to include but are not limited to:

(i) Records demonstrating the eligibility of activities under CDBG regulations set forth in 24 CFR 570 et seq. and meets one of the national objectives of the CDBG program set forth in 24 CFR 570.208;

(ii) Records demonstrating the eligibility of activities under HOME regulations set forth in 24 CFR 92 et seq.;

(iii) Records demonstrating compliance with the HUD property standards and lead-based paint requirements;

(iv) Records documenting compliance with the fair housing, equal opportunity, and affirmative fair marketing requirements;

(v) Financial records as required by24 C.F.R. 92.508 and, OMB Circular A-110 (24 C.F.R. Part 84);

(vi) Records demonstrating compliance with local hiring and MBE/WBE requirements;

(vii) Records demonstrating compliance with the Regulatory Agreement;

(viii) Records demonstrating compliance with applicable acquisition and relocation requirements, which must be retained for at least five (5) years after the date by which persons displaced from the property have received final payments;

(ix) Records demonstrating compliance with labor requirements including certified payrolls from Borrower's general contractor evidencing that applicable prevailing wages have been paid.

(b) The City shall notify Borrower of any records it deems insufficient. Borrower has fifteen (15) calendar days after the receipt of such a notice to correct any deficiency in the records specified by the City in such notice, or if a period longer than fifteen (15) days is reasonably necessary to correct the deficiency, then Borrower must begin to correct the deficiency within fifteen (15) days and correct the deficiency as soon as reasonably possible.

Section 3.3 City and/or HUD Audits.

(a) Each year, Borrower shall provide the City and HUD with a copy of Borrower's annual audit, which is to include information on all of Borrower's activities and not just those pertaining to the Development. Borrower shall also follow audit requirements of the Single Audit Act and OMB Circulars A-122 and 110.

(b) In addition, the City and HUD may, at any time, audit all of Borrower's books, records, and accounts pertaining to the Development. Any such audit is to be conducted during normal business hours at the principal place of business of Borrower and wherever records are kept. Immediately after the completion of an audit, the City shall deliver a copy of the results of the audit to Borrower.

Section 3.4 Hazardous Materials.

(a) Borrower shall keep and maintain the Property in compliance with, and may not cause or permit the Property to be in violation of any federal, state or local laws, ordinances or regulations relating to industrial hygiene or to the environmental conditions on, under or about the Property including, but not limited to, soil and ground water conditions. Borrower may not use, generate, manufacture, store or dispose of on, under, or about the Property or transport to or from the Property any flammable explosives, radioactive materials, hazardous wastes, toxic substances or related materials, including without limitation, any substances defined as or included in the definition of "hazardous substances," hazardous wastes," "hazardous materials," or "toxic substances" under any applicable federal or state laws or regulations (collectively referred to hereinafter as "Hazardous Materials") except such of the foregoing as may be customarily used in construction of projects like the Development or kept and used in and about residential property of this type.

(b) Borrower shall immediately advise the City in writing if at any time it receives written notice of (i) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened against Borrower or the Property pursuant to any applicable federal, state or local laws, ordinances, or regulations relating to any Hazardous Materials, ("Hazardous Materials Law"), (ii) all claims made or threatened by any third party against Borrower or the Property relating to damage, contribution, cost

recovery compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in clauses (i) and (ii) above are hereinafter referred to as "Hazardous Materials Claims"), and (iii) Borrower's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause the Property or any part thereof to be subject to any restrictions on the ownership, occupancy, transferability or use of the Property under any Hazardous Materials Law.

(c) The City has the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and to have its reasonable attorneys' fees in connection therewith paid by Borrower. Borrower shall indemnify and hold harmless the City and its council members, directors, officers, employees, agents, successors and assigns from and against any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence of Hazardous Materials on, under, or about the Property including without limitation: (i) all foreseeable consequential damages, (ii) the costs of any required or necessary repair, cleanup or detoxification of the Property and the preparation and implementation of any closure, remedial or other required plans, and (iii) all reasonable costs and expenses incurred by the City in connection with clauses (i) and (ii), including but not limited to reasonable attorneys' fees and consultant's fees. This indemnification applies whether or not any government agency has issued a cleanup order. Losses, claims, costs, suits, liability, and expenses covered by this indemnification provision include, but are not limited to: (1) losses attributable to diminution in the value of the Property, (2) loss or restriction of use of rentable space on the Property, (3) adverse effect on the marketing of any rental space on the Property, and (4) penalties and fines levied by, and remedial or enforcement actions of any kind issued by any regulatory agency (including but not limited to the costs of any required testing, remediation, repair, removal, cleanup or detoxification of the Property and surrounding properties). This obligation to indemnify will survive termination of this Agreement.

(d) Without the City's prior written consent, which will not be unreasonably withheld, Borrower may not take any remedial action in response to the presence of any Hazardous Materials on, under or about the Property, nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Material Claims, which remedial action, settlement, consent decree or compromise might, in the City's judgment, impair the value of the City 's security hereunder; provided, however, that the City's prior consent is not necessary in the event that the presence of Hazardous Materials on, under, or about the Property either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not reasonably possible to obtain the City's consent before taking such action, provided that in such event Borrower shall notify the City as soon as practicable of any action so taken. The City agrees not to withhold its consent, where such consent is required hereunder, if (i) a particular remedial action is ordered by a court of competent jurisdiction, (ii) Borrower will or may be subjected to civil or criminal sanctions or penalties if it fails to take a required action, (iii) Borrower establishes to the satisfaction of the City that there is no reasonable alternative to such remedial action which would result in less impairment of the City's security hereunder, or (iv) the action has been agreed to by the City.

(e) Borrower hereby acknowledges and agrees that (i) this Section is intended as the City's written request for information (and Borrower's response) concerning the environmental condition of the Property as required by California Code of Civil Procedure Section 726.5, and (ii) each representation and warranty in this Agreement (together with any indemnity obligation applicable to a breach of any such representation and warranty) with respect to the environmental condition of the Property is intended by the Parties to be an "environmental provision" for purposes of California Code of Civil Procedure Section 736.

(f) In the event that any portion of the Property is determined to be "environmentally impaired" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(3)) or to be an "affected parcel" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(1)), then, without otherwise limiting or in any way affecting the City's or the trustee's rights and remedies under the Deeds of Trust, the City may elect to exercise its rights under California Code of Civil Procedure Section 726.5(a) to (i) waive its lien on such environmentally impaired or affected portion of the Property and (ii) exercise (1) the rights and remedies of an unsecured creditor, including reduction of its claim against Borrower to judgment, and (2) any other rights and remedies permitted by law. For purposes of determining the City's right to proceed as an unsecured creditor under California Code of Civil Procedure Section 726.5(a), Borrower will be deemed to have will fully permitted or acquiesced in a release or threatened release of Hazardous Materials, within the meaning of California Code of Civil Procedure Section 726.5(d)(1), if the release or threatened release of Hazardous Materials was knowingly or negligently caused or contributed to by any lessee, occupant, or user of any portion of the Property and Borrower knew or should have known of the activity by such lessee, occupant, or user which caused or contributed to the release or threatened release. All costs and expenses, including (but not limited to) attorneys' fees, incurred by the City in connection with any action commenced under this paragraph, including any action required by California Code of Civil Procedure Section 726.5(b) to determine the degree to which the Property is environmentally impaired, plus interest thereon at the lesser of ten percent (10%) and the maximum rate permitted by law, until paid, will be added to the indebtedness secured by the Deeds of Trust and is due and payable to the City upon its demand made at any time following the conclusion of such action.

Section 3.5 Maintenance and Damage.

(a) During the course of operation of the Development, Borrower shall maintain the Development and the Property in good repair and in a neat, clean and orderly condition. If there arises a condition in contravention of this requirement, and if Borrower has not cured such condition within thirty (30) days after receiving a City notice of such a condition, then in addition to any other rights available to the City, the City may perform all acts necessary to cure such condition, and to establish or enforce a lien or other encumbrance against the Property, subject to the provisions provided in subsection (b) below.

(b) If economically feasible in the City's judgment after consultation with Borrower, if any improvement now or in the future on the Property is damaged or destroyed, then Borrower shall, at its cost and expense, diligently undertake to repair or restore such improvement consistent with the plans and specifications approved by the City with such changes as have been approved by the City. Such work or repair is to be commenced no later

than the later of one hundred twenty (120) days, or such longer period approved by the City in writing, after the damage or loss occurs or thirty (30) days following receipt of the insurance proceeds, and is to be complete within one (1) year thereafter. Any insurance proceeds collected for such damage or destruction are to be applied to the cost of such repairs or restoration and, if such insurance proceeds are insufficient for such purpose, then Borrower shall make up the deficiency. If Borrower does not promptly make such repairs, then any insurance proceeds collected for such damage or destruction are to be promptly delivered by Borrower to the City as a special pro-rata repayment of the loans.

Section 3.6 Fees and Taxes.

Borrower is solely responsible for payment of all fees, assessments, taxes, charges, and levies imposed by any public authority or utility company with respect to the Property or the Development, and shall pay such charges prior to delinquency. However, Borrower is not required to pay and discharge any such charge so long as (i) the legality thereof is being contested diligently and in good faith and by appropriate proceedings, and (ii) if requested by the City, Borrower deposits with the City any funds or other forms of assurance that the City in good faith from time to time determines appropriate to protect the City from the consequences of the contest being unsuccessful.

Section 3.7 Notice of Litigation.

Borrower shall promptly notify the City in writing of any litigation that has the potential to materially affect Borrower or the Property and of any claims or disputes that involve a material risk of such litigation.

Section 3.8 Operation of Development as Affordable Housing.

(a) Borrower shall operate the Development as an affordable housing development consistent with (i) HUD's requirements for use of the HOME Funds, (ii) HUD's requirements for the use of the CDBG Funds; (iii) HCD's requirements for use of the PLHA Funds; (iv) the Regulatory Agreement, and (iv) any other regulatory requirements imposed on Borrower.

(b) Before leasing any unit in the Development, Borrower shall submit its proposed form of lease agreement for the City's review and approval. The form of lease must at a minimum, comply with the Regulatory Agreement.

(c) Before leasing any unit in the Development, Borrower shall provide the City, for its review and approval, with Borrower's written tenant selection plan pursuant to the Regulatory Agreement.

(d) Borrower shall evaluate the income eligibility of each Tenant household in City-Assisted Unit pursuant to the City's approved Tenant certification procedures set forth in the Regulatory Agreement.

(e) Borrower shall maintain all documents setting forth the household income of each household occupying a City Assisted Unit, and the total amount for rent, utilities, and related

services charged to each household occupying the Development, as prescribed by the Regulatory Agreement.

Section 3.9 Nondiscrimination.

Borrower covenants by and for itself and its successors and assigns that, there will be no discrimination against or segregation of a person or of a group of persons on account of race, color, religion, creed, age (except for lawful senior housing in accordance with state and federal law), familial status, disability, sex, sexual orientation, marital status, ancestry, veteran status, or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor may Borrower or any person claiming under or through Borrower establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Property. The foregoing covenant will run with the land.

Section 3.10 Transfer.

(a) For purposes of this Agreement, "Transfer" means any sale, assignment, or transfer, whether voluntary or involuntary, of (i) any rights and/or duties under this Agreement, and/or (ii) any interest in the Development, including (but not limited to) a fee simple interest, a joint tenancy interest, a life estate, a partnership interest, a leasehold interest, a security interest, or an interest evidenced by a land contract by which possession of the Development is transferred and Borrower retains title. The term "Transfer" excludes the leasing of any single unit in the Development to an occupant in compliance with the Regulatory Agreement.

(b) No Transfer is permitted without the prior written consent of the City, which the City may withhold in its sole discretion. The Loans will automatically accelerate and all outstanding principal shall be due in full upon any Transfer made without the prior written consent of the City along with the City Appreciation Share and any interest due on such amounts.

Section 3.11 Insurance Requirements.

(a) Borrower shall maintain Commercial General Liability insurance with limits not less than Two Million Dollars ($2,000,000) each occurrence combined single limit for Bodily Injury and Property Damage, including coverages for Contractual Liability, Personal Injury, Broadform Property Damage, Products and Completed Operations.

(b) Borrower shall cause any general contractor, agent, or subcontractor working on the Development under direct contract with Borrower or subcontract to maintain insurance of the types and in at least the minimum amounts described above, except that the limit of liability for comprehensive general liability insurance for subcontractors must be One Million Dollars ($2,000,000), and must require that such insurance will meet all of the general requirements of subsections (d) and (e) below.

(c) The required insurance must be provided under an occurrence form, and Borrower shall maintain the coverage described in subsections (a) continuously throughout the Term.

Should any of the required insurance be provided under a form of coverage that includes an annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit must be three times the occurrence limits specified above.

(d) Comprehensive General Liability, Comprehensive Automobile Liability and Property insurance policies must be endorsed to name as an additional insured the City and its officers, agents, employees and members of the Turlock City Council.

(e) All policies and bonds are to contain (i) the agreement of the insurer to give the City at least thirty (30) days' notice prior to cancellation (including, without limitation, for non-payment of premium) or any material change in said policies; (ii) an agreement that such policies are primary and non-contributing with any insurance that may be carried by the City; (iii) a provision that no act or omission of Borrower shall affect or limit the obligation of the insurance carrier to pay the amount of any loss sustained; and (iv) a waiver by the insurer of all rights of subrogation against the City and its authorized parties in connection with any loss or damage thereby insured against.

Section 3.12 Anti-Lobbying Certification.

Borrower certifies, to the best of Borrower's knowledge or belief, that:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of it, 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 the awarding of any Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

This certification is a material representation of fact upon which reliance was placed when this Agreement was made or entered into. Submission of this certification is a prerequisite for making or entering into this Agreement imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than Ten Thousand Dollars ($10,000) and no more than One Hundred Thousand Dollars ($100,000) for such failure.

Section 3.13 Compliance with Applicable Laws.

Borrower shall comply with all ordinances, resolutions, statutes, rules and regulations of City and any federal, state or local governmental agency having jurisdiction at the time service is

rendered. This Agreement is subject to and incorporates the terms of Federal Home Investment Partnership Act (Pub. L. 93-383), as amended and the Federal Housing and Community Development Act of 1974 (Pub. L. 93-383), as amended (collectively the "Act"), and the regulations promulgated thereunder (24 CFR, Part 92 and 24 CFR Chapter V, Part 570) ("Regulations"), and all amendments or successor regulations or guidelines thereto. Without limiting the foregoing, Borrower shall comply with the following requirements and standards:

(a) OMB Circular No. A-122 "Cost Principles for Non-Profit Organizations";

(b) Attachments A, B, C, F, H, N (excluding paragraph 3 and except that paragraph 6 and 7 are modified so that [i] when any personal property is sold, the proceeds are program income, and;

(c) All federal laws and regulations described in Subpart K of the Regulations, including all affirmative action requirements set forth therein, but excluding City's environmental responsibilities under 24 CFR § 352 and 24 CFR §570.604 and City's responsibility for initiating the review process under 24 CFR Part 52;

(d) Borrower may not incur any indebtedness of any kind or encumber the Development with any liens without the prior written consent of the City.

Section 3.14 Licenses, Permits, Fees and Assessments. Borrower shall obtain and maintain all licenses, registrations, accreditations and inspections from all agencies governing its performance under this Agreement. Borrower shall insure that its staff shall obtain and maintain all required licenses, registrations, accreditations and inspections from all agencies governing Borrower's performance under this Agreement.

Section 3.15 Program Income. Borrower agrees that it shall not use funds received from City in any manner that will provide Borrower with program income as set forth in 24 CFR Part 92.503 and/or 24 CFR Part 570.504. If program income is generated, at the discretion of City, Borrower shall return all program income to City at the end of the Agreement term.

Section 3.16 Further Responsibilities of Parties. Both parties shall use reasonable care and diligence to perform their respective obligations under this Agreement. Both parties shall act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified, neither party shall be responsible for the obligations of the other.

Section 3.17 Special Requirements. Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Conditions" attached hereto as Exhibit A. In the event of a conflict between any provisions of this Agreement, the provisions of Exhibit A shall govern.

Section 3.18 HOME Requirements. Because the City acquired the Property with HOME Funds and a portion of the Loan is funded with Home Funds, Borrower is required to operate the Development in compliance with all requirements of the HOME Investment Partnerships Program and the HOME Regulations (24 C.F.R. §92 et seq.), including, but not limited to, those requirements set forth in this Section. In the event of any conflict between the

requirements of the HOME Investment Partnerships Program and the HOME Regulations, on the one hand, and the provisions set forth in this Agreement, the HOME Investment Partnerships Program and the HOME Regulations shall control. Application of more restrictive requirements than set forth in the HOME Investment Partnerships Program or HOME Regulations shall not be deemed a conflict. Not by way of limitation of the foregoing, in compliance with 24 C.F.R. § 92.504(c), from the date of this Agreement through the end of the Term, Developer shall comply with all of the following requirements:

(a) Affordability. The HOME-Assisted Units shall meet the affordability requirements of the HOME Regulations (24 C.F.R. §92.252) or the Regulatory Agreement, whichever is more restrictive. Failure of Borrower to meet the affordability requirements of the HOME Regulations for the for the required time period shall be a breach of the HOME Note and entitle City to accelerate the Loans and demand immediate repayment.

(b) Development Requirements. Borrower shall comply with all of the following: (i) Development requirements set forth in Sections 92.250-92.258 of the HOME Regulations, as applicable in accordance with the type of project assisted; (ii) the applicable provisions of this Agreement; and (iii) the Regulatory Agreement.

(c) Housing Quality Standard. Borrower shall maintain the Development in compliance with all of the following and in the event of conflict between the following, the most restrictive of the following: (i) applicable federal Housing Quality Standards; (ii) applicable local housing code requirements; (iii) the provisions of this Agreement; and (iv) the Regulatory Agreement.

(d) Records and Reports. In addition to the other provisions of this Agreement, Borrower shall provide to City all records and reports relating to the Development that may be reasonably requested by City in order to enable it to perform its record keeping and reporting obligations pursuant to the HOME Regulations, including but not limited to Section 92.508 and 92.509 of the HOME Regulations.

(e) Monitoring. Not less than once per year during the period covered by the Regulatory Agreement, City shall review Borrower's activities and operations under this Agreement and Borrower's compliance with the requirements of the HOME Program and the Regulations, including, but not limited to, Borrower's compliance with the requirements of this Section. Such review may include an on-site inspection of the Development (including unit interiors). If such an on-site inspection of the Development is to be undertaken, City shall coordinate such inspection with Borrower. The monitoring required pursuant to this paragraph shall be in compliance with the requirements of the HOME Regulations, including 24 C.F.R. § 92.504(e).

(f) Equal Opportunity and Fair Housing. Borrower agrees to comply with federal regulations, which state that no person shall be excluded from participating in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with HOME Funds based on race, color, national origin, religion, or sex. In addition, HOME Funds will be made available in accordance with the following:

(i) All applicable requirements under the Fair Housing Act.

(ii) All applicable requirements under the Equal Opportunity Act.

(iii) To the greatest extent feasible, all opportunities for training and employment arising in connection with the planning and carrying out of any project assisted with HOME Funds will be given to low-income persons residing within the City (but the foregoing shall not relieve Borrower of any similar requirements imposed by HOME Regulations or other applicable laws or regulations).

(iv) To the greatest extent feasible, contracts for work to be performed in connection with any such project be awarded to business concerns, including but not limited to individuals or firms doing business in the field of planning, consulting or design, architecture, building, rehab, construction, which are located in or owned by persons residing in the project areas.

(g) Affirmative Marketing Plan. In accordance with the HOME Regulations, Borrower will establish a plan and procedures to affirmatively market unit. The objective of the plan is to provide information and attract eligible persons from all racial, ethnic, and general groups in the housing market area to the available housing, subject to the Development's age restrictions in light of the development of the Development as an affordable rental housing project. The affirmative marketing plan includes the following components listed in 24 C.F.R. §921.351(b) which are as follows:

(i) Methods for informing eligible potential tenants about the Development.

(ii) Procedures to be used to inform and solicit rental applications from eligible potential tenants who are not likely to apply for the housing without special outreach.

(iii) Records that will be kept describing actions taken by Borrower pertaining to the affirmative marketing of unit and records to assess the results of those actions,

(iv) A description of how Borrower will assess the success of affirmative marketing actions and what corrective actions will be taken where affirmative marketing requirements are not met.

(h) Other Requirements with Which Participant Shall Be Required to Comply. Borrower shall comply with the following additional requirements applicable to HOME Funds:

(i) Consistent with the other goals and objectives of subpart H of 24 C.F.R. §92, Borrower must ensure that it has taken all reasonable steps to minimize the displacement of persons as a result of this Development assisted with HOME Funds.

(ii) It is understood that housing assisted with HOME Funds is subject to 24 C.F.R. part 35.

(iii) Participant shall hereby comply with all requirements set forth regarding conflict-of-interest provisions as they apply in 24 CFR Section 92.356.

(iv) Under the Flood Disaster Protection Act of 1973, HOME funds may not be used with respect to the acquisition or rehabilitation of a project located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless: (A) the community in which the area is situated is participating in the National Flood Insurance Program, or less than a year has passed since FEMA notification regarding such hazards; and (B) flood insurance is obtained in an area identified by FEMA as having special flood hazards; City is responsible for assuring that flood insurance under the National Flood Insurance Program is obtained and maintained, and Borrower hereby agrees to obtain and maintain such insurance, if applicable.

(v) Violence Against Women. Borrower shall comply with the requirements of the Violence Against Women Reauthorization Act of 2013 (Pub. L. 113–4, 127 Stat. 54) applicable to HUD-funded programs.

Section 3.19 PLHA Requirements. Borrower hereby agrees to comply with all requirements set forth by HCD in the Amended 2022 PLHA Formula Component Notice of Funding Availability, dated August 17, 2022 and as amended on October 18, 2022, the PLHA Final Guidelines, the UMRs, the Standard Agreement PLHA, and all applicable rules and regulations imposed by HCD on PLHA funding recipients.

The Borrower agrees that the Development is subject to Subchapter 19 of Title 25, Division 1, Chapter 7 of the Uniform Multifamily Regulations (commencing with Section 8300) and the Multifamily Housing Program Guidelines (commencing with Section 7300)(collectively, the "UMRs"), which such UMRs are incorporated by reference as amended in Section 402 of the PLHA Program Guidelines; and that the Development shall meet all City requirements and all applicable federal, state and local codes including, but not limited to, the prevailing wage requirements in accordance with Labor Code section 1720 *et. seq*., to the extent applicable.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF BORROWER

Section 4.1 Representations and Warranties.

Borrower hereby represents and warrants to the City as follows and acknowledges, understands, and agrees that the representations and warranties set forth in this Article 4 are deemed to be continuing during all times when any portion of the Loan remains outstanding:

(a) Organization. Borrower is duly organized, validly existing and in good standing under the laws of the State of California and has the power and authority to own its property and carry on its business as now being conducted.

(b) Authority of Borrower. Borrower has full power and authority to execute and deliver this Agreement and to make and accept the borrowings contemplated hereunder, to execute and deliver the Loan Documents and all other documents or instruments executed

and delivered, or to be executed and delivered, pursuant to this Agreement, and to perform and observe the terms and provisions of all of the above.

(c) Authority of Persons Executing Documents. This Agreement and the Loan Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement have been executed and delivered by persons who are duly authorized to execute and deliver the same for and on behalf of Borrower, and all actions required under Borrower's organizational documents and applicable governing law for the authorization, execution, delivery and performance of this Agreement and the Loan Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, have been duly taken.

(d) Valid Binding Agreements. The Loan Documents and all other documents or instruments executed and delivered pursuant to or in connection with this Agreement constitute or, if not yet executed or delivered, will when so executed and delivered, constitute legal, valid and binding obligations of Borrower enforceable against it in accordance with their respective terms.

(e) No Breach of Law or Agreement. Neither the execution nor delivery of the Loan Documents or of any other documents or instruments executed and delivered, or to be executed or delivered, pursuant to this Agreement, nor the performance of any provision, condition, covenant or other term hereof or thereof, will (i) conflict with or result in a breach of any statute, rule or regulation, or any judgment, decree or order of any court, board, commission or agency whatsoever that is binding on Borrower, or conflict with any provision of the organizational documents of Borrower, or conflict with any agreement to which Borrower is a party, or (ii) result in the creation or imposition of any lien upon any assets or property of Borrower, other than liens established pursuant hereto.

(f) Compliance with Laws; Consents and Approvals. The acquisition of the Development will comply with all applicable laws, ordinances, rules and regulations of federal, state and local governments and agencies and with all applicable directions, rules and regulations of the fire marshal, health officer, building inspector and other officers of any such government or agency.

(g) Pending Proceedings. Borrower is not in default under any law or regulation or under any order of any court, board, commission or agency whatsoever, and there are no claims, actions, suits or proceedings pending or, to the knowledge of Borrower, threatened against or affecting Borrower or the Development, at law or in equity, before or by any court, board, commission or agency whatsoever which might, if determined adversely to Borrower, materially affect Borrower's ability to repay the Loan or impair the security given to the City pursuant hereto.

(h) Financial Statements. The financial statements of Borrower and other financial data and information furnished by Borrower to the City fairly and accurately present the information contained therein. As of the date of this Agreement, there has not been any material adverse change in the financial condition of Borrower from that shown by such financial statements and other data and information.

(i) Sufficient Funds. Borrower holds sufficient funds and/or binding commitments for sufficient funds to complete any repairs of the Property. It is recommended that a minimum of 2% of the property value is to be held as reserves at all times.

(j) Taxes. Borrower and its subsidiaries have filed all federal and other material tax returns and reports required to be filed, and have paid all federal and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their income or the Property otherwise due and payable, except those that are being contested in good faith by appropriate proceedings and for which adequate reserves have been provided in accordance with generally accepted accounting principles. There is no proposed tax assessment against Borrower or any of its subsidiaries that could, if made, be reasonably expected to have a material adverse effect on the property, liabilities (actual or contingent), operations, condition (financial or otherwise) or prospects of Borrower and its subsidiaries, taken as a whole, or which could result in (i) a material impairment of the ability of Borrower to perform under any loan document to which it is a party, or (ii) a material adverse effect upon the legality, validity, binding effect or enforceability against Borrower of any Loan Document.

ARTICLE 5 DEFAULT AND REMEDIES

Section 5.1 Events of Default.

Each of the following constitutes an "Event of Default" by Borrower under this Agreement:

(a) Failure to Make Payment. Failure to make any payment when such payment is due pursuant to the Loan Documents.

(b) Breach of Covenants. Failure by Borrower to duly perform, comply with, or observe any of the conditions, terms, or covenants of any of the Loan Documents or the Project Agreement (other than obligations described in subsections (a) and (b) above), and Borrower fails to cure such default within thirty (30) days after receipt of written notice thereof from the City to Borrower; provided, however, that if a different period or notice requirement is specified under any other section of this Article 5, the specific provisions shall control.

(c) Default Under Other Loans. A default is declared under any other financing for the Development by the lender of such financing and such default remains uncured following any applicable notice and cure period.

(d) Insolvency. A court having jurisdiction makes or enters any decree or order (i) adjudging Borrower to be bankrupt or insolvent, (ii) approving as properly filed a petition seeking reorganization of Borrower, or seeking any arrangement for Borrower under the bankruptcy law or any other applicable debtor's relief law or statute of the United States or any state or other jurisdiction, (iii) appointing a receiver, trustee, liquidator, or assignee of Borrower in bankruptcy or insolvency or for any of their properties, (iv) directing the winding up or liquidation of Borrower if any such decree or order described in clauses (i) to (iv), inclusive, is unstayed or undischarged for a period of ninety (90) calendar days; or (v)

Borrower admits in writing its inability to pay its debts as they fall due or will have voluntarily submitted to or filed a petition seeking any decree or order of the nature described in clauses (i) to (iv), inclusive. The occurrence of any of the Events of Default in this paragraph will act to accelerate automatically, without the need for any action by the City, the indebtedness evidenced by the Notes.

(e) Assignment; Attachment. Borrower assigns its assets for the benefit of its creditors or suffers a sequestration or attachment of or execution on any substantial part of its property, unless the property so assigned, sequestered, attached or executed upon is returned or released within ninety (90) calendar days after such event or, if sooner, prior to sale pursuant to such sequestration, attachment, or execution. The occurrence of any of the events of default in this paragraph shall act to accelerate automatically, without the need for any action by the City, the indebtedness evidenced by the Notes.

(f) Suspension; Termination. Borrower voluntarily suspends its business or, the partnership is dissolved or terminated, other than a technical termination of the partnership for tax purposes.

(g) Liens on Property and the Development. Any claim of lien (other than liens approved in writing by the City) is filed against the Development or any part thereof, or any interest or right made appurtenant thereto, or the service of any notice to withhold proceeds of the Loan and the continued maintenance of said claim of lien or notice to withhold for a period of twenty (20) days, without discharge or satisfaction thereof or provision therefor (including, without limitation, the posting of bonds) satisfactory to the City.

(h) Condemnation. The condemnation, seizure, or appropriation of all or the substantial part of the Property and the Development.

(i) Unauthorized Transfer. Any Transfer other than as permitted pursuant to Section 3.10.

(j) Representation or Warranty Incorrect. Any Borrower representation or warranty contained in this Agreement, or in any application, financial statement, certificate, or report submitted to the City in connection with any of the Loan Documents, proves to have been incorrect in any material respect when made.

Section 5.2 Remedies.

Upon the occurrence of an Event of Default and until such Event of Default is cured or waived, the City is relieved of any obligation to disburse any portion of the Loan. In addition, upon the occurrence of an Event of Default and following the expiration of all applicable notice and cure periods the City may proceed with any and all remedies available to it under law, this Agreement, and the other Loan Documents. Such remedies include but are not limited to the following:

(a) Acceleration of Notes. The City may demand repayment of all indebtedness of Borrower to the City under this Agreement and the Notes. Borrower waives all right to presentment, demand, protest or notice of protest or dishonor. The City may proceed to

enforce payment of the indebtedness and to exercise any or all rights afforded to the City as a creditor and secured party under the law, including the Uniform Commercial Code, including foreclosure under one or both the Deeds of Trust. Borrower is liable to pay the City on demand all reasonable expenses, costs and fees (including, without limitation, reasonable attorney's fees and expenses) paid or incurred by the City in connection with the collection of the Loan and any such foreclosure the preservation, maintenance, protection, sale, or other disposition of the security given for the Loan.

(b) Specific Performance. The City has the right to mandamus or other suit, action or proceeding at law or in equity to require Borrower to perform its obligations and covenants under the Loan Documents or to enjoin acts on things that may be unlawful or in violation of the provisions of the Loan Documents.

(c) Right to Cure at Borrower's Expense. The City has the right (but not the obligation) to cure any monetary default by Borrower under a loan other than the Loans. Upon demand therefore, Borrower shall reimburse the City for any funds advanced by the City to cure such monetary default, together with interest from the date of expenditure until the date of reimbursement at the Default Rate.

Section 5.3 Right of Contest.

Borrower may contest in good faith any claim, demand, levy, or assessment the assertion of which would constitute an Event of Default hereunder. Any such contest is to be prosecuted diligently and, in a manner, unprejudicial to the City or the rights of the City hereunder.

Section 5.4 Remedies Cumulative.

No right, power, or remedy given to the City by the terms of this Agreement or the other Loan Documents is intended to be exclusive of any other right, power, or remedy; and each and every such right, power, or remedy is cumulative and in addition to every other right, power, or remedy given to the City by the terms of any such instrument, or by any statute or otherwise against Borrower and any other person. Neither the failure nor any delay on the part of the City to exercise any such rights and remedies will operate as a waiver thereof, nor does any single or partial exercise by the City of any such right or remedy preclude any other or further exercise of such right or remedy, or any other right or remedy.

ARTICLE 6 GENERAL PROVISIONS

Section 6.1 Relationship of Parties.

Nothing contained in this Agreement is to be interpreted or understood by any of the Parties, or by any third persons, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between the City and Borrower or its agents, employees or contractors, and Borrower will at all times be deemed an independent contractor and to be wholly responsible for the manner in which it or its agents, or both, perform the services required of it by the terms of this Agreement. Borrower has and retains the right to exercise full control of employment, direction, compensation, and discharge of all persons assisting in the performance of services under the Agreement. In regards to the operation of the

Development, Borrower is solely responsible for all matters relating to payment of its employees, including compliance with Social Security, withholding, and all other laws and regulations governing such matters, and must include requirements in each contract that contractors are solely responsible for similar matters relating to their employees. Borrower is solely responsible for its own acts and those of its agents and employees.

Section 6.2 No Claims.

Nothing contained in this Agreement creates or justifies any claim against the City by any person that Borrower may have employed or with whom Borrower may have contracted relative to the purchase of materials, supplies or equipment, or the furnishing or the performance of any work or services with respect to the purchase of the Property, the operation of the Development, and Borrower shall include similar requirements in any contracts entered into for the operation of the Development.

Section 6.3 Amendments.

No alteration or variation of the terms of this Agreement is valid unless made in writing by the Parties. The City Housing Manager is authorized to execute on behalf of the City amendments to the Loan Documents or amended and restated Loan Documents as long as any discretionary change in the amount or terms of this Agreement is approved by the City Council.

Section 6.4 Indemnification.

Borrower shall indemnify, defend and hold the City and its board members, supervisors, directors, officers, employees, agents, successors and assigns harmless against any and all claims, suits, actions, losses and liability of every kind, nature and description made against it and expenses (including reasonable attorneys' fees) which arise out of or in connection with this Agreement, including but not limited to the purchase of the Property, and the development, construction, marketing and operation of the Development, except to the extent such claim arises from the grossly negligent or willful misconduct of the City, its agents, and its employees. The provisions of this Section will survive the expiration of the Term and the reconveyance of the Deeds of Trust.

Section 6.5 Non-Liability of City Officials, Employees and Agents.

No member, official, employee or agent of the City is personally liable to Borrower in the event of any default or breach of this Agreement by the City or for any amount that may become due from the City pursuant to this Agreement.

Section 6.6 No Third-Party Beneficiaries.

There are no third-party beneficiaries to this Agreement.

Section 6.7 Conflict of Interest.

(a) Except for approved eligible administrative or personnel costs, no person described in Section 6.7(b) below who exercises or has exercised any functions or

responsibilities with respect to the activities funded pursuant to this Agreement or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during, or at any time after, such person's tenure. Borrower shall exercise due diligence to ensure that the prohibition in this Section 6.7(a) is followed.

(b) The conflict-of-interest provisions of Section 6.7(a) above apply to any person who is an employee, agent, consultant, officer, or any immediate family member of such person, or any elected or appointed official of the City, or any person related within the third (3rd) degree of such person.

(c) In accordance with California Government Code Section 1090 and the Political Reform Act, California Government Code section 87100 et seq., no person who is a director, officer, partner, trustee or employee or consultant of Borrower, or immediate family member of any of the preceding, may make or participate in a decision, made by the City or a City board, commission or committee, if it is reasonably foreseeable that the decision will have a material effect on any source of income, investment or interest in real property of that person or Borrower. Interpretation of this section is governed by the definitions and provisions used in the Political Reform Act, California Government Code Section 87100 et seq., its implementing regulations manual and codes, and California Government Code Section 1090.

(d) Borrower shall comply with the conflict-of-interest provisions set forth in 24 C.F.R. 570.611.

Section 6.8 Notices, Demands and Communications.

All notices required or permitted by any provision of this Agreement must be in writing and sent by registered or certified mail, postage prepaid, return receipt requested, or delivered by express delivery service, return receipt requested, or delivered personally, to the principal office of the Parties as follows:

City: City of Turlock
Housing Program Services Division
156 South Broadway, Suite 140
Turlock, CA 95380
Attention: City Manager

Borrower: Great Valley Housing Development Corporation
1701 Robertson Road
Modesto, CA 95350
Attn: Executive Director

Such written notices, demands and communications may be sent in the same manner to such other addresses as the affected Party may from time to time designate by mail as provided in this Section. Receipt will be

deemed to have occurred on the date shown on a written receipt as the date of delivery or refusal of delivery (or attempted delivery if undeliverable).

Section 6.9 Applicable Law.

This Agreement is governed by the laws of the State of California.

Section 6.10 Parties Bound.

Except as otherwise limited herein, this Agreement binds and inures to the benefit of the parties and their heirs, executors, administrators, legal representatives, successors, and assigns. This Agreement is intended to run with the land and to bind Borrower and its successors and assigns in the Property and the Development for the entire Term, and the benefit hereof is to inure to the benefit of the City and its successors and assigns.

Section 6.11 Attorneys' Fees.

If any lawsuit is commenced to enforce any of the terms of this Agreement, the prevailing Party will have the right to recover its reasonable attorneys' fees and costs of suit from the other Party.

Section 6.12 Severability.

If any term of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions will continue in full force and effect unless the rights and obligations of the Parties have been materially altered or abridged by such invalidation, voiding or unenforceability.

Section 6.13 City Approval.

The City has authorized the City Manager to execute the Loan Documents and deliver such approvals or consents as are required by this Agreement, and to execute estoppel certificates concerning the status of the Loan and the existence of Borrower defaults under the Loan Documents.

Section 6.14 Waivers.

Any waiver by the City of any obligation or condition in this Agreement must be in writing. No waiver will be implied from any delay or failure by the City to take action on any breach or default of Borrower or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to Borrower to perform any obligation under this Agreement does not operate as a waiver or release from any of its obligations under this Agreement. Consent by the City to any act or omission by Borrower may not be construed to be consent to any other or subsequent act or omission or to waive the requirement for the City's written consent to future waivers.

Section 6.15 Title of Parts and Sections.

Any titles of the sections or subsections of this Agreement are inserted for convenience of reference only and are to be disregarded in interpreting any part of the Agreement's provisions.

Section 6.16 Entire Understanding of the Parties

The Loan Documents and the Project Agreement constitute the entire agreement of the Parties with respect to the Loan; provided, however, if there is a conflict between the Project Agreement and the Loan Documents, the terms of the Loan Documents will prevail.

Section 6.17 Multiple Originals; Counterpart.

This Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

Section 6.18 Time of Essence. Time is of the essence of this Agreement.

WHEREAS, this Agreement has been entered into by the undersigned as of the date first above written.

CITY:

CITY OF TURLOCK

By: _____
Susan E. Borrego
Interim City Manager

Date: _____

APPROVED AS TO FORM:

_____
George A. Petrulakis
City Attorney

Date: _____
ATTEST:

_____
Nichole Fiez
City Clerk

Date: _____

BORROWER:

Great Valley Housing Development Corporation, a California nonprofit public benefit corporation

By: _____
Jim Kruse
Executive Director

Date: _____

By: _____
Greg Raynes
Secretary

Date: _____

SPECIAL CONDITIONS

A. Financial Management

a. Accounting Standards

Borrower agrees to comply with 24 CFR §§ 84.21−28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

b. Cost Principles

Borrower shall administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," or A-21, "Cost Principles for Educational Institutions," as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record-Keeping

a. Records to be Maintained

Borrower shall maintain all records required by the Federal regulations specified in 24 CFR § 92.508 and 24 CFR §570.506, that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

i. Records providing a full description of each activity undertaken;
ii. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
iii. Records required to determine the eligibility of activities;
iv. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
v. Records documenting compliance with the fair housing and equal opportunity components of the HOME program and the CDBG program;
vi. Financial records as required by 24 CFR 92.508, 24 CFR §570.502, and 24 CFR 84.21−28; and
vii. Other records necessary to document compliance with of 24 CFR Part 92.

b. Retention

Borrower shall retain all financial records, supporting documents, statistical records, and all other records pertinent to this Agreement for a period of no less than five (5) years after the full repayment of the loan. The retention period begins on the date of the submission of City's annual performance and evaluation report to HUD in which the activities assisted under this 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 retention period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the retention period, whichever occurs later.

c. Client Data

Borrower shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to City monitors or their designees for review upon request.

d. Disclosure

Borrower 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 City's or Borrower's responsibilities with respect to services provided under this Agreement, is prohibited unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

e. Property Records

Borrower shall maintain real property inventory records that clearly identify properties purchased, improved or sold. Properties retained shall continue to meet eligibility criteria and shall conform with the "changes in use" restrictions specified in 24 CFR § 570.503(b)(8).

f. National Objectives

Borrower agrees to maintain documentation that demonstrates that the activities carried out with funds provided under this Agreement meet one or more of the CDBG program's national objectives 1) benefit low- and moderate-income persons, 2) aid in the prevention or elimination of slums or blight, or 3) meet community development needs having a particular urgency, as defined in 24 CFR Part § 570.208.

g. Audits and Inspections

All Borrower records with respect to any matters covered by this Agreement shall be made available to City, HUD, and the Comptroller General of the United States or any of their authorized representatives, at any time during City's 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 Borrower within thirty (30) calendar days after receipt by Borrower. Failure of Borrower to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments. Borrower hereby agrees to have an annual agency audit

conducted in accordance with current City policy concerning Borrower audits and OMB Circular A-133.

C. Reporting and Payment Procedures

a. Budgets

Borrower will submit a detailed Development budget of a form and content prescribed by City for approval by City. City and Borrower may agree to revise the budget from time to time in accordance with existing City policies.

b. Program Income

Borrower shall report quarterly all program income (as defined at 24 CFR § 92.503 and 24 CFR § 570.500(a)) generated by activities carried out with HOME Funds or CDBG Funds made available under this Agreement. The use of program income by Borrower shall comply with the requirements set forth at 24 CFR §92.503 and 24 CFR § 570.504. By way of further limitations, Borrower may use such income during the term of this Agreement for activities permitted under this Agreement and shall reduce requests for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to City at the expiration or termination of this Agreement. 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 City.

c. Indirect Costs

If indirect costs are charged, Borrower shall develop an indirect cost allocation plan for determining the appropriate Borrower's share of administrative costs and shall submit such plan to City for approval, in a form specified by City.

d. Relocation, Real Property Acquisition and One-For-One Housing Replacement

Borrower shall comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24, 24 CFR § 92.353 and 24 CFR § 570.606(b); (b) the requirements of 24 CFR § 92.353(c) and 24 CFR § 570.606(c)governing the Residential Anti-displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; (c) the requirements in 24 CFR § 92.353 (d) and 24 CFR § 570.606(d) governing optional relocation policies; and (d) California Government Code Section 7260 et seq. and implementing regulations at 25 California Code of Regulations Sections 6000 et seq. Borrower shall provide relocation assistance to displaced persons as defined by 24 CFR § 92.353 (b)(2) and 24 CFR § 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a HOME-assisted project or a CDBG assisted project, Borrower shall comply with applicable City ordinances, resolutions and policies concerning the displacement of persons from their residences.

D. Personnel & Participant Conditions

a. Civil Rights

i. Compliance

The Fair Housing Act (42 U.S.C. Section 3601 et seq.) and implementing regulations at 24 C.F.R. Part 100; 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; Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Section 794, et seq.); the Age Discrimination Act of 1975 (42 U.S.C. Section 6101, et seq.); Executive Order 11063 as amended by Executive Order 12259 and implementing regulations at 24 C.F.R. Part 107; Executive Order 11246 as amended by Executive Orders 11375, 12086, 11478, 12107; Executive Order 11625 as amended by Executive Order 12007; Executive Order 12432; Executive Order 12138 as amended by Executive Order 12608; Executive Orders referenced in 24 C.F.R. 570.607, as revised by Executive Order 13279.

ii. Nondiscrimination

Borrower shall comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 CFR § 92.350 and 24 CFR § 570.607, as revised by Executive Order 13279. The applicable non-discrimination provisions in Section 282 of the Home Investment Partnership Act and Section 92 of the HCDA are still applicable.

iii. Land Covenants

This Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352) and 24 CFR §§ 92.351. In regard to the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this Agreement, Borrower shall cause or require a covenant running with the land to be inserted in 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 City and the United States are beneficiaries of and entitled to enforce such covenants. Borrower, in undertaking its obligation to carry out the program assisted hereunder, shall take such measures as are necessary to enforce such covenant, and will not itself so discriminate.

iv. Section 504

Borrower shall 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. City shall provide Borrower with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Agreement.

b. Affirmative Action

i. Women- and Minority-Owned Businesses (W/MBE)

Borrower shall 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 terms "small business" means 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 "minority and women's business enterprise" means a business at least fifty-one percent (51%) owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans and American Indians. Borrower may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

ii. Access to Records

Borrower shall furnish and cause each of its contractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts by City, HUD, HCD, or their agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

iii. Notifications

Borrower shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or worker's representative of Borrower's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

iv. Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement

Borrower will, in all solicitations or advertisements for employees placed by or on behalf of Borrower, state that it is an Equal Opportunity of Affirmative Action employer.

v. Subcontract Provisions

Borrower shall include the provisions of Paragraphs D.A, Civil Rights, and B, Affirmative Action, in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own contractors.

c. Employment Restrictions

i. Prohibited Activity

Borrower is prohibited from using personnel employed in the administration of the program for: political activities; inherently religious activities; lobbying; political patronage; and nepotism activities.

ii. OSHA

Where employees are engaged in activities not covered under the Occupational Safety and Health Act of 1970, they shall not be required or permitted to work, be trained, or receive services in buildings or surroundings or under working conditions which are unsanitary, hazardous or dangerous to the participant's health or safety.

iii. Right to Know

Participants employed or trained for inherently dangerous occupations, shall be assigned to work in accordance with reasonable safety practices.

iv. Labor Standards

Borrower 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. Borrower 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 28 CFR Part 5. Borrower shall maintain documentation which demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to City for review upon request.

d. Conduct

i. Assignability

Borrower shall not assign or transfer any interest in this Agreement without City's prior written consent.

ii. Hatch Act

Borrower 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.

iii. Conflict of Interest

Borrower agrees to abide by the provisions of 24 CFR §§ 84.42 and 92.356, which include (but are not limited to) the following:

1. Borrower 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.

2. No employee, officer or agent of Borrower shall participate in the selection, or in the award, or administration of, a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.

3. No covered persons who exercise or have exercised any functions or responsibilities with respect to HOME-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 HOME-assisted activity, or with respect to the proceeds from the HOME-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 City, Borrower, or any designated public agency.

iv. Lobbying

Borrower hereby certifies that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of it, 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;

2. 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 Agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

3. It will require that the following language 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 Borrowers shall certify and disclose accordingly:

"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 section 1352, title 31, U.S.C. 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."

v. Subcontracts

1. Approvals

Borrower shall not enter into any subcontracts with any agency or individual in the performance of this Agreement without the written consent of City prior to the execution of such agreement.

2. Monitoring

Borrower 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.

3. Content

Borrower 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.

4. Selection Process

Borrower 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 City along with documentation concerning the selection process.

5. Copyright

If this Agreement results in any copyrightable material or inventions, City and HUD reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

6. Religious Activities

Borrower agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR § 570.200(j), such as worship, religious instruction, or proselytization.

E. Environmental Conditions

a. Air and Water

Borrower shall comply with the following requirements insofar as they apply to the performance of this Agreement:

i. Clean Air Act, 42 U.S.C. 7401 *et seq*;
ii. Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 *et seq.*, as amended 1318 relating to inspection, monitoring, entry reports, and information, as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder;
iii. Environmental Protection Agency (EPA) regulations pursuant to 40 CFR 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), Borrower shall assure that for activities located in an area identified by the Federal Emergency Management Agency (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

Borrower 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 CFR § 92.355, and 24 CFR Part 35, Subpart B. Such regulations pertain to all HOME-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

Borrower shall comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. § 470) and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, 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 fifty (50) years old or older or that are included on a Federal, state, or local historic property list.

PROMISSORY NOTE

(573 Birchwood Way– HOME Loan)

$395,000 Turlock, California
January 27, 2026

FOR VALUE RECEIVED, the undersigned, GREAT VALLEY HOUSING DEVELOPMETN CORPORATION, a California nonprofit public benefit corporation ("Borrower") hereby promises to pay to the order of the CITY OF TURLOCK, a municipal corporation ("Holder"), the principal amount of Three Hundred Ninety-Five Thousand Dollars ($395,000) plus interest thereon pursuant to Section 2 below.

All capitalized terms used but not defined in this Note have the meanings set forth in the Loan Agreement.

1. Borrower's Obligation. This Note evidences Borrower's obligation to repay Holder the principal amount of Three Hundred Ninety-Five Thousand Dollars ($395,000) for the funds loaned to Borrower by Holder to finance the acquisition of the Development pursuant to the Loan Agreement between Borrower and Holder of even date herewith (the "Loan Agreement").

2. Interest. No interest shall be charged on the principal amount of the Loan except if an Event of Default (as defined in the Loan Agreement) occurs, interest will accrue on all amounts due under this Note at the lesser of 10% per annum or the highest rate permitted by law until such Event of Default is cured by Borrower or waived by Holder.

3. Term. This Note shall have a term of fifty-five (55) years from the date set forth above ("Term")

4. Repayment Requirements. Each year on the anniversary date of this Note, during the term of this Note, provided an Event of Default has not occurred and Borrower has not Transferred the Property, one Fifty Fifth ($1/55^{th}$) of the principal due under the Note shall be forgiven such that at the end of the Term the full amount of the principal and any interest owed will be forgiven and this Note shall be cancelled. If during the Term, the Borrower Transfers (as that term is defined in the Loan Agreement) the Property, the remaining amount of principal owed plus default interest in the amount set forth in Section 2 above shall be due in full at the time of Transfer. If an Event of Default occurs, the Holder is entitled to accelerate the amounts owed under this Note and require the Borrower to repay all principal and any interest owed at the time of such Event of Default.

5. No Assumption. This Note is not assumable by the successors and assigns of Borrower without the prior written consent of Holder.

6. Security. This Note is secured by a Deed of Trust that refers to this Note.

7. Terms of Payment.

(a) Borrower shall make all payments due under this Note in currency of the United States of America to Holder at City of Turlock, Housing Program Services Division, 156 S. Broadway, Suite 140, CA 95380, Attention: Housing Manager, or to such other place as Holder may from time to time designate.

(b) All payments on this Note are without expense to Holder. Borrower shall pay all costs and expenses, including re-conveyance fees and reasonable attorney's fees of Holder, incurred in connection with the payment of this Note and the release of any security hereof.

(c) The obligations of Borrower under this Note are absolute and Borrower waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reason whatsoever.

8. Event of Default; Acceleration.

(a) Upon the occurrence of an Event of Default, the entire unpaid principal balance, together with all interest thereon, and together with all other sums then payable under this Note and the Deed of Trust will, at the option of Holder, become immediately due and payable without further demand.

(b) Holder's failure to exercise the remedy set forth in Subsection 8(a) above or any other remedy provided by law upon the occurrence of an Event of Default does not constitute a waiver of the right to exercise any remedy at any subsequent time in respect to the same or any other Event of Default. The acceptance by Holder of any payment that is less than the total of all amounts due and payable at the time of such payment does not constitute a waiver of the right to exercise any of the foregoing remedies or options at that time or at any subsequent time, or nullify any prior exercise of any such remedy or option, without the express consent of Holder, except as and to the extent otherwise provided by law.

9. Waivers.

(a) Borrower hereby waives diligence, presentment, protest and demand, and notice of protest, notice of demand, notice of dishonor and notice of non-payment of this Note. Borrower expressly agrees that this Note or any payment hereunder may be extended from time to time, and that Holder may accept further security or release any security for this Note, all without in any way affecting the liability of Borrower.

(b) Any extension of time for payment of this Note or any installment hereof made by agreement of Holder with any person now or hereafter liable for payment of this Note must not operate to release, discharge, modify, change or affect the original liability of Borrower under this Note, either in whole or in part.

10. Miscellaneous Provisions.

(a) All notices to Holder or Borrower are to be given in the manner and at the addresses set forth in the Loan Agreement, or to such addresses as Holder and Borrower may therein designate.

(b) Borrower promises to pay all costs and expenses, including reasonable attorney's fees, incurred by Holder in the enforcement of the provisions of this Note, regardless of whether suit is filed to seek enforcement.

(c) This Note is governed by the laws of the State of California.

(d) The times for the performance of any obligations hereunder are to be strictly construed, time being of the essence.

(e) The Loan Documents (as defined in the Loan Agreement), of which this Note is a part, contain the entire agreement between the parties as to the loan evidenced by this Note. This Note may not be modified except upon the written consent of the parties.

IN WITNESS WHEREOF, Borrower has executed this Promissory Note as of the day and year first above written.

Great Valley Housing Development Corporation, a California nonprofit public benefit corporation

By:_____
Print Name: Jim Kruse
Title: Executive Director

Date:_____

Witness:

By:_____
Print Name: Greg Raynes
Title: Secretary

Date:_____

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Turlock
Housing Program Services Division
156 South Broadway, Suite 140
Turlock, CA 95380
Attn: Housing Manager

No fee for recording pursuant to
Government Code Section 27383

DEED OF TRUST WITH ASSIGNMENT OF RENTS,
SECURITY AGREEMENT, AND FIXTURE FILING
(573 Birchwood Way, Turlock, CA-HOME)

THIS DEED OF TRUST WITH ASSIGNMENT OF RENTS, SECURITY AGREEMENT, AND FIXTURE FILING ("Deed of Trust") is made as of January 27, 2026 by and among GREAT VALLEY HOUSING DEVELOPMENT CORPORATION, a California nonprofit public benefit corporation ("Trustor"), Title Company, a California corporation ("Trustee"), and the CITY OF TURLOCK, a California municipal corporation ("Beneficiary").

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein recited and the trust herein created, the receipt of which is hereby acknowledged, Trustor hereby irrevocably grants, transfers, conveys and assigns to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit and security of Beneficiary, under and subject to the terms and conditions hereinafter set forth, Trustor's fee interest in the property located at 573 Birchwood Way, Turlock, State of California, that is described in the attached Exhibit A, incorporated herein by this reference (the "Property").

TOGETHER WITH all interest, estates or other claims, both in law and in equity which Trustor now has or may hereafter acquire in the Property and the rents;

TOGETHER WITH all easements, rights-of-way and rights used in connection therewith or as a means of access thereto, including (without limiting the generality of the foregoing) all tenements, hereditaments and appurtenances thereof and thereto;

TOGETHER WITH any and all buildings and improvements of every kind and description now or hereafter erected thereon, and all property of the Trustor now or hereafter affixed to or placed upon the Property;

TOGETHER WITH all building materials and equipment now or hereafter delivered to said property and intended to be installed therein;

TOGETHER WITH all right, title and interest of Trustor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed, adjoining the

Property, and any and all sidewalks, alleys and strips and areas of land adjacent to or used in connection with the Property;

TOGETHER WITH all estate, interest, right, title, other claim or demand, of every nature, in and to such property, including the Property, both in law and in equity, including, but not limited to, all deposits made with or other security given by Trustor to utility companies, the proceeds from any or all of such property, including the Property, claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Trustor now has or may hereafter acquire, any and all awards made for the taking by eminent domain or by any proceeding or purchase in lieu thereof of the whole or any part of such property, including without limitation, any awards resulting from a change of grade of streets and awards for severance damages to the extent Beneficiary has an interest in such awards for taking as provided in Paragraph 4.1 herein;

TOGETHER WITH all of Trustor's interest in all articles of personal property or fixtures now or hereafter attached to or used in and about the building or buildings now erected or hereafter to be erected on the Property which are necessary to the complete and comfortable use and occupancy of such building or buildings for the purposes for which they were or are to be erected, including all other goods and chattels and personal property as are ever used or furnished in operating a building, or the activities conducted therein, similar to the one herein described and referred to, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are, or will be, attached to said building or buildings in any manner; and

TOGETHER WITH all of Trustor's interest in all building materials, fixtures, equipment, work in process and other personal property to be incorporated into the Property; all goods, materials, supplies, fixtures, equipment, machinery, furniture and furnishings, signs and other personal property now or hereafter appropriated for use on the Property, whether stored on the Property or elsewhere, and used or to be used in connection with the Property; all rents, issues and profits, and all inventory, accounts, accounts receivable, contract rights, general intangibles, chattel paper, instruments, documents, notes drafts, letters of credit, insurance policies, insurance and condemnation awards and proceeds, trade names, trademarks and service marks arising from or related to the Property and any business conducted thereon by Trustor; all replacements, additions, accessions and proceeds; and all books, records and files relating to any of the foregoing.

All of the foregoing, together with the Property, is herein referred to as the "Security." To have and to hold the Security together with acquaintances to the Trustee, its successors and assigns forever.

FOR THE PURPOSE OF SECURING THE FOLLOWING OBLIGATIONS (the "Secured Obligations"):

A. Payment to Beneficiary of all sums at any time owing under or in connection with the Note (defined in Section 1.4 below) until paid or cancelled. Said principal and other payments are due and payable as provided in the Note. The Note and all its terms are incorporated herein by reference, and this conveyance secures any and all extensions thereof, however evidenced;

B. Payment of any sums advanced by Beneficiary to protect the Security pursuant to the terms and provisions of this Deed of Trust following a breach of Trustor's obligation to advance said sums and the expiration of any applicable cure period, with interest thereon as provided herein;

C. All modifications, extensions and renewals of any of the foregoing (including without limitation, (i) modifications, extensions or renewals at a different rate of interest, or (ii) deferrals or accelerations of the required principal payment dates or interest payment dates or both, in whole or in part), however evidenced, whether or not any such modification, extension or renewal is evidenced by a new or additional promissory note or notes.

AND TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR COVENANTS AND AGREES:

ARTICLE 1
DEFINITIONS

In addition to the terms defined elsewhere in this Deed of Trust, the following terms have the following meanings in this Deed of Trust:

Section 1.1 The term "Loan" means the loan made by the Beneficiary to the Trustor in the amount of Four Hundred Twenty Thousand Dollars ($420,000.00).

Section 1.2 The term "Loan Agreement" means that certain CDBG/PLHA/HOME Loan Agreement between Trustor and Beneficiary, of even date herewith, as such may be amended from time to time, providing for the Beneficiary to loan to Trustor Four Hundred Twenty Thousand Dollars ($420,000.00).

Section 1.3 The term "Loan Documents" means this Deed of Trust, the Note, the Loan Agreement, and the Regulatory Agreement, and any other debt, loan or security instruments between Trustor and the Beneficiary relating to the Loan.

Section 1.4 The term "Note" means the HOME Promissory Note in the principal amount of Three Hundred Ninety-Five Thousand Dollars ($395,000.00) of even date herewith, executed by Trustor in favor of the Beneficiary, as it may be amended or restated, the payment of which is secured by this Deed of Trust. (A copy of the Note is on file with the Beneficiary and terms and provisions of the Note are incorporated herein by reference.)

Section 1.5 The term "Principal" means the amount required to be paid under the Note.

Section 1.6 The term "Regulatory Agreement" means the Regulatory Agreement and Declaration of Restrictive Covenants of even date herewith by and between the Beneficiary and the Trustor.

ARTICLE 2
MAINTENANCE AND MODIFICATION OF THE PROPERTY AND SECURITY

Section 2.1 Maintenance and Modification of the Property by Trustor.

The Trustor agrees that at all times prior to full payment and performance of the Secured Obligations, the Trustor will, at the Trustor's own expense, maintain, preserve and keep the Security or cause the Security to be maintained and preserved in good condition. The Trustor will from time to time make or cause to be made all repairs, replacements and renewals deemed proper and necessary by it. The Beneficiary has no responsibility in any of these matters or for the making of improvements or additions to the Security.

Trustor agrees to pay fully and discharge (or cause to be paid fully and discharged) all claims for labor done and for material and services furnished in connection with the Security, diligently to file or procure the filing of a valid notice of cessation upon the event of a cessation of labor on the work or construction on the Security for a continuous period of thirty (30) days or more, and to take all other reasonable steps to forestall the assertion of claims of lien against the Security or any part thereof. Trustor irrevocably appoints, designates and authorizes Beneficiary as its agent (said agency being coupled with an interest) with the authority, but without any obligation, to file for record any notices of completion or cessation of labor or any other notice that Beneficiary deems necessary or desirable to protect its interest in and to the Security or the Loan Documents; provided, however, that Beneficiary exercises its rights as agent of Trustor only in the event that Trustor fails to take, or fails to diligently continue to take, those actions as hereinbefore provided.

Upon demand by Beneficiary, Trustor shall make or cause to be made such demands or claims as Beneficiary specifies upon laborers, material men, subcontractors or other persons who have furnished or claim to have furnished labor, services or materials in connection with the Security. Nothing herein contained requires Trustor to pay any claims for labor, materials or services which Trustor in good faith disputes and is diligently contesting provided that Trustor shall, within thirty (30) days after the filing of any claim of lien, record in the Office of the Recorder of Stanislaus County, a surety bond in an amount 1 and 1/2 times the amount of such claim item to protect against a claim of lien.

Section 2.2 Granting of Easements.

Trustor may not grant easements, licenses, rights-of-way or other rights or privileges in the nature of easements with respect to any property or rights included in the Security except those required or desirable for installation and maintenance of public utilities including, without limitation, water, gas, electricity, sewer, telephone and telegraph, or those required by law, and as approved, in writing, by Beneficiary.

Section 2.3 Assignment of Rents.

As part of the consideration for the indebtedness evidenced by the Note, Trustor hereby absolutely and unconditionally assigns and transfers to Beneficiary all the rents and revenues of the Property including those now due, past due, or to become due by virtue of any lease or other agreement for the occupancy or use of all or any part of the Property, regardless of to whom the rents and revenues of the Property are payable, subject to the rights of senior lenders. Trustor hereby authorizes Beneficiary or Beneficiary's agents to collect the aforesaid rents and revenues and hereby directs each tenant of the Property to pay such rents to Beneficiary or Beneficiary's agents; provided, however, that prior to written notice given by Beneficiary to Trustor of the breach

by Trustor of any covenant or agreement of Trustor in the Loan Documents, Trustor shall collect and receive all rents and revenues of the Property as trustee for the benefit of Beneficiary and Trustor to apply the rents and revenues so collected to the Secured Obligations with the balance, so long as no such breach has occurred, to the account of Trustor, it being intended by Trustor and Beneficiary that this assignment of rents constitutes an absolute assignment and not an assignment for additional security only. Upon delivery of written notice by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents, and without the necessity of Beneficiary entering upon and taking and maintaining full control of the Property in person, by agent or by a court-appointed receiver, Beneficiary shall immediately be entitled to possession of all rents and revenues of the Property as specified in this Section 2.3 as the same becomes due and payable, including but not limited to, rents then due and unpaid, and all such rents will immediately upon delivery of such notice be held by Trustor as trustee for the benefit of Beneficiary only; provided, however, that the written notice by Beneficiary to Trustor of the breach by Trustor contains a statement that Beneficiary exercises its rights to such rents. Trustor agrees that commencing upon delivery of such written notice of Trustor's breach by Beneficiary to Trustor, each tenant of the Property shall make such rents payable to and pay such rents to Beneficiary or Beneficiary's agents on Beneficiary's written demand to each tenant therefor, delivered to each tenant personally, by mail or by delivering such demand to each rental unit, without any liability on the part of said tenant to inquire further as to the existence of a default by Trustor.

Trustor hereby covenants that Trustor has not executed any prior assignment of said rents except in connection with the Bond Loan, that Trustor has not performed, and will not perform, any acts or has not executed and will not execute, any instrument which would prevent Beneficiary from exercising its rights under this Section 2.3, and that at the time of execution of this Deed of Trust, here has been no anticipation or prepayment of any of the rents of the Property for more than two (2) months prior to the due dates of such rents. Trustor covenants that Trustor will not hereafter collect or accept payment of any rents of the Property more than two (2) months prior to the due dates of such rents. Trustor further covenant that Trustor will execute and deliver to Beneficiary such further assignments of rents and revenues of the Property as Beneficiary may from time-to-time request.

Upon Trustor's breach of any covenant or agreement of Trustor in the Loan Documents, Beneficiary may in person, by agent or by a court-appointed receiver, regardless of the adequacy of Beneficiary's security, enter upon and take and maintain full control of the Property in order to perform all acts necessary and appropriate for the operation and maintenance thereof including, but not limited to, the execution, cancellation or modification of leases, the collection of all rents and revenues of the Property, the making of repairs to the Property and the execution or termination of contracts providing for the management or maintenance of the Property, all on such terms as are deemed best to protect the security of this Deed of Trust. In the event Beneficiary elects to seek the appointment of a receiver for the Property upon Trustor's breach of any covenant or agreement of Trustor in this Deed of Trust, Trustor hereby expressly consents to the appointment of such receiver. Beneficiary or the receiver will be entitled to receive a reasonable fee for so managing the Property.

All rents and revenues collected subsequent to delivery of written notice by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents

are to be applied first to the costs, if any, of taking control of and managing the Property and collecting the rents, including, but not limited to, attorney's fees, receiver's fees, premiums on receiver's bonds, costs of repairs to the Property, premiums on insurance policies, taxes, assessments and other charges on the Property, and the costs of discharging any obligation or liability of Trustor as lessor or landlord of the Property and then to the sums secured by this deed of Trust. Beneficiary or the receiver is to have access to the books and records used in the operation and maintenance of the Property and will be liable to account only for those rents actually received. Beneficiary is not liable to Trustor, anyone claiming under or through Trustor or anyone having an interest in the Property by reason of anything done or left undone by Beneficiary under this Section 2.3.

If the rents of the Property are not sufficient to meet the costs, if any, of taking control of and managing the Property and collecting the rents, any funds expended by Beneficiary for such purposes will become part of the Secured Obligations pursuant to Section 3.3 hereof. Unless Beneficiary and Trustor agree in writing to other terms of payment, such amounts are payable by Trustor to Beneficiary upon notice from Beneficiary to Trustor requesting payment thereof and will bear interest from the date of disbursement at the rate stated in Section 3.3.

If the Beneficiary or the receiver enters upon and takes and maintains control of the Property, neither that act nor any application of rents as provided herein will cure or waive any default under this Deed of Trust or invalidate any other right or remedy available to Beneficiary under applicable law or under this Deed of Trust. This assignment of rents of the Property will terminate at such time as this Deed of Trust ceases to secure the Secured Obligations.

ARTICLE 3
TAXES AND INSURANCE; ADVANCES

Section 3.1 Taxes, Other Governmental Charges and Utility Charges.

Trustor shall pay, or cause to be paid, prior to the date of delinquency, all taxes, assessments, charges and levies imposed by any public authority or utility company that are or may become a lien affecting the Security or any part thereof; provided, however, that Trustor is not required to pay and discharge any such tax, assessment, charge or levy so long as (a) the legality thereof is promptly and actively contested in good faith and by appropriate proceedings, and (b) Trustor maintains reserves adequate to pay any liabilities contested pursuant to this Section 3.1. With respect to taxes, special assessments or other similar governmental charges, Trustor shall pay such amount in full prior to the attachment of any lien therefor on any part of the Security; provided, however, if such taxes, assessments or charges can be paid in installments, Trustor may pay in such installments. Except as provided in clause (b) of the first sentence of this paragraph, the provisions of this Section 3.1 may not be construed to require that Trustor maintain a reserve account, escrow account, impound account or other similar account for the payment of future taxes, assessments, charges and levies.

In the event that Trustor fails to pay any of the items required by this Section to be paid by Trustor, Beneficiary may (but is under no obligation to) pay the same, after the Beneficiary has notified the Trustor of such failure to pay and the Trustor fails to fully pay such items within seven (7) business days after receipt of such notice. Any amount so advanced therefor by Beneficiary, together with

interest thereon from the date of such advance at the maximum rate permitted by law, will become part of the Secured Obligations secured hereby, and Trustor agrees to pay all such amounts.

Section 3.2 Provisions Respecting Insurance.

Trustor agrees to provide insurance conforming in all respects to that required under the Loan Documents at all times until all amounts secured by this Deed of Trust have been paid, all Secured Obligations secured hereunder have been fulfilled, and this Deed of Trust has been reconveyed.

All such insurance policies and coverages are to be maintained at Trustor's sole cost and expense. Certificates of insurance for all of the above insurance policies, showing the same to be in full force and effect, are to be delivered to the Beneficiary upon demand therefor at any time prior to Trustor's satisfaction of the Secured Obligations.

Section 3.3 Advances.

In the event the Trustor fails to maintain the full insurance coverage required by this Deed of Trust or fails to keep the Security in accordance with the Loan Documents, the Beneficiary, after at least seven (7) days prior notice to Trustor, may (but is under no obligation to) (i) take out the required policies of insurance and pay the premiums on the same, and (ii) make any repairs or replacements that are necessary and provide for payment thereof. All amounts so advanced by the Beneficiary will become part of the Secured Obligations (together with interest as set forth below) and will be secured hereby, which amounts the Trustor agrees to pay on the demand of the Beneficiary, and if not so paid, will bear interest from the date of the advance at the lesser of ten percent (10%) per annum or the maximum rate permitted by law.

ARTICLE 4
DAMAGE, DESTRUCTION OR CONDEMNATION

Section 4.1 Awards and Damages.

Subject to the rights of senior lenders, all judgments, awards of damages, settlements and compensation made in connection with or in lieu of (1) the taking of all or any part of or any interest in the Property by or under assertion of the power of eminent domain, (2) any damage to or destruction of the Property or any part thereof by insured casualty, and (3) any other injury or damage to all or any part of the Property (collectively, the "Funds") are hereby assigned to and are to be paid to the Beneficiary by a check made payable to the Beneficiary. The Beneficiary is authorized and empowered (but not required) to collect and receive any Funds and is authorized to apply them in whole or in part to any indebtedness or obligation secured hereby, in such order and manner as the Beneficiary determines at its sole option. The Beneficiary is entitled to settle and adjust all claims under insurance policies provided under this Deed of Trust and may deduct and retain from the proceeds of such insurance the amount of all expenses incurred by it in connection with any such settlement or adjustment. All or any part of the amounts so collected and recovered by the Beneficiary may be released to Trustor upon such conditions as the Beneficiary may impose for its disposition. Application of all or any part of the Funds collected and received by the Beneficiary or the release thereof will not cure or waive any default under this Deed of Trust. The rights of the Beneficiary under this Section 4.1 are subject to the rights of any

senior mortgage lender. The Beneficiary shall release the Funds to Trustor to be used to reconstruct the improvements on the Property provided that Beneficiary reasonably determines that Trustor (take into account the Funds) has sufficient funds to rebuild the improvements in substantially the form that existed prior to the casualty or condemnation.

ARTICLE 5
AGREEMENTS AFFECTING THE PROPERTY; FURTHER ASSURANCES; PAYMENT OF PRINCIPAL AND INTEREST

Section 5.1 Other Agreements Affecting Property.

The Trustor shall duly and punctually perform all terms, covenants, conditions and agreements binding upon it under the Loan Documents and any other agreement of any nature whatsoever now or hereafter involving or affecting the Security or any part thereof.

Section 5.2 Agreement to Pay Attorneys' Fees and Expenses.

In the event of any Event of Default (as defined in Section 7.1) hereunder, and if the Beneficiary employs attorneys or incurs other expenses for the collection of amounts due hereunder or the enforcement of performance or observance of an obligation or agreement on the part of the Trustor in this Deed of Trust, the Trustor agrees that it will, on demand therefor, pay to the Beneficiary the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Beneficiary. Any such amounts paid by the Beneficiary will be added to the Secured Obligations, and will bear interest from the date such expenses are incurred at the lesser of ten percent (10%) per annum or the maximum rate permitted by law.

Section 5.3 Payment of the Principal.

The Trustor shall pay to the Beneficiary the Principal and any other payments as set forth in the Note in the amounts and by the times set out therein.

Section 5.4 Personal Property.

To the maximum extent permitted by law, the personal property subject to this Deed of Trust is deemed to be fixtures and part of the real property and this Deed of Trust constitutes a fixtures filing under the California Commercial Code. As to any personal property not deemed or permitted to be fixtures, this Deed of Trust constitutes a security agreement under the California Commercial Code.

Section 5.5 Financing Statement.

The Trustor shall execute and deliver to the Beneficiary such financing statements pursuant to the appropriate statutes, and any other documents or instruments as are required to convey to the Beneficiary a valid perfected security interest in the Security. The Trustor shall perform all acts that the Beneficiary reasonably requests so as to enable the Beneficiary to maintain a valid perfected security interest in the Security in order to secure the payment of the Note in accordance with its terms. The Beneficiary is authorized to file a copy of any such financing statement in any

jurisdiction(s) as it deems appropriate from time to time in order to protect the security interest established pursuant to this instrument.

Section 5.6 Operation of the Security.

The Trustor shall operate the Security (and, in case of a transfer of a portion of the Security subject to this Deed of Trust, the transferee shall operate such portion of the Security) in full compliance with the Loan Documents.

Section 5.7 Inspection of the Security.

At any and all reasonable times upon seventy-two (72) hours' notice, the Beneficiary and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, may inspect the Security, without payment of charges or fees.

Section 5.8 Nondiscrimination.

The Trustor herein covenants by and for itself, its heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there will be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, age, sex, sexual orientation, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Security, nor will the Trustor itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Security. The foregoing covenants run with the land.

ARTICLE 6
HAZARDOUS WASTE

Trustor shall keep and maintain the Property in compliance with, and shall not cause or permit the Property to be in violation of any federal, state or local laws, ordinances or regulations relating to industrial hygiene or to the environmental conditions on, under or about the Property including, but not limited to, soil and ground water conditions. Trustor shall not use, generate, manufacture, store or dispose of on, under, or about the Property or transport to or from the Property any flammable explosives, radioactive materials, hazardous wastes, toxic substances or related materials, including without limitation, any substances defined as or included in the definition of "hazardous substances," hazardous wastes," "hazardous materials," or "toxic substances" under any applicable federal or state laws or regulations (collectively referred to hereinafter as "Hazardous Materials") except such of the foregoing as may be customarily used in construction or operation of a multi-family residential development.

Trustor shall immediately advise Beneficiary in writing if at any time it receives written notice of: (i) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened against Trustor or the Property pursuant to any applicable federal, state or local laws, ordinances, or regulations relating to any Hazardous Materials, ("Hazardous Materials Law"); (ii) all claims made or threatened by any third party against Trustor or the Property relating to damage, contribution, cost recovery compensation, loss

or injury resulting from any Hazardous Materials (the matters set forth in clauses (i) and (ii) above are hereinafter referred to as "Hazardous Materials Claims"); and (iii) Trustor's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause the Property or any part thereof to be subject to any restrictions on the ownership, occupancy, transferability or use of the Property under any Hazardous Materials Law.

Beneficiary has the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and to have its reasonable attorneys' fees in connection therewith paid by Trustor. Trustor shall indemnify and hold harmless Beneficiary and its board members, supervisors, directors, officers, employees, agents, successors and assigns from and against any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence of Hazardous Materials on, under, or about the Property including without limitation: (a) all foreseeable consequential damages; (b) the costs of any required or necessary repair, clean-up or detoxification of the Property and the preparation and implementation of any closure, remedial or other required plans; and (c) all reasonable costs and expenses incurred by Beneficiary in connection with clauses (a) and (b), including but not limited to reasonable attorneys' fees and consultant's fees. This indemnification applies whether or not any government agency has issued a clean-up order. Losses, claims, costs, suits, liability, and expenses covered by this indemnification provision include, but are not limited to: (1) losses attributable to diminution in the value of the Property; (2) loss or restriction of use of rentable space on the Property; (3) adverse effect on the marketing of any rental space on the Property; and (4) penalties and fines levied by, and remedial or enforcement actions of any kind issued by any regulatory agency (including but not limited to the costs of any required testing, remediation, repair, removal, clean-up or detoxification of the Property and surrounding properties).

Without Beneficiary's prior written consent, which may not be unreasonably withheld, Trustor may not take any remedial action in response to the presence of any Hazardous Materials on, under or about the Property, nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Material Claims, which remedial action, settlement, consent decree or compromise might, in Beneficiary's reasonable judgment, impairs the value of the Beneficiary's security hereunder; provided, however, that Beneficiary's prior consent is not necessary in the event that the presence of Hazardous Materials on, under, or about the Property either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not reasonably possible to obtain Beneficiary's consent before taking such action, provided that in such event Trustor notifies Beneficiary as soon as practicable of any action so taken. Beneficiary agrees not to withhold its consent, where such consent is required hereunder, if (i) a particular remedial action is ordered by a court of competent jurisdiction; (ii) Trustor will or may be subjected to civil or criminal sanctions or penalties if it fails to take a required action; (iii) Trustor establishes to the reasonable satisfaction of Beneficiary that there is no reasonable alternative to such remedial action which would result in less impairment of Beneficiary's security hereunder; or (iv) the action has been agreed to by Beneficiary.

The Trustor hereby acknowledges and agrees that (i) this Article is intended as the Beneficiary's written request for information (and the Trustor's response) concerning the environmental condition of the Property as required by California Code of Civil Procedure Section

726.5, and (ii) each representation and warranty in this Deed of Trust or any of the other Loan Documents (together with any indemnity applicable to a breach of any such representation and warranty) with respect to the environmental condition of the property is intended by the Beneficiary and the Trustor to be an "environmental provision" for purposes of California Code of Civil Procedure Section 736.

In the event that any portion of the Property is determined to be "environmentally impaired" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(3)) or to be an "affected parcel" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(1)), then, without otherwise limiting or in any way affecting the Beneficiary's or the Trustee's rights and remedies under this Deed of Trust, the Beneficiary may elect to exercise its rights under California Code of Civil Procedure Section 726.5(a) to (1) waive its lien on such environmentally impaired or affected portion of the Property and (2) exercise (a) the rights and remedies of an unsecured creditor, including reduction of its claim against the Trustor to judgment, and (b) any other rights and remedies permitted by law. For purposes of determining the Beneficiary's right to proceed as an unsecured creditor under California Code of Civil Procedure Section 726.5(a), the Trustor will be deemed to have willfully permitted or acquiesced in a release or threatened release of hazardous materials, within the meaning of California Code of Civil Procedure Section 726.5(d)(1), if the release or threatened release of hazardous materials was knowingly or negligently caused or contributed to by any lessee, occupant, or user of any portion of the Property and the Trustor knew or should have known of the activity by such lessee, occupant, or user which caused or contributed to the release or threatened release. All costs and expenses, including (but not limited to) attorneys' fees, incurred by the Beneficiary in connection with any action commenced under this paragraph, including any action required by California Code of Civil Procedure Section 726.5(b) to determine the degree to which the Property is environmentally impaired, plus interest thereon at the default rate specified in the Loan Agreement until paid, will be added to the indebtedness secured by this Deed of Trust and will be due and payable to the Beneficiary upon its demand made at any time following the conclusion of such action.

ARTICLE 7
EVENTS OF DEFAULT AND REMEDIES

Section 7.1 Events of Default.

The following are events of default following the expiration of any applicable notice and cure periods (each an "Event of Default"): (i) failure to make any payment to be paid by Trustor under the Loan Documents; (ii) failure to observe or perform any of Trustor's other covenants, agreements or obligations under the Loan Documents, including, without limitation, the provisions concerning discrimination; (iii) failure to make any payment or observe or perform any of Trustor's other covenants, agreements, or obligations under any Secured Obligations, which default is not cured within the times and in the manner provided therein; and (iv) failure to make any payments or observe or perform any of Trustor's other covenants, agreements or obligations under any other debt instrument or regulatory agreement secured by the Property, which default is not cured within the time and in the manner provided therein.

Section 7.2 Acceleration of Maturity.

If an Event of Default has occurred and is continuing, then at the option of the Beneficiary, the amount of any payment related to the Event of Default and all unpaid Secured Obligations are immediately due and payable, and no omission on the part of the Beneficiary to exercise such option when entitled to do so may be construed as a waiver of such right.

Section 7.3 The Beneficiary's Right to Enter and Take Possession.

If an Event of Default has occurred and is continuing, the Beneficiary may:

(a) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, and without regard to the adequacy of its security, enter upon the Property and take possession thereof (or any part thereof) and of any of the Security, in its own name or in the name of Trustee, and do any acts that it deems necessary or desirable to preserve the value or marketability of the Property, or part thereof or interest therein, increase the income therefrom or protect the security thereof. The entering upon and taking possession of the Security will not cure or waive any Event of Default or Notice of Sale (as defined in Section 7.3(c), below) hereunder or invalidate any act done in response to such Event of Default or pursuant to such Notice of Sale, and, notwithstanding the continuance in possession of the Security, Beneficiary will be entitled to exercise every right provided for in this Deed of Trust, or by law upon occurrence of any Event of Default, including the right to exercise the power of sale;

(b) Commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof;

(c) Deliver to Trustee a written declaration of an Event of Default and demand for sale, and a written notice of default and election to cause Trustor's interest in the Security to be sold ("Notice of Sale"), which notice Trustee or Beneficiary shall cause to be duly filed for record in the Official Records of Stanislaus County; or

(d) Exercise all other rights and remedies provided herein, in the instruments by which the Trustor acquires title to any Security, or in any other document or agreement now or hereafter evidencing, creating or securing the Secured Obligations.

Section 7.4 Foreclosure By Power of Sale.

Should the Beneficiary elect to foreclose by exercise of the power of sale herein contained, the Beneficiary shall deliver to the Trustee the Notice of Sale and shall deposit with Trustee this Deed of Trust which is secured hereby (and the deposit of which will be deemed to constitute evidence that the Secured Obligations are immediately due and payable), and such receipts and evidence of any expenditures made that are additionally secured hereby as Trustee may require.

(a) Upon receipt of the Notice of Sale from the Beneficiary, Trustee shall cause to be recorded, published and delivered to Trustor such Notice of Sale as is then required by law and by this Deed of Trust. Trustee shall, without demand on Trustor, after the lapse of that amount of time as is then required by law and after recordation of such Notice of Sale as required by law, sell the Security, at the time and place of sale set forth in the Notice of Sale, whether as a whole or in separate lots or parcels or items, as Trustee deems expedient and in such order as it determines, unless specified otherwise by the Trustor according to California Civil Code Section 2924g(b), at

public auction to the highest bidder, for cash in lawful money of the United States payable at the time of sale. Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed or any matters of facts will be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Trustor, Trustee or Beneficiary, may purchase at such sale.

(b) After deducting all reasonable costs, fees and expenses of Trustee, including costs of evidence of title in connection with such sale, Trustee shall apply the proceeds of sale to payment of: (i) the unpaid Principal amount of the Note; (ii) all other Secured Obligations owed to Beneficiary under the Loan Documents; (iii) all other sums then secured hereby; and (iv) the remainder, if any, to Trustor.

(c) Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter, and without further notice make such sale at the time fixed by the last postponement, or may, in its discretion, give a new Notice of Sale.

Section 7.5 Receiver.

If an Event of Default occurs and is continuing, Beneficiary, as a matter of right and without further notice to Trustor or anyone claiming under the Security, and without regard to the then value of the Security or the interest of Trustor therein, may apply to any court having jurisdiction to appoint a receiver or receivers of the Security (or a part thereof), and Trustor hereby irrevocably consents to such appointment and waives further notice of any application therefor. Any such receiver or receivers will have all the usual powers and duties of receivers in like or similar cases, and all the powers and duties of Beneficiary in case of entry as provided herein, and will continue as such and exercise all such powers until the date of confirmation of sale of the Security, unless such receivership is sooner terminated.

Section 7.6 Remedies Cumulative.

No right, power or remedy conferred upon or reserved to the Beneficiary by this Deed of Trust is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy will be cumulative and concurrent and will be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity.

Section 7.7 No Waiver.

(a) No delay or omission of the Beneficiary to exercise any right, power or remedy accruing upon any Event of Default will exhaust or impair any such right, power or remedy, and may not be construed to be a waiver of any such Event of Default or acquiescence therein; and every right, power and remedy given by this Deed of Trust to the Beneficiary may be exercised from time to time and as often as may be deemed expeditious by the Beneficiary. Beneficiary's express or implied consent to breach, or waiver of, any obligation of the Trustor hereunder will not be deemed or construed to be a consent to any subsequent breach, or further waiver, of such obligation or of any other obligations of the Trustor hereunder. Failure on the part of the Beneficiary to complain of any act or failure to act or to declare an Event of Default, irrespective

of how long such failure continues, will not constitute a waiver by the Beneficiary of its right hereunder or impair any rights, power or remedies consequent on any Event of Default by the Trustor.

(b) If the Beneficiary (i) grants forbearance or an extension of time for the payment or performance of any Secured Obligation, (ii) takes other or additional security or the payment of any sums secured hereby, (iii) waives or does not exercise any right granted in the Loan Documents, (iv) releases any part of the Security from the lien of this Deed of Trust, or otherwise changes any of the terms, covenants, conditions or agreements in the Loan Documents, (v) consents to the granting of any easement or other right affecting the Security, or (vi) makes or consents to any agreement subordinating the lien hereof, any such act or omission will not release, discharge, modify, change or affect the original liability under this Deed of Trust, or any other obligation of the Trustor or any subsequent purchaser of the Security or any part thereof, or any maker, co-signer, endorser, surety or guarantor (unless expressly released); nor will any such act or omission preclude the Beneficiary from exercising any right, power or privilege herein granted or intended to be granted in any Event of Default then made or of any subsequent Event of Default, nor, except as otherwise expressly provided in an instrument or instruments executed by the Beneficiary, will the lien of this Deed of Trust be altered thereby.

Section 7.8 Suits to Protect the Security.

The Beneficiary has the power to (a) institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Security and the rights of the Beneficiary as may be unlawful or any violation of this Deed of Trust, (b) preserve or protect its interest (as described in this Deed of Trust) in the Security, and (c) restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement for compliance with such enactment, rule or order would impair the Security thereunder or be prejudicial to the interest of the Beneficiary.

Section 7.9 Trustee May File Proofs of Claim.

In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting the Trustor, its creditors or its property, the Beneficiary, to the extent permitted by law, will be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of the Beneficiary allowed in such proceedings and for any additional amount that becomes due and payable by the Trustor hereunder after such date.

Section 7.10 Waiver.

The Trustor waives presentment, demand for payment, notice of dishonor, notice of protest and nonpayment, protest, notice of interest on interest and late charges, and diligence in taking any action to collect any Secured Obligations or in proceedings against the Security, in connection with the delivery, acceptance, performance, default, endorsement or guaranty of this Deed of Trust.

ARTICLE 8
MISCELLANEOUS

Section 8.1 Amendments.

This Deed of Trust cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by Beneficiary and Trustor.

Section 8.2 Reconveyance by Trustee.

Upon written request of Beneficiary stating that all Secured Obligations have been paid or forgiven, and all obligations under the Loan Documents have been performed in full, and upon surrender of this Deed of Trust to Trustee for cancellation and retention, and upon payment by Trustor of Trustee's reasonable fees, Trustee shall reconvey the Security to Trustor, or to the person or persons legally entitled thereto.

Section 8.3 Notices.

If at any time after the execution of this Deed of Trust it becomes necessary or convenient for one of the parties hereto to serve any notice, demand or communication upon the other party, such notice, demand or communication must be in writing and is to be served personally or by depositing the same in the registered United States mail, return receipt requested, postage prepaid and (1) if intended for Beneficiary is to be addressed to:

City of Turlock
Housing Program Services Division
156 South Broadway, Suite 140
Turlock, CA 95380
Attention: Housing Manager

and (2) if intended for Trustor is to be addressed to:

Great Valley Housing Development Corporation
1701 Robertson Road
Modesto, CA 95350
Attn: Executive Director

Any notice, demand or communication will be deemed given, received, made or communicated on the date personal delivery is affected or, if mailed in the manner herein specified, on the delivery date or date delivery is refused by the addressee, as shown on the return receipt. Either party may change its address at any time by giving written notice of such change to Beneficiary or Trustor as the case may be, in the manner provided herein, at least ten (10) days prior to the date such change is desired to be effective.

Section 8.4 Successors and Joint Trustors.

Where an obligation created herein is binding upon Trustor, the obligation also applies to and binds any transferee or successors in interest. Where the terms of the Deed of Trust have the

effect of creating an obligation of the Trustor and a transferee, such obligation will be deemed to be a joint and several obligations of the Trustor and such transferee. Where Trustor is more than one entity or person, all obligations of Trustor will be deemed to be a joint and several obligations of each and every entity and person comprising Trustor.

Section 8.5 Captions.

The captions or headings at the beginning of each Section hereof are for the convenience of the parties and are not a part of this Deed of Trust.

Section 8.6 Invalidity of Certain Provisions.

Every provision of this Deed of Trust is intended to be severable. In the event any term or provision hereof is declared to be illegal or invalid for any reason whatsoever by a court or other body of competent jurisdiction, such illegality or invalidity will not affect the balance of the terms and provisions hereof, which terms and provisions will remain binding and enforceable. If the lien of this Deed of Trust is invalid or unenforceable as to any part of the debt, or if the lien is invalid or unenforceable as to any part of the Security, the unsecured or partially secured portion of the debt, and all payments made on the debt, whether voluntary or under foreclosure or other enforcement action or procedure, will be considered to have been first paid or applied to the full payment of that portion of the debt that is not secured or partially secured by the lien of this Deed of Trust.

Section 8.7 Governing Law.

This Deed of Trust is governed by the laws of the State of California.

Section 8.8 Gender and Number.

In this Deed of Trust the singular includes the plural and the masculine includes the feminine and neuter and vice versa, if the context so requires.

Section 8.9 Deed of Trust, Mortgage.

Any reference in this Deed of Trust to a mortgage also refers to a deed of trust and any reference to a deed of trust also refers to a mortgage.

Section 8.10 Actions.

Trustor shall appear in and defend any action or proceeding purporting to affect the Security.

Section 8.11 Substitution of Trustee.

Beneficiary may from time to time substitute a successor or successors to any Trustee named herein or acting hereunder to execute this Trust. Upon such appointment, and without conveyance to the successor trustee, the latter will be vested with all title, powers, and duties conferred upon any Trustee herein named or acting hereunder. Each such appointment and

substitution is to be made by written instrument executed by Beneficiary, containing reference to this Deed of Trust and its place of record, which, when duly recorded in the proper office of the county or counties in which the Property is situated, will be conclusive proof of proper appointment of the successor trustee.

Section 8.12 Statute of Limitations.

The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived to the full extent permissible by law.

Section 8.13 Acceptance by Trustee.

Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made public record as provided by law. Except as otherwise provided by law, the Trustee is not obligated to notify any party hereto of a pending sale under this Deed of Trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee is a party unless brought by Trustee.

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year first above written.

Great Valley Housing Development Corporation, a California nonprofit public benefit corporation

By:_____
Print Name: Jim Kruse
Title: Executive Director
Date: _____

Witness:

By:_____
Print Name: Greg Raynes
Title: Secretary

Date: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Stanislaus)

On _____, before me, _____,
(Insert name and title of the officer)

Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)

EXHIBIT "A"

Legal Description of The Property

The land referred to herein below is situated Turlock, in the County of Stanislaus, State of California, and is described as follows:

Lot 47 of Reich Estates South No. 2, as per Map Recorded May 19, 1980 in Volume 29 of Maps, Page 21, Stanislaus County Records.

APN: 043-055-049-000

PROMISSORY NOTE

(573 Birchwood Way– PLHA Loan)

$25,000 Turlock, California
January 27, 2026

FOR VALUE RECEIVED, the undersigned, GREAT VALLEY HOUSING DEVELOPMENT CORPORATION, a California nonprofit public benefit corporation ("Borrower") hereby promises to pay to the order of the CITY OF TURLOCK, a municipal corporation ("Holder"), the principal amount of Twenty-Five Thousand Dollars ($25,000) plus interest thereon pursuant to Section 2 below.

All capitalized terms used but not defined in this Note have the meanings set forth in the Loan Agreement.

1. Borrower's Obligation. This Note evidences Borrower's obligation to repay Holder the principal amount of Twenty-Five Thousand Dollars ($25,000) for the funds loaned to Borrower by Holder to finance the acquisition of the Development pursuant to the Loan Agreement between Borrower and Holder of even date herewith (the "Loan Agreement").

2. Interest. No interest shall be charged on the principal amount of the Loan except if an Event of Default (as defined in the Loan Agreement) occurs, interest will accrue on all amounts due under this Note at the lesser of 10% per annum or the highest rate permitted by law until such Event of Default is cured by Borrower or waived by Holder.

3. Term and Repayment Requirements. Principal and interest plus the City Appreciation Share, as defined below, under this Note is due and payable in the event of a Transfer (as defined in the Loan Agreement) of the Property or an Event of Default (as defined in the Loan Agreement). For purpose of this Note, the City Appreciation Share shall mean fifty percent (50%) of the amount by which the sales price of the Property received by the Borrower upon transfer exceeds Four Hundred Twenty Thousand Dollars ($420,000). This Note shall have a term of fifty-five (55) years from the date set forth above.

4. No Assumption. This Note is not assumable by the successors and assigns of Borrower without the prior written consent of Holder.

5. Security. This Note is secured by a Deed of Trust that refers to this Note.

6. Terms of Payment.

(a) Borrower shall make all payments due under this Note in currency of the United States of America to Holder at City of Turlock, Housing Program Services Division, 156 S. Broadway, Suite 140, CA 95380, Attention: Housing Manager, or to such other place as Holder may from time to time designate.

(b) All payments on this Note are without expense to Holder. Borrower shall pay all costs and expenses, including re-conveyance fees and reasonable attorney's fees of Holder, incurred in connection with the payment of this Note and the release of any security hereof.

(c) The obligations of Borrower under this Note are absolute and Borrower waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reason whatsoever.

7. Event of Default; Acceleration.

(a) Upon the occurrence of an Event of Default, the entire unpaid principal balance, together with all interest thereon, the City Appreciation Share, and together with all other sums then payable under this Note and the Deed of Trust will, at the option of Holder, become immediately due and payable without further demand.

(b) Holder's failure to exercise the remedy set forth in Subsection 7(a) above or any other remedy provided by law upon the occurrence of an Event of Default does not constitute a waiver of the right to exercise any remedy at any subsequent time in respect to the same or any other Event of Default. The acceptance by Holder of any payment that is less than the total of all amounts due and payable at the time of such payment does not constitute a waiver of the right to exercise any of the foregoing remedies or options at that time or at any subsequent time, or nullify any prior exercise of any such remedy or option, without the express consent of Holder, except as and to the extent otherwise provided by law.

8. Waivers.

(a) Borrower hereby waives diligence, presentment, protest and demand, and notice of protest, notice of demand, notice of dishonor and notice of non-payment of this Note. Borrower expressly agrees that this Note or any payment hereunder may be extended from time to time, and that Holder may accept further security or release any security for this Note, all without in any way affecting the liability of Borrower.

(b) Any extension of time for payment of this Note or any installment hereof made by agreement of Holder with any person now or hereafter liable for payment of this Note must not operate to release, discharge, modify, change or affect the original liability of Borrower under this Note, either in whole or in part.

9. Miscellaneous Provisions.

(a) All notices to Holder or Borrower are to be given in the manner and at the addresses set forth in the Loan Agreement, or to such addresses as Holder and Borrower may therein designate.

(b) Borrower promises to pay all costs and expenses, including reasonable attorney's fees, incurred by Holder in the enforcement of the provisions of this Note, regardless of whether suit is filed to seek enforcement.

(c) This Note is governed by the laws of the State of California.

(d) The times for the performance of any obligations hereunder are to be strictly construed, time being of the essence.

(e) The Loan Documents (as defined in the Loan Agreement), of which this Note is a part, contain the entire agreement between the parties as to the loan evidenced by this Note. This Note may not be modified except upon the written consent of the parties.

IN WITNESS WHEREOF, Borrower has executed this Promissory Note as of the day and year first above written.

Great Valley Housing Development Corporation a California nonprofit public benefit corporation

By:_____
Print Name: Jim Kruse
Title: Executive Director

Date:_____

Witness:

By:_____
Print Name: Greg Raynes
Title: Secretary

Date:_____

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Turlock
Housing Program Services Division
156 South Broadway, Suite 140
Turlock, CA 95380
Attn: Housing Manager

No fee for recording pursuant to
Government Code Section 27383

DEED OF TRUST WITH ASSIGNMENT OF RENTS,
SECURITY AGREEMENT, AND FIXTURE FILING
(573 Birchwood Way, Turlock, CA-PLHA)

THIS DEED OF TRUST WITH ASSIGNMENT OF RENTS, SECURITY AGREEMENT, AND FIXTURE FILING ("Deed of Trust") is made as of January 27, 2026 by and among GREAT VALLEY HOUSING DEVELOPMENT CORPORATION, a California nonprofit public benefit corporation ("Trustor"), Title Company Name, a California corporation ("Trustee"), and the CITY OF TURLOCK, a California municipal corporation ("Beneficiary").

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein recited and the trust herein created, the receipt of which is hereby acknowledged, Trustor hereby irrevocably grants, transfers, conveys and assigns to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit and security of Beneficiary, under and subject to the terms and conditions hereinafter set forth, Trustor's fee interest in the property located at 573 Birchwood Way, Turlock, State of California, that is described in the attached Exhibit A, incorporated herein by this reference (the "Property").

TOGETHER WITH all interest, estates or other claims, both in law and in equity which Trustor now has or may hereafter acquire in the Property and the rents;

TOGETHER WITH all easements, rights-of-way and rights used in connection therewith or as a means of access thereto, including (without limiting the generality of the foregoing) all tenements, hereditaments and appurtenances thereof and thereto;

TOGETHER WITH any and all buildings and improvements of every kind and description now or hereafter erected thereon, and all property of the Trustor now or hereafter affixed to or placed upon the Property;

TOGETHER WITH all building materials and equipment now or hereafter delivered to said property and intended to be installed therein;

TOGETHER WITH all right, title and interest of Trustor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed, adjoining the

Property, and any and all sidewalks, alleys and strips and areas of land adjacent to or used in connection with the Property;

TOGETHER WITH all estate, interest, right, title, other claim or demand, of every nature, in and to such property, including the Property, both in law and in equity, including, but not limited to, all deposits made with or other security given by Trustor to utility companies, the proceeds from any or all of such property, including the Property, claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Trustor now has or may hereafter acquire, any and all awards made for the taking by eminent domain or by any proceeding or purchase in lieu thereof of the whole or any part of such property, including without limitation, any awards resulting from a change of grade of streets and awards for severance damages to the extent Beneficiary has an interest in such awards for taking as provided in Paragraph 4.1 herein;

TOGETHER WITH all of Trustor's interest in all articles of personal property or fixtures now or hereafter attached to or used in and about the building or buildings now erected or hereafter to be erected on the Property which are necessary to the complete and comfortable use and occupancy of such building or buildings for the purposes for which they were or are to be erected, including all other goods and chattels and personal property as are ever used or furnished in operating a building, or the activities conducted therein, similar to the one herein described and referred to, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are, or will be, attached to said building or buildings in any manner; and

TOGETHER WITH all of Trustor's interest in all building materials, fixtures, equipment, work in process and other personal property to be incorporated into the Property; all goods, materials, supplies, fixtures, equipment, machinery, furniture and furnishings, signs and other personal property now or hereafter appropriated for use on the Property, whether stored on the Property or elsewhere, and used or to be used in connection with the Property; all rents, issues and profits, and all inventory, accounts, accounts receivable, contract rights, general intangibles, chattel paper, instruments, documents, notes drafts, letters of credit, insurance policies, insurance and condemnation awards and proceeds, trade names, trademarks and service marks arising from or related to the Property and any business conducted thereon by Trustor; all replacements, additions, accessions and proceeds; and all books, records and files relating to any of the foregoing.

All of the foregoing, together with the Property, is herein referred to as the "Security." To have and to hold the Security together with acquaintances to the Trustee, its successors and assigns forever.

FOR THE PURPOSE OF SECURING THE FOLLOWING OBLIGATIONS (the "Secured Obligations"):

A. Payment to Beneficiary of all sums at any time owing under or in connection with the Note (defined in Section 1.4 below) until paid or cancelled. Said principal and other payments are due and payable as provided in the Note. The Note and all its terms are incorporated herein by reference, and this conveyance secures any and all extensions thereof, however evidenced;

B. Payment of any sums advanced by Beneficiary to protect the Security pursuant to the terms and provisions of this Deed of Trust following a breach of Trustor's obligation to advance said sums and the expiration of any applicable cure period, with interest thereon as provided herein;

C. All modifications, extensions and renewals of any of the foregoing (including without limitation, (i) modifications, extensions or renewals at a different rate of interest, or (ii) deferrals or accelerations of the required principal payment dates or interest payment dates or both, in whole or in part), however evidenced, whether or not any such modification, extension or renewal is evidenced by a new or additional promissory note or notes.

AND TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR COVENANTS AND AGREES:

ARTICLE 1
DEFINITIONS

In addition to the terms defined elsewhere in this Deed of Trust, the following terms have the following meanings in this Deed of Trust:

Section 1.1 The term "Loan" means the loan made by the Beneficiary to the Trustor in the amount of Four Hundred Twenty Thousand Dollars ($420,000.00).

Section 1.2 The term "Loan Agreement" means that certain CDBG/PLHA/HOME Loan Agreement between Trustor and Beneficiary, of even date herewith, as such may be amended from time to time, providing for the Beneficiary to loan to Trustor Four Hundred Twenty Thousand Dollars ($420,000.00).

Section 1.3 The term "Loan Documents" means this Deed of Trust, the Note, the Loan Agreement, and the Regulatory Agreement, and any other debt, loan or security instruments between Trustor and the Beneficiary relating to the Loan.

Section 1.4 The term "Note" means the PLHA Promissory Note in the principal amount of Twenty-Five Thousand Dollars ($25,000.00) of even date herewith, executed by Trustor in favor of the Beneficiary, as it may be amended or restated, the payment of which is secured by this Deed of Trust. (A copy of the Note is on file with the Beneficiary and terms and provisions of the Note are incorporated herein by reference.)

Section 1.5 The term "Principal" means the amount required to be paid under the Note.

Section 1.6 The term "Regulatory Agreement" means the Regulatory Agreement and Declaration of Restrictive Covenants of even date herewith by and between the Beneficiary and the Trustor.

ARTICLE 2
MAINTENANCE AND MODIFICATION OF THE PROPERTY AND SECURITY

Section 2.1 Maintenance and Modification of the Property by Trustor.

The Trustor agrees that at all times prior to full payment and performance of the Secured Obligations, the Trustor will, at the Trustor's own expense, maintain, preserve and keep the Security or cause the Security to be maintained and preserved in good condition. The Trustor will from time to time make or cause to be made all repairs, replacements and renewals deemed proper and necessary by it. The Beneficiary has no responsibility in any of these matters or for the making of improvements or additions to the Security.

Trustor agrees to pay fully and discharge (or cause to be paid fully and discharged) all claims for labor done and for material and services furnished in connection with the Security, diligently to file or procure the filing of a valid notice of cessation upon the event of a cessation of labor on the work or construction on the Security for a continuous period of thirty (30) days or more, and to take all other reasonable steps to forestall the assertion of claims of lien against the Security or any part thereof. Trustor irrevocably appoints, designates and authorizes Beneficiary as its agent (said agency being coupled with an interest) with the authority, but without any obligation, to file for record any notices of completion or cessation of labor or any other notice that Beneficiary deems necessary or desirable to protect its interest in and to the Security or the Loan Documents; provided, however, that Beneficiary exercises its rights as agent of Trustor only in the event that Trustor fails to take, or fails to diligently continue to take, those actions as hereinbefore provided.

Upon demand by Beneficiary, Trustor shall make or cause to be made such demands or claims as Beneficiary specifies upon laborers, material men, subcontractors or other persons who have furnished or claim to have furnished labor, services or materials in connection with the Security. Nothing herein contained requires Trustor to pay any claims for labor, materials or services which Trustor in good faith disputes and is diligently contesting provided that Trustor shall, within thirty (30) days after the filing of any claim of lien, record in the Office of the Recorder of Stanislaus County, a surety bond in an amount 1 and 1/2 times the amount of such claim item to protect against a claim of lien.

Section 2.2 Granting of Easements.

Trustor may not grant easements, licenses, rights-of-way or other rights or privileges in the nature of easements with respect to any property or rights included in the Security except those required or desirable for installation and maintenance of public utilities including, without limitation, water, gas, electricity, sewer, telephone and telegraph, or those required by law, and as approved, in writing, by Beneficiary.

Section 2.3 Assignment of Rents.

As part of the consideration for the indebtedness evidenced by the Note, Trustor hereby absolutely and unconditionally assigns and transfers to Beneficiary all the rents and revenues of the Property including those now due, past due, or to become due by virtue of any lease or other agreement for the occupancy or use of all or any part of the Property, regardless of to whom the rents and revenues of the Property are payable, subject to the rights of senior lenders. Trustor hereby authorizes Beneficiary or Beneficiary's agents to collect the aforesaid rents and revenues and hereby directs each tenant of the Property to pay such rents to Beneficiary or Beneficiary's agents; provided, however, that prior to written notice given by Beneficiary to Trustor of the breach

by Trustor of any covenant or agreement of Trustor in the Loan Documents, Trustor shall collect and receive all rents and revenues of the Property as trustee for the benefit of Beneficiary and Trustor to apply the rents and revenues so collected to the Secured Obligations with the balance, so long as no such breach has occurred, to the account of Trustor, it being intended by Trustor and Beneficiary that this assignment of rents constitutes an absolute assignment and not an assignment for additional security only. Upon delivery of written notice by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents, and without the necessity of Beneficiary entering upon and taking and maintaining full control of the Property in person, by agent or by a court-appointed receiver, Beneficiary shall immediately be entitled to possession of all rents and revenues of the Property as specified in this Section 2.3 as the same becomes due and payable, including but not limited to, rents then due and unpaid, and all such rents will immediately upon delivery of such notice be held by Trustor as trustee for the benefit of Beneficiary only; provided, however, that the written notice by Beneficiary to Trustor of the breach by Trustor contains a statement that Beneficiary exercises its rights to such rents. Trustor agrees that commencing upon delivery of such written notice of Trustor's breach by Beneficiary to Trustor, each tenant of the Property shall make such rents payable to and pay such rents to Beneficiary or Beneficiary's agents on Beneficiary's written demand to each tenant therefor, delivered to each tenant personally, by mail or by delivering such demand to each rental unit, without any liability on the part of said tenant to inquire further as to the existence of a default by Trustor.

Trustor hereby covenants that Trustor has not executed any prior assignment of said rents except in connection with the Bond Loan, that Trustor has not performed, and will not perform, any acts or has not executed and will not execute, any instrument which would prevent Beneficiary from exercising its rights under this Section 2.3, and that at the time of execution of this Deed of Trust, here has been no anticipation or prepayment of any of the rents of the Property for more than two (2) months prior to the due dates of such rents. Trustor covenants that Trustor will not hereafter collect or accept payment of any rents of the Property more than two (2) months prior to the due dates of such rents. Trustor further covenant that Trustor will execute and deliver to Beneficiary such further assignments of rents and revenues of the Property as Beneficiary may from time to time request.

Upon Trustor's breach of any covenant or agreement of Trustor in the Loan Documents, Beneficiary may in person, by agent or by a court-appointed receiver, regardless of the adequacy of Beneficiary's security, enter upon and take and maintain full control of the Property in order to perform all acts necessary and appropriate for the operation and maintenance thereof including, but not limited to, the execution, cancellation or modification of leases, the collection of all rents and revenues of the Property, the making of repairs to the Property and the execution or termination of contracts providing for the management or maintenance of the Property, all on such terms as are deemed best to protect the security of this Deed of Trust. In the event Beneficiary elects to seek the appointment of a receiver for the Property upon Trustor's breach of any covenant or agreement of Trustor in this Deed of Trust, Trustor hereby expressly consents to the appointment of such receiver. Beneficiary or the receiver will be entitled to receive a reasonable fee for so managing the Property.

All rents and revenues collected subsequent to delivery of written notice by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents

are to be applied first to the costs, if any, of taking control of and managing the Property and collecting the rents, including, but not limited to, attorney's fees, receiver's fees, premiums on receiver's bonds, costs of repairs to the Property, premiums on insurance policies, taxes, assessments and other charges on the Property, and the costs of discharging any obligation or liability of Trustor as lessor or landlord of the Property and then to the sums secured by this deed of Trust. Beneficiary or the receiver is to have access to the books and records used in the operation and maintenance of the Property and will be liable to account only for those rents actually received. Beneficiary is not liable to Trustor, anyone claiming under or through Trustor or anyone having an interest in the Property by reason of anything done or left undone by Beneficiary under this Section 2.3.

If the rents of the Property are not sufficient to meet the costs, if any, of taking control of and managing the Property and collecting the rents, any funds expended by Beneficiary for such purposes will become part of the Secured Obligations pursuant to Section 3.3 hereof. Unless Beneficiary and Trustor agree in writing to other terms of payment, such amounts are payable by Trustor to Beneficiary upon notice from Beneficiary to Trustor requesting payment thereof and will bear interest from the date of disbursement at the rate stated in Section 3.3.

If the Beneficiary or the receiver enters upon and takes and maintains control of the Property, neither that act nor any application of rents as provided herein will cure or waive any default under this Deed of Trust or invalidate any other right or remedy available to Beneficiary under applicable law or under this Deed of Trust. This assignment of rents of the Property will terminate at such time as this Deed of Trust ceases to secure the Secured Obligations.

ARTICLE 3
TAXES AND INSURANCE; ADVANCES

Section 3.1 Taxes, Other Governmental Charges and Utility Charges.

Trustor shall pay, or cause to be paid, prior to the date of delinquency, all taxes, assessments, charges and levies imposed by any public authority or utility company that are or may become a lien affecting the Security or any part thereof; provided, however, that Trustor is not required to pay and discharge any such tax, assessment, charge or levy so long as (a) the legality thereof is promptly and actively contested in good faith and by appropriate proceedings, and (b) Trustor maintains reserves adequate to pay any liabilities contested pursuant to this Section 3.1. With respect to taxes, special assessments or other similar governmental charges, Trustor shall pay such amount in full prior to the attachment of any lien therefor on any part of the Security; provided, however, if such taxes, assessments or charges can be paid in installments, Trustor may pay in such installments. Except as provided in clause (b) of the first sentence of this paragraph, the provisions of this Section 3.1 may not be construed to require that Trustor maintain a reserve account, escrow account, impound account or other similar account for the payment of future taxes, assessments, charges and levies.

In the event that Trustor fails to pay any of the items required by this Section to be paid by Trustor, Beneficiary may (but is under no obligation to) pay the same, after the Beneficiary has notified the Trustor of such failure to pay and the Trustor fails to fully pay such items within seven (7) business days after receipt of such notice. Any amount so advanced therefor by Beneficiary, together with

interest thereon from the date of such advance at the maximum rate permitted by law, will become part of the Secured Obligations secured hereby, and Trustor agrees to pay all such amounts.

Section 3.2 Provisions Respecting Insurance.

Trustor agrees to provide insurance conforming in all respects to that required under the Loan Documents at all times until all amounts secured by this Deed of Trust have been paid, all Secured Obligations secured hereunder have been fulfilled, and this Deed of Trust has been reconveyed.

All such insurance policies and coverages are to be maintained at Trustor's sole cost and expense. Certificates of insurance for all of the above insurance policies, showing the same to be in full force and effect, are to be delivered to the Beneficiary upon demand therefor at any time prior to Trustor's satisfaction of the Secured Obligations.

Section 3.3 Advances.

In the event the Trustor fails to maintain the full insurance coverage required by this Deed of Trust or fails to keep the Security in accordance with the Loan Documents, the Beneficiary, after at least seven (7) days prior notice to Trustor, may (but is under no obligation to) (i) take out the required policies of insurance and pay the premiums on the same, and (ii) make any repairs or replacements that are necessary and provide for payment thereof. All amounts so advanced by the Beneficiary will become part of the Secured Obligations (together with interest as set forth below) and will be secured hereby, which amounts the Trustor agrees to pay on the demand of the Beneficiary, and if not so paid, will bear interest from the date of the advance at the lesser of ten percent (10%) per annum or the maximum rate permitted by law.

ARTICLE 4
DAMAGE, DESTRUCTION OR CONDEMNATION

Section 4.1 Awards and Damages.

Subject to the rights of senior lenders, all judgments, awards of damages, settlements and compensation made in connection with or in lieu of (1) the taking of all or any part of or any interest in the Property by or under assertion of the power of eminent domain, (2) any damage to or destruction of the Property or any part thereof by insured casualty, and (3) any other injury or damage to all or any part of the Property (collectively, the "Funds") are hereby assigned to and are to be paid to the Beneficiary by a check made payable to the Beneficiary. The Beneficiary is authorized and empowered (but not required) to collect and receive any Funds and is authorized to apply them in whole or in part to any indebtedness or obligation secured hereby, in such order and manner as the Beneficiary determines at its sole option. The Beneficiary is entitled to settle and adjust all claims under insurance policies provided under this Deed of Trust and may deduct and retain from the proceeds of such insurance the amount of all expenses incurred by it in connection with any such settlement or adjustment. All or any part of the amounts so collected and recovered by the Beneficiary may be released to Trustor upon such conditions as the Beneficiary may impose for its disposition. Application of all or any part of the Funds collected and received by the Beneficiary or the release thereof will not cure or waive any default under this Deed of Trust. The rights of the Beneficiary under this Section 4.1 are subject to the rights of any

senior mortgage lender. The Beneficiary shall release the Funds to Trustor to be used to reconstruct the improvements on the Property provided that Beneficiary reasonably determines that Trustor (take into account the Funds) has sufficient funds to rebuild the improvements in substantially the form that existed prior to the casualty or condemnation.

ARTICLE 5
AGREEMENTS AFFECTING THE PROPERTY; FURTHER ASSURANCES; PAYMENT OF PRINCIPAL AND INTEREST

Section 5.1 Other Agreements Affecting Property.

The Trustor shall duly and punctually perform all terms, covenants, conditions and agreements binding upon it under the Loan Documents and any other agreement of any nature whatsoever now or hereafter involving or affecting the Security or any part thereof.

Section 5.2 Agreement to Pay Attorneys' Fees and Expenses.

In the event of any Event of Default (as defined in Section 7.1) hereunder, and if the Beneficiary employs attorneys or incurs other expenses for the collection of amounts due hereunder or the enforcement of performance or observance of an obligation or agreement on the part of the Trustor in this Deed of Trust, the Trustor agrees that it will, on demand therefor, pay to the Beneficiary the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Beneficiary. Any such amounts paid by the Beneficiary will be added to the Secured Obligations, and will bear interest from the date such expenses are incurred at the lesser of ten percent (10%) per annum or the maximum rate permitted by law.

Section 5.3 Payment of the Principal.

The Trustor shall pay to the Beneficiary the Principal and any other payments as set forth in the Note in the amounts and by the times set out therein.

Section 5.4 Personal Property.

To the maximum extent permitted by law, the personal property subject to this Deed of Trust is deemed to be fixtures and part of the real property and this Deed of Trust constitutes a fixture filing under the California Commercial Code. As to any personal property not deemed or permitted to be fixtures, this Deed of Trust constitutes a security agreement under the California Commercial Code.

Section 5.5 Financing Statement.

The Trustor shall execute and deliver to the Beneficiary such financing statements pursuant to the appropriate statutes, and any other documents or instruments as are required to convey to the Beneficiary a valid perfected security interest in the Security. The Trustor shall perform all acts that the Beneficiary reasonably requests so as to enable the Beneficiary to maintain a valid perfected security interest in the Security in order to secure the payment of the Note in accordance with its terms. The Beneficiary is authorized to file a copy of any such financing statement in any

jurisdiction(s) as it deems appropriate from time to time in order to protect the security interest established pursuant to this instrument.

Section 5.6 Operation of the Security.

The Trustor shall operate the Security (and, in case of a transfer of a portion of the Security subject to this Deed of Trust, the transferee shall operate such portion of the Security) in full compliance with the Loan Documents.

Section 5.7 Inspection of the Security.

At any and all reasonable times upon seventy-two (72) hours' notice, the Beneficiary and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, may inspect the Security, without payment of charges or fees.

Section 5.8 Nondiscrimination.

The Trustor herein covenants by and for itself, its heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there will be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, age, sex, sexual orientation, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Security, nor will the Trustor itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Security. The foregoing covenants run with the land.

ARTICLE 6
HAZARDOUS WASTE

Trustor shall keep and maintain the Property in compliance with, and shall not cause or permit the Property to be in violation of any federal, state or local laws, ordinances or regulations relating to industrial hygiene or to the environmental conditions on, under or about the Property including, but not limited to, soil and ground water conditions. Trustor shall not use, generate, manufacture, store or dispose of on, under, or about the Property or transport to or from the Property any flammable explosives, radioactive materials, hazardous wastes, toxic substances or related materials, including without limitation, any substances defined as or included in the definition of "hazardous substances," hazardous wastes," "hazardous materials," or "toxic substances" under any applicable federal or state laws or regulations (collectively referred to hereinafter as "Hazardous Materials") except such of the foregoing as may be customarily used in construction or operation of a multi-family residential development.

Trustor shall immediately advise Beneficiary in writing if at any time it receives written notice of: (i) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened against Trustor or the Property pursuant to any applicable federal, state or local laws, ordinances, or regulations relating to any Hazardous Materials, ("Hazardous Materials Law"); (ii) all claims made or threatened by any third party against Trustor or the Property relating to damage, contribution, cost recovery compensation, loss

or injury resulting from any Hazardous Materials (the matters set forth in clauses (i) and (ii) above are hereinafter referred to as "Hazardous Materials Claims"); and (iii) Trustor's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause the Property or any part thereof to be subject to any restrictions on the ownership, occupancy, transferability or use of the Property under any Hazardous Materials Law.

Beneficiary has the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and to have its reasonable attorneys' fees in connection therewith paid by Trustor. Trustor shall indemnify and hold harmless Beneficiary and its board members, supervisors, directors, officers, employees, agents, successors and assigns from and against any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence of Hazardous Materials on, under, or about the Property including without limitation: (a) all foreseeable consequential damages; (b) the costs of any required or necessary repair, clean-up or detoxification of the Property and the preparation and implementation of any closure, remedial or other required plans; and (c) all reasonable costs and expenses incurred by Beneficiary in connection with clauses (a) and (b), including but not limited to reasonable attorneys' fees and consultant's fees. This indemnification applies whether or not any government agency has issued a clean-up order. Losses, claims, costs, suits, liability, and expenses covered by this indemnification provision include, but are not limited to: (1) losses attributable to diminution in the value of the Property; (2) loss or restriction of use of rentable space on the Property; (3) adverse effect on the marketing of any rental space on the Property; and (4) penalties and fines levied by, and remedial or enforcement actions of any kind issued by any regulatory agency (including but not limited to the costs of any required testing, remediation, repair, removal, clean-up or detoxification of the Property and surrounding properties).

Without Beneficiary's prior written consent, which may not be unreasonably withheld, Trustor may not take any remedial action in response to the presence of any Hazardous Materials on, under or about the Property, nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Material Claims, which remedial action, settlement, consent decree or compromise might, in Beneficiary's reasonable judgment, impairs the value of the Beneficiary's security hereunder; provided, however, that Beneficiary's prior consent is not necessary in the event that the presence of Hazardous Materials on, under, or about the Property either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not reasonably possible to obtain Beneficiary's consent before taking such action, provided that in such event Trustor notifies Beneficiary as soon as practicable of any action so taken. Beneficiary agrees not to withhold its consent, where such consent is required hereunder, if (i) a particular remedial action is ordered by a court of competent jurisdiction; (ii) Trustor will or may be subjected to civil or criminal sanctions or penalties if it fails to take a required action; (iii) Trustor establishes to the reasonable satisfaction of Beneficiary that there is no reasonable alternative to such remedial action which would result in less impairment of Beneficiary's security hereunder; or (iv) the action has been agreed to by Beneficiary.

The Trustor hereby acknowledges and agrees that (i) this Article is intended as the Beneficiary's written request for information (and the Trustor's response) concerning the environmental condition of the Property as required by California Code of Civil Procedure Section

726.5, and (ii) each representation and warranty in this Deed of Trust or any of the other Loan Documents (together with any indemnity applicable to a breach of any such representation and warranty) with respect to the environmental condition of the property is intended by the Beneficiary and the Trustor to be an "environmental provision" for purposes of California Code of Civil Procedure Section 736.

In the event that any portion of the Property is determined to be "environmentally impaired" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(3)) or to be an "affected parcel" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(1)), then, without otherwise limiting or in any way affecting the Beneficiary's or the Trustee's rights and remedies under this Deed of Trust, the Beneficiary may elect to exercise its rights under California Code of Civil Procedure Section 726.5(a) to (1) waive its lien on such environmentally impaired or affected portion of the Property and (2) exercise (a) the rights and remedies of an unsecured creditor, including reduction of its claim against the Trustor to judgment, and (b) any other rights and remedies permitted by law. For purposes of determining the Beneficiary's right to proceed as an unsecured creditor under California Code of Civil Procedure Section 726.5(a), the Trustor will be deemed to have willfully permitted or acquiesced in a release or threatened release of hazardous materials, within the meaning of California Code of Civil Procedure Section 726.5(d)(1), if the release or threatened release of hazardous materials was knowingly or negligently caused or contributed to by any lessee, occupant, or user of any portion of the Property and the Trustor knew or should have known of the activity by such lessee, occupant, or user which caused or contributed to the release or threatened release. All costs and expenses, including (but not limited to) attorneys' fees, incurred by the Beneficiary in connection with any action commenced under this paragraph, including any action required by California Code of Civil Procedure Section 726.5(b) to determine the degree to which the Property is environmentally impaired, plus interest thereon at the default rate specified in the Loan Agreement until paid, will be added to the indebtedness secured by this Deed of Trust and will be due and payable to the Beneficiary upon its demand made at any time following the conclusion of such action.

ARTICLE 7
EVENTS OF DEFAULT AND REMEDIES

Section 7.1 Events of Default.

The following are events of default following the expiration of any applicable notice and cure periods (each an "Event of Default"): (i) failure to make any payment to be paid by Trustor under the Loan Documents; (ii) failure to observe or perform any of Trustor's other covenants, agreements or obligations under the Loan Documents, including, without limitation, the provisions concerning discrimination; (iii) failure to make any payment or observe or perform any of Trustor's other covenants, agreements, or obligations under any Secured Obligations, which default is not cured within the times and in the manner provided therein; and (iv) failure to make any payments or observe or perform any of Trustor's other covenants, agreements or obligations under any other debt instrument or regulatory agreement secured by the Property, which default is not cured within the time and in the manner provided therein.

Section 7.2 Acceleration of Maturity.

If an Event of Default has occurred and is continuing, then at the option of the Beneficiary, the amount of any payment related to the Event of Default and all unpaid Secured Obligations are immediately due and payable, and no omission on the part of the Beneficiary to exercise such option when entitled to do so may be construed as a waiver of such right.

Section 7.3 The Beneficiary's Right to Enter and Take Possession.

If an Event of Default has occurred and is continuing, the Beneficiary may:

(a) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, and without regard to the adequacy of its security, enter upon the Property and take possession thereof (or any part thereof) and of any of the Security, in its own name or in the name of Trustee, and do any acts that it deems necessary or desirable to preserve the value or marketability of the Property, or part thereof or interest therein, increase the income therefrom or protect the security thereof. The entering upon and taking possession of the Security will not cure or waive any Event of Default or Notice of Sale (as defined in Section 7.3(c), below) hereunder or invalidate any act done in response to such Event of Default or pursuant to such Notice of Sale, and, notwithstanding the continuance in possession of the Security, Beneficiary will be entitled to exercise every right provided for in this Deed of Trust, or by law upon occurrence of any Event of Default, including the right to exercise the power of sale;

(b) Commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof;

(c) Deliver to Trustee a written declaration of an Event of Default and demand for sale, and a written notice of default and election to cause Trustor's interest in the Security to be sold ("Notice of Sale"), which notice Trustee or Beneficiary shall cause to be duly filed for record in the Official Records of Stanislaus County; or

(d) Exercise all other rights and remedies provided herein, in the instruments by which the Trustor acquires title to any Security, or in any other document or agreement now or hereafter evidencing, creating or securing the Secured Obligations.

Section 7.4 Foreclosure By Power of Sale.

Should the Beneficiary elect to foreclose by exercise of the power of sale herein contained, the Beneficiary shall deliver to the Trustee the Notice of Sale and shall deposit with Trustee this Deed of Trust which is secured hereby (and the deposit of which will be deemed to constitute evidence that the Secured Obligations are immediately due and payable), and such receipts and evidence of any expenditures made that are additionally secured hereby as Trustee may require.

(a) Upon receipt of the Notice of Sale from the Beneficiary, Trustee shall cause to be recorded, published and delivered to Trustor such Notice of Sale as is then required by law and by this Deed of Trust. Trustee shall, without demand on Trustor, after the lapse of that amount of time as is then required by law and after recordation of such Notice of Sale as required by law, sell the Security, at the time and place of sale set forth in the Notice of Sale, whether as a whole or in separate lots or parcels or items, as Trustee deems expedient and in such order as it determines, unless specified otherwise by the Trustor according to California Civil Code Section 2924g(b), at

public auction to the highest bidder, for cash in lawful money of the United States payable at the time of sale. Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed or any matters of facts will be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Trustor, Trustee or Beneficiary, may purchase at such sale.

(b) After deducting all reasonable costs, fees and expenses of Trustee, including costs of evidence of title in connection with such sale, Trustee shall apply the proceeds of sale to payment of: (i) the unpaid Principal amount of the Note; (ii) all other Secured Obligations owed to Beneficiary under the Loan Documents; (iii) all other sums then secured hereby; and (iv) the remainder, if any, to Trustor.

(c) Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter, and without further notice make such sale at the time fixed by the last postponement, or may, in its discretion, give a new Notice of Sale.

Section 7.5 Receiver.

If an Event of Default occurs and is continuing, Beneficiary, as a matter of right and without further notice to Trustor or anyone claiming under the Security, and without regard to the then value of the Security or the interest of Trustor therein, may apply to any court having jurisdiction to appoint a receiver or receivers of the Security (or a part thereof), and Trustor hereby irrevocably consents to such appointment and waives further notice of any application therefor. Any such receiver or receivers will have all the usual powers and duties of receivers in like or similar cases, and all the powers and duties of Beneficiary in case of entry as provided herein, and will continue as such and exercise all such powers until the date of confirmation of sale of the Security, unless such receivership is sooner terminated.

Section 7.6 Remedies Cumulative.

No right, power or remedy conferred upon or reserved to the Beneficiary by this Deed of Trust is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy will be cumulative and concurrent and will be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity.

Section 7.7 No Waiver.

(a) No delay or omission of the Beneficiary to exercise any right, power or remedy accruing upon any Event of Default will exhaust or impair any such right, power or remedy, and may not be construed to be a waiver of any such Event of Default or acquiescence therein; and every right, power and remedy given by this Deed of Trust to the Beneficiary may be exercised from time to time and as often as may be deemed expeditious by the Beneficiary. Beneficiary's express or implied consent to breach, or waiver of, any obligation of the Trustor hereunder will not be deemed or construed to be a consent to any subsequent breach, or further waiver, of such obligation or of any other obligations of the Trustor hereunder. Failure on the part of the Beneficiary to complain of any act or failure to act or to declare an Event of Default, irrespective

of how long such failure continues, will not constitute a waiver by the Beneficiary of its right hereunder or impair any rights, power or remedies consequent on any Event of Default by the Trustor.

(b) If the Beneficiary (i) grants forbearance or an extension of time for the payment or performance of any Secured Obligation, (ii) takes other or additional security or the payment of any sums secured hereby, (iii) waives or does not exercise any right granted in the Loan Documents, (iv) releases any part of the Security from the lien of this Deed of Trust, or otherwise changes any of the terms, covenants, conditions or agreements in the Loan Documents, (v) consents to the granting of any easement or other right affecting the Security, or (vi) makes or consents to any agreement subordinating the lien hereof, any such act or omission will not release, discharge, modify, change or affect the original liability under this Deed of Trust, or any other obligation of the Trustor or any subsequent purchaser of the Security or any part thereof, or any maker, co-signer, endorser, surety or guarantor (unless expressly released); nor will any such act or omission preclude the Beneficiary from exercising any right, power or privilege herein granted or intended to be granted in any Event of Default then made or of any subsequent Event of Default, nor, except as otherwise expressly provided in an instrument or instruments executed by the Beneficiary, will the lien of this Deed of Trust be altered thereby.

Section 7.8 Suits to Protect the Security.

The Beneficiary has the power to (a) institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Security and the rights of the Beneficiary as may be unlawful or any violation of this Deed of Trust, (b) preserve or protect its interest (as described in this Deed of Trust) in the Security, and (c) restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement for compliance with such enactment, rule or order would impair the Security thereunder or be prejudicial to the interest of the Beneficiary.

Section 7.9 Trustee May File Proofs of Claim.

In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting the Trustor, its creditors or its property, the Beneficiary, to the extent permitted by law, will be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of the Beneficiary allowed in such proceedings and for any additional amount that becomes due and payable by the Trustor hereunder after such date.

Section 7.10 Waiver.

The Trustor waives presentment, demand for payment, notice of dishonor, notice of protest and nonpayment, protest, notice of interest on interest and late charges, and diligence in taking any action to collect any Secured Obligations or in proceedings against the Security, in connection with the delivery, acceptance, performance, default, endorsement or guaranty of this Deed of Trust.

ARTICLE 8
MISCELLANEOUS

Section 8.1 Amendments.

This Deed of Trust cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by Beneficiary and Trustor.

Section 8.2 Reconveyance by Trustee.

Upon written request of Beneficiary stating that all Secured Obligations have been paid or forgiven, and all obligations under the Loan Documents have been performed in full, and upon surrender of this Deed of Trust to Trustee for cancellation and retention, and upon payment by Trustor of Trustee's reasonable fees, Trustee shall reconvey the Security to Trustor, or to the person or persons legally entitled thereto.

Section 8.3 Notices.

If at any time after the execution of this Deed of Trust it becomes necessary or convenient for one of the parties hereto to serve any notice, demand or communication upon the other party, such notice, demand or communication must be in writing and is to be served personally or by depositing the same in the registered United States mail, return receipt requested, postage prepaid and (1) if intended for Beneficiary is to be addressed to:

City of Turlock
Housing Program Services Division
156 South Broadway, Suite 140
Turlock, CA 95380
Attention: Housing Manager

and (2) if intended for Trustor is to be addressed to:

Great Valley Housing Development Corporation
1701 Robertson Road
Modesto, CA 95350
Attn: Executive Director

Any notice, demand or communication will be deemed given, received, made or communicated on the date personal delivery is affected or, if mailed in the manner herein specified, on the delivery date or date delivery is refused by the addressee, as shown on the return receipt. Either party may change its address at any time by giving written notice of such change to Beneficiary or Trustor as the case may be, in the manner provided herein, at least ten (10) days prior to the date such change is desired to be effective.

Section 8.4 Successors and Joint Trustors.

Where an obligation created herein is binding upon Trustor, the obligation also applies to and binds any transferee or successors in interest. Where the terms of the Deed of Trust have the

effect of creating an obligation of the Trustor and a transferee, such obligation will be deemed to be a joint and several obligations of the Trustor and such transferee. Where Trustor is more than one entity or person, all obligations of Trustor will be deemed to be a joint and several obligations of each and every entity and person comprising Trustor.

Section 8.5 Captions.

The captions or headings at the beginning of each Section hereof are for the convenience of the parties and are not a part of this Deed of Trust.

Section 8.6 Invalidity of Certain Provisions.

Every provision of this Deed of Trust is intended to be severable. In the event any term or provision hereof is declared to be illegal or invalid for any reason whatsoever by a court or other body of competent jurisdiction, such illegality or invalidity will not affect the balance of the terms and provisions hereof, which terms and provisions will remain binding and enforceable. If the lien of this Deed of Trust is invalid or unenforceable as to any part of the debt, or if the lien is invalid or unenforceable as to any part of the Security, the unsecured or partially secured portion of the debt, and all payments made on the debt, whether voluntary or under foreclosure or other enforcement action or procedure, will be considered to have been first paid or applied to the full payment of that portion of the debt that is not secured or partially secured by the lien of this Deed of Trust.

Section 8.7 Governing Law.

This Deed of Trust is governed by the laws of the State of California.

Section 8.8 Gender and Number.

In this Deed of Trust the singular includes the plural and the masculine includes the feminine and neuter and vice versa, if the context so requires.

Section 8.9 Deed of Trust, Mortgage.

Any reference in this Deed of Trust to a mortgage also refers to a deed of trust and any reference to a deed of trust also refers to a mortgage.

Section 8.10 Actions.

Trustor shall appear in and defend any action or proceeding purporting to affect the Security.

Section 8.11 Substitution of Trustee.

Beneficiary may from time to time substitute a successor or successors to any Trustee named herein or acting hereunder to execute this Trust. Upon such appointment, and without conveyance to the successor trustee, the latter will be vested with all title, powers, and duties conferred upon any Trustee herein named or acting hereunder. Each such appointment and

substitution is to be made by written instrument executed by Beneficiary, containing reference to this Deed of Trust and its place of record, which, when duly recorded in the proper office of the county or counties in which the Property is situated, will be conclusive proof of proper appointment of the successor trustee.

Section 8.12 Statute of Limitations.

The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived to the full extent permissible by law.

Section 8.13 Acceptance by Trustee.

Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made public record as provided by law. Except as otherwise provided by law, the Trustee is not obligated to notify any party hereto of a pending sale under this Deed of Trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee is a party unless brought by Trustee.

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year first above written.

Great Valley Housing Development Corporation, a California nonprofit public benefit corporation

By:_____
Print Name: Jim Kruse
Title: Executive Director

Date: _____

Witness:

By:_____
Print Name: Greg Raynes
Title: Secretary

Date: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Stanislaus)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)

EXHIBIT "A"

Legal Description of The Property

The land referred to herein below is situated Turlock, in the County of Stanislaus, State of California, and is described as follows:

Lot 47 of Reich Estates South No. 2, as per Map Recorded May 19, 1980 in Volume 29 of Maps, Page 21, Stanislaus County Records.

APN: 043-055-049-000

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Turlock
Housing Program Services Division
156 S. Broadway, Suite 140
Turlock, CA 95380
Attn: Housing Manager

No fee for recording pursuant to
Government Code Section 27383

REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS
(573 Birchwood Way, Turlock, CA – CDBG/HOME/PLHA Funds)

This Regulatory Agreement and Declaration of Restrictive Covenants (the "Agreement") is dated January 27, 2026, and is between the CITY OF TURLOCK, a municipal corporation (the "City "), and GREAT VALLEY HOUSING DEVELOPMENT CORPORATION, a California nonprofit public benefit corporation, ("Borrower").

RECITALS

A. Defined terms used but not defined in these recitals are as defined in Article 1 of this Agreement.

B. Borrower is the owner of the real property commonly known as 573 Birchwood Way, located in the City of Turlock, State of California, and more particularly described in Exhibit A (the "Property") which Owner acquired from the City.

C. In conjunction with the acquisition of the Property, the City and the Borrower entered into a loan agreement ("Loan Agreement") whereby the City loaned to the Borrower the purchase price for the Property in the amount of Four Hundred Twenty Thousand Dollars ($420,000) ("Loan"). The City acquired the Property with the use of Home Investment Partnerships Act ("HOME Funds") and Community Development Block Grant ("CDBG Funds") and is providing additional HOME Funds as well as Permanent Local Housing Allocation Funds ("PLHA Funds") from the California Department of Housing and Community Development ("HCD") to assist with the rehabilitation of the Property.

D. The Property is the site of a single-family residential building. The building and all other improvements to the Property, including all landscaping, roads and parking spaces, are referred to herein as the "Improvements", or as the "Development." Borrower intends to acquire the Development and rent the home to Low Income families.

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E. The City has adopted the Home Investment Partnerships Act ("HOME") program standards at 24 C.F.R Part 92 (the "HOME Regulations") to define the affordable rents, continued affordability standards which govern the use of the HOME Funds. The PLHA Final Guidelines, the Uniform Multifamily Regulations ("UMRs"), the Standard Agreement 22-PLHA-17792, and all applicable rules and regulations imposed by HCD on PLHA funding recipients govern the use of the PLHA Funds. The CDBG Regulations at 24 CFR Part 570 govern the use of the CDBG Funds and the HOME Regulations govern the use of the HOME Funds.

F. The City has the authority to make the Loan to Borrower for programs that will further a City's public purposes consistent with the HOME Regulations, the CDBG Regulations and the PLHA Guidelines and regulations.

G. The City has agreed to make the Loans on the condition that the Borrower maintain and operate the Development in accordance with restrictions set forth in this Agreement.

In consideration of receipt of the Loan at an interest rate substantially below the market rate, Borrower agrees to observe all the terms and conditions set forth below.

AGREEMENT

ARTICLE 1 DEFINITIONS

Section 1.1 Definitions.

The following terms have the following meanings:

(a) "Actual Household Size" means the actual number of persons in the applicable household.

(b) "Adjusted Income" means the total anticipated annual income of all persons in the Tenant household as calculated pursuant to 24 C.F.R. 92.203(b)(1).

(c) "Agreement" has the meaning set forth in the first paragraph of this Agreement.

(d) "Assumed Household Size" means the household size "adjusted for family size appropriate to the unit" as such term is defined in Health & Safety Code Section 50052.5(h)

(e) CDBG Funds" has the meaning set forth in Paragraph C of the Recitals.

(f) "City" means the City of Turlock, a municipal corporation.

(g) "City-Assisted Units" means the single unit within the Development designated as assisted by the City pursuant to this Agreement.

(h) "Deed of Trust" means the one Deeds of Trust with Assignment of Rents, Security Agreement and Fixture Filing of even date herewith by and among Borrower, as trustor, Old Republic Title, Inc., as trustee, and the City, as beneficiary, that will encumber the Property to secure repayment of the Loans and Borrower's performance of the covenants set forth in the documents evidencing the Loan.

(i) "Development" has the meaning set forth in Paragraph D of the Recitals.

(j) "HOME" has the meaning set forth in Paragraph E of the Recitals.

(k) "HOME Loan" has the meaning set forth in Paragraph C of the Recitals.

(l) ""HOME Term" expires fifteen (15) years after the date of this Agreement.

(m) "Loan Agreement" has the meaning set forth in Paragraph C of the Recitals.

(n) "Loan Documents" means this Agreement, the Notes, the Deeds of Trust, and the Loan Agreement.

(o) "Low Income Household" means a Tenant household with an Adjusted Income that does not exceed eighty percent (80%) of Median Income, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than eighty percent (80%) of Median Income on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes, as such definition may be amended pursuant to 24 C.F.R. Section 92.2.

(p) "Median Income" means the median gross yearly income, adjusted for Actual Household Size as specified herein, in the City of Turlock, California, as published from time to time by HUD. In the event that such income determinations are no longer published, or are not updated for a period of at least eighteen (18) months, the City shall provide Borrower with other income determinations that are reasonably similar with respect to methods of calculation to those previously published by HUD.

(q) "Notes" means the promissory notes of even date herewith executed by Borrower in favor of City that evidences Borrower's obligation to repay the HOME Loan and the PLHA Loan.

(r) "PLHA Loan" has the meaning set forth in Paragraph C of the Recitals.

(s) "Property" has the meaning set forth in Paragraph B of the Recitals.

(t) "Rent" means the total monthly payments by the Tenant of a Unit for the following: use and occupancy of the Unit and land and associated facilities, including parking; any separately charged fees or service charges assessed by Borrower which are required of all Tenants, other than security deposits; an allowance for the cost of an adequate level of service for utilities paid by the Tenant, including garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuel, but not telephone service or cable TV; and any other interest, taxes, fees or charges for use of the land or associated facilities and assessed by a public or private entity other than Borrower, and paid by the Tenant.

(u) "Tenant" means the household that occupies a Unit in the Development.

(v) "Term" means the term of this Agreement which commences as of the date of this Agreement and expires fifty-five (55) years after the date of this Agreement.

(w) "Unit(s)" means one (1) or more of the units in the Development.

ARTICLE 2
AFFORDABILITY AND OCCUPANCY COVENANTS

Section 2.1 Occupancy Requirements.

(a) Low Income Units. During the Term, Borrower shall rent the Unit and ensure that the Unit is occupied or, if vacant, available for occupancy, by a Low-Income Household.

(b) Disabled Persons Occupancy. Borrower shall cause the Development to be operated at all times in compliance with the provisions of: (i) the Unruh Act, (ii) the California Fair Employment and Housing Act, (iii) Section 504 of the Rehabilitation Act of 1973, (iv) the United States Fair Housing Act, as amended, and (v) the Americans With Disabilities Act of 1990, which relate to disabled persons access. Borrower shall indemnify, protect, hold harmless and defend (with counsel reasonably satisfactory to the City) the City, and its council members, officers and employees, from all suits, actions, claims, causes of action, costs, demands, judgments and liens arising out of Borrower's failure to comply with applicable legal requirements related to housing for persons with disabilities. The provisions of this subsection will survive expiration of the Term or other termination of this Agreement, and remain in full force and effect.

Section 2.2 Allowable Rent.

(a) Rent. During the HOME Term, the Borrower shall rent the Unit for an amount that does not exceed the High Home Rent as determined pursuant to 24 CFR 92.252(a)(1). Upon expiration of the HOME Term, Borrower shall rent the Unit for a rent that does not exceed the affordable rent for a lower income household as determined in accordance with Health and Safety Code Section 50053.

(b) No Additional Fees. Borrower may not charge any fee, other than Rent, to any Tenant of the City Assisted Units for any housing or other services provided by Borrower.

All Tenants must have equal access to and enjoyment of all common facilities in the Development.

Section 2.3 Rent Increases; Increased Income of Tenants.

(a) Rent Increases. The initial Rents and subsequent Rents for all City-Assisted Units must be approved by the City prior to occupancy and are subject to the HOME Regulations. All Rent increases for all City-Assisted Units are also subject to City approval. The Rent for such Units may be increased no more than once annually based upon the annual income certification described in Article 3. Tenants are to be given at least sixty (60) days written notice prior to any Rent increase. The City will provide Borrower with a schedule of maximum permissible Rents for the City-Assisted Units annually.

(b) Non-Qualifying Household. If, upon the annual certification of the income of a Tenant of a City Assisted Unit, Borrower determines that the income of a Household has increased above the qualifying limit for the Household, such Tenant shall be permitted to retain the Unit and upon expiration of the Tenant's lease and upon sixty (60) days written notice, the Rent must be increased to the lesser of thirty percent (30%) of the actual Adjusted Income of the Tenant or the fair market rent. When the Tenant vacates the Unit, the Borrower shall rent the Unit to a Low-Income Household, to comply with the requirements of Section 2.1 above.

(c) Termination of Occupancy. Upon termination of occupancy of a Unit by a Tenant, Borrower shall rent such Unit to a Low-Income Household to comply with the requirements of Section 2.1 above.

ARTICLE 3
INCOME CERTIFICATION AND REPORTING

Section 3.1 Income Certification. Borrower shall obtain, complete, and maintain on file, immediately prior to initial occupancy, and annually thereafter, income certifications from each Tenant renting any of the City-Assisted Units. Borrower shall make a good faith effort to verify the accuracy of the income provided by the applicant or occupying household, as the case may be, in an income certification. To verify the information Borrower shall take two or more of the following steps: (i) obtain a pay stub for the most recent pay period; (ii) obtain an income tax return for the most recent tax year; (iii) conduct a credit agency or similar search; (iv) obtain an income verification form from the applicant's current employer; (v) obtain an income verification form from the Social Security Administration and/or the California Department of Social Services if the applicant receives assistance from either of such agencies; or (vi) if the applicant is unemployed and does not have a tax return, obtain another form of independent verification. Copies of Tenant income certifications are to be available to the City upon request.

Section 3.2 Tenant Selection Plan. Before leasing any Unit in the Development, Borrower shall submit to the City for review and approval, a written tenant selection plan. Borrower's tenant selection plan must, at a minimum, during the HOME Term meet the requirements for tenant selection set out in 24 C.F.R. 92.253(d) and any modifications thereto. Borrower may not make material modifications to its tenant selection plan without the prior written approval of the City.

Section 3.3 Reporting Requirements. Borrower shall submit to the City (a) not later than the forty-fifth (45th) day after the close of each calendar year, or such other date as may be requested by the City, a statistical report, including income and rent data for all Units, setting forth the information called for therein, and (b) within fifteen (15) days after receipt of a written request, any other information or completed forms requested by the City in order to comply with reporting requirements of HUD, HCD, and the City.

Section 3.4 Additional Information. Borrower shall provide any additional information reasonably requested by the City.

Section 3.5 Records. Borrower shall maintain complete, accurate and current records pertaining to the Development, and shall permit any duly authorized representative of the City, HCD, and HUD to inspect records, including records pertaining to the selection of Tenants, and income and household size of Tenants. All Tenant lists, applications and waiting lists relating to the Development are to be at all times: (i) separate and identifiable from any other business of Borrower, (ii) maintained as required by the City, in a reasonable condition for proper audit, and (iii) subject to examination during business hours by representatives of the City, HCD, and HUD. Borrower shall retain copies of all materials obtained or produced with respect to occupancy of the units for a period of at least five (5) years or after the expiration of the Term. The City may examine and make copies of all books, records or other documents of Borrower that pertain to the Development.

Section 3.6 HOME Record Requirements. For the period of the HOME Term all records maintained by Borrower pursuant to Sections 3.3 and 3.5 above are to be (i) maintained in compliance with all applicable HUD records and accounting requirements, and (ii) open to and available for inspection and copying by HUD and its authorized representatives at reasonable intervals during normal business hours; provided however, records pertaining to Tenant income verifications, Rents, and Development inspections are subject to HUD inspection for five (5) years after expiration of the Term. Borrower is subject to the audit requirements set forth in 24 CFR 92.506 during the Term.

Section 3.7 On-Site Inspection. The City may perform an on-site inspection of the Development at least one (1) time per year. Borrower shall cooperate in such inspection.

ARTICLE 4
OPERATION OF THE DEVELOPMENT

Section 4.1 Residential Use. Borrower shall operate the Development for affordable housing residential use only. No part of the Development may be operated as transient housing.

Section 4.2 Compliance with Loan Documents and Program Requirements. Borrower's actions with respect to the Property shall at all times be in full conformity with: (i) all requirements of the Loan Documents; (ii) all requirements imposed on projects assisted with HOME Funds, CDBG Funds, and PLHA Funds, and (iii) any other regulatory requirements imposed on the Development.

Section 4.3 Taxes and Assessments. Borrower shall pay all real and personal property taxes, assessments and charges and all franchise, income, employment, old age benefit,

withholding, sales, and other taxes assessed against it, or payable by it, at such times and in such manner as to prevent any penalty from accruing, or any lien or charge from attaching to the Property; provided, however, that Borrower may contest in good faith, any such taxes, assessments, or charges. In the event Borrower exercises its right to contest any tax, assessment, or charge against it, Borrower, on final determination of the proceeding or contest, will immediately pay or discharge any decision or judgment rendered against it, together with all costs, charges and interest.

Section 4.4 Property Tax Exemption. Borrower shall not apply for a property tax exemption for the Property under any provision of law except California Revenue and Taxation Section 214(g) without the prior written consent of the City.

ARTICLE 5
PROPERTY MANAGEMENT AND MAINTENANCE

Section 5.1 Management Responsibilities. Borrower is responsible for all management functions with respect to the Development, including without limitation the selection of Tenants, certification and recertification of household size and income, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. The City has no responsibility for management of the Development. Borrower may retain a professional property management company approved by the City in its reasonable discretion to perform Borrower's management duties hereunder.

Section 5.2 Periodic Performance Review. The City reserves the right to conduct an annual (or more frequently, if deemed necessary by the City) review of the management practices and financial status of the Development. The purpose of each periodic review will be to enable the City to determine if the Development is being operated and managed in accordance with the requirements and standards of this Agreement. Borrower shall cooperate with the City in such reviews.

Section 5.3 Replacement of Management Agent. If, as a result of a periodic review, the City determines in its reasonable judgment that the Development is not being operated and managed in accordance with any of the material requirements and standards of this Agreement, the City shall deliver notice to Borrower of its intention to cause replacement of the Management Agent, including the reasons therefor. Within fifteen (15) days after receipt by Borrower of such written notice, the City staff and Borrower shall meet in good faith to consider methods for improving the financial and operating status of the Development, including, without limitation, replacement of the Management Agent.

If, after such meeting, City staff recommends in writing the replacement of the Management Agent, Borrower shall promptly dismiss the then-current Management Agent, and shall appoint as the Management Agent a person or entity meeting the standards for a management agent.

Any contract for the operation or management of the Development entered into by Borrower shall provide that the Management Agent may be dismissed and the contract terminated as set forth above. Failure to remove the Management Agent in accordance with the

provisions of this Section constitutes a default under this Agreement, and the City may enforce this provision through legal proceedings as specified in Section 6.7 below.

Section 5.4 Approval of Management Policies. Borrower shall submit its written management policies with respect to the Development to the City for its review, and shall amend such policies in any way necessary to ensure that such policies comply with the provisions of this Agreement.

Section 5.5 Property Maintenance. Borrower shall maintain, for the entire Term of this Agreement, all interior and exterior Improvements, including landscaping, on the Property in good condition and repair (and, as to landscaping, in a healthy condition) and in accordance with all applicable laws, rules, ordinances, orders and regulations of all federal, state, City, municipal, and other governmental agencies and bodies having or claiming jurisdiction and all their respective departments, bureaus, and officials, and in accordance with the following maintenance conditions:

The City places prime importance on quality maintenance to protect its investment and to ensure that all City and City-assisted affordable housing projects within the City are not allowed to deteriorate due to below-average maintenance. Normal wear and tear of the Development will be acceptable to the City assuming Borrower agrees to provide all necessary improvements to assure the Development is maintained in good condition. Borrower shall make all repairs and replacements necessary to keep the improvements in good condition and repair.

In the event that Borrower breaches any of the covenants contained in this section and such default continues for a period of seven (7) days after written notice from the City with respect to graffiti, debris, waste material, and general maintenance or thirty (30) days after written notice from the City with respect to landscaping and building improvements, then the City, in addition to whatever other remedy it may have at law or in equity, has the right to enter upon the Property and perform or cause to be performed all such acts and work necessary to cure the default. Pursuant to such right of entry, the City is permitted (but is not required) to enter upon the Property and to perform all acts and work necessary to protect, maintain, and preserve the improvements and landscaped areas on the Property, and to attach a lien on the Property, or to assess the Property, in the amount of the expenditures arising from such acts and work of protection, maintenance, and preservation by the City and/or costs of such cure, which amount shall be promptly paid by Borrower to the City upon demand.

ARTICLE 6
MISCELLANEOUS

Section 6.1 Lease Provisions. In leasing the Units within the Development, Borrower shall use a form of lease approved by the City. The lease must not contain any provision which is prohibited by 24 C.F.R. Section 92.253(b) and any amendments thereto. The form of lease must comply with all requirements of this Agreement, the other Loan Documents and must, among other matters:

(a) provide for termination of the lease for failure to: (i) provide any information required under this Agreement or reasonably requested by Borrower to establish or

recertify the Tenant's qualification, or the qualification of the Tenant's household, for occupancy in the Development in accordance with the standards set forth in this Agreement, or (ii) qualify as a Low-Income Household as a result of any material misrepresentation made by such Tenant with respect to the income computation.

(b) be for an initial term of not less than one (1) year, unless by mutual agreement between the Tenant and Borrower, and provide for no increase in Rent during such year. After the initial year of tenancy, the lease may be month-to-month by mutual agreement of Borrower and the Tenant. Notwithstanding the above, any rent increases are subject to the requirements of Section 2.3(a) above.

Section 6.2 Lease Termination. Any termination of a lease or refusal to renew a lease for a City-Assisted Unit within the Development must during the Home Term be in conformance with 24 C.F.R. 92.253(c) and subsequent to the expiration of the HOME Term, in conformance with the PLHA Guidelines, and must be preceded by not less than sixty (60) days written notice to the Tenant by Borrower specifying the grounds for the action.

Section 6.3 Nondiscrimination.

(a) All of the Units must be available for occupancy on a continuous basis to members of the general public who are income eligible. Borrower may not give preference to any particular class or group of persons in renting or selling the Units, except to the extent that the Units are required to be leased to income eligible households pursuant to this Agreement. Borrower herein covenants by and for Borrower, it successors and assigns, and all persons claiming under or through Borrower, that there exist no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, sexual orientation, marital status, familial status, national origin, veteran status, source of income (e.g., SSI), ancestry, or disability, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of any unit nor will Borrower or any person claiming under or through Borrower, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of any unit or in connection with the employment of persons for the construction, operation and management of any unit.

(b) Borrower shall accept as Tenants, on the same basis as all other prospective Tenants, persons who are recipients of federal certificates for rent subsidies pursuant to the existing housing program under Section 8 of the United States Housing Act, or its successor.

Borrower may not apply selection criteria to Section 8 certificate or voucher holders that is more burdensome than criteria applied to all other prospective Tenants, nor will Borrower apply or permit the application of management policies or lease provisions with respect to the Development which have the effect of precluding occupancy of units by such prospective Tenants.

Section 6.4 Term. The provisions of this Agreement apply to the Property for the Term even if the Loans are paid in full prior to the end of the Term. This Agreement binds any

successor, heir or assign of Borrower, whether a change in interest occurs voluntarily or involuntarily, by operation of law or otherwise, except as expressly released by City. City is making the Loans on the condition, and in consideration of, this provision, and would not do so otherwise.

Section 6.5 Notice of Expiration of Term.

(a) At least six (6) months prior to the expiration of the Term, Borrower shall provide by first-class mail, postage prepaid, a notice to all Tenants containing (i) the anticipated date of the expiration of the Term, (ii) any anticipated increase in Rent upon the expiration of the Term, (iii) a statement that a copy of such notice will be sent to the City , and (iv) a statement that a public hearing may be held by the City on the issue and that the Tenant will receive notice of the hearing at least fifteen (15) days in advance of any such hearing. Borrower shall also file a copy of the above-described notice with the City's Housing Manager.

(b) In addition to the notice required above, Borrower shall comply with the requirements set forth in California Government Code Sections 65863.10 and 65863.11. Such notice requirements include: (i) a three (3) year notice to existing tenants, prospective tenants and Affected Public Agencies (as defined in California Government Code Section 65863.10(a)), prior to the expiration of the Term; (ii) a twelve (12) month notice to existing tenants, prospective tenants and Affected Public Agencies, prior to the expiration of the Term, (ii) a six (6) month notice requirement to existing tenants, prospective tenants and Affected Public Agencies prior to the expiration of the Term; (iii) a notice of an offer to purchase the Development to "qualified entities" (as defined in California Government Code Section 65863.11(d)), if the Development is to be sold within the Term; (iv) a notice of right of first refusal within the one hundred eighty (180) day period that qualified entities may purchase the Development.

Section 6.6 Covenants to Run With the Land. The City and Borrower hereby declare their express intent that the covenants and restrictions set forth in this Agreement run with the land, and bind all successors in title to the Property, provided, however, that on the expiration of the Term of this Agreement said covenants and restrictions expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Property or any portion thereof, is to be held conclusively to have been executed, delivered and accepted subject to the covenants and restrictions, regardless of whether such covenants or restrictions are set forth in such contract, deed or other instrument, unless the City expressly releases such conveyed portion of the Property from the requirements of this Agreement.

Section 6.7 Enforcement by The City. If Borrower fails to perform any obligation under this Agreement, and fails to cure the default within thirty (30) days after the City has notified Borrower in writing of the default or, if the default cannot be cured within thirty (30) days, fails to commence to cure within thirty (30) days and thereafter diligently pursue such cure and complete such cure within ninety (90) days, the City may enforce this Agreement by any or all of the following actions, or any other remedy provided by law:

(a) Calling the Loan. The City may declare a default under the Notes, accelerate the indebtedness evidenced by the Note, and proceed with foreclosure under one or both of the Deeds of Trust.

(b) Action to Compel Performance or for Damages. The City may bring an action at law or in equity to compel Borrower's performance of its obligations under this Agreement, and may seek damages.

(c) Remedies Provided Under Loan Documents. The City may exercise any other remedy provided under the Loan Documents.

Section 6.8 Attorneys' Fees and Costs. In any action brought to enforce this Agreement, the prevailing party must be entitled to all costs and expenses of suit, including reasonable attorneys' fees. This section must be interpreted in accordance with California Civil Code Section 1717 and judicial decisions interpreting that statute.

Section 6.9 Recording and Filing. The City and Borrower shall cause this Agreement, and all amendments and supplements to it, to be recorded in the Official Records of the Stanislaus County.

Section 6.10 Governing Law. This Agreement is governed by the laws of the State of California.

Section 6.11 Waiver of Requirements. Any of the requirements of this Agreement may be expressly waived by the City in writing, but no waiver by the City of any requirement of this Agreement extends to or affects any other provision of this Agreement, and may not be deemed to do so.

Section 6.12 Amendments. This Agreement may be amended only by a written instrument executed by all the parties hereto or their successors in title that is duly recorded in the official records of the City of Turlock.

Section 6.13 Notices. Any notice requirement set forth herein will be deemed to be satisfied three (3) days after mailing of the notice first-class United States certified mail, postage prepaid, addressed to the appropriate party as follows:

City: City of Turlock
Housing Program Services Division
156 S. Broadway Street, Suite 140
Turlock, CA 95380
Attn: Housing Manager

Borrower: Great Valley Housing Development Corporation
1701 Robertson Road
Modesto, CA 95350
Attn: Executive Director

Such addresses may be changed by notice to the other party given in the same manner as provided above.

Section 6.14 Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions of this Agreement will not in any way be affected or impaired thereby.

Section 6.15 Multiple Originals; Counterparts. This Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

Section 6.16 Time of Essence. Time is of the essence of each provision of this Agreement in which time is a factor.

WHEREAS, this Agreement has been entered into by the undersigned as of the date first written above.

CITY:

CITY OF TURLOCK,
a municipal corporation

By: _____
Print Name: Susan E. Borrego
Title: Interim City Manager

Date: _____

APPROVED AS TO FORM:

_____
Print Name: George A. Petrulakis
Title: City Attorney

Date: _____

BORROWER:

Great Valley Housing Development Corporation, a California nonprofit public benefit corporation

By:_____
Print Name: Jim Kruse
Title: Executive Director

Date: _____

Witness:

By:_____
Print Name: Greg Raynes
Title: Secretary

Date: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Stanislaus)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Stanislaus)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)

EXHIBIT “A”

Legal Description of The Property

The land referred to herein below is situated Turlock, in the County of Stanislaus, State of California, and is described as follows:

Lot 47 of Reich Estates South No. 2, as per Map Recorded May 19, 1980 in Volume 29 of Maps, Page 21, Stanislaus County Records.

APN: 043-055-049-000

PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

This PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS ("Agreement") is dated January 27, 2026, ("Effective Date"), and is entered into by and between the CITY OF TURLOCK, a municipal corporation ("Seller") and GREAT VALLEY HOUSING DEVELOPMENT CORPORATION, a California nonprofit public benefit corporation ("Buyer") for the purchase of the property located at 573 Birchwood Way, Turlock, California 95380.

Recitals

A. Seller owns land in the City of Turlock, described on Exhibit "A" and improvements thereon ("Real Property"). Such Real Property and any improvements thereon, and all rights and appurtenances relating thereto (but excluding any public rights of way and easements), are hereinafter collectively referred to as the "Property".

B. Seller desires to sell the Property to Buyer, and Buyer desires to purchase the Property from Seller upon and subject to the terms and conditions hereafter set forth, including the conditions that Seller lend Buyer the purchase price (with the loan to be secured by the Property).

NOW, THEREFORE, Buyer and Seller hereby agree as follows

Agreement

ARTICLE 1. PURCHASE AND SALE.

1.1 Purchase Price. In consideration of the sum of Four Hundred Twenty Thousand Dollars ($420,000.00) ("Purchase Price") and the Buyer's expenditure of funds to pay costs of investigating title to and the physical condition of the Property, Seller agrees to sell the Property to Buyer and Buyer agrees to purchase the Property from Seller on the terms and subject to the conditions hereinafter set forth herein.

ARTICLE 2. ESCROW.

2.1 Opening Escrow. The purchase and sale of the Property shall be consummated by means of an escrow, which is to be opened by the parties promptly after the execution of this Agreement at WFG National Title Insurance Company, 1550 Fulkerth Road, Turlock, California 95380 ("Escrow Holder"), Attn: Title Officer, Reyna Rico (Phone: (209) 664-9723; email: RRico@wfgtitle.com. The parties shall promptly deliver a copy of this executed Agreement to Escrow Holder.

2.2 Escrow Instructions. Escrow Holder shall open an escrow ("**Escrow**") for the consummation of the sale of the Property to Buyer pursuant to the terms of this Agreement, and this Agreement shall constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, but each may deliver separate escrow instructions consistent with this Agreement. Upon opening Escrow, Escrow Holder is authorized to act in accordance with the terms of this Agreement. Buyer and Seller shall execute Escrow Holder's general escrow instructions upon request; provided,

however, that if there is any conflict or inconsistency between such general escrow instructions and this Agreement, this Agreement shall control.

2.3 Close of Escrow. Escrow shall close no later than February 28, 2026 (the "Outside Closing Date").

2.4 Costs.

(a) Seller shall pay one hundred percent (100%) of the escrow charges and other fees and costs charged by Escrow Holder, the premium for the Standard Owner's Policy of title insurance, any transfer taxes, and any recording charges for both the Seller and Buyer. Buyer shall pay for the costs of an Extended Coverage Owner's Policy of title insurance, if requested by Buyer, and for the Seller's lenders policy of title insurance.

ARTICLE 3. CONDITIONS TO CLOSE OF ESCROW.

3.1 General. The provisions of this Article are conditions precedent to the close of escrow. If not satisfied or waived in writing by Buyer by the Outside Closing Date, Buyer may terminate this Agreement by written notice to Seller and Escrow Holder, in which event Buyer shall be responsible for any escrow charges incurred.

3.2 Title. Seller shall cause title to the Property to be conveyed to Buyer, subject only to title exceptions approved by Buyer pursuant to Section 3.3 below (the "Permitted Exceptions"). At closing, Seller shall cause Escrow Holder to issue a Standard Owner's Policy of title insurance insuring title to the Property in Buyer with liability in the amount of the Purchase Price at Buyer's cost and Buyer may obtain an ALTA extended coverage policy and shall be required to pay the additional cost of the ATLA Extended Policy of title insurance ("Title Policy"). The Title Policy shall include as title exceptions only prorated property assessments (if any), the Permitted Exceptions, and the printed exceptions common to such title policies. At Closing, Buyer shall cause Escrow Holder to issue, at Buyer's cost, one lender's title policies to Seller in the amounts of $420,000 for the Seller's deed of trust securing the promissory note evidencing Seller's purchase money loans to Buyer.

3.3 Approval of Title Exceptions. Buyer shall, upon the signing of this Agreement, order from Escrow Holder for delivery to Buyer a preliminary title report ("Preliminary Title Report") and legible copies of all documents referred to therein covering or relating to the Property. Buyer shall have ten (10) business days from the date of this Agreement to perform an ALTA survey (if desired by Buyer) and disapprove the exceptions revealed by the survey or listed in the Preliminary Title Report by written notice to Seller. Failure to give written notice of disapproval to Seller of some or all of the exceptions shall be deemed to be approval of all exceptions, except for monetary liens, including, but not limited to, property taxes. If Buyer disapproves any exceptions, Seller shall have ten (10) business days after receipt of Buyer's notice within which to agree to remove the exception. Seller's failure to give timely written notice of such agreement to remove all disapproved exceptions to Buyer shall be deemed to be refusal, except that Seller shall automatically be deemed to agree to remove monetary liens, including, but not limited to, current property taxes. If Seller does not timely and unconditionally agree in writing to remove any other exceptions timely disapproved by Buyer, this Agreement shall

terminate without further liability to either party unless Buyer waives its objections in writing within ten (10) business days after expiration of Seller's time period for agreeing to remove exceptions. If Seller shall agree to remove any exception objected to by Buyer, Seller shall remove such exception by the Close of Escrow.

3.4 Buyer's Other Conditions Precedent. Buyer's obligation to purchase the Property is subject to the satisfaction of the following additional conditions which are for Buyer's benefit only and if neither satisfied nor expressly waived in writing by Buyer on or before the Outside Closing Date, Buyer may terminate this Agreement by written notice to Seller and Escrow Holder, in which event Buyer shall be responsible for any escrow costs incurred by the Parties:

(a) Buyer's approval, on or before the date which is ten (10) business days after the Effective Date ("Due Diligence Period"), of the condition of the Property, based on inspections, tests, surveys and other studies, including, but not limited to, environmental assessments of the Property, to be conducted by or on behalf of Buyer at Buyer's cost and in Buyer's sole discretion. Upon execution of this Agreement by Seller, Buyer's representatives may enter on the Property to make tests, surveys or other studies of the Property, provided that Buyer pays for all such tests and studies, keeps Seller's property free and clear of any liens, repairs all damage to the Property with the exception of material removed for testing purposes, and indemnifies and holds Seller harmless from and against all liability, claims, demands, damages or costs of any kind whatsoever arising from or connected with the tests, surveys or studies.

(b) Seller's not being in default under this Agreement.

3.5 Seller's Conditions Precedent. Seller's obligation to sell the Property is subject to the satisfaction of the following conditions which are for Seller's benefit only and if neither satisfied nor expressly waived in writing by Seller on or before the Outside Closing Date, Seller may terminate this Agreement by written notice to Buyer and Escrow Holder:

(a) Buyer's not being in default under this Agreement;

3.6 Further Encumbrances. From and after the date of the Preliminary Title Report, Seller will not further encumber the Property or otherwise cause or permit any additional title exceptions.

3.7 Deposit of Documents and Funds by Seller. Not later than one (1) business day prior to the Close of Escrow, Seller shall deposit the following items with Escrow Holder, each of which shall be duly executed and acknowledged by Seller where appropriate:

3.7.1. A Grant Deed duly executed and acknowledged by Seller conveying the Property to Buyer in the form of Exhibit "B" attached hereto and incorporated herein by this reference;

3.7.2. Any funds required to pay costs under Section 2.4(a) above;

3.7.3. An affidavit executed by Seller to the effect that Seller is not a "foreign person" within the meaning of Internal Revenue Code Section 1445 ("**Certification**") and an executed California Real Estate Withholding Exemption (Form 593-C) ("Form 593-C");

3.7.4. A notice to each tenant informing the tenant of the sale and the transfer of security deposit and directing the tenant to make future rent payments to the Buyer (and including the Buyer's address for notices) (the "Tenant Notices").

3.7.5. A counterpart of a Regulatory Agreement in the form attached hereto as Exhibit "D, duly executed and acknowledged (the "Regulatory Agreement").

3.7.6. Rents and Security deposits to be handled outside of escrow.

3.7.7. Other documents pertaining to Seller's authority to record the Grant Deed that may reasonably be required by Escrow Holder to close the Escrow in accordance with this Agreement.

3.8 Deposit of Documents and Funds by Buyer. Not later than one (1) business day prior to the Close of Escrow, Buyer shall deposit the following items into Escrow:

3.8.1. Any funds required to pay costs under Section 2.4(a) above; ;

3.8.2. A Preliminary Change of Ownership Statement in form suitable for filing with the tax collector for the County; provided, however, that the delivery of this instrument shall not be a condition precedent to the Close of Escrow nor a default by Buyer if not delivered by Buyer;

3.8.3. Executed promissory notes in the amount of the Purchase Price in the form attached hereto as Attachments 6 and 7 (the "Notes");

3.8.4. Executed and acknowledged Deeds of Trust in the forms attached hereto as Attachments 4 and 5 (the "Deeds of Trust");

3.8.5. Executed counterparts of the Tenant Notices;

3.8.6. An executed and acknowledged counterpart of the Regulatory Agreement;

3.8.7. All other funds and documents as may reasonably be required by Escrow Holder to close the Escrow in accordance with this Agreement.

3.9 Closing. At the closing, Escrow Holder shall record the Grant Deed and then the Regulatory Agreement, then the City's Deed of Trust securing the $395,000 promissory note (the "HOME Deed of Trust"), Then the City's Deed of Trust securing the $25,000 promissory note (the "PLHA Deed of Trust"), deliver the Notes to Seller, cause the owner's and lender's title policies to be issued, and apply deposited sums to costs as applicable.

ARTICLE 4. MISCELLANEOUS.

4.1 Notices. Notices shall be sent by certified mail, return receipt requested, postage prepaid, or sent by reputable overnight delivery service, such as Federal Express, addressed as follows:

Seller: City of Turlock
156 South Broadway Avenue Ste. 140
Turlock, CA 95380
Attention: City Manager

Buyer: Great Valley Housing Development Corporation
1701 Robertson Road
Modesto, CA 95350
Attention: Executive Director

Notices which are mailed shall be deemed to be given on the date of delivery or attempted delivery shown on the return receipt. Notices delivered by overnight messenger shall be deemed delivered on the next business day following delivery to the messenger service as shown by reasonable evidence.

4.2 Brokers. Each party represents to the other that it (the representing party) is not represented by a broker, agent, finder or salesperson in connection with this transaction.

4.3 Governing Law. This Agreement shall be governed by California law.

4.4 Time of Essence. Time is of the essence of this Agreement.

4.5 Entire Agreement. This Agreement and escrow instructions entered into by the parties contains the entire agreement of the parties hereto, and supersedes any prior written or oral agreements between them concerning the subject matter contained herein. There are no representations, agreements, arrangements or understandings, oral or written, relating to the subject matter, which are not fully expressed herein.

4.6 Additional Assurances. From time to time prior to and after the close of escrow, each party shall execute and deliver such instruments of transfer and other documents as may be reasonably requested by the other party to carry out the purpose and intent of this Agreement.

4.7 Assignment. Buyer may not assign this Agreement.

4.8 City Manager Authority. The City Manager is authorized to execute and deliver all consents and approvals on behalf of Seller hereunder provided they are in writing and to enter into written amendments to this Agreement that do not substantially alter the business terms herein to the detriment of Seller.

ARTICLE 5. "AS IS" SALE; RELEASE.

Buyer acknowledges and agrees that the Property is being sold in its current "as is" condition, without representation or warranty, express or implied, other than as provided in this Agreement.

Buyer and anyone claiming by, through or under Buyer hereby waives its right to recover from and fully and irrevocably releases Seller and its council members, board members,

employees, officers, directors, representatives, agents, servants, attorneys, successors and assigns ("**Released Parties**") from any and all claims, responsibility and/or liability that it may now have or hereafter acquire against any of the Released Parties for any costs, loss, liability, damage, expenses, demand, action or cause of action arising from or related to (i) the condition (including any defects, errors, omissions or other conditions, latent or otherwise, and the presence in the soil, air, structures and surface and subsurface waters of materials or substances that have been or may in the future be determined to be hazardous materials or otherwise toxic, hazardous, undesirable or subject to regulation and that may need to be specially treated, handled and/or removed from the Property under current or future federal, state and local laws regulations or guidelines), (ii) valuation, salability or utility of the Property, or its suitability for any purpose whatsoever, and (iii) any information furnished by the Released Parties under or in connection with this Agreement. This release includes claims of which Buyer is presently unaware or which Buyer does not presently suspect to exist which, if known by Buyer, would materially affect Buyer's release to Seller. Buyer specifically waives the provision of California Civil Code Section 1542, which provides as follows:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN TO HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

In this connection and to the extent permitted by law, Buyer hereby agrees, represents and warrants that Buyer realizes and acknowledges that factual matters now unknown to it may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which are presently unknown, unanticipated and unsuspected, and Buyer further agrees, represents and warrants that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that Buyer nevertheless hereby intends to release, discharge and acquit Released Parties from any such unknown causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which might in any way be included as a material portion of the consideration given to Seller by Buyer in exchange for Seller's performance hereunder.

Buyer hereby agrees that, if at any time after the Close of Escrow any third party or any governmental agency seeks to hold Buyer responsible for the presence of, or any loss, cost or damage associated with, hazardous materials in, on, above or beneath the Property or emanating therefrom, then Buyer waives any rights it may have against Seller in connection therewith, including, without limitation, under CERCLA and Buyer agrees that it shall not (i) implead the Seller, (ii) bring a contribution action or similar action against Seller, or (iii) attempt in any way to hold Seller responsible with respect to any such matter. The provisions of this Section shall survive the Close of Escrow.

Seller has given Buyer material concessions regarding this transaction in exchange for Buyer agreeing to the provisions of this Section. Seller and Buyer have each initialed this Section to further indicate their awareness and acceptance of each and every provision hereof.

_____ _____
SELLER'S INITIALS BUYER'S INITIALS

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first written above.

CITY OF TURLOCK, a municipal corporation

By: _____
Susan E. Borrego,
Title: Interim City Manager

Date:_____

Great Valley Housing Development Corporation, a California nonprofit public benefit corporation

By: _____
Print Name: Jim Kruse
Title: Executive Director

Date:_____

By:_____
Print Name: Greg Raynes
Title: Secretary

Date: _____

APPROVED AS TO FORM:

By: _____
George A. Petrulakis,
Title: City Attorney

Date: _____

ATTEST:

By: _____
Nichole Fiez,
Title: City Clerk

Date:_____

EXHIBIT "A"

Legal Description of The Property

The land referred to herein below is situated Turlock, in the County of Stanislaus, State of California, and is described as follows:

Lot 47 of Reich Estates South No. 2, as per Map Recorded May 19, 1980 in Volume 29 of Maps, Page 21, Stanislaus County Records.

APN: 043-055-049-000

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF APPROVING THE PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS, LOAN AGREEMENT, REGULATORY AGREEMENT, PROMISSORY NOTE, DEED OF TRUST, AND GRANT DEED FOR THE SALE OF THE PROPERTY LOCATED 591 BIRCHWOOD WAY, TURLOCK, (APN 043-055-048), TO BE SOLD TO GREAT VALLEY HOUSING DEVELOPMENT CORPORATION, A NON-PROFIT ORGANIZATION, IN THE AMOUNT OF $410,000 SUBJECT TO THE TERMS AND CONDITIONS AS OUTLINED IN ATTACHMENT C AND AUTHORIZE THE INTERIM CITY MANAGER TO SIGN ALL NECESSARY DOCUMENTS TO EFFECTUATE THE TRANSACTION.	}	**RESOLUTION NO. 2026-**

WHEREAS, the City of Turlock purchased the property at 591 Birchwood Way, Turlock, a single-family dwelling, in 2021 with Community Development Block Grant (CDBG) funds and rehabilitated the property with CDBG funds for the purpose of implementing the goal of the Consolidated Plan and Annual Action Plan of creating affordable housing; and

WHEREAS, the City of Turlock put out a Request of Proposal (RFP) for the sale of 591 Birchwood Way, to be for affordable rental units to income eligible tenants; and

WHEREAS, Great Valley Housing Development Corporation submitted a RFP Proposal for the acquisition of 591 Birchwood Way; and

WHEREAS, the sale of 591 Birchwood Way will be granted to Great Valley Housing Development Corporation in the amount of $410,000.00; and

WHEREAS, the City will grant Great Valley Housing Development Corporation a first lien in the form of a forgivable loan of $205,000.00 to be forgiven by a percentage annually over the 30-year loan term and a second lien in the form of a deferred loan of $205,000 plus 50% of the amount by which the sales price exceeds the total purchase price of $410,000.00, and

WHEREAS, the City of Turlock has taken steps to provide affordable housing options throughout the community that will assist our nonprofit service providers in building capacity to enhance the affordable housing stock, including providers who can provide services and programs to help prevent and address homelessness in Turlock.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Turlock does hereby approve the purchase and sale agreement and joint escrow instructions, loan agreement, regulatory agreement, promissory note, deed of trust, and grant deed for the sale of the property located at 591 Birchwood Way, Turlock, (APN 043-055-048), to Great Valley Housing Development Corporation, a nonprofit organization, in the amount of $410,000.00, subject to the terms and conditions as outlined in Attachment B and authorize the Interim City Manager to sign all necessary documents to effectuate the transaction

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 27th day of January, 2026, by the following vote:

AYES:
NOES:
NOT PARTICIPATING:
ABSENT:

ATTEST:

_____
Nichole Fiez, City Clerk,
City of Turlock, County of Stanislaus,
State of California

LOAN AGREEMENT

CDBG Funds

Between

CITY OF TURLOCK

and

GREAT VALLEY HOUSING DEVELOPMENT CORPORATION

dated (January 27, 2026)

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LOAN AGREEMENT
591 Birchwood Way, Turlock, CA – CDBG funds

This CDBG Loan Agreement (the "Agreement") is dated January 27, 2026, and is between the CITY OF TURLOCK, a municipal corporation (the "City"), and GREAT VALLEY HOUSING DEVELOPMENT CORPORATION, a California nonprofit public benefit corporation ("Borrower").

RECITALS

A. Defined terms used but not defined in these recitals are as defined in Article 1 of this Agreement.

B. The City acquired that certain property located at 591 Birchwood Way, City of Turlock, County of Stanislaus, State of California more particularly described in Exhibit A (the "Property") with Community Development Block Grant ("CDBG Funds") from the United States Department of Housing and Urban Development ("HUD") created under the National Affordable Housing Act of 1990 (NAFA), as amended. Such funds must be used by the City in accordance with 24 CFR Part 92 et seq.

C. Borrower intends to acquire the Property pursuant to a Purchase and Sale Agreement and Joint Escrow instructions between City and Borrower dated substantially concurrently herewith ("Purchase Agreement") for Four Hundred Ten Thousand Dollars ($410,000).

D. The Property is the site of a single-family residential home. The building and all other improvements to the Property, including all landscaping, roads and parking spaces, are referred to herein as the "Improvements", or as the "Development." Borrower intends to acquire the Development and rent the Development to families or persons with incomes at or below eighty percent (80%) of the median income for Stanislaus County, as defined by HUD.

E. Borrower desires to borrow the purchase price from the City and the City desires to lend the purchase price to Borrower in the form of two loans (reflecting that CDBG funds were used by City to acquire and renovate the Development. The loans shall in the aggregate consist of Four Hundred Ten Thousand Dollars ($410,000) in CDBG Funds (the "Loans"). The Development will maintain the supply of affordable rental housing in the City of Turlock.

F. The Loans will be (i) evidenced by two promissory notes, (ii) conditioned on the parties entering into a Regulatory Agreement, and (iii) loans will be secured by two separate deeds of trust.

G. Due to the assistance provided to Borrower through the Loans, the City is classifying the single- family residence on the Property as an assisted unit ("City Assisted Units")

H. The City has concluded that actions contemplated by this Agreement are exempt from the California Environmental Quality Act (Public Resources Code Sections 21000 et seq.) ("CEQA").

I. In accordance with the National Environmental Policy Act of 1969, as amended (42 U.S.C. 4321-4347) ("NEPA"), the City has completed and approved all applicable environmental review for the activities proposed to be undertaken under this Agreement.

The parties therefore agree as follows:

AGREEMENT

ARTICLE 1
DEFINITIONS AND EXHIBITS

Section 1.1 Definitions.

The following terms have the following meanings:

(a) "Agreement" means this CDBG Loan Agreement.

(b) "Borrower" has the meaning set forth in the first paragraph of this Agreement.

(c) "CDBG" has the meaning set forth in Paragraph B of the Recitals.

(d) "CEQA" has the meaning set forth in Paragraph H of the Recitals.

(e) "City" means the City of Turlock, a municipal corporation.

(f) "City-Assisted Unit" has the meaning set forth in Paragraph G of the Recitals.

(g) "Deeds of Trust" means the Deeds of Trust with Assignment of Rents, Security Agreement, and Fixture Filing of even date herewith among Borrower, as Trustor, First American Title Company, as trustee, and the City, as beneficiary, that will encumber the Property to secure repayment of the Loans and performance of the covenants of the Loan Documents.

(h) "Default Rate" means the lesser of the maximum rate permitted by law and ten percent (10%) per annum.

(i) "Development" has the meaning set forth in Paragraph D of the Recitals.

(j) "Event of Default" has the meaning set forth in Section 5.1.

(k) "Hazardous Materials" has the meaning set forth in Section 3.5.

(l) "Hazardous Materials Claims" has the meaning set forth in Section 3.5.

(m) "Hazardous Materials Law" has the meaning set forth in Section 3.5.

(n) "HUD" has the meaning set forth in Paragraph B of the Recitals.

(o) "Improvements" has the meaning set forth in Paragraph D of the Recitals.

(p) "Loans" has the meaning set forth in Paragraph E of the Recitals.

(q) "Loan Documents" means this Agreement, the Notes, the Regulatory Agreement, and the Deeds of Trust.

(r) "NEPA" has the meaning set forth in Paragraph I of the Recitals.

(s) "Notes" means (i) Promissory Note A of even date herewith that evidences Borrower's obligation to repay Four Hundred Twenty Thousand Dollars ($420,000) of the Loan and (ii) Promissory Note B of even date herewith that evidences Borrower's obligation to repay Four Hundred Twenty Thousand Dollars ($420,000) of the Loan.

(t) "Property" has the meaning set forth in Paragraph B of the Recitals.

(u) "Regulatory Agreement" means the Regulatory Agreement and Declaration of Restrictive Covenants, between the City and Borrower related to the Loan, to be recorded against the Property.

(v) "Tenant" means the tenant household that occupies the unit in the Development.

(w) "Transfer" has the meaning set forth in Section 3.11 below.

(x) "Term" means the period of the time that commences on the date of this Agreement, and expires, unless sooner terminated in accordance with this Agreement, on the fifty-fifth (55^{th}) anniversary of the date of this Agreement.

ARTICLE 2 LOAN PROVISIONS

Section 2.1 Loan.

Upon acquisition of the Property by the Borrower, the City shall lend to Borrower the Loans for the purposes set forth in Section 2.3 of this Agreement. Borrower's obligation to repay the Loans is evidenced by the Notes.

Section 2.2 Interest.

(a) Subject to the provisions of Subsection (b) below, interest will not accrue on the outstanding principal balance of the Loans.

(b) Upon the occurrence of an Event of a Default, interest on the Loans will begin to accrue, beginning on the date of such occurrence and continuing until the date the Loans is repaid in full or the Event of Default is cured, at the Default Rate.

Section 2.3 Use of Loan Funds.

The Loans are purchase money financing for the Borrower's acquisition of the Property.

Section 2.4 Security.

The Loans shall be secured by the Deeds of Trust which shall be recorded against the Property upon Borrower's acquisition of the Property. Borrower shall also cause or permit the Regulatory Agreement to be recorded against the Property upon its acquisition of the Property, all as described in the Purchase Agreement.

Section 2.5 Subordination.

The Deeds of Trust and the Regulatory Agreement shall not be subordinated to any other financing or encumbrances on the Property.

Section 2.6 Repayment Schedule.

(a) Annual Payments. Payments on the Loans shall be due as set forth below.

(i) Payment on Promissory Note A. In the event of a Transfer of the Property or an Event of Default, the principal amount evidenced by Promissory Note A, Two Hundred Five Thousand Dollars ($205,000.00), plus the City Appreciation Share, as defined below, will be due and payable to the City. For purposes of this Agreement, the City Appreciation Share shall mean fifty-percent (50%) of the amount by which the sales price for the Property received by the Borrower upon Transfer exceeds Four Hundred Ten Thousand Dollars ($4100,000).

(ii) Payment on Promissory Note B. One Thirtieth ($1/30^{th}$) of the principal amount of Promissory Note B shall be forgiven each year on the anniversary date of Promissory Note B provided an Event of Default has not occurred and Borrower has not Transferred the Property. If prior to the expiration of the Term of Promissory Note B, Borrower Transfers the Property, the outstanding principal balance of the Loan evidenced by Promissory Note B at the time of such Transfer plus interest at the Default Rate on such principal shall be due in full at the time of Transfer.

(iii) The principal balance and any interest on the Notes shall be due in full in an Event of Default.

(b) Prepayment. Borrower may prepay the Loans at any time without premium or penalty. However, the Regulatory Agreement and the Deeds of Trust will remain in effect for the entire Term, regardless of any prepayment or Transfer.

Section 2.7 Reports.

On or before December of each calendar year, Borrower shall furnish to the City:

(i) Income eligibility of tenants

(ii) Rent limits calculation sheet

(iii) All HUD required tenant documents

Section 2.8 Non-Recourse.

Except as provided below, Borrower will not have any direct or indirect personal liability for payment of the principal of, and interest on, the Loans. Following recordation of the Deeds of Trust, the sole recourse of the City with respect to the principal of, or interest on, the Notes will be to the property described in the Deeds of Trust; provided, however, that nothing contained in the foregoing limitation of liability limits or impairs the enforcement of all the rights and remedies of the City against all such security for the Notes, or impairs the right of City to assert the unpaid principal amount of the Notes as demand for money within the meaning and intendment of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto. The foregoing limitation of liability is intended to apply only to the obligation to repay the principal and interest on the Notes. Except as hereafter set forth; nothing contained herein is intended to relieve Borrower of its obligation to indemnify the City under Sections 3.5, and 6.4 of this Agreement, or liability for (i) loss or damage of any kind resulting from waste, fraud or willful misrepresentation; (ii) the failure to pay taxes, assessments or other charges which may create liens on the Property that are payable or applicable prior to any foreclosure under the Deeds of Trust (to the full extent of such taxes, assessments or other charges); (iii) the fair market value of any personal property or fixtures removed or disposed of by Borrower other than in accordance with the Deeds of Trust; and (iv) the misappropriation of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Property.

ARTICLE 3 LOAN REQUIREMENTS

Section 3.1 Information.

Borrower shall provide any information reasonably requested by the City in connection with the Development, including (but not limited to) any information required by HUD in connection with Borrower's use of the Loan funds or the Property.

Section 3.2 Records.

(a) Borrower shall keep and maintain at the principal place of business of the Borrower set forth in Section 6.8 below, or elsewhere with the City's written consent, full, complete and appropriate books, records and accounts relating to the Borrower's compliance with the terms, provisions, covenants and conditions of this Agreement. All such books, records, and accounts are to be open to and available for inspection and copying by HUD, the City, its auditors or other authorized representatives at reasonable intervals during normal business hours. Copies of all tax returns and other reports that Borrower may be required to furnish to any governmental agency are to be open for inspection by the City and or HUD at all reasonable times at the place that the books, records and accounts of Borrower are kept. Borrower shall preserve such records for a period of not less than five (5) years after the repayment of the Loans and all such records will be maintained in compliance with all HUD records and accounting requirements including. If any litigation, claim, negotiation, audit exception, monitoring, inspection or other action relating to the use of the Loans is pending

at the end of the record retention period stated herein, then Borrower shall retain the records until such action and all related issues are resolved. The records are to include all invoices, receipts, and other documents related to expenditures from the Loan funds. Borrower shall cause records to be accurate and current and in such a form as to allow the City to comply with the record keeping requirements contained in 24 C.F.R. 570.506. Such records are to include but are not limited to:

(i) Records demonstrating the eligibility of activities under CDBG regulations set forth in 24 CFR 570 et seq. meets one of the national objectives of the CDBG program set forth in 24 CFR 570.208;

(ii) Records demonstrating compliance with the HUD property standards and lead-based paint requirements;

(iii) Records documenting compliance with the fair housing, equal opportunity, and affirmative fair marketing requirements;

(iv) Financial records as required by 24 C.F.R. 570.502, and OMB Circular A-110 (24 C.F.R. Part 84);

(v) Records demonstrating compliance with local hiring and MBE/WBE requirements;

(vi) Records demonstrating compliance with the Regulatory Agreement;

(vii) Records demonstrating compliance with applicable acquisition and relocation requirements, which must be retained for at least five (5) years after the date by which persons displaced from the property have received final payments;

(viii) Records demonstrating compliance with labor requirements including certified payrolls from Borrower's general contractor evidencing that applicable prevailing wages have been paid.

(b) The City shall notify Borrower of any records it deems insufficient. Borrower has fifteen (15) calendar days after the receipt of such a notice to correct any deficiency in the records specified by the City in such notice, or if a period longer than fifteen (15) days is reasonably necessary to correct the deficiency, then Borrower must begin to correct the deficiency within fifteen (15) days and correct the deficiency as soon as reasonably possible.

Section 3.3 City and or HUD Audits.

(a) Each year, Borrower shall provide the City and or HUD with a copy of Borrower's annual audit, which is to include information on all of Borrower's activities and not just those pertaining to the Development. Borrower shall also follow audit requirements of the Single Audit Act and OMB Circulars A-122 and 110.

(b) In addition, the City and HUD may, at any time, audit all of Borrower's books, records, and accounts pertaining to the Development. Any such audit is to be conducted

during normal business hours at the principal place of business of Borrower and wherever records are kept. Immediately after the completion of an audit, the City shall deliver a copy of the results of the audit to Borrower.

Section 3.4 Hazardous Materials.

(a) Borrower shall keep and maintain the Property in compliance with, and may not cause or permit the Property to be in violation of any federal, state or local laws, ordinances or regulations relating to industrial hygiene or to the environmental conditions on, under or about the Property including, but not limited to, soil and ground water conditions. Borrower may not use, generate, manufacture, store or dispose of on, under, or about the Property or transport to or from the Property any flammable explosives, radioactive materials, hazardous wastes, toxic substances or related materials, including without limitation, any substances defined as or included in the definition of "hazardous substances," hazardous wastes," "hazardous materials," or "toxic substances" under any applicable federal or state laws or regulations (collectively referred to hereinafter as "Hazardous Materials") except such of the foregoing as may be customarily used in construction of projects like the Development or kept and used in and about residential property of this type.

(b) Borrower shall immediately advise the City in writing if at any time it receives written notice of (i) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened against Borrower or the Property pursuant to any applicable federal, state or local laws, ordinances, or regulations relating to any Hazardous Materials, ("Hazardous Materials Law"), (ii) all claims made or threatened by any third party against Borrower or the Property relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in clauses (i) and (ii) above are hereinafter referred to as "Hazardous Materials Claims"), and (iii) Borrower's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause the Property or any part thereof to be subject to any restrictions on the ownership, occupancy, transferability or use of the Property under any Hazardous Materials Law.

(c) The City has the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and to have its reasonable attorneys' fees in connection therewith paid by Borrower. Borrower shall indemnify and hold harmless the City and its council members, directors, officers, employees, agents, successors and assigns from and against any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence of Hazardous Materials on, under, or about the Property including without limitation: (i) all foreseeable consequential damages, (ii) the costs of any required or necessary repair, cleanup or detoxification of the Property and the preparation and implementation of any closure, remedial or other required plans, and (iii) all reasonable costs and expenses incurred by the City in connection with clauses (i) and (ii), including but not limited to reasonable attorneys' fees and consultant's fees. This indemnification applies whether or not any government agency has issued a cleanup order. Losses, claims, costs, suits, liability, and expenses covered by this indemnification provision include, but are not limited to: (1) losses attributable to diminution

in the value of the Property, (2) loss or restriction of use of rentable space on the Property, (3) adverse effect on the marketing of any rental space on the Property, and (4) penalties and fines levied by, and remedial or enforcement actions of any kind issued by any regulatory agency (including but not limited to the costs of any required testing, remediation, repair, removal, cleanup or detoxification of the Property and surrounding properties). This obligation to indemnify will survive termination of this Agreement.

(d) Without the City's prior written consent, which will not be unreasonably withheld, Borrower may not take any remedial action in response to the presence of any Hazardous Materials on, under or about the Property, nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Material Claims, which remedial action, settlement, consent decree or compromise might, in the City's judgment, impair the value of the City's security hereunder; provided, however, that the City's prior consent is not necessary in the event that the presence of Hazardous Materials on, under, or about the Property either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not reasonably possible to obtain the City's consent before taking such action, provided that in such event Borrower shall notify the City as soon as practicable of any action so taken. The City agrees not to withhold its consent, where such consent is required hereunder, if (i) a particular remedial action is ordered by a court of competent jurisdiction, (ii) Borrower will or may be subjected to civil or criminal sanctions or penalties if it fails to take a required action, (iii) Borrower establishes to the satisfaction of the City that there is no reasonable alternative to such remedial action which would result in less impairment of the City's security hereunder, or (iv) the action has been agreed to by the City.

(e) Borrower hereby acknowledges and agrees that (i) this Section is intended as the City's written request for information (and Borrower's response) concerning the environmental condition of the Property as required by California Code of Civil Procedure Section 726.5, and (ii) each representation and warranty in this Agreement (together with any indemnity obligation applicable to a breach of any such representation and warranty) with respect to the environmental condition of the Property is intended by the Parties to be an "environmental provision" for purposes of California Code of Civil Procedure Section 736.

(f) In the event that any portion of the Property is determined to be "environmentally impaired" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(3)) or to be an "affected parcel" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(1)), then, without otherwise limiting or in any way affecting the City's or the trustee's rights and remedies under the Deeds of Trust, the City may elect to exercise its rights under California Code of Civil Procedure Section 726.5(a) to (i) waive its lien on such environmentally impaired or affected portion of the Property and (ii) exercise (1) the rights and remedies of an unsecured creditor, including reduction of its claim against Borrower to judgment, and (2) any other rights and remedies permitted by law. For purposes of determining the City's right to proceed as an unsecured creditor under California Code of Civil Procedure Section 726.5(a), Borrower will be deemed to have will fully permitted or acquiesced in a release or threatened release of Hazardous Materials, within the meaning of California Code of Civil Procedure Section 726.5(d)(1), if the release or threatened release of Hazardous Materials was knowingly or negligently caused or contributed to by any lessee,

occupant, or user of any portion of the Property and Borrower knew or should have known of the activity by such lessee, occupant, or user which caused or contributed to the release or threatened release. All costs and expenses, including (but not limited to) attorneys' fees, incurred by the City in connection with any action commenced under this paragraph, including any action required by California Code of Civil Procedure Section 726.5(b) to determine the degree to which the Property is environmentally impaired, plus interest thereon at the lesser of ten percent (10%) and the maximum rate permitted by law, until paid, will be added to the indebtedness secured by the Deeds of Trust and is due and payable to the City upon its demand made at any time following the conclusion of such action.

Section 3.5 Maintenance and Damage.

(a) During the course of operation of the Development, Borrower shall maintain the Development and the Property in good repair and in a neat, clean and orderly condition. If there arises a condition in contravention of this requirement, and if Borrower has not cured such condition within thirty (30) days after receiving a City notice of such a condition, then in addition to any other rights available to the City, the City may perform all acts necessary to cure such condition, and to establish or enforce a lien or other encumbrance against the Property, subject to the provisions provided in subsection (b) below.

(b) If economically feasible in the City's judgment after consultation with Borrower, if any improvement now or in the future on the Property is damaged or destroyed, then Borrower shall, at its cost and expense, diligently undertake to repair or restore such improvement consistent with the plans and specifications approved by the City with such changes as have been approved by the City. Such work or repair is to be commenced no later than the later of one hundred twenty (120) days, or such longer period approved by the City in writing, after the damage or loss occurs or thirty (30) days following receipt of the insurance proceeds, and is to be complete within one (1) year thereafter. Any insurance proceeds collected for such damage or destruction are to be applied to the cost of such repairs or restoration and, if such insurance proceeds are insufficient for such purpose, then Borrower shall make up the deficiency. If Borrower does not promptly make such repairs, then any insurance proceeds collected for such damage or destruction are to be promptly delivered by Borrower to the City as a special pro-rata repayment of the loans.

Section 3.6 Fees and Taxes.

Borrower is solely responsible for payment of all fees, assessments, taxes, charges, and levies imposed by any public authority or utility company with respect to the Property or the Development, and shall pay such charges prior to delinquency. However, Borrower is not required to pay and discharge any such charge so long as (i) the legality thereof is being contested diligently and in good faith and by appropriate proceedings, and (ii) if requested by the City, Borrower deposits with the City any funds or other forms of assurance that the City in good faith from time to time determines appropriate to protect the City from the consequences of the contest being unsuccessful.

Section 3.7 Notice of Litigation.

Borrower shall promptly notify the City in writing of any litigation that has the potential to materially affect Borrower or the Property and of any claims or disputes that involve a material risk of such litigation.

Section 3.8 Operation of Development as Affordable Housing.

(a) Borrower shall operate the Development as an affordable housing development consistent with (i) HUD's requirements for use of the CBDG Funds, (ii) the Regulatory Agreement, and (iii) any other regulatory requirements imposed on Borrower.

(b) Before leasing any unit in the Development, Borrower shall submit its proposed form of lease agreement for the City's review and approval. The form of lease must at a minimum, comply with the Regulatory Agreement.

(c) Before leasing any unit in the Development, Borrower shall provide the City, for its review and approval, with Borrower's written tenant selection plan pursuant to the Regulatory Agreement.

(d) Borrower shall evaluate the income eligibility of each Tenant household in City-Assisted Unit pursuant to the City's approved Tenant certification procedures set forth in the Regulatory Agreement.

(e) Borrower shall maintain all documents setting forth the household income of each household occupying a City -Assisted Unit, and the total amount for rent, utilities, and related services charged to each household occupying the Development, as prescribed by the Regulatory Agreement.

Section 3.9 Nondiscrimination.

Borrower covenants by and for itself and its successors and assigns that, there will be no discrimination against or segregation of a person or of a group of persons on account of race, color, religion, creed, age (except for lawful senior housing in accordance with state and federal law), familial status, disability, sex, sexual orientation, marital status, ancestry, veterans status, or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor may Borrower or any person claiming under or through Borrower establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Property. The foregoing covenant will run with the land.

Section 3.10 Transfer.

(a) For purposes of this Agreement, "Transfer" means any sale, assignment, or transfer, whether voluntary or involuntary, of (i) any rights and/or duties under this Agreement, and/or (ii) any interest in the Development, including (but not limited to) a fee simple interest, a joint tenancy interest, a life estate, a partnership interest, a leasehold interest, a security interest, or an interest evidenced by a land contract by which possession of

the Development is transferred and Borrower retains title. The term "Transfer" excludes the leasing of any single unit in the Development to an occupant in compliance with the Regulatory Agreement.

(b) No Transfer is permitted without the prior written consent of the City, which the City may withhold in its sole discretion. The Loans will automatically accelerate and be due in full as set forth in Section 2.6 upon any Transfer made without the prior written consent of the City.

Section 3.11 Insurance Requirements.

(a) Borrower shall maintain Commercial General Liability insurance with limits not less than Two Million Dollars ($2,000,000) each occurrence combined single limit for Bodily Injury and Property Damage, including coverages for Contractual Liability, Personal Injury, Broadform Property Damage, Products and Completed Operations.

(b) Borrower shall cause any general contractor, agent, or subcontractor working on the Development under direct contract with Borrower or subcontract to maintain insurance of the types and in at least the minimum amounts described above, except that the limit of liability for comprehensive general liability insurance for subcontractors must be One Million Dollars ($2,000,000), and must require that such insurance will meet all of the general requirements of subsections (d) and (e) below.

(c) The required insurance must be provided under an occurrence form, and Borrower shall maintain the coverage described in subsections (a) continuously throughout the Term. Should any of the required insurance be provided under a form of coverage that includes an annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit must be three times the occurrence limits specified above.

(d) Comprehensive General Liability, Comprehensive Automobile Liability and Property insurance policies must be endorsed to name as an additional insured the City and its officers, agents, employees and members of the Turlock City Council.

(e) All policies and bonds are to contain (i) the agreement of the insurer to give the City at least thirty (30) days' notice prior to cancellation (including, without limitation, for non-payment of premium) or any material change in said policies; (ii) an agreement that such policies are primary and non-contributing with any insurance that may be carried by the City; (iii) a provision that no act or omission of Borrower shall affect or limit the obligation of the insurance carrier to pay the amount of any loss sustained; and (iv) a waiver by the insurer of all rights of subrogation against the City and its authorized parties in connection with any loss or damage thereby insured against.

Section 3.12 Anti-Lobbying Certification.

Borrower certifies, to the best of Borrower's knowledge or belief, that:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of it, 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 the awarding of any Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

This certification is a material representation of fact upon which reliance was placed when this Agreement was made or entered into. Submission of this certification is a prerequisite for making or entering into this Agreement imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than Ten Thousand Dollars ($10,000) and no more than One Hundred Thousand Dollars ($100,000) for such failure.

Section 3.13 Compliance with Applicable Laws.

Borrower shall comply with all ordinances, resolutions, statutes, rules and regulations of City and any federal, state or local governmental agency having jurisdiction at the time service is rendered. This Agreement is subject to and incorporates the terms of Federal Housing and Community Development Act of 1974 (Pub. L. 93-383), as amended (the "Act"), and the regulations promulgated thereunder (24 CFR Chapter V, Part 570) ("Regulations"), and all amendments or successor regulations or guidelines thereto. Without limiting the foregoing, Borrower shall comply with the following requirements and standards:

(a) OMB Circular No. A-122 "Cost Principles for Non-Profit Organizations";

(b) Attachments A, B, C (except that in lieu of the provisions in paragraph 4, the retention period for records pertaining to individual CDBG activities commences on the date of submission of the annual performance and evaluation report in which the activity is reported on for the final time), F, H, N (excluding paragraph 3 and except that paragraphs 6 and 7 are modified so that [i] when any personal property is sold, the proceeds are program income, and [ii] personal property not needed for CDBG activities must be transferred to City or shall be retained after compensating City) and O of OMB Circular A-110;

(c) All federal laws and regulations described in Subpart K of the Regulations, including all affirmative action requirements set forth therein, but excluding City's environmental responsibilities under 24 CFR § 570.604 and City's responsibility for initiating the review process under 24 CFR Part 52;

(d) Borrower shall promptly pay the principal and interest when due on any financing obtained by Borrower related to the Property or the Development.

(e) Borrower may not incur any indebtedness of any kind or encumber the Development with any liens without the prior written consent of the City.

Section 3.14 Licenses, Permits, Fees and Assessments. Borrower shall obtain and maintain all licenses, registrations, accreditations and inspections from all agencies governing its performance under this Agreement. Borrower shall insure that its staff shall obtain and maintain all required licenses, registrations, accreditations and inspections from all agencies governing Borrower's performance under this Agreement.

Section 3.15 Program Income. Borrower agrees that it shall not use funds received from City in any manner that will provide Borrower with program income as set forth in 24 CFR Part 570.504. If program income is generated, at the discretion of City, Borrower shall return all program income to City at the end of the Agreement term.

Section 3.16 Further Responsibilities of Parties. Both parties shall use reasonable care and diligence to perform their respective obligations under this Agreement. Both parties shall act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified, neither party shall be responsible for the obligations of the other.

Section 3.17 Special Requirements. Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Conditions" attached hereto as Exhibit A. In the event of a conflict between any provisions of this Agreement, the provisions of Exhibit A shall govern.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF BORROWER

Section 4.1 Representations and Warranties.

Borrower hereby represents and warrants to the City as follows and acknowledges, understands, and agrees that the representations and warranties set forth in this Article 4 are deemed to be continuing during all times when any portion of the Loan remains outstanding:

(a) Organization. Borrower is duly organized, validly existing and in good standing under the laws of the State of California and has the power and authority to own its property and carry on its business as now being conducted.

(b) Authority of Borrower. Borrower has full power and authority to execute and deliver this Agreement and to make and accept the borrowings contemplated hereunder, to execute and deliver the Loan Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, and to perform and observe the terms and provisions of all of the above.

(c) Authority of Persons Executing Documents. This Agreement and the Loan Documents and all other documents or instruments executed and delivered, or to be executed

and delivered, pursuant to this Agreement have been executed and delivered by persons who are duly authorized to execute and deliver the same for and on behalf of Borrower, and all actions required under Borrower's organizational documents and applicable governing law for the authorization, execution, delivery and performance of this Agreement and the Loan Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, have been duly taken.

(d) Valid Binding Agreements. The Loan Documents and all other documents or instruments executed and delivered pursuant to or in connection with this Agreement constitute or, if not yet executed or delivered, will when so executed and delivered, constitute legal, valid and binding obligations of Borrower enforceable against it in accordance with their respective terms.

(e) No Breach of Law or Agreement. Neither the execution nor delivery of the Loan Documents or of any other documents or instruments executed and delivered, or to be executed or delivered, pursuant to this Agreement, nor the performance of any provision, condition, covenant or other term hereof or thereof, will (i) conflict with or result in a breach of any statute, rule or regulation, or any judgment, decree or order of any court, board, commission or agency whatsoever that is binding on Borrower, or conflict with any provision of the organizational documents of Borrower, or conflict with any agreement to which Borrower is a party, or (ii) result in the creation or imposition of any lien upon any assets or property of Borrower, other than liens established pursuant hereto.

(f) Compliance with Laws; Consents and Approvals. The acquisition of the Development will comply with all applicable laws, ordinances, rules and regulations of federal, state and local governments and agencies and with all applicable directions, rules and regulations of the fire marshal, health officer, building inspector and other officers of any such government or agency.

(g) Pending Proceedings. Borrower is not in default under any law or regulation or under any order of any court, board, commission or agency whatsoever, and there are no claims, actions, suits or proceedings pending or, to the knowledge of Borrower, threatened against or affecting Borrower or the Development, at law or in equity, before or by any court, board, commission or agency whatsoever which might, if determined adversely to Borrower, materially affect Borrower's ability to repay the Loan or impair the security given to the City pursuant hereto.

(h) Financial Statements. The financial statements of Borrower and other financial data and information furnished by Borrower to the City fairly and accurately present the information contained therein. As of the date of this Agreement, there has not been any material adverse change in the financial condition of Borrower from that shown by such financial statements and other data and information.

(i) Sufficient Funds. Borrower holds sufficient funds and/or binding commitments for sufficient funds to complete any repairs of the Property. It is recommended that a minimum of 2% of the property value is to be held as reserves at all times.

(j) Taxes. Borrower and its subsidiaries have filed all federal and other material tax returns and reports required to be filed, and have paid all federal and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their income or the Property otherwise due and payable, except those that are being contested in good faith by appropriate proceedings and for which adequate reserves have been provided in accordance with generally accepted accounting principles. There is no proposed tax assessment against Borrower or any of its subsidiaries that could, if made, be reasonably expected to have a material adverse effect on the property, liabilities (actual or contingent), operations, condition (financial or otherwise) or prospects of Borrower and its subsidiaries, taken as a whole, or which could result in (i) a material impairment of the ability of Borrower to perform under any loan document to which it is a party, or (ii) a material adverse effect upon the legality, validity, binding effect or enforceability against Borrower of any Loan Document.

ARTICLE 5 DEFAULT AND REMEDIES

Section 5.1 Events of Default.

Each of the following constitutes an "Event of Default" by Borrower under this Agreement:

(a) Failure to Make Payment. Failure to make any payment when such payment is due pursuant to the Loan Documents.

(b) Breach of Covenants. Failure by Borrower to duly perform, comply with, or observe any of the conditions, terms, or covenants of any of the Loan Documents or the Project Agreement (other than obligations described in subsections (a) and (b) above), and Borrower fails to cure such default within thirty (30) days after receipt of written notice thereof from the City to Borrower; provided, however, that if a different period or notice requirement is specified under any other section of this Article 5, the specific provisions shall control.

(c) Default Under Other Loans. A default is declared under any other financing for the Development by the lender of such financing and such default remains uncured following any applicable notice and cure period.

(d) Insolvency. A court having jurisdiction makes or enters any decree or order (i) adjudging Borrower to be bankrupt or insolvent, (ii) approving as properly filed a petition seeking reorganization of Borrower, or seeking any arrangement for Borrower under the bankruptcy law or any other applicable debtor's relief law or statute of the United States or any state or other jurisdiction, (iii) appointing a receiver, trustee, liquidator, or assignee of Borrower in bankruptcy or insolvency or for any of their properties, (iv) directing the winding up or liquidation of Borrower if any such decree or order described in clauses (i) to (iv), inclusive, is unstayed or undischarged for a period of ninety (90) calendar days; or (v) Borrower admits in writing its inability to pay its debts as they fall due or will have voluntarily submitted to or filed a petition seeking any decree or order of the nature described in clauses (i) to (iv), inclusive. The occurrence of any of the Events of Default in this

paragraph will act to accelerate automatically, without the need for any action by the City, the indebtedness evidenced by the Notes.

(e) Assignment; Attachment. Borrower assigns its assets for the benefit of its creditors or suffers a sequestration or attachment of or execution on any substantial part of its property, unless the property so assigned, sequestered, attached or executed upon is returned or released within ninety (90) calendar days after such event or, if sooner, prior to sale pursuant to such sequestration, attachment, or execution. The occurrence of any of the events of default in this paragraph shall act to accelerate automatically, without the need for any action by the City, the indebtedness evidenced by the Notes.

(f) Suspension; Termination. Borrower voluntarily suspends its business or, the partnership is dissolved or terminated, other than a technical termination of the partnership for tax purposes.

(g) Liens on Property and the Development. Any claim of lien (other than liens approved in writing by the City) is filed against the Development or any part thereof, or any interest or right made appurtenant thereto, or the service of any notice to withhold proceeds of the Loan and the continued maintenance of said claim of lien or notice to withhold for a period of twenty (20) days, without discharge or satisfaction thereof or provision therefor (including, without limitation, the posting of bonds) satisfactory to the City.

(h) Condemnation. The condemnation, seizure, or appropriation of all or the substantial part of the Property and the Development.

(i) Unauthorized Transfer. Any Transfer other than as permitted pursuant to Section 3.10.

(j) Representation or Warranty Incorrect. Any Borrower representation or warranty contained in this Agreement, or in any application, financial statement, certificate, or report submitted to the City in connection with any of the Loan Documents, proves to have been incorrect in any material respect when made.

Section 5.2 Remedies.

Upon the occurrence of an Event of Default and until such Even of Default is cured or waived, the City is relieved of any obligation to disburse any portion of the Loan. In addition, upon the occurrence of an Event of Default and following the expiration of all applicable notice and cure periods the City may proceed with any and all remedies available to it under law, this Agreement, and the other Loan Documents. Such remedies include but are not limited to the following:

(a) Acceleration of Notes. The City may demand repayment of all indebtedness of Borrower to the City under this Agreement and the Notes. Borrower waives all right to presentment, demand, protest or notice of protest or dishonor. The City may proceed to enforce payment of the indebtedness and to exercise any or all rights afforded to the City as a creditor and secured party under the law, including the Uniform Commercial Code, including foreclosure under one or both the Deeds of Trust. Borrower is liable to pay the City on

demand all reasonable expenses, costs and fees (including, without limitation, reasonable attorney's fees and expenses) paid or incurred by the City in connection with the collection of the Loan and any such foreclosure the preservation, maintenance, protection, sale, or other disposition of the security given for the Loan.

(b) Specific Performance. The City has the right to mandamus or other suit, action or proceeding at law or in equity to require Borrower to perform its obligations and covenants under the Loan Documents or to enjoin acts on things that may be unlawful or in violation of the provisions of the Loan Documents.

(c) Right to Cure at Borrower's Expense. The City has the right (but not the obligation) to cure any monetary default by Borrower under a loan other than the Loan. Upon demand therefore, Borrower shall reimburse the City for any funds advanced by the City to cure such monetary default, together with interest from the date of expenditure until the date of reimbursement at the Default Rate.

Section 5.3 Right of Contest.

Borrower may contest in good faith any claim, demand, levy, or assessment the assertion of which would constitute an Event of Default hereunder. Any such contest is to be prosecuted diligently and, in a manner, unprejudicial to the City or the rights of the City hereunder.

Section 5.4 Remedies Cumulative.

No right, power, or remedy given to the City by the terms of this Agreement or the other Loan Documents is intended to be exclusive of any other right, power, or remedy; and each and every such right, power, or remedy is cumulative and in addition to every other right, power, or remedy given to the City by the terms of any such instrument, or by any statute or otherwise against Borrower and any other person. Neither the failure nor any delay on the part of the City to exercise any such rights and remedies will operate as a waiver thereof, nor does any single or partial exercise by the City of any such right or remedy preclude any other or further exercise of such right or remedy, or any other right or remedy.

ARTICLE 6 GENERAL PROVISIONS

Section 6.1 Relationship of Parties.

Nothing contained in this Agreement is to be interpreted or understood by any of the Parties, or by any third persons, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between the City and Borrower or its agents, employees or contractors, and Borrower will at all times be deemed an independent contractor and to be wholly responsible for the manner in which it or its agents, or both, perform the services required of it by the terms of this Agreement. Borrower has and retains the right to exercise full control of employment, direction, compensation, and discharge of all persons assisting in the performance of services under the Agreement. In regards to the operation of the Development, Borrower is solely responsible for all matters relating to payment of its employees, including compliance with Social Security, withholding, and all other laws and regulations governing such matters, and must include requirements in each contract that

contractors are solely responsible for similar matters relating to their employees. Borrower is solely responsible for its own acts and those of its agents and employees.

Section 6.2 No Claims.

Nothing contained in this Agreement creates or justifies any claim against the City by any person that Borrower may have employed or with whom Borrower may have contracted relative to the purchase of materials, supplies or equipment, or the furnishing or the performance of any work or services with respect to the purchase of the Property, the operation of the Development, and Borrower shall include similar requirements in any contracts entered into for the operation of the Development.

Section 6.3 Amendments.

No alteration or variation of the terms of this Agreement is valid unless made in writing by the Parties. The City Housing Manager is authorized to execute on behalf of the City amendments to the Loan Documents or amended and restated Loan Documents as long as any discretionary change in the amount or terms of this Agreement is approved by the City Council.

Section 6.4 Indemnification.

Borrower shall indemnify, defend and hold the City and its board members, supervisors, directors, officers, employees, agents, successors and assigns harmless against any and all claims, suits, actions, losses and liability of every kind, nature and description made against it and expenses (including reasonable attorneys' fees) which arise out of or in connection with this Agreement, including but not limited to the purchase of the Property, and the development, construction, marketing and operation of the Development, except to the extent such claim arises from the grossly negligent or willful misconduct of the City, its agents, and its employees. The provisions of this Section will survive the expiration of the Term and the reconveyance of the Deeds of Trust.

Section 6.5 Non-Liability of City Officials, Employees and Agents.

No member, official, employee or agent of the City is personally liable to Borrower in the event of any default or breach of this Agreement by the City or for any amount that may become due from the City pursuant to this Agreement.

Section 6.6 No Third-Party Beneficiaries.

There are no third-party beneficiaries to this Agreement.

Section 6.7 Conflict of Interest.

(a) Except for approved eligible administrative or personnel costs, no person described in Section 6.7(b) below who exercises or has exercised any functions or responsibilities with respect to the activities funded pursuant to this Agreement or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or

have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during, or at any time after, such person's tenure. Borrower shall exercise due diligence to ensure that the prohibition in this Section 6.7(a) is followed.

(b) The conflict-of-interest provisions of Section 6.7(a) above apply to any person who is an employee, agent, consultant, officer, or any immediate family member of such person, or any elected or appointed official of the City, or any person related within the third (3rd) degree of such person.

(c) In accordance with California Government Code Section 1090 and the Political Reform Act, California Government Code section 87100 et seq., no person who is a director, officer, partner, trustee or employee or consultant of Borrower, or immediate family member of any of the preceding, may make or participate in a decision, made by the City or a City board, commission or committee, if it is reasonably foreseeable that the decision will have a material effect on any source of income, investment or interest in real property of that person or Borrower. Interpretation of this section is governed by the definitions and provisions used in the Political Reform Act, California Government Code Section 87100 et seq., its implementing regulations manual and codes, and California Government Code Section 1090.

(d) Borrower shall comply with the conflict-of-interest provisions set forth in 24 C.F.R. 570.611.

Section 6.8 Notices, Demands and Communications.

All notices required or permitted by any provision of this Agreement must be in writing and sent by registered or certified mail, postage prepaid, return receipt requested, or delivered by express delivery service, return receipt requested, or delivered personally, to the principal office of the Parties as follows:

City: City of Turlock
Housing Program Services Division
156 South Broadway, Suite 140
Turlock, CA 95380
Attention: City Manager

Borrower: Great Valley Housing Development Corporation
1701 Robertson Road
Modesto, CA 95350
Attn: Executive Director

Such written notices, demands and communications may be sent in the same manner to such other addresses as the affected Party may from time to time designate by mail as provided in this Section. Receipt will be deemed to have occurred on the date shown on a written receipt as the date of delivery or refusal of delivery (or attempted delivery if undeliverable).

Section 6.9 Applicable Law.

This Agreement is governed by the laws of the State of California.

Section 6.10 Parties Bound.

Except as otherwise limited herein, this Agreement binds and inures to the benefit of the parties and their heirs, executors, administrators, legal representatives, successors, and assigns. This Agreement is intended to run with the land and to bind Borrower and its successors and assigns in the Property and the Development for the entire Term, and the benefit hereof is to inure to the benefit of the City and its successors and assigns.

Section 6.11 Attorneys' Fees.

If any lawsuit is commenced to enforce any of the terms of this Agreement, the prevailing Party will have the right to recover its reasonable attorneys' fees and costs of suit from the other Party.

Section 6.12 Severability.

If any term of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions will continue in full force and effect unless the rights and obligations of the Parties have been materially altered or abridged by such invalidation, voiding or unenforceability.

Section 6.13 City Approval.

The City has authorized the City Manager to execute the Loan Documents and deliver such approvals or consents as are required by this Agreement, and to execute estoppel certificates concerning the status of the Loan and the existence of Borrower defaults under the Loan Documents.

Section 6.14 Waivers.

Any waiver by the City of any obligation or condition in this Agreement must be in writing. No waiver will be implied from any delay or failure by the City to take action on any breach or default of Borrower or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to Borrower to perform any obligation under this Agreement does not operate as a waiver or release from any of its obligations under this Agreement. Consent by the City to any act or omission by Borrower may not be construed to be consent to any other or subsequent act or omission or to waive the requirement for the City's written consent to future waivers.

Section 6.15 Title of Parts and Sections.

Any titles of the sections or subsections of this Agreement are inserted for convenience of reference only and are to be disregarded in interpreting any part of the Agreement's provisions.

Section 6.16 Entire Understanding of the Parties

The Loan Documents and the Project Agreement constitute the entire agreement of the Parties with respect to the Loan; provided, however, if there is a conflict between the Project Agreement and the Loan Documents, the terms of the Loan Documents will prevail.

Section 6.17 Multiple Originals; Counterpart.

This Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

Section 6.18 Time of Essence. Time is of the essence of this Agreement.

WHEREAS, this Agreement has been entered into by the undersigned as of the date first above written.

CITY:

CITY OF TURLOCK

By: _____
Print name: Susan E. Borrego
Title: Interim City Manager

Date: _____

APPROVED AS TO FORM:

_____
Print Name: George A. Petrulakis
Title: City Attorney

Date: _____
ATTEST:

_____
Print Name: Nichole Fiez
Title: City Clerk

Date: _____

BORROWER:

Great Valley Housing Development Corporation, a California nonprofit public benefit corporation

By: _____
Print Name: Jim Kruse
Title: Executive Director
Date: _____

By: _____
Print Name: Greg Raynes
Title: Secretary
Date: _____

SPECIAL CONDITIONS

A. Financial Management

a. Accounting Standards

Borrower agrees to comply with 24 CFR §§ 84.21−28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

b. Cost Principles

Borrower shall administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," or A-21, "Cost Principles for Educational Institutions," as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record-Keeping

a. Records to be Maintained

Borrower shall maintain all records required by the Federal regulations specified in 24 CFR § 570.506, that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

i. Records providing a full description of each activity undertaken;
ii. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
iii. Records required to determine the eligibility of activities;
iv. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
v. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
vi. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21−28; and
vii. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

b. Retention

Borrower shall retain all financial records, supporting documents, statistical records, and all other records pertinent to this Agreement for a period of no less than five (5) years after the full repayment of the loan. The retention period begins on the date of the submission of City's annual performance and evaluation report to HUD in which the activities assisted under this 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 retention period, then such

records must be retained until completion of the actions and resolution of all issues, or the expiration of the retention period, whichever occurs later.

c. Client Data

Borrower shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to City monitors or their designees for review upon request.

d. Disclosure

Borrower 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 City's or Borrower's responsibilities with respect to services provided under this Agreement, is prohibited unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

e. Property Records

Borrower shall maintain real property inventory records that clearly identify properties purchased, improved or sold. Properties retained shall continue to meet eligibility criteria and shall conform with the "changes in use" restrictions specified in 24 CFR § 570.503(b)(8).

f. National Objectives

Borrower agrees to maintain documentation that demonstrates that the activities carried out with funds provided under this Agreement meet one or more of the CDBG program's national objectives 1) benefit low- and moderate-income persons, 2) aid in the prevention or elimination of slums or blight, or 3) meet community development needs having a particular urgency, as defined in 24 CFR Part § 570.208.

g. Audits and Inspections

All Borrower records with respect to any matters covered by this Agreement shall be made available to City, HUD, and the Comptroller General of the United States or any of their authorized representatives, at any time during City's 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 Borrower within thirty (30) calendar days after receipt by Borrower. Failure of Borrower to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments. Borrower hereby agrees to have an annual agency audit conducted in accordance with current City policy concerning Borrower audits and OMB Circular A-133.

C. Reporting and Payment Procedures

a. Budgets

Borrower will submit a detailed Development budget in a form and content prescribed by City for approval by City. City and Borrower may agree to revise the budget from time to time in accordance with existing City policies.

b. Program Income

Borrower shall report quarterly all program income (as defined at 24 CFR § 570.500(a)) generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by Borrower shall comply with the requirements set forth at 24 CFR § 570.504. By way of further limitations, Borrower may use such income during the term of this Agreement for activities permitted under this Agreement and shall reduce requests for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to City at the expiration or termination of this Agreement. 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 City.

c. Indirect Costs

If indirect costs are charged, Borrower shall develop an indirect cost allocation plan for determining the appropriate Borrower's share of administrative costs and shall submit such plan to City for approval, in a form specified by City.

d. Relocation, Real Property Acquisition and One-For-One Housing Replacement

Borrower shall comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR § 570.606(b); (b) the requirements of 24 CFR § 570.606(c) governing the Residential Anti-displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; (c) the requirements in 24 CFR § 570.606(d) governing optional relocation policies; and (d) California Government Code Section 7260 et seq. and implementing regulations at 25 California Code of Regulations Sections 6000 et seq.. Borrower shall provide relocation assistance to displaced persons as defined by 24 CFR § 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. Borrower shall comply with applicable City ordinances, resolutions and policies concerning the displacement of persons from their residences.

D. Personnel & Participant Conditions

a. Civil Rights

i. Compliance

The Fair Housing Act (42 U.S.C. Section 3601 et seq.) and implementing regulations at 24 C.F.R. Part 100; 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; Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Section 794, et seq.); the Age Discrimination Act of 1975 (42 U.S.C. Section 6101, et seq.); Executive Order 11063 as amended by Executive Order 12259 and implementing regulations at 24 C.F.R. Part 107; Executive Order 11246 as amended by Executive Orders 11375, 12086, 11478, 12107; Executive Order 11625 as amended by Executive Order 12007; Executive Order 12432; Executive Order 12138 as amended by Executive Order 12608; Executive Orders referenced in 24 C.F.R. 570.607, as revised by Executive Order 13279.

ii. Nondiscrimination

Borrower shall comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 CFR § 570.607, as revised by Executive Order 13279. The applicable non-discrimination provisions in Section 109 of the HCDA are still applicable.

iii. Land Covenants

This Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352) and 24 CFR §§ 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, Borrower shall cause or require a covenant running with the land to be inserted in 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 City and the United States are beneficiaries of and entitled to enforce such covenants. Borrower, in undertaking its obligation to carry out the program assisted hereunder, shall take such measures as are necessary to enforce such covenant, and will not itself so discriminate.

iv. Section 504

Borrower shall 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. City shall provide Borrower with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Agreement.

b. Affirmative Action

i. Women- and Minority-Owned Businesses (W/MBE)

Borrower shall 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 terms "small business" means 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 "minority and women's business enterprise" means a business at least fifty-one percent (51%) owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans and American Indians. Borrower may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

ii. Access to Records

Borrower shall furnish and cause each of its contractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts by City, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

iii. Notifications

Borrower shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or worker's representative of Borrower's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

iv. Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement

Borrower will, in all solicitations or advertisements for employees placed by or on behalf of Borrower, state that it is an Equal Opportunity of Affirmative Action employer.

v. Subcontract Provisions

Borrower shall include the provisions of Paragraphs D.A, Civil Rights, and B, Affirmative Action, in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own contractors.

c. Employment Restrictions

i. Prohibited Activity

Borrower is prohibited from using personnel employed in the administration of the program for: political activities; inherently religious activities; lobbying; political patronage; and nepotism activities.

ii. OSHA

Where employees are engaged in activities not covered under the Occupational Safety and Health Act of 1970, they shall not be required or permitted to work, be trained, or receive services in buildings or surroundings or under working conditions which are unsanitary, hazardous or dangerous to the participant's health or safety.

iii. Right to Know

Participants employed or trained for inherently dangerous occupations, shall be assigned to work in accordance with reasonable safety practices.

iv. Labor Standards

Borrower 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. Borrower 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 28 CFR Part 5. Borrower shall maintain documentation which demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to City for review upon request.

d. Conduct

i. Assignability

Borrower shall not assign or transfer any interest in this Agreement without City's prior written consent.

ii. Hatch Act

Borrower 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.

iii. Conflict of Interest

Borrower agrees to abide by the provisions of 24 CFR §§ 84.42 and 570.611, which include (but are not limited to) the following:

1. Borrower 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.

2. No employee, officer or agent of Borrower shall participate in the selection, or in the award, or administration of, a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.

3. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-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-assisted activity, or with respect to the proceeds from the CDBG-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 City, Borrower, or any designated public agency.

iv. Lobbying

Borrower hereby certifies that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of it, 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;

2. 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 Agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

3. It will require that the following language 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 Borrowers shall certify and disclose accordingly:

"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 section 1352, title 31, U.S.C. 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."

v. Subcontracts

1. Approvals

Borrower shall not enter into any subcontracts with any agency or individual in the performance of this Agreement without the written consent of City prior to the execution of such agreement.

2. Monitoring

Borrower 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.

3. Content

Borrower 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.

4. Selection Process

Borrower shall undertake to insure 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 City along with documentation concerning the selection process.

5. Copyright

If this Agreement results in any copyrightable material or inventions, City and HUD reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

6. Religious Activities

Borrower agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR § 570.200(j), such as worship, religious instruction, or proselytization.

E. Environmental Conditions

a. Air and Water

Borrower shall comply with the following requirements insofar as they apply to the performance of this Agreement:

i. Clean Air Act, 42 U.S.C. 7401 *et seq*;
ii. Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 *et seq.*, as amended 1318 relating to inspection, monitoring, entry reports, and information, as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder;
iii. Environmental Protection Agency (EPA) regulations pursuant to 40 CFR 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), Borrower shall assure that for activities located in an area identified by the Federal Emergency Management Agency (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

Borrower 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 CFR § 570.608, and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-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

Borrower shall comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. § 470) and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, 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 fifty (50) years old or older or that are included on a Federal, state, or local historic property list.

PROMISSORY NOTE-A

(591 Birchwood Way– Deferred/Shared Equity Loan)

$205,000 Turlock, California
January 27, 2026

FOR VALUE RECEIVED, the undersigned, GREAT VALLEY HOUSING DEVELOPMENT CORPORATION, a California nonprofit public benefit corporation ("Borrower") hereby promises to pay to the order of the CITY OF TURLOCK, a municipal corporation ("Holder"), the principal amount of Two Hundred Five Thousand Dollars ($205,000.00) plus interest thereon pursuant to Section 2 below.

All capitalized terms used but not defined in this Note have the meanings set forth in the Loan Agreement.

1. Borrower's Obligation. This Note evidences Borrower's obligation to repay Holder the principal amount of Two Hundred Five Thousand Dollars ($205,000.00) with interest for the funds loaned to Borrower by Holder to finance the acquisition of the Development pursuant to the Loan Agreement between Borrower and Holder of even date herewith (the "Loan Agreement").

2. Interest. If an Event of Default (as defined in the Loan Agreement) occurs, interest will accrue on all amounts due under this Note at the lesser of 10% per annum or the highest rate permitted by law until such Event of Default is cured by Borrower or waived by Holder.

3. Term and Repayment Requirements. Principal and interest plus the City Appreciation Share, as defined below, under this Note are due and payable in the event of a Transfer (as defined in the Loan Agreement) of the Property or an Event of Default (as defined in the Loan Agreement). For purposes of this Note, the City Appreciation Share shall mean fifty percent (50%) of the amount by which the sales price for the Property received by the Borrower upon Transfer exceeds Four Hundred Ten Thousand Dollars ($410,000).

4. No Assumption. This Note is not assumable by the successors and assigns of Borrower without the prior written consent of Holder.

5. Security. This Note is secured by a Deed of Trust that refers to this Note.

6. Terms of Payment.

(a) Borrower shall make all payments due under this Note in currency of the United States of America to Holder at City of Turlock, Housing Program Services Division, 156 S. Broadway, Suite 140, CA 95380, Attention: Housing Manager, or to such other place as Holder may from time to time designate.

(b) All payments on this Note are without expense to Holder. Borrower shall pay all costs and expenses, including re-conveyance fees and reasonable attorney's fees of

Holder, incurred in connection with the payment of this Note and the release of any security hereof.

(c) The obligations of Borrower under this Note are absolute and Borrower waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reason whatsoever.

7. Event of Default; Acceleration.

(a) Upon the occurrence of an Event of Default, the entire unpaid principal balance, together with all interest thereon, the City Appreciation Amount, and together with all other sums then payable under this Note and the Deed of Trust will, at the option of Holder, become immediately due and payable without further demand.

(b) Holder's failure to exercise the remedy set forth in Subsection 7(a) above or any other remedy provided by law upon the occurrence of an Event of Default does not constitute a waiver of the right to exercise any remedy at any subsequent time in respect to the same or any other Event of Default. The acceptance by Holder of any payment that is less than the total of all amounts due and payable at the time of such payment does not constitute a waiver of the right to exercise any of the foregoing remedies or options at that time or at any subsequent time, or nullify any prior exercise of any such remedy or option, without the express consent of Holder, except as and to the extent otherwise provided by law.

8. Waivers.

(a) Borrower hereby waives diligence, presentment, protest and demand, and notice of protest, notice of demand, notice of dishonor and notice of non-payment of this Note. Borrower expressly agrees that this Note or any payment hereunder may be extended from time to time, and that Holder may accept further security or release any security for this Note, all without in any way affecting the liability of Borrower.

(b) Any extension of time for payment of this Note or any installment hereof made by agreement of Holder with any person now or hereafter liable for payment of this Note must not operate to release, discharge, modify, change or affect the original liability of Borrower under this Note, either in whole or in part.

9. Miscellaneous Provisions.

(a) All notices to Holder or Borrower are to be given in the manner and at the addresses set forth in the Loan Agreement, or to such addresses as Holder and Borrower may therein designate.

(b) Borrower promises to pay all costs and expenses, including reasonable attorney's fees, incurred by Holder in the enforcement of the provisions of this Note, regardless of whether suit is filed to seek enforcement.

(c) This Note is governed by the laws of the State of California.

(d) The times for the performance of any obligations hereunder are to be strictly construed, time being of the essence.

(e) The Loan Documents (as defined in the Loan Agreement), of which this Note is a part, contain the entire agreement between the parties as to the loan evidenced by this Note. This Note may not be modified except upon the written consent of the parties.

IN WITNESS WHEREOF, Borrower has executed this Promissory Note as of the day and year first above written.

Great Valley Housing Development Corporation, a California nonprofit public benefit corporation

By:_____
Print Name: Jim Kruse
Title: Executive Director

Witness:

By:_____
Print Name: Greg Raynes
Title: Secretary

PROMISSORY NOTE-B

(591 Birchwood Way– Forgivable)

$205,000 Turlock, California
January 27, 2026

FOR VALUE RECEIVED, the undersigned, GREAT VALLEY HOUSING DEVELOPMENT CORPORATION, a California nonprofit public benefit corporation ("Borrower") hereby promises to pay to the order of the CITY OF TURLOCK, a municipal corporation ("Holder"), the principal amount of Two Hundred Five Thousand Dollars ($205,000) plus interest thereon pursuant to Section 2 below.

All capitalized terms used but not defined in this Note have the meanings set forth in the Loan Agreement.

1. Borrower's Obligation. This Note evidences Borrower's obligation to repay Holder the principal amount of Two Hundred Five Thousand Dollars ($205,000) with interest for the funds loaned to Borrower by Holder to finance the acquisition of the Development pursuant to the Loan Agreement between Borrower and Holder of even date herewith (the "Loan Agreement").

2. Interest. If an Event of Default (as defined in the Loan Agreement) occurs, interest will accrue on all amounts due under this Note at the lesser of 10% per annum or the highest rate permitted by law until such Event of Default is cured by Borrower or waived by Holder.

3. Term. This Note shall have a term of thirty (30) years from the date set forth above ("Term")

4. Repayment Requirements. Each year on the anniversary date of this Note, during the term of this Note, provided an Event of Default has not occurred and Borrower has not Transferred (as that term is defined in the Loan Agreement) the Property, one thirtieth ($1/30^{th}$) of the principal due under the Note shall be forgiven such that at the end of the Term the full amount of the principal and any interest owed will be forgiven and this Note shall be cancelled. If during the Term, the Borrower Transfers (as that term is defined in the Loan Agreement) the Property, the outstanding principal amount owed on the Note at the time of such Transfer plus default interest in the amount set forth in Section 2 above accruing from the date of Transfer until full repayment of the owed principal amount shall be due in full at the time of Transfer. If an Event of Default occurs, the Holder is entitled to accelerate the amounts owed under this Note and require the Borrower to repay all principal and any interest owed at the time of such Event of Default.

5. No Assumption. This Note is not assumable by the successors and assigns of Borrower without the prior written consent of Holder.

6. Security. This Note is secured by a Deed of Trust that refers to this Note.

7. Terms of Payment.

(a) Borrower shall make all payments due under this Note in currency of the United States of America to Holder at City of Turlock, Housing Program Services Division, 156 S. Broadway, Suite 140, CA 95380, Attention: Housing Manager, or to such other place as Holder may from time to time designate.

(b) All payments on this Note are without expense to Holder. Borrower shall pay all costs and expenses, including re-conveyance fees and reasonable attorney's fees of Holder, incurred in connection with the payment of this Note and the release of any security hereof.

(c) The obligations of Borrower under this Note are absolute and Borrower waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reason whatsoever.

8. Event of Default; Acceleration.

(a) Upon the occurrence of an Event of Default, the entire unpaid principal balance, together with all interest thereon, and together with all other sums then payable under this Note and the Deed of Trust will, at the option of Holder, become immediately due and payable without further demand.

(b) Holder's failure to exercise the remedy set forth in Subsection 8(a) above or any other remedy provided by law upon the occurrence of an Event of Default does not constitute a waiver of the right to exercise any remedy at any subsequent time in respect to the same or any other Event of Default. The acceptance by Holder of any payment that is less than the total of all amounts due and payable at the time of such payment does not constitute a waiver of the right to exercise any of the foregoing remedies or options at that time or at any subsequent time, or nullify any prior exercise of any such remedy or option, without the express consent of Holder, except as and to the extent otherwise provided by law.

9. Waivers.

(a) Borrower hereby waives diligence, presentment, protest and demand, and notice of protest, notice of demand, notice of dishonor and notice of non-payment of this Note. Borrower expressly agrees that this Note or any payment hereunder may be extended from time to time, and that Holder may accept further security or release any security for this Note, all without in any way affecting the liability of Borrower.

(b) Any extension of time for payment of this Note or any installment hereof made by agreement of Holder with any person now or hereafter liable for payment of this Note must not operate to release, discharge, modify, change or affect the original liability of Borrower under this Note, either in whole or in part.

10. Miscellaneous Provisions.

(a) All notices to Holder or Borrower are to be given in the manner and at the addresses set forth in the Loan Agreement, or to such addresses as Holder and Borrower may therein designate.

(b) Borrower promises to pay all costs and expenses, including reasonable attorney's fees, incurred by Holder in the enforcement of the provisions of this Note, regardless of whether suit is filed to seek enforcement.

(c) This Note is governed by the laws of the State of California.

(d) The times for the performance of any obligations hereunder are to be strictly construed, time being of the essence.

(e) The Loan Documents (as defined in the Loan Agreement), of which this Note is a part, contain the entire agreement between the parties as to the loan evidenced by this Note. This Note may not be modified except upon the written consent of the parties.

IN WITNESS WHEREOF, Borrower has executed this Promissory Note as of the day and year first above written.

Great Valley Housing Development Corporation, a California nonprofit public benefit corporation

By:_____
Print Name: Jim Kruse
Title: Executive Director

Witness:

By:_____
Print Name: Greg Raynes
Title: Secretary

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Turlock
Housing Program Services Division
156 South Broadway, Suite 140
Turlock, CA 95380
Attn: Housing Manager

591 Birchwood Way, Turlock, CA
APNs: 043-055-048-000

This document is exempt from the payment of a recording free pursuant to Government Code Section 27383.

Documentary Transfer Taxes [$], based on the consideration or value. Property is in the City of Turlock.

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, CITY OF TURLOCK ("Grantor"), hereby conveys and grants to GREAT VALLEY HOUSING DEVELOPMENT CORPORATION, a California nonprofit public benefit corporation ("Grantee"), the land in the City of Turlock, County of Stanislaus, State of California, more particularly described on **Exhibit "A"** attached hereto and incorporated herein by this reference, subject to (i) all matters of record; and (ii) all matters that would be revealed by an ALTA survey of the land.

IN WITNESS WHEREOF, Grantor has executed this grant Deed as of the date set forth below.

Date: January 27, 2026

CITY OF TURLOCK

By: _____
Susan E. Borrego
Interim City Manager

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Stanislaus)

On _____, before me, _____,
(insert name and title of the officer)
Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)

EXHIBIT "A"

Legal Description of The Property

The land referred to herein below is situated in the State of California, County of Stanislaus, City of Turlock and described as follows:

LOT 48 OF REICH ESTATES SOUTH NO. 2, IN THE CITY OF TURLOCK, COUNTY OF STANISLAUS, STATE OF CALIFORNIA AS PER MAP FILED MAY 19, 1982 IN BOOK 29 OF MAPS, AT PAGE 21, STANISLAUS COUNTY RECORDS.

APN: 043-055-048-000

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Turlock
Housing Program Services Division
156 S. Broadway, Suite 140
Turlock, CA 95380
Attn: Housing Manager

No fee for recording pursuant to
Government Code Section 27383

REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS
(591 Birchwood Way, Turlock, CA – CDBG Funds)

This Regulatory Agreement and Declaration of Restrictive Covenants (the "Agreement") is dated January 27, 2026, and is between the CITY OF TURLOCK, a public entity (the "City "), and GREAT VALLEY HOUSING DEVELOPMENT CORPORATION, a California nonprofit public benefit corporation, ("Borrower").

RECITALS

A. Defined terms used but not defined in these recitals are as defined in Article 1 of this Agreement.

B. The statutory and regulatory provisions that govern the Community Development Block Grant("CDBG") program under Title I of the Housing and Community Development Act of 1974(42 U.S.C. 5301 et seq.), as amended (including those at 24 CFR part 570 subparts A, C, D, J, K, and O, as appropriate), (the "CDBG Regulations") are applicable to this Agreement.

C. Borrower intends to acquire the real property commonly known as 591 Birchwood Way, located in the City of Turlock, State of California, and more particularly described in Exhibit A (the "Property"). The purchase price of the Property is Four Hundred Ten Thousand Dollars ($410,000.00).,

D. The Property is the site of one single family building. The building and all other improvements to the Property, including all landscaping, roads and parking spaces, are referred to herein as the "Improvements", or as the "Development." Borrower intends to acquire the Development and rent the home to Low Income families.

E. Pursuant to a loan agreement of even date herewith between the City and Borrower (the "Loan Agreement"), the City is lending to Borrower Four Hundred Ten Thousand Dollars ($410,000.00) in CDBG Funds for the acquisition of the property (the "Loans").

F. The City has the authority to make the Loans to Borrower for programs that will further a City's public purposes. In addition, the City has the authority to make the Loans pursuant to 24 C.F.R. 570.202 of the CDBG Regulations.

G. The City has agreed to make the Loans on the condition that the Borrower maintain and operate the Development in accordance with restrictions set forth in this Agreement.

In consideration of receipt of the Loans at an interest rate substantially below the market rate, Borrower agrees to observe all the terms and conditions set forth below.

AGREEMENT

ARTICLE 1 DEFINITIONS

Section 1.1 Definitions.

The following terms have the following meanings:

(a) "Actual Household Size" means the actual number of persons in the applicable household.

(b) "Adjusted Income" means the total anticipated annual income of all persons in the Tenant household as calculated pursuant to 24 C.F.R. 92.203(b)(1).

(c) "Agreement" has the meaning set forth in the first paragraph of this Agreement.

(d) "Assumed Household Size" means the household size "adjusted for family size appropriate to the unit" as such term is defined in Health & Safety Code Section 50052.5(h).

(e) "CDBG" has the meaning set forth in Paragraph B of the Recitals.

(f) "CDBG Regulations" has the meaning set forth in Paragraph B of the Recitals.

(g) "City" means the City of Turlock, a municipal corporation.

(h) "City-Assisted Units" means the residential Uni within the Development designated as assisted by the City pursuant to this Agreement.

(i) "Deed of Trust" means the two Deeds of Trust with Assignment of Rents, Security Agreement and Fixture Filing of even date herewith by and among Borrower, as trustor, First American Title Company, as trustee, and the City, as beneficiary, that will encumber the Property to secure repayment of the Loans and Borrower's performance of the covenants set forth in the documents evidencing the Loans.

(j) "Development" has the meaning set forth in Paragraph D of the Recitals.

(k) "Loan Agreement" has the meaning set forth in Paragraph E of the Recitals.

(l) "Loan Documents" means this Agreement, the Notes, the Deeds of Trust, and the Loan Agreement.

(m) "Low Income Household" means a Tenant household with an Adjusted Income that does not exceed eighty percent (80%) of Median Income, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than eighty percent (80%) of Median Income on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes, as such definition may be amended pursuant to 24 C.F.R. Section 92.2.

(n) "Median Income" means the median gross yearly income, adjusted for Actual Household Size as specified herein, in the City of Turlock, California, as published from time to time by HUD. In the event that such income determinations are no longer published, or are not updated for a period of at least eighteen (18) months, the City shall provide Borrower with other income determinations that are reasonably similar with respect to methods of calculation to those previously published by HUD.

(o) "Note" means the one promissory note of even date herewith executed by Borrower in favor of City that evidences Borrower's obligation to repay the Loans.

(p) "Property" has the meaning set forth in Paragraph C of the Recitals.

(q) "Rent" means the total monthly payments by the Tenant of a Unit for the following: use and occupancy of the Unit and land and associated facilities, including parking; any separately charged fees or service charges assessed by Borrower which are required of all Tenants, other than security deposits; an allowance for the cost of an adequate level of service for utilities paid by the Tenant, including garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuel, but not telephone service or cable TV; and any other interest, taxes, fees or charges for use of the land or associated facilities and assessed by a public or private entity other than Borrower, and paid by the Tenant.

(r) "Tenant" means the household that occupies a Unit in the Development.

(s) "Term" means the term of this Agreement which commences as of the date of this Agreement and expires on the thirtieth (30^{th}) anniversary of the date of this Agreement.

(t) "Unit(s)" means one (1) or more of the units in the Development.

ARTICLE 2
AFFORDABILITY AND OCCUPANCY COVENANTS

Section 2.1 Occupancy Requirements.

(a) Low Income Units. During the Term of this Agreement, Borrower shall rent the Unit, and ensure that the Unit is occupied or, if vacant, available for occupancy, by a Low-Income Household.

(b) Disabled Persons Occupancy. Borrower shall cause the Development to be operated at all times in compliance with the provisions of: (i) the Unruh Act, (ii) the California Fair Employment and Housing Act, (iii) Section 504 of the Rehabilitation Act of 1973, (iv) the United States Fair Housing Act, as amended, and (v) the Americans With Disabilities Act of 1990, which relate to disabled persons access. Borrower shall indemnify, protect, hold harmless and defend (with counsel reasonably satisfactory to the City) the City, and its board members, officers and employees, from all suits, actions, claims, causes of action, costs, demands, judgments and liens arising out of Borrower's failure to comply with applicable legal requirements related to housing for persons with disabilities. The provisions of this subsection will survive expiration of the Term or other termination of this Agreement, and remain in full force and effect.

Section 2.2 Allowable Rent.

(a) Rent. Borrower must maintain affordable rents. Rents will be determined by the City as subject to the provisions of 24 CFR 570.208(a)(3) and 570.483 (b)(3).

(b) No Additional Fees. Borrower may not charge any fee, other than Rent, to any Tenant of the City -Assisted Units for any housing or other services provided by Borrower. All Tenants must have equal access to and enjoyment of all common facilities in the Development.

Section 2.3 Rent Increases; Increased Income of Tenants.

(a) Rent Increases. The initial Rents and subsequent Rents for all City-Assisted Units must be approved by the City prior to occupancy and are subject to the CDBG Regulations. All Rent increases for all City-Assisted Units are also subject to City approval. The Rent for such Units may be increased no more than once annually based upon the annual income certification described in Article 3. Tenants are to be given at least sixty (60) days written notice prior to any Rent increase. The City will provide Borrower with a schedule of maximum permissible Rents for the City-Assisted Units annually.

(b) Non-Qualifying Household. If, upon the annual certification of the income a Tenant of a City -Assisted Unit, Borrower determines that the income of a Household has increased above the qualifying limit for the Household, such Tenant shall be permitted to retain the Unit and upon expiration of the Tenant's lease and upon sixty (60) days written notice, the Rent must be increased to thirty percent (30%) of the actual Adjusted Income of the Tenant or the fair market rent. There is no rent cap for the Units. When the Tenant vacates the Unit, the Borrower shall rent the Unit to a Low-Income Household, to comply with the requirements of Section 2.1 above.

(c) Termination of Occupancy. Upon termination of occupancy of a Unit by a Tenant, Borrower shall rent such Unit to a Low-Income Household to comply with the requirements of Section 2.1 above.

ARTICLE 3
INCOME CERTIFICATION AND REPORTING

Section 3.1 Income Certification. Borrower shall obtain, complete, and maintain on file, immediately prior to initial occupancy, and annually thereafter, income certifications from each Tenant renting any of the City-Assisted Units. Borrower shall make a good faith effort to verify the accuracy of the income provided by the applicant or occupying household, as the case may be, in an income certification. To verify the information Borrower shall take two or more of the following steps: (i) obtain a pay stub for the most recent pay period; (ii) obtain an income tax return for the most recent tax year; (iii) conduct a credit agency or similar search; (iv) obtain an income verification form from the applicant's current employer; (v) obtain an income verification form from the Social Security Administration and/or the California Department of Social Services if the applicant receives assistance from either of such agencies; or (vi) if the applicant is unemployed and does not have a tax return, obtain another form of independent verification. Copies of Tenant income certifications are to be available to the City upon request.

Section 3.2 Tenant Selection Plan. Before leasing any Unit in the Development, Borrower shall submit to the City for review and approval, a written tenant selection plan. Borrower's tenant selection plan must, at a minimum, meet the requirements for tenant selection set out in 24 C.F.R. 92.253(d) and any modifications thereto. Borrower may not make material modifications to its tenant selection plan without the prior written approval of the City.

Section 3.3 Reporting Requirements. Borrower shall submit to the City (a) not later than the forty-fifth (45th) day after the close of each calendar year, or such other date as may be requested by the City, a statistical report, including income and rent data for all Units, setting forth the information called for therein, and (b) within fifteen (15) days after receipt of a written request, any other information or completed forms requested by the City in order to comply with reporting requirements of HUD, the State of California, and the City .

Section 3.4 Additional Information. Borrower shall provide any additional information reasonably requested by the City.

Section 3.5 Records. Borrower shall maintain complete, accurate and current records pertaining to the Development, and shall permit any duly authorized representative of the City to inspect records, including records pertaining to the selection of Tenants, and income and household size of Tenants. All Tenant lists, applications and waiting lists relating to the Development are to be at all times: (i) separate and identifiable from any other business of Borrower, (ii) maintained as required by the City, in a reasonable condition for proper audit, and (iii) subject to examination during business hours by representatives of the City. Borrower shall retain copies of all materials obtained or produced with respect to occupancy of the Units for a period of at least five (5) years or after the expiration of the Term. The City may examine and make copies of all books, records or other documents of Borrower that pertain to the Development.

Section 3.6 CDBG Record Requirements. All records maintained by Borrower pursuant to Sections 3.3 and 3.5 above are to be (i) maintained in compliance with all applicable HUD records and accounting requirements, and (ii) open to and available for inspection and copying by HUD and its authorized representatives at reasonable intervals during normal business hours; provided however, records pertaining to Tenant income verifications, Rents, and Development inspections are subject to HUD inspection for five (5) years after expiration of the Term. Borrower is subject to the audit requirements set forth in 24 CFR 570.502 during the Term.

Section 3.7 On-Site Inspection. The City may perform an on-site inspection of the Development at least one (1) time per year. Borrower shall cooperate in such inspection.

ARTICLE 4
OPERATION OF THE DEVELOPMENT

Section 4.1 Residential Use. Borrower shall operate the Development for affordable housing residential use only. No part of the Development may be operated as transient housing.

Section 4.2 Compliance with Loan Documents and Program Requirements. Borrower's actions with respect to the Property shall at all times be in full conformity with: (i) all requirements of the Loan Documents; (ii) all requirements imposed on projects assisted with CDBG Funds, and (iii) any other regulatory requirements imposed on the Development.

Section 4.3 Taxes and Assessments. Borrower shall pay all real and personal property taxes, assessments and charges and all franchise, income, employment, old age benefit, withholding, sales, and other taxes assessed against it, or payable by it, at such times and in such manner as to prevent any penalty from accruing, or any lien or charge from attaching to the Property; provided, however, that Borrower may contest in good faith, any such taxes, assessments, or charges. In the event Borrower exercises its right to contest any tax, assessment, or charge against it, Borrower, on final determination of the proceeding or contest, will immediately pay or discharge any decision or judgment rendered against it, together with all costs, charges and interest.

Section 4.4 Property Tax Exemption. Borrower shall not apply for a property tax exemption for the Property under any provision of law except California Revenue and Taxation Section 214(g) without the prior written consent of the City.

ARTICLE 5
PROPERTY MANAGEMENT AND MAINTENANCE

Section 5.1 Management Responsibilities. Borrower is responsible for all management functions with respect to the Development, including without limitation the selection of Tenants, certification and recertification of household size and income, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. The City has no responsibility for management of the Development. Borrower may retain a professional property management company approved by the City in its reasonable discretion to perform Borrower's management duties hereunder.

Section 5.2 Periodic Performance Review. The City reserves the right to conduct an annual (or more frequently, if deemed necessary by the City) review of the management practices and financial status of the Development. The purpose of each periodic review will be to enable the City to determine if the Development is being operated and managed in accordance with the requirements and standards of this Agreement. Borrower shall cooperate with the City in such reviews.

Section 5.3 Replacement of Management Agent. If, as a result of a periodic review, the City determines in its reasonable judgment that the Development is not being operated and managed in accordance with any of the material requirements and standards of this Agreement, the City shall deliver notice to Borrower of its intention to cause replacement of the Management Agent, including the reasons therefor. Within fifteen (15) days after receipt by Borrower of such written notice, the City staff and Borrower shall meet in good faith to consider methods for improving the financial and operating status of the Development, including, without limitation, replacement of the Management Agent.

If, after such meeting, City staff recommends in writing the replacement of the Management Agent, Borrower shall promptly dismiss the then-current Management Agent, and shall appoint as the Management Agent a person or entity meeting the standards for a management agent.

Any contract for the operation or management of the Development entered into by Borrower shall provide that the Management Agent may be dismissed and the contract terminated as set forth above. Failure to remove the Management Agent in accordance with the provisions of this Section constitutes a default under this Agreement, and the City may enforce this provision through legal proceedings as specified in Section 6.7 below.

Section 5.4 Approval of Management Policies. Borrower shall submit its written management policies with respect to the Development to the City for its review, and shall amend such policies in any way necessary to ensure that such policies comply with the provisions of this Agreement.

Section 5.5 Property Maintenance. Borrower shall maintain, for the entire Term of this Agreement, all interior and exterior Improvements, including landscaping, on the Property in good condition and repair (and, as to landscaping, in a healthy condition) and in accordance with all applicable laws, rules, ordinances, orders and regulations of all federal, state, City, municipal, and other governmental agencies and bodies having or claiming jurisdiction and all their respective departments, bureaus, and officials, and in accordance with the following maintenance conditions:

The City places prime importance on quality maintenance to protect its investment and to ensure that all City and City-assisted affordable housing projects within the City are not allowed to deteriorate due to below-average maintenance. Normal wear and tear of the Development will be acceptable to the City assuming Borrower agrees to provide all necessary improvements to assure the Development is maintained in good condition. Borrower shall make all repairs and replacements necessary to keep the improvements in good condition and repair.

In the event that Borrower breaches any of the covenants contained in this section and such default continues for a period of seven (7) days after written notice from the City with respect to graffiti, debris, waste material, and general maintenance or thirty (30) days after written notice from the City with respect to landscaping and building improvements, then the City, in addition to whatever other remedy it may have at law or in equity, has the right to enter upon the Property and perform or cause to be performed all such acts and work necessary to cure the default. Pursuant to such right of entry, the City is permitted (but is not required) to enter upon the Property and to perform all acts and work necessary to protect, maintain, and preserve the improvements and landscaped areas on the Property, and to attach a lien on the Property, or to assess the Property, in the amount of the expenditures arising from such acts and work of protection, maintenance, and preservation by the City and/or costs of such cure, which amount shall be promptly paid by Borrower to the City upon demand.

ARTICLE 6
MISCELLANEOUS

Section 6.1 Lease Provisions. In leasing the Units within the Development, Borrower shall use a form of lease approved by the City. The lease must not contain any provision which is prohibited by 24 C.F.R. Section 92.253(b) and any amendments thereto. The form of lease must comply with all requirements of this Agreement, the other Loan Documents and must, among other matters:

(a) provide for termination of the lease for failure to: (i) provide any information required under this Agreement or reasonably requested by Borrower to establish or recertify the Tenant's qualification, or the qualification of the Tenant's household, for occupancy in the Development in accordance with the standards set forth in this Agreement, or (ii) qualify as a Low-Income Household as a result of any material misrepresentation made by such Tenant with respect to the income computation.

(b) be for an initial term of not less than one (1) year, unless by mutual agreement between the Tenant and Borrower, and provide for no increase in Rent during such year. After the initial year of tenancy, the lease may be month-to-month by mutual agreement of Borrower and the Tenant. Notwithstanding the above, any rent increases are subject to the requirements of Section 2.3(a) above.

Section 6.2 Lease Termination. Any termination of a lease or refusal to renew a lease for a City-Assisted Unit within the Development must be in conformance with 24 C.F.R. 92.253(c), and must be preceded by not less than sixty (60) days written notice to the Tenant by Borrower specifying the grounds for the action.

Section 6.3 Nondiscrimination.

(a) All of the Units must be available for occupancy on a continuous basis to members of the general public who are income eligible. Borrower may not give preference to any particular class or group of persons in renting or selling the Units, except to the extent that the Units are required to be leased to income eligible households pursuant to this Agreement. Borrower herein covenants by and for Borrower, its successors and assigns, and all persons

claiming under or through Borrower, that there exist no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, sexual orientation, marital status, familial status, national origin, source of income (e.g., SSI), ancestry, or disability, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of any unit nor will Borrower or any person claiming under or through Borrower, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of any unit or in connection with the employment of persons for the construction, operation and management of any unit.

(b) Borrower shall accept as Tenants, on the same basis as all other prospective Tenants, persons who are recipients of federal certificates for rent subsidies pursuant to the existing housing program under Section 8 of the United States Housing Act, or its successor.

Borrower may not apply selection criteria to Section 8 certificate or voucher holders that is more burdensome than criteria applied to all other prospective Tenants, nor will Borrower apply or permit the application of management policies or lease provisions with respect to the Development which have the effect of precluding occupancy of units by such prospective Tenants.

Section 6.4 Term. The provisions of this Agreement apply to the Property for the Term even if the Loans is paid in full prior to the end of the terms. This Agreement binds any successor, heir or assign of Borrower, whether a change in interest occurs voluntarily or involuntarily, by operation of law or otherwise, except as expressly released by City. City is making the Loans on the condition, and in consideration of, this provision, and would not do so otherwise.

Section 6.5 Notice of Expiration of Term.

(a) At least six (6) months prior to the expiration of the Term, Borrower shall provide by first-class mail, postage prepaid, a notice to all Tenants containing (i) the anticipated date of the expiration of the Term, (ii) any anticipated increase in Rent upon the expiration of the Term, (iii) a statement that a copy of such notice will be sent to the City , and (iv) a statement that a public hearing may be held by the City on the issue and that the Tenant will receive notice of the hearing at least fifteen (15) days in advance of any such hearing. Borrower shall also file a copy of the above-described notice with the City's Housing Manager.

(b) In addition to the notice required above, Borrower shall comply with the requirements set forth in California Government Code Sections 65863.10 and 65863.11. Such notice requirements include: (i) a three (3) year notice to existing tenants, prospective tenants and Affected Public Agencies (as defined in California Government Code Section 65863.10(a)); (ii) a twelve (12) month notice to existing tenants, prospective tenants and Affected Public Agencies (as defined in California Government Code Section 65863.10(a)), prior to the expiration of the Term, (iii) a six (6) month notice requirement to existing tenants, prospective tenants and Affected Public Agencies prior to the expiration of the Term; (iv) a notice of an offer to purchase the Development to "qualified entities" (as defined in California Government Code

Section 65863.11(d)), if the Development is to be sold within the Term; (iv) a notice of right of first refusal within the one hundred eighty (180) day period that qualified entities may purchase the Development.

Section 6.6 Covenants to Run With the Land. The City and Borrower hereby declare their express intent that the covenants and restrictions set forth in this Agreement run with the land, and bind all successors in title to the Property, provided, however, that on the expiration of the Term of this Agreement said covenants and restrictions expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Property or any portion thereof, is to be held conclusively to have been executed, delivered and accepted subject to the covenants and restrictions, regardless of whether such covenants or restrictions are set forth in such contract, deed or other instrument, unless the City expressly releases such conveyed portion of the Property from the requirements of this Agreement.

Section 6.7 Enforcement by The City. If Borrower fails to perform any obligation under this Agreement, and fails to cure the default within thirty (30) days after the City has notified Borrower in writing of the default or, if the default cannot be cured within thirty (30) days, fails to commence to cure within thirty (30) days and thereafter diligently pursue such cure and complete such cure within ninety (90) days, the City may enforce this Agreement by any or all of the following actions, or any other remedy provided by law:

(a) Calling the Loans. The City may declare a default under the Notes, accelerate the indebtedness evidenced by the Notes, and proceed with foreclosure under one or both of the Deeds of Trust.

(b) Action to Compel Performance or for Damages. The City may bring an action at law or in equity to compel Borrower's performance of its obligations under this Agreement, and may seek damages.

(c) Remedies Provided Under Loan Documents. The City may exercise any other remedy provided under the Loan Documents.

Section 6.8 Attorneys' Fees and Costs. In any action brought to enforce this Agreement, the prevailing party must be entitled to all costs and expenses of suit, including reasonable attorneys' fees. This section must be interpreted in accordance with California Civil Code Section 1717 and judicial decisions interpreting that statute.

Section 6.9 Recording and Filing. The City and Borrower shall cause this Agreement, and all amendments and supplements to it, to be recorded in the Official Records of the Stanislaus County.

Section 6.10 Governing Law. This Agreement is governed by the laws of the State of California.

Section 6.11 Waiver of Requirements. Any of the requirements of this Agreement may be expressly waived by the City in writing, but no waiver by the City of any requirement of this Agreement extends to or affects any other provision of this Agreement, and may not be deemed to do so.

Section 6.12 Amendments. This Agreement may be amended only by a written instrument executed by all the parties hereto or their successors in title that is duly recorded in the official records of the County of Stansilaus.

Section 6.13 Notices. Any notice requirement set forth herein will be deemed to be satisfied three (3) days after mailing of the notice first-class United States certified mail, postage prepaid, addressed to the appropriate party as follows:

City: City of Turlock
Housing Program Services Division
156 S. Broadway Street, Suite 140
Turlock, CA 95380
Attn: Housing Manager

Borrower: Great Valley Housing Development Corporation
1701 Robertson Road
Modesto, CA 95350
Attn: Executive Director

Such addresses may be changed by notice to the other party given in the same manner as provided above.

Section 6.14 Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions of this Agreement will not in any way be affected or impaired thereby.

Section 6.15 Multiple Originals; Counterparts. This Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

Section 6.16 Time of Essence. Time is of the essence of each provision of this Agreement in which time is a factor.

WHEREAS, this Agreement has been entered into by the undersigned as of the date first written above.

CITY:

CITY OF TURLOCK,
a municipal corporation

By: _____
Print Name: Susan E. Borrego
Title: Interim City Manager

Date: _____

APPROVED AS TO FORM:

_____
Print Name: George A. Petrulakis
Title: City Attorney

Date: _____

BORROWER:

Great Valley Housing Development Corporation, a California nonprofit public benefit corporation

By:_____
Print Name: Jim Kruse
Title: Executive Director

Date: _____

Witness:

By:_____
Print Name: Greg Raynes
Title: Secretary

Date: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Stanislaus)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Stanislaus)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)

EXHIBIT “A”

Legal Description of The Property

The land referred to herein below is situated Turlock, in the County of Stanislaus, State of California, and is described as follows:

LOT 48 OF REICH ESTATES SOUTH NO. 2, IN THE CITY OF TURLOCK, COUNTY OF STANISLAUS, STATE OF CALIFORNIA AS PER MAPY FILED MAY 19, 1980 IN BOOK 29 OF MAPS, AT PAGE 21, STANISLAUS COUNTY RECORDS.

APN: 043-055-048-000

PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

This PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS ("Agreement") is dated January 27, 2026, ("Effective Date"), and is entered into by and between the CITY OF TURLOCK, a municipal corporation ("Seller") and GREAT VALLEY HOUSING DEVELOPMENT CORPORATION, a California nonprofit public benefit corporation ("Buyer") for the purchase of the property located at 591 Birchwood Way, Turlock, California 95380.

Recitals

A. Seller owns land in the City of Turlock, described on Exhibit "A" and improvements thereon ("Real Property"). Such Real Property and any improvements thereon, and all rights and appurtenances relating thereto (but excluding any public rights of way and easements), are hereinafter collectively referred to as the "Property".

B. Seller desires to sell the Property to Buyer, and Buyer desires to purchase the Property from Seller upon and subject to the terms and conditions hereafter set forth, including the conditions that Seller lend Buyer the purchase price (with the loan to be secured by the Property).

NOW, THEREFORE, Buyer and Seller hereby agree as follows

Agreement

ARTICLE 1. PURCHASE AND SALE.

1.1 Purchase Price. In consideration of the sum of Four Hundred Ten Thousand Dollars ($410,000.00) and the Buyer's expenditure of funds to pay costs of investigating title to and the physical condition of the Property, Seller agrees to sell the Property to Buyer and Buyer agrees to purchase the Property from Seller on the terms and subject to the conditions hereinafter set forth for a price of Four Hundred Ten Thousand Dollars ($410,000.00) (the "Purchase Price").

ARTICLE 2. ESCROW.

2.1 Opening. The purchase and sale of the Property shall be consummated by means of an escrow, which is to be opened by the parties promptly after the execution of this Agreement at WFG National Title Insurance Company, 1550 Fulkerth Road, Turlock, California 95380 ("Escrow Holder"), Attn: Reyna Rico (Phone: (209) 664-9723); email: RRico@wfgtitle.com. The parties shall promptly deliver a copy of this executed Agreement to Escrow Holder.

2.2 Escrow Instructions. Escrow Holder shall open an escrow ("**Escrow**") for the consummation of the sale of the Property to Buyer pursuant to the terms of this Agreement, and this Agreement shall constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, but each may deliver separate escrow instructions consistent with this Agreement. Upon opening Escrow, Escrow Holder is authorized to act in accordance with the terms of this Agreement. Buyer and Seller shall execute Escrow Holder's general escrow instructions upon request; provided, however, that if there is any conflict or inconsistency between such general escrow instructions and this Agreement, this Agreement shall control.

2.3 Close of Escrow. Escrow shall close no later than February 28, 2026 (the "Outside Closing Date").

2.4 Costs.

(a) Seller shall pay one hundred percent (100%) of the escrow charges and other fees and costs charged by Escrow Holder, the premium for the Standard Owner's Policy of title insurance, any transfer taxes, and any recording charges for both the Seller and Buyer. Buyer shall pay for the costs of an Extended Coverage Owner's Policy of title insurance, if requested by Buyer, and for the Seller's lenders policy of title insurance.

ARTICLE 3. CONDITIONS TO CLOSE OF ESCROW.

3.1 General. The provisions of this Article are conditions precedent to the close of escrow. If not satisfied or waived in writing by Buyer by the Outside Closing Date, Buyer may terminate this Agreement by written notice to Seller and Escrow Holder in which event Buyer shall be responsible for any escrow costs incurred by the Parties.

3.2 Title. Seller shall cause title to the Property to be conveyed to Buyer, subject only to title exceptions approved by Buyer pursuant to Section 3.3 below (the "Permitted Exceptions"). At closing, Seller shall cause Escrow Holder to issue a Standard Owner's Policy of title insurance insuring title to the Property in Buyer with liability in the amount of the Purchase Price at its cost and Buyer may obtain an ALTA extended coverage policy and shall be required to pay the additional cost of the ALTA Extended Policy of title insurance ("Title Policy"). The Title Policy shall include as title exceptions only prorated property assessments (if any), the Permitted Exceptions, and the printed exceptions common to such title policies. At Closing, Buyer shall cause Escrow Holder to issue, at Buyer's cost, one lender's title policies to Seller in the amounts of $840,000 for the Seller's deeds of trust securing the promissory notes evidencing Seller's purchase money loans to Buyer (aggregating the Purchase Price).

3.3 Approval of Title Exceptions. Buyer shall, upon the signing of this Agreement, order from Escrow Holder for delivery to Buyer a preliminary title report ("Preliminary Title Report") and legible copies of all documents referred to therein covering or relating to the Property. Buyer shall have ten (10) business days from the date of this Agreement to perform an ALTA survey (if desired by Buyer) and disapprove the exceptions revealed by the survey or listed in the Preliminary Title Report by written notice to Seller. Failure to give written notice of disapproval to Seller of some or all of the exceptions shall be deemed to be approval of all exceptions, except for monetary liens, including, but not limited to, property taxes. If Buyer disapproves any exceptions, Seller shall have ten (10) business days after receipt of Buyer's notice within which to agree to remove the exception. Seller's failure to give timely written notice of such agreement to remove all disapproved exceptions to Buyer shall be deemed to be refusal, except that Seller shall automatically be deemed to agree to remove monetary liens, including, but not limited to, current property taxes. If Seller does not timely and unconditionally agree in writing to remove any other exceptions timely

disapproved by Buyer, this Agreement shall terminate without further liability to either party unless Buyer waives its objections in writing within ten (10) business days after the expiration of

Seller's time period for agreeing to remove exceptions. If Seller shall agree to remove any exception objected to by Buyer, Seller shall remove such exception by the Close of Escrow.

3.4 Buyer's Other Conditions Precedent. Buyer's obligation to purchase the Property is subject to the satisfaction of the following additional conditions which are for Buyer's benefit only and if neither satisfied nor expressly waived in writing by Buyer on or before the Outside Closing Date, Buyer may terminate this Agreement by written notice to Seller and Escrow Holder in which event Buyer shall be responsible for any escrow costs incurred by the Parties:

(a) Buyer's approval, on or before the date which is ten (10) business days after the Effective Date ("Due Diligence Period"), of the condition of the Property, based on inspections, tests, surveys and other studies, including, but not limited to, environmental assessments of the Property, to be conducted by or on behalf of Buyer at Buyer's cost and in Buyer's sole discretion. Upon execution of this Agreement by Seller, Buyer's representatives may enter on the Property to make tests, surveys or other studies of the Property, provided that Buyer pays for all such tests and studies, keeps Seller's property free and clear of any liens, repairs all damage to the Property with the exception of material removed for testing purposes, and indemnifies and holds Seller harmless from and against all liability, claims, demands, damages or costs of any kind whatsoever arising from or connected with the tests, surveys or studies.

(b) Seller's not being in default under this Agreement.

(c) Seller's delivery to Buyer of California and Federal tax withholding certificates that ensure that Seller will not be required to withhold any of the purchase price from Seller (which may be delivered through escrow at the closing).

3.5 Seller's Conditions Precedent. Seller's obligation to sell the Property is subject to the satisfaction of the following conditions which are for Seller's benefit only and if neither satisfied nor expressly waived in writing by Seller on or before the Outside Closing Date, Seller may terminate this Agreement by written notice to Buyer and Escrow Holder:

(a) Buyer's not being in default under this Agreement;

3.6 Further Encumbrances. From and after the date of the Preliminary Title Report, Seller will not further encumber the Property or otherwise cause or permit any additional title exceptions.

3.7 Possession. Buyer understands that the Property is occupied by a tenant and that the Buyer is taking title to the Property subject to that tenancy.

3.8 Deposit of Documents and Funds by Seller. Not later than one (1) business day prior to the Close of Escrow, Seller shall deposit the following items with Escrow Holder, each of which shall be duly executed and acknowledged by Seller where appropriate:

3.8.1. A Grant Deed duly executed and acknowledged by Seller conveying the Property to Buyer in the form of Exhibit "B" attached hereto and incorporated herein by this reference;

3.8.2. Any funds required to pay costs under Section 2.4(a) above;

3.8.3. An affidavit executed by Seller to the effect that Seller is not a "foreign person" within the meaning of Internal Revenue Code Section 1445 ("**Certification**") and an executed California Real Estate Withholding Exemption (Form 593-C) ("**Form 593-C**");

3.8.4. A notice to each tenant informing the tenant of the sale and the transfer of security deposit and directing the tenant to make future rent payments to the Buyer (and including the Buyer's address for notices) (the "**Tenant Notices**").

3.8.5. A counterpart of a Regulatory Agreement in the form attached hereto as Exhibit "D, duly executed and acknowledged (the "**Regulatory Agreement**").

3.8.6. Rents and Security deposits to be handled outside of escrow.

3.8.7. Other documents pertaining to Seller's authority to record the Grant Deed that may reasonably be required by Escrow Holder to close the Escrow in accordance with this Agreement.

3.9 Deposit of Documents and Funds by Buyer. Not later than one (1) business day prior to the Close of Escrow, Buyer shall deposit the following items into Escrow:

3.9.1. Any funds required to pay costs under Section 2.4(a) above;

3.9.2. A Preliminary Change of Ownership Statement in form suitable for filing with the tax collector for the County; provided, however, that the delivery of this instrument shall not be a condition precedent to the Close of Escrow nor a default by Buyer if not delivered by Buyer;

3.9.3. Executed promissory notes in the amount of the Purchase Price in the form attached hereto as Exhibit "C" and "C-2" (the "**Notes**");

3.9.4. Executed and acknowledged Deeds of Trust in the forms attached hereto as Exhibit "E" and "E-2" (the "**Deeds of Trust**");

3.9.5. Executed counterparts of the Tenant Notices;

3.9.6. An executed and acknowledged counterpart of the Regulatory Agreement;

3.9.7. All other funds and documents as may reasonably be required by Escrow Holder to close the Escrow in accordance with this Agreement.

3.10 Closing. At the closing, Escrow Holder shall record the Grant Deed and then the Regulatory Agreement, then the Deeds of Trust, deliver the Notes to Seller, cause the owner's and lender's title policies to be issued, and apply deposited sums to costs as applicable.

ARTICLE 4. MISCELLANEOUS.

4.1 Notices. Notices shall be sent by certified mail, return receipt requested, postage prepaid, or sent by reputable overnight delivery service, such as Federal Express, addressed as follows:

Seller: City of Turlock
156 South Broadway Avenue Ste. 140
Turlock, CA 95380
Attention: City Manager

Buyer: Great Valley Housing Development Corporation
1701 Robertson Road
Modesto, CA 95350
Attn: Executive Director

Notices which are mailed shall be deemed to be given on the date of delivery or attempted delivery shown on the return receipt. Notices delivered by overnight messenger shall be deemed delivered on the next business day following delivery to the messenger service as shown by reasonable evidence.

4.2 Brokers. Each party represents to the other that it (the representing party) is not represented by a broker, agent, finder or salesperson in connection with this transaction.

4.3 Governing Law. This Agreement shall be governed by California law.

4.4 Time of Essence. Time is of the essence of this Agreement.

4.5 Entire Agreement. This Agreement and escrow instructions entered into by the parties contains the entire agreement of the parties hereto, and supersedes any prior written or oral agreements between them concerning the subject matter contained herein. There are no representations, agreements, arrangements or understandings, oral or written, relating to the subject matter, which are not fully expressed herein.

4.6 Additional Assurances. From time to time prior to and after the close of escrow, each party shall execute and deliver such instruments of transfer and other documents as may be reasonably requested by the other party to carry out the purpose and intent of this Agreement.

4.7 Assignment. Buyer may not assign this Agreement.

4.8 City Manager Authority. The City Manager is authorized to execute and deliver all consents and approvals on behalf of Seller hereunder provided they are in writing and to enter into written amendments to this Agreement that do not substantially alter the business terms herein to the detriment of Seller.

ARTICLE 5. "AS IS" SALE; RELEASE.

Buyer acknowledges and agrees that the Property is being sold in its current "as is" condition, without representation or warranty, express or implied, other than as provided in this Agreement.

Buyer and anyone claiming by, through or under Buyer hereby waives its right to recover from and fully and irrevocably releases Seller and its council members, board members, employees, officers, directors, representatives, agents, servants, attorneys, successors and assigns ("**Released Parties**") from any and all claims, responsibility and/or liability that it may now have or hereafter acquire against any of the Released Parties for any costs, loss, liability, damage, expenses, demand, action or cause of action arising from or related to (i) the condition (including any defects, errors, omissions or other conditions, latent or otherwise, and the presence in the soil, air, structures and surface and subsurface waters of materials or substances that have been or may in the future be determined to be hazardous materials or otherwise toxic, hazardous, undesirable or subject to regulation and that may need to be specially treated, handled and/or removed from the Property under current or future federal, state and local laws regulations or guidelines), (ii) valuation, salability or utility of the Property, or its suitability for any purpose whatsoever, and (iii) any information furnished by the Released Parties under or in connection with this Agreement. This release includes claims of which Buyer is presently unaware or which Buyer does not presently suspect to exist which, if known by Buyer, would materially affect Buyer's release to Seller. Buyer specifically waives the provision of California Civil Code Section 1542, which provides as follows:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT IF KNOWN TO HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

In this connection and to the extent permitted by law, Buyer hereby agrees, represents and warrants that Buyer realizes and acknowledges that factual matters now unknown to it may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which are presently unknown, unanticipated and unsuspected, and Buyer further agrees, represents and warrants that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that Buyer nevertheless hereby intends to release, discharge and acquit Released Parties from any such unknown causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which might in any way be included as a material portion of the consideration given to Seller by Buyer in exchange for Seller's performance hereunder.

Buyer hereby agrees that, if at any time after the Close of Escrow any third party or any governmental agency seeks to hold Buyer responsible for the presence of, or any loss, cost or

damage associated with, hazardous materials in, on, above or beneath the Property or emanating therefrom, then Buyer waives any rights it may have against Seller in connection therewith, including, without limitation, under CERCLA and Buyer agrees that it shall not (i) implead the Seller, (ii) bring a contribution action or similar action against Seller, or (iii) attempt in any way to hold Seller responsible with respect to any such matter. The provisions of this Section shall survive the Close of Escrow.

Seller has given Buyer material concessions regarding this transaction in exchange for Buyer agreeing to the provisions of this Section. Seller and Buyer have each initialed this Section to further indicate their awareness and acceptance of each and every provision hereof.

_____	_____
SELLER'S INITIALS	BUYER'S INITIALS

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first written above.

CITY OF TURLOCK, a municipal corporation	**Great Valley Housing Development Corporation, a California nonprofit public benefit corporation**
By: _____ Susan E. Borrego Title: Interim City Manager	By: _____ Print Name: Jim Kruse Title: Executive Director
Date: _____	Date: _____
APPROVED AS TO FORM: By: _____ George A. Petrulakis, Title: City Attorney	By: _____ Print Name: Greg Raynes Title: Secretary
Date:_____	Date: _____

ATTEST:

By: _____
Nichole Fiez,
Title: City Clerk

Date: _____

EXHIBIT "A"

Legal Description of The Property

The land referred to herein below is situated Turlock, in the County of Stanislaus, State of California, and is described as follows:

LOT 48 OF REICH ESTATES SOUTH NO.2, IN THE CITY OF TURLOCK, COUNTY OF STANISLAUS, STATE OF CALIFORNIA AS PER MAP FILED MAY 19, 1980 IN BOOK 29 OF MAPS, AT PAGE 21, STANISLAUS COUNTY RECORDS.

APN: 043-055-048-000

City Council Staff Report

January 27, 2026

From:	Isaac Moreno, Acting Deputy City Manager
Prepared by:	Isaac Moreno, Acting Deputy City Manager
Agendized by:	Susan E. Borrego, Interim City Manager

1. ACTION RECOMMENDED:

Resolution: Adopting reduced Capital Facilities Fees from Commercial, Retail, and Industrial development projects and appropriating Five Hundred Thousand ($500,000) from unrestricted reserves in Fund 120 (Tourism)

2. NARRATIVE:

On November 12, 2013, at a regular City Council Meeting, the City Council, in Resolution No. 2013-202, adopted the Capital Facilities Fee (CFF) Nexus Study ("Nexus Study") and established Capital Facilities Fees in compliance with the Mitigation Fee Act (Government Code § 66000 et seq.) and all applicable state and federal laws. Impact fees are one-time charges on new development collected and used by jurisdictions (e.g., a City or County) to cover the cost of capital facilities and infrastructure that is required to serve new residential and commercial growth. Impact fees are generally collected upon issuance of a building permit, although some jurisdictions collect them at certificate of occupancy. The City of Turlock currently has an established CFF program with fees that vary by "zone of benefit." This study is designed to update these existing fees based on new land use and growth projections as well as estimated capital facilities needs and their corresponding costs.

In an attempt to promote business growth in the City of Turlock, staff is requesting a reduction of capital facilities fees by 25% within the following categories:

- Commercial/Retail < 100,000 sq. ft.
- Commercial/Retail ≥ 100,000 sq. ft.
- Gas Station
- Hotel/Motel
- Office
- Medical Office
- Hospital
- Institutional/Assembly
- Industrial <25,000 sq. ft.
- Industrial ≥25,000 sq. ft.
- Warehouse

The proposed new fee amounts are attached as Exhibit A. All current calculation and escalation factors will remain in effect.

To ensure that the City has the funds to construct the public facilities needed to serve new development, the City desires to appropriate Five Hundred Thousand ($500,000) from unrestricted reserves in Fund 120 "Tourism" to expense account number 120-10-120.47367

"Economic Development Expenses", for the current fiscal year, for potential transfer to the Capital Facilities Fees Fund, in an amount equal to the revenue lost from the adoption of reduced Capital Facilities Fees for commercial, retail, and industrial projects.

3. FISCAL IMPACT / BUDGET AMENDMENT:

An appropriation of Five Hundred Thousand ($500,000) from unrestricted reserves in Fund 120 "Tourism" to expense account number 120-10-120.47367 "Economic Development Expenses" is being requested to start this program. During the Fiscal Year 2026-2027 budget review, staff will discuss the success of this program, available funds, and development of a new Capital Facilities Fee nexus study.

4. ENVIRONMENTAL DETERMINATION:

This action is not subject to the provisions of the California Environmental Quality Act (CEQA) in accordance with Section 15378(b)(5) of the CEQA guidelines. This action consists of "organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment" and therefore is not considered a project.

5. ATTACHMENTS:

1. Draft CFF Business Incentive Program Resolution

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF ADOPTING REDUCED CAPITAL FACILITIES FEES FOR COMMERCIAL, RETAIL, AND INDUSTRIAL DEVELOPMENT PROJECTS AND APPROPRIATING FIVE HUNDRED THOUSAND ($500,000) FROM UNRESTRICTED RESERVE IN FUND 120 (TOURISM)	**RESOLUTION NO. 2026-XXX**

WHEREAS, the Turlock Municipal Code Chapter 8-11 imposes upon all development projects within the City of Turlock ("City") the requirement to pay a Capital Facility Fee ("Capital Facilities Fee") to defray all or a portion of the cost of public facilities related to the development project and allows the City Council to establish the amounts of the Capital Facilities Fee by resolution; and

WHEREAS, Section 8-11-03 of the Turlock Municipal Code defines "development" or "development project" as construction, alteration, or addition of any building, structure, or area, or a change of use of any existing building, structure, or area, or any portion thereof; and

WHEREAS, on November 12, 2013, at a regular City Council Meeting, the City Council, in Resolution No. 2013-202, adopted the Capital Facilities Fee Nexus Study ("Nexus Study") and established Capital Facilities Fees in compliance with the Mitigation Fee Act (Government Code § 66000 et seq.) and all applicable state and federal laws; and

WHEREAS, Theme #3 of the Turlock General Plan, seeks to attract new businesses to create well-paying jobs and maintain a good jobs/housing balance, recognizing that population and economic growth are intertwined, and that new industries boost revenue, competitiveness, new residents, and opportunities for existing ones; and

WHEREAS, a lower economic burden on construction of commercial, retail, and industrial projects in the City will strengthen the commercial environment, attract unique retail and industrial businesses that promote tourism and job creation, and create new jobs to bolster the community and economy; and

WHEREAS, more commercial, retail, and industrial development in the City can provide residents with more jobs and more local shopping, dining, recreation and entertainment opportunities; and

WHEREAS, City desires to reduce Capital Facilities Fees below the maximum fee amounts, as justified by the Nexus Study and increased annually by ENR, for commercial, retail, and industrial development projects to further the policies, goals, and programs referenced herein; and

WHEREAS, these reduced fees will apply directly and automatically to eligible projects without a need for application or discretionary approval; and

WHEREAS, to ensure that the City has the funds to construct the public facilities needed to serve new development, the City desires to appropriate from unrestricted reserves in Fund 120 "Tourism" to expense account number 120-10-120.47367 "Economic Development Expenses", for the current fiscal year, for potential transfer to the Capital Facilities Fee Fund, in an amount equal to the revenue lost from the adoption of reduced Capital Facilities Fees for commercial, retail, and industrial projects; and

WHEREAS, this Capital Facilities Fees reduction is temporary in nature and will be reviewed annually to confirm that it continues to serve the City's interests and that sufficient financial means exist to fund associated infrastructure needs; and

WHEREAS, the Nexus Study justifying the current fee amounts and Resolution No. 2013-202, which adopted the current fee amounts, remain fully valid and unaffected by the City's adoption of the reduced Capital Facilities Fees, and as such, the City Council may restore the Capital Facilities Fees to their fully justified amounts without conducting a new Nexus Study or adhering to the processes and procedures required for adopting or increasing fees.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Turlock, California,

Section 1. Findings. The above recitals are true and correct, and incorporated herein, by reference, and each is relied upon independently by the City Council for its adoption of this Resolution.

Section 2. Environmental Findings. This action is not subject to the provisions of the California Environmental Quality Act (CEQA) because this action is not a project within the meaning of the CEQA Guidelines Section 15378 and 15061(b)(3) as it has no potential for physical effects on the environment because it adopts reduced Capital Facilities Fees for certain development but does not commit the City to any specific project, and said fees and/or charges are applicable to future development projects and/or activities, each of which future projects and/or activities will be fully evaluated in full compliance with CEQA when sufficient physical details regarding said projects and/or activities are available to permit meaningful CEQA review (see CEQA Guidelines, Section 15004(b)(1)).

Section 3. Adoption of Reduced Fees. The City Council hereby adopts the reduced Capital Facilities Fees for commercial, retail, and industrial projects in the amounts and according to the schedules as set forth in **Exhibit A** attached to this resolution and incorporated herein. All other Capital Facilities Fees will remain unchanged. The fees set forth in Exhibit A shall be incorporated into the City's Master Fee Schedule.

Section 4. Appropriation of Funds. The sum of Five Hundred Thousand ($500,000) is hereby appropriated from unrestricted reserves to Fund 120 "Tourism" to expense account number 120-10-120.47367 "Economic Development Expenses" to be allocated for Fiscal Year 2025-2026 to ensure that the infrastructure funded by Capital Facilities Fees continues to have adequate financing. At the end of the fiscal year, the Finance

Director shall determine the amount of revenue lost to the Capital Facilities Fee Fund as a result of the City Council's adoption of this Resolution and transfer that amount to the Capital Facilities Fee Fund. If the amount of lost revenue exceeds the annual amount for Fiscal Year 2025-2026, then the full amount appropriated shall be transferred.

Section 5. Annual Review. The City Council hereby directs the Finance Director to conduct an annual review of the reduced Capital Facilities Fees adopted by this Resolution to determine: (i) whether it remains desirable for the City's development objectives to impose reduced Capital Facilities Fees for retail and industrial projects; (ii) whether the City possesses sufficient financial resources to adequately fund its expanding infrastructure needs; and (iii) whether additional General Fund appropriations are necessary.

Section 6. Reservation of Rights. The City reserves the right to increase the Capital Facilities Fees to the maximum justified by the Nexus Study and adopted by Resolution No. 2013-202, as automatically increased pursuant to Turlock Municipal Code section 8-11-05(c)(1), at any time and for any reason.

Section 7. Effective Date. This resolution is effective immediately upon adoption.

BE IT FURTHER RESOLVED AND ORDERED the City Clerk shall certify the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 27th day of January, 2026, by the following vote:

AYES:
NOES:
NOT PARTICIPATING:
ABSENT:

ATTEST:

_____
Nichole Fiez, City Clerk,
City of Turlock, County of Stanislaus,
State of California

CAPITAL FACILITY DEVELOPMENT FEES

Transportation, Police, General Government, & Fire

(Vested Rights After November 12th, 2013 or Vested Rights expired Before November 12th, 2013)

Dates Effective	From	27-Jan-26	To	31-Mar-26

CAPITAL FACILITY DEVELOPMENT FEES[1]

Land Use	Authority	Basis	Original		Effective as of 01-Jan-2026		Reduction	New Rate	When Due
			Charge	ENR Index	ENR Index	Charge	25%		
RESIDENTIAL									
Single Family Residential[2]	**Res. 13-202**	**Per Unit**							
Downtown/PPA			$10,298.97	820.85	1225.28	$15,373.24		No Change	Building Permit
Master Plan Areas			$12,567.03	820.85	1225.28	$18,758.76		No Change	Building Permit
City Infill			$11,233.18	820.85	1225.28	$16,767.73		No Change	Building Permit
Multifamily Residential[2]	**Res. 13-202**	**Per Unit**							
Downtown/PPA			$7,410.85	820.85	1225.28	$11,062.15		No Change	Building Permit
Master Plan Areas			$9,061.94	820.85	1225.28	$13,526.73		No Change	Building Permit
City Infill			$8,062.84	820.85	1225.28	$12,035.37		No Change	Building Permit
Senior Assisted Living	**Res. 13-202**	**Per Unit**							
Downtown/PPA			$2,939.62	820.85	1225.28	$4,387.96		No Change	Building Permit
Master Plan Areas			$3,593.67	820.85	1225.28	$5,364.26		No Change	Building Permit
City Infill			$3,201.24	820.85	1225.28	$4,778.48		No Change	Building Permit
2nd Unit/Accessory Unit	**Res. 13-202**	**Per Unit**							
Downtown/PPA			$5,722.68	820.85	1225.28	$8,542.22		No Change	Building Permit
Master Plan Areas			$6,931.90	820.85	1225.28	$10,347.22		No Change	Building Permit
City Infill			$6,293.30	820.85	1225.28	$9,393.99		No Change	Building Permit
Mobile Home Dwelling	**Res. 13-202**	**Per Bed**							
Downtown/PPA			$5,456.94	820.85	1225.28	$8,145.56		No Change	Building Permit
Master Plan Areas			$6,664.10	820.85	1225.28	$9,947.48		No Change	Building Permit
City Infill			$5,946.19	820.85	1225.28	$8,875.86		No Change	Building Permit
NON RESIDENTIAL[3]									
Commercial/Retail < 100,000 sq. ft.		**Per 1,000 sq. ft.**							
Downtown/PPA			$11,091.04	820.85	1225.28	$16,555.56	($4,138.89)	$12,416.67	Building Permit
Master Plan Areas			$13,366.31	820.85	1225.28	$19,951.85	($4,987.96)	$14,963.89	Building Permit
City Infill			$12,269.36	820.85	1225.28	$18,314.43	($4,578.61)	$13,735.82	Building Permit
Commercial/Retail ≥ 100,000 sq. ft.		**Per 1,000 sq. ft.**							
Downtown/PPA			$11,044.69	820.85	1225.28	$16,486.37	($4,121.59)	$12,364.78	Building Permit
Master Plan Areas			$13,304.51	820.85	1225.28	$19,859.60	($4,964.90)	$14,894.70	Building Permit
City Infill			$12,223.01	820.85	1225.28	$18,245.25	($4,561.31)	$13,683.94	Building Permit
Gas Station		**Per VFP**[4]							
Downtown/PPA			$6,791.82	820.85	1225.28	$10,138.13	($2,534.53)	$7,603.60	Building Permit
Master Plan Areas			$8,202.92	820.85	1225.28	$12,244.47	($3,061.12)	$9,183.35	Building Permit
City Infill			$7,498.40	820.85	1225.28	$11,192.84	($2,798.21)	$8,394.63	Building Permit
Hotel/Motel		**Per Room**							
Downtown/PPA			$3,631.78	820.85	1225.28	$5,421.15	($1,355.29)	$4,065.86	Building Permit
Master Plan Areas			$4,383.68	820.85	1225.28	$6,543.50	($1,635.88)	$4,907.62	Building Permit
City Infill			$4,010.82	820.85	1225.28	$5,986.94	($1,496.74)	$4,490.20	Building Permit
Office		**Per 1,000 sq. ft.**							
Downtown/PPA			$5,811.26	820.85	1225.28	$8,674.45	($2,168.61)	$6,505.84	Building Permit
Master Plan Areas			$7,062.71	820.85	1225.28	$10,542.48	($2,635.62)	$7,906.86	Building Permit
City Infill			$6,375.70	820.85	1225.28	$9,516.99	($2,379.25)	$7,137.74	Building Permit

CAPITAL FACILITY DEVELOPMENT FEES
Transportation, Police, General Government, & Fire

(Vested Rights After November 12th, 2013 or Vested Rights expired Before November 12th, 2013)

Dates Effective	From	27-Jan-26	To	31-Mar-26

CAPITAL FACILITY DEVELOPMENT FEES[1]

Land Use	Authority	Basis	Original		Effective as of 01-Jan-2026		Reduction	New Rate	When Due
			Charge	ENR Index	ENR Index	Charge	25%		
Medical Office		**Per 1,000 sq. ft.**							
Downtown/PPA			$9,512.05	820.85	1225.28	$14,198.60	($3,549.65)	$10,648.95	Building Permit
Master Plan Areas			$11,488.62	820.85	1225.28	$17,149.02	($4,287.26)	$12,861.76	Building Permit
City Infill			$10,498.79	820.85	1225.28	$15,671.51	($3,917.88)	$11,753.63	Building Permit
Hospital		**Per 1,000 sq. ft.**							
Downtown/PPA			$3,800.70	820.85	1225.28	$5,673.29	($1,418.32)	$4,254.97	Building Permit
Master Plan Areas			$4,626.76	820.85	1225.28	$6,906.35	($1,726.59)	$5,179.76	Building Permit
City Infill			$4,162.23	820.85	1225.28	$6,212.95	($1,553.24)	$4,659.71	Building Permit
Institutional/Assembly		**Per 1,000 sq. ft.**							
Downtown/PPA			$2,532.77	820.85	1225.28	$3,780.66	($945.17)	$2,835.49	Building Permit
Master Plan Areas			$3,074.55	820.85	1225.28	$4,589.37	($1,147.34)	$3,442.03	Building Permit
City Infill			$2,782.03	820.85	1225.28	$4,152.73	($1,038.18)	$3,114.55	Building Permit
Industrial <25,000 sq. ft.		**Per 1,000 sq. ft.**							
Downtown/PPA			$1,855.03	820.85	1225.28	$2,769.00	($692.25)	$2,076.75	Building Permit
Master Plan Areas			$2,271.15	820.85	1225.28	$3,390.14	($847.54)	$2,542.60	Building Permit
City Infill			$2,019.83	820.85	1225.28	$3,014.99	($753.75)	$2,261.24	Building Permit
Industrial ≥25,000 sq. ft.		**Per 1,000 sq. ft.**							
Downtown/PPA			$1,444.06	820.85	1225.28	$2,155.54	($538.89)	$1,616.65	Building Permit
Master Plan Areas			$1,760.27	820.85	1225.28	$2,627.55	($656.89)	$1,970.66	Building Permit
City Infill			$1,581.05	820.85	1225.28	$2,360.03	($590.01)	$1,770.02	Building Permit
Warehouse		**Per 1,000 sq. ft.**							
Downtown/PPA			$1,346.21	820.85	1225.28	$2,009.48	($502.37)	$1,507.11	Building Permit
Master Plan Areas			$1,632.55	820.85	1225.28	$2,436.90	($609.23)	$1,827.67	Building Permit
City Infill			$1,479.08	820.85	1225.28	$2,207.82	($551.96)	$1,655.86	Building Permit

This fee is to pay for the construction of Public Facilities and to purchase capital items to allow for the city services to stay at the existing standards due to growth.

Notes:
[1] Fees vary by area of the City. Fees include 3% administration charge.
[2] An age-restricted senior housing discount of 50% will be applied to the transportation component of the fee with legal documentation (e.g., deed restriction).
[3] If retail of commercial project includes a drive-through, a fee premium of 25% will be added to the transportation component of the fee.
[4] Vehicle fueling position

City Council Staff Report

January 27, 2026

From:	Isaac Moreno, Acting Deputy City Manager
Prepared by:	Isaac Moreno, Acting Deputy City Manager
Agendized by:	Susan E. Borrego, Interim City Manager

1. ACTION RECOMMENDED:

Motion: Conclude the Agreement for Fire Administrative Services between the City of Modesto and the City of Turlock without executing a two-year extension as of June 30, 2026.

2. NARRATIVE:

On January 25, 2022, the City of Turlock entered into a four-year agreement with the City of Modesto for Fire Administrative Services. The purpose of the agreement was to support the development of a regional fire administrative structure through a shared services model. The contract provided for a unified Fire Chief overseeing multiple jurisdictions, with access to administrative staff and program coordination across specialized areas such as technical rescue, paramedic advanced life support, and hazardous materials response. An Assistant Fire Chief from Modesto was assigned to coordinate daily operations and serve as the primary point of contact for Turlock's City Manager and senior leadership.

The initial contract term covered the period from February 15, 2022 to June 30, 2026, with an optional two-year extension subject to mutual agreement by both parties. The agreement specifies that an extension must be approved no later than June 30, 2025, unless otherwise agreed to in writing by both governing bodies.

In preparation for potential extension discussions, City staff requested draft amendment language from Modesto in early 2025 to initiate negotiations. After multiple follow-up attempts, Turlock received Modesto's proposed draft contract on September 12, 2025. Following review and a request for clarification, a revised version was received on October 16, 2025.

A joint financial analysis of multiple service options was then completed and is attached as Exhibit A. The scenarios analyzed included various combinations of positions such as Deputy Chief, Deputy Fire Marshal, Fire Inspector, and Emergency Medical Services Coordinator. While several of the proposed configurations demonstrate potential cost efficiencies when compared to Turlock managing these services independently, the analysis is not a direct cost-for-cost comparison. For example, under one scenario, Turlock would fund a Deputy Fire Marshal position, whereas the City currently budgets for a full Fire Marshal classification.

Throughout the review process, staff also evaluated operational needs, communication practices, and long-term strategic objectives. The City has experienced multiple changes in Modesto's leadership team since July 2025, including three transitions in the Fire Chief role, with a fourth change anticipated in June 2026. Turlock staff were not actively involved in discussions regarding these leadership changes or informed of their implications for service delivery within the agreement period.

During subsequent discussions, Modesto's Fire Chiefs and City Manager consistently conveyed their expectation that the City of Turlock would ultimately transition to a full-service contract managed by Modesto Fire Department. Turlock's leadership has clearly communicated that a full operational transfer of the Turlock Fire Department to Modesto is not a desired or feasible direction for the City.

Although the existing agreement has provided administrative support and insight into regional collaboration, no alternative regionalization models have been presented beyond full-service consolidation. Given the cost implications and operational direction proposed by Modesto, the staff recommends allowing the current agreement to conclude upon its natural expiration and proceeding with recruitment for a permanent Turlock Fire Chief. Recruitment is anticipated to be completed by June 2026. As an alternative to this action, Council could make the recommendation to move forward with the two-year extension. If this option is recommended, the City could terminate at a later date, but the proposed agreement has a one-year notice termination clause that would require a resolution to be executed.

3. FISCAL IMPACT / BUDGET AMENDMENT:

Declining to extend the Modesto Fire Administration Services Agreement will require the City to recruit and hire a full-time Fire Chief. Specific fiscal impacts and any required budget amendments will be presented at a subsequent Council meeting.

4. ENVIRONMENTAL DETERMINATION:

This action is not subject to the provisions of the California Environmental Quality Act (CEQA) in accordance with Section 15378(b)(5) of the CEQA guidelines. This action consists of "organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment" and therefore is not considered a project.

5. ATTACHMENTS:

1. Exhibit A Financial Analysis

Modesto Fire Contract Extension Cost Analysis

Scenario 1 - Deputy Chief

Year One (Fiscal Year 2026-2027)		
Modesto		
Deputy Chief	75%	357,705.99
Admin Fee		50,000.00
		407,705.99
Turlock		
Chief		452,706.00
		452,706.00
(Savings) / +Cost Increase		(45,000.01)

Year Two (Fiscal Year 2027-2028)		
Modesto		
Deputy Chief	75%	392,523.01
Admin Fee		50,000.00
		442,523.01
Turlock		
Chief		452,706.00
		452,706.00
(Savings) / +Cost Increase		(10,182.99)

Scenario 2 - Deputy Chief, Deputy Fire Marshall, and Fire Inspector

Year One (Fiscal Year 2026-2027)		
Modesto		
Deputy Chief	75%	357,705.99
Deputy Fire Marshal	75%	193,960.50
Fire Inspector	100%	178,530.83
Admin Fee		50,000.00
		780,197.32
Turlock		
Chief		452,706.00
Fire Marshal (step 5)		302,286.00
Fire Inspector (Step 5)		154,562.00
		909,554.00
(Savings) / +Cost Increase		(129,356.68)

Year Two (Fiscal Year 2027-2028)		
Modesto		
Deputy Chief	75%	392,522.96
Deputy Fire Marshal	75%	204,912.32
Fire Inspector	100%	188,492.66
Admin Fee		50,000.00
		835,927.94
Turlock		
Chief		452,706.00
Fire Marshal (step 5)		302,286.00
Fire Inspector (Step 5)		154,562.00
		909,554.00
Difference		(73,626.06)

Scenario 3 - Deputy Chief, Deputy Fire Marshall, Fire Inspector, and EMS

Year One (Fiscal Year 2026-2027)		
Modesto		
Deputy Chief	75%	357,705.99
Deputy Fire Marshal	75%	193,960.50
Fire Inspector	100%	178,530.83
EMS	13%	113,543.57
Admin Fee		50,000.00
		893,740.89
Turlock		
Chief		452,706.00
Fire Marshal (step 5)		302,286.00
Fire Inspector (Step 5)		154,562.00
EMS		-
		909,554.00
(Savings) / +Cost Increase		(15,813.11)

Year Two (Fiscal Year 2027-2028)		
Modesto		
Deputy Chief	75%	392,522.96
Deputy Fire Marshal	75%	204,912.32
Fire Inspector	100%	188,492.83
EMS	13%	119,865.56
Admin Fee		50,000.00
		955,793.67
Turlock		
Chief		452,706.00
Fire Marshal (step 5)		302,286.00
Fire Inspector (Step 5)		154,562.00
		-
		909,554.00
(Savings) / +Cost Increase		46,239.67

Modesto Fire Contract Extension Cost Analysis

Scenario 4 - Deputy Chief and EMS

Year One (Fiscal Year 2026-2027)			Year Two (Fiscal Year 2027-2028)		
Modesto			Modesto		
Deputy Chief	75%	357,705.99	Deputy Chief	75%	392,522.96
EMS	13%	113,543.57	EMS	13%	119,865.56
Admin Fee		50,000.00	Admin Fee		50,000.00
		521,249.56			562,388.52
Turlock			Turlock		
Chief		452,706.00	Chief		452,706.00
EMS		-			-
		452,706.00			452,706.00
(Savings) / +Cost Increase		68,543.56	(Savings) / +Cost Increase		109,682.52

Scenario 5 - Deputy Chief and Deputy Fire Marshall

Year One (Fiscal Year 2026-2027)			Year Two (Fiscal Year 2027-2028)		
Modesto			Modesto		
Deputy Chief	75%	357,705.99	Deputy Chief	75%	392,522.96
Deputy Fire Marshal	75%	193,960.50	Deputy Fire Marshal	75%	204,912.32
Admin Fee		50,000.00	Admin Fee		50,000.00
		601,666.49			647,435.28
Turlock			Turlock		
Chief		452,706.00	Chief		452,706.00
Fire Marshal (step 5)		302,286.00	Fire Marshal (step 5)		302,286.00
		754,992.00			754,992.00
(Savings) / +Cost Increase		(153,325.51)	(Savings) / +Cost Increase		(107,556.72)

Scenario 6 - Deputy Chief, Deputy Fire Marshall, and EMS

Year Six (Fiscal Year 2026-2027)			Year Seven (Fiscal Year 2027-2028)		
Modesto			Modesto		
Deputy Chief	75%	357,705.99	Deputy Chief	75%	392,522.96
Deputy Fire Marshal	75%	193,960.50	Deputy Fire Marshal	75%	204,912.32
EMS	13%	113,543.57	EMS	13%	119,865.56
Admin Fee		50,000.00	Admin Fee		50,000.00
		715,210.06			767,300.84
Turlock			Turlock		
Chief		452,706.00	Chief		452,706.00
Fire Marshal (step 5)		302,286.00	Fire Marshal (step 5)		302,286.00
EMS		-	EMS		-
		754,992.00			754,992.00
(Savings) / +Cost Increase		(39,781.94)	(Savings) / +Cost Increase		12,308.84

City Council Staff Report

January 27, 2026

From:	Christopher Fisher, Municipal Services Director
Prepared by:	Carlos Guerrero, Utilities Division Manager
Agendized by:	Susan E. Borrego, Interim City Manager

1. ACTION RECOMMENDED:

Motion: Approving an agreement (City Contract No. 2026-119) with Badger Meter, Inc. in a form approved by the City Attorney, in response to RFP No. 25-010, for the purchase of water meters for a period not-to-exceed four (4) years and one (1) optional one-year extension for a total not-to-exceed amount of $6,218,334.28, to be expensed from Fund 420 “Water"

2. NARRATIVE:

The City of Turlock issued a Request for Proposal (RFP) to procure water meters to support the City’s water system operations, improve meter accuracy, enhance water conservation efforts, and ensure compliance with applicable regulations. Following a competitive evaluation process, staff recommends awarding the contract to Badger Meter, Inc. as the proposer provided the best overall value and specifications requested by the City.

The City of Turlock maintains and operates a municipal water distribution system serving residential, commercial, and industrial customers. Existing water meters in portions of the system have reached or are nearing the end of their useful life, and newer metering technology offers improved accuracy, reliability, and data collection capabilities.On December 12, 2025, the City issued RFP No. 25-010 seeking qualified firms to provide a proposal for the purchase of water meters. The RFP was advertised in accordance with City purchasing policies and applicable state requirements.The City received 7 proposals from the following organizations:

- Meter, Valve & Control Inc
- Badger Meter, Inc.
- IFlow Inc
- Ferguson Waterworks
- Next Meters Global LLC
- Matron Farnier LLC
- CAASI Flow Control

An evaluation committee comprised of staff from the Municipal Services Department reviewed and scored the proposals based on the criteria outlined in the RFP, which included:

- Technical qualifications and experience
- Product performance and reliability
- Cost and overall value
- References and past performance

After evaluation, Badger Meter, Inc. received the highest overall score. The proposal demonstrated:

- Proven experience with municipal water meter systems of comparable size
- Compliance with all RFP technical specifications
- Competitive pricing and favorable long-term cost considerations

3. FISCAL IMPACT / BUDGET AMENDMENT:

The total cost for all components outlined in the contract is $6,218,334.28, which will be expensed to Fund 420 "Water", account number 420-52-551.51291 over the term of the agreement, which is four years with one optional one-year extension. It is anticipated that expenditures in Fiscal Year 2025–26 will total approximately $500,000. Sufficient funds are available in the identified account, and no additional budget appropriation is required. Staff will request sufficient budgeted amounts in this account in future fiscal years, as needed, to support purchases under this agreement. There will be no impact to the General Fund.

4. ENVIRONMENTAL DETERMINATION:

The proposed action is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301 – Existing Facilities, as it involves the replacement or upgrade of existing water meters with no expansion of use.

5. ATTACHMENTS:

1. City Contract 2026-119 with Badger Meter

SUPPLIER AGREEMENT BETWEEN THE CITY OF TURLOCK
and
BADGER METER, INC.
for
PURCHASE OF WATER METERS

City Contract No. 2026-119

THIS SUPPLIER AGREEMENT (the "Agreement") is entered into by and between the CITY OF TURLOCK, a California municipal corporation ("CITY"), and BADGER METER INC., a Wisconsin Corporation ("SUPPLIER"), on this 27th day of January, 2026 (the "Effective Date"). CITY and SUPPLIER may be collectively referred to herein as the "Parties" or individually as "Party." There are no other parties to this Agreement.

RECITALS

WHEREAS, CITY has a need to purchase water meters; and

WHEREAS, SUPPLIER has made a proposal to CITY to provide water meters. A description that of which SUPPLIER proposes to provide is included in **Exhibit A** attached hereto and incorporated herein by reference; and

WHEREAS, CITY desires to purchase water meters from SUPPLIER, subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, the parties hereto mutually agree as follows:

AGREEMENT

1. RECITALS: The recitals set forth above ("Recitals") are true and correct and are hereby incorporated into and made part of this Agreement by this reference. In the event of any inconsistency between the Recitals and Sections 1 through 37 of this Agreement, Sections 1 through 37 shall prevail.

2. PURCHASE OF PRODUCT: SUPPLIER agrees to sell, and CITY agrees to purchase water meters, as described in **Exhibit A**.

3. SAFETY REQUIREMENT: All services and products must comply with California State Division of Industrial Safety orders and O.S.H.A.

4. COMPENSATION: CITY agrees to pay SUPPLIER in accordance with **Exhibit A** as full remuneration for performing all Services and furnishing all staffing and materials called for in Exhibit A and for performance by SUPPLIER of all of its duties and obligations under this Agreement. In no event shall the total amount of this Agreement exceed Six Million Two Hundred Eighteen Thousand Three Hundred Thirty-Four and 28/100^{ths} Dollars ($6,218,334.28). SUPPLIER agrees that compensation shall be paid in the manner and at the times set forth below:

(a) Invoices: SUPPLIER shall submit dated invoices to CITY specifying the date, location and service rendered, and the charge therefor.

(b) Payment: All payments by CITY shall be made in arrears, after satisfactory service, as determined and approved by CITY, has been provided. Payment shall be made by CITY no more than thirty (30) days from CITY's receipt of invoice.

5. TERM OF AGREEMENT: The term of this Agreement shall be four (4) years and will commence on the Effective Date and terminate on the 27th day of January, 2030 (Term), unless the Parties mutually agree in writing to terminate the Agreement earlier or extend the Term pursuant to this Agreement.

6. EXTENSION OF AGREEMENT: CITY may elect to extend this Agreement for one (1) additional one-year term, on the same terms and conditions, upon issuing an "Election to Extend Agreement" letter executed by the City Manager and SUPPLIER thirty (30) days prior to the expiration of this Agreement. On each anniversary date, SUPPLIER will be allowed to increase prices. Increases may not exceed increases in the San Francisco-Oakland Consumer Price Index for all urban consumers or percentage increases in SUPPLIER's published prices, whichever is lower. In all cases, CITY may cancel the contract if a requested price increase is not acceptable.

7. INSURANCE: SUPPLIER shall not commence work under this Agreement until SUPPLIER has obtained City's approval regarding all insurance requirements, forms, endorsements, amounts, and carrier ratings, nor shall SUPPLIER allow any subcontractor to commence work on a subcontract until all similar insurance required of the subcontractor shall have been so obtained and approved. SUPPLIER shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by SUPPLIER, its agents, representatives, employees or subcontractors. Failure to maintain or renew coverage or to provide evidence of renewal may constitute a material breach of contract. Any available insurance proceeds in excess of the specified minimum limits and coverage shall be available to CITY.

(a) **Commercial General Liability Insurance:** SUPPLIER shall maintain Commercial General Liability Insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than Two Million Dollars ($2,000,000.00) per occurrence, Four Million Dollars ($4,000,000.00) general aggregate, and Two Million Dollars ($2,000,000.00) products and completed operations for bodily injury, personal injury, and property damage. The general aggregate limit shall apply separately to this Project or the general aggregate shall be doubled.

(b) **Workers' Compensation Insurance:** SUPPLIER shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance with limits of at least One Million Dollars ($1,000,000.00) each accident or disease. SUPPLIER shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City, its officers, agents, employees, and volunteers.

(c) **Commercial Automobile Liability Insurance:** SUPPLIER shall maintain Commercial Automobile Liability Insurance using ISO Business Auto Coverage form CA 00 01, or the exact equivalent, in the amount of no less than Two Million Dollars ($2,000,000.00) each accident for owned, leased, hired, non-owned, and borrowed automobiles. The policy shall provide and be endorsed that the City, its officials, officers, agents, employees, and volunteers are included or named as additional insureds. If SUPPLIER owns no vehicles, this requirement may be met through a non-owned auto endorsement to the CGL policy.

(d) **Umbrella or Excess Policy:** SUPPLIER may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required. The Umbrella or Excess policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying policies of insurance. No coverage or policies maintained by the City ("Additional Insureds"), whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the SUPPLIER's primary and excess liability policies are exhausted.

(e) **Deductibles and Self-Insured Retentions:** Upon request of City, any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its elective and appointive boards, officers, agents, employees, and volunteers; or (2) SUPPLIER shall provide a financial guarantee satisfactory to City guaranteeing payment of losses and related investigations, claim administration and defense expenses.

(f) **Other Insurance Provisions:** The commercial general liability policy shall contain, or be endorsed to contain, the following provisions:

(1) City, its elective and appointive boards, officers, agents, employees, and volunteers are to be covered as additional insureds with respect to liability arising out of work

or operations performed by or on behalf of SUPPLIER, including materials, parts or equipment furnished in connection with such work or operations, which coverage shall be maintained in effect for at least three (3) years following the completion of the work specified in the contract. General liability coverage can be provided in the form of an endorsement to SUPPLIER's insurance (at least as broad as CG 20 10 for ongoing operations and CG 20 37 for products/completed operations), or as a separate Owners and Contractors Protective Liability policy providing both ongoing operations and completed operations coverage.

(2) For any claims related to this project, SUPPLIER's insurance coverage shall be primary insurance as respects City and any insurance or self-insurance maintained by City shall be excess of SUPPLIER's insurance and shall not contribute with it.

(3) In the event of cancellation, non-renewal, or material change that reduces or restricts the insurance coverage afforded to City under this Agreement, the insurer, broker/producer, or SUPPLIER shall provide City with thirty (30) days' prior written notice of such cancellation, non-renewal, or material change.

(4) Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

(g) **Acceptability of Insurers:** Insurance is to be placed with insurers admitted in California with a current A.M. Best's rating of no less than A-:VII or with an insurer to which the City has provided prior approval.

(h) **Verification of Coverage:** SUPPLIER shall furnish City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive SUPPLIER's obligation to provide them. City reserves the right, at any time, to require complete, certified copies of all required insurance policies and endorsements.

(i) **Waiver of Subrogation:** With the exception of professional liability, Contractor hereby agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. The commercial general liability policy, automobile liability policy, and workers' compensation policy shall be endorsed to contain a waiver of subrogation in favor of City for all work performed by Contractor, its agents, employees, independent contractors and subcontractors. Contractor shall provide written proof of waiver of subrogation in the Certificate of Insurance. Additionally, Contractor agrees to obtain any available endorsements that may be necessary to effectuate this waiver of subrogation.

(j) **Subcontractors:** SUPPLIER shall ensure all subcontractors furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

(k) **Additional Insurance Requirements:** Within five (5) days of the Effective Date, SUPPLIER shall provide City with certificates of insurance and amendatory endorsements for all of the policies required under this Agreement ("Certificates and Endorsements"). Such Certificates and Endorsements shall be kept current for the Term of the Agreement and SUPPLIER shall be responsible for providing updated copies. With the exception of the workers' compensation insurance, all of the insurance policies required in this Agreement shall: (a) provide that the policy will not be cancelled, allowed to expire, or materially reduced in coverage without at least thirty (30) days' prior written notice to City of such cancellation, expiration, or reduction and each policy shall be endorsed to state such. IF a carrier will not provide the required notice of cancellation, the SUPPLIER shall provide written notice to the City no later than ten (10) business days before cancellation; (b) name City, and City's Agents as additional insureds with respect to liability arising out of Services, work or operations performed by or on behalf of SUPPLIER and shall be endorsed to state such; (c) name City of Turlock as a certificate holder; (d) cover products and completed operations of SUPPLIER, premises owned, occupied, or used by the SUPPLIER, or automobiles owned, leased, or hired or borrowed by the SUPPLIER; contain no special limitations on the scope of protection afforded to City; (e) allow and be endorsed primary with respect to any insurance or self-insurance programs covering City or City's Agents and any insurance or self-insurance maintained by City or City's Agents shall be in excess of SUPPLIER's insurance and shall not contribute to it; (f) contain standard separation of insured provisions; and (g) state that any failure to comply with reporting or other provisions of the policy including breaches of warranties shall not affect the coverage provided to City.

8. INDEMNIFICATION: To the full extent permitted by law, SUPPLIER shall indemnify, defend, and hold harmless City and any and all of its elective and appointive boards, officers, officials, agents, employees or volunteers from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsel's fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by SUPPLIER or by any individual or agency for which SUPPLIER is legally liable, including, but not limited to, officers, agents, employees, or subcontractors of SUPPLIER.

9. INDEPENDENT CONTRACTOR RELATIONSHIP: All acts of SUPPLIER, its agents, officers, and employees and all others acting on behalf of SUPPLIER relating to the performance of this Agreement, shall be performed as independent contractors and not as agents, officers, or employees of CITY. SUPPLIER, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of CITY. SUPPLIER has no authority or responsibility to exercise any rights or power vested in the CITY. No agent, officer, or employee of the CITY is to be considered an employee of SUPPLIER. It is understood by both SUPPLIER and CITY that

this Agreement shall not under any circumstances be construed or considered to create an employer-employee relationship or a joint venture.

SUPPLIER, its agents, officers and employees are and, at all times during the terms of this Agreement, shall represent and conduct themselves as independent contractors and not as employees of CITY.

SUPPLIER shall determine the method, details and means of performing the work and Services to be provided by SUPPLIER under this Agreement. SUPPLIER shall be responsible to CITY only for the requirements and results specified in this Agreement, and, except as expressly provided in this Agreement, shall not be subjected to CITY's control with respect to the physical action or activities of the SUPPLIER in fulfillment of this Agreement. SUPPLIER has control over the manner and means of performing the Services under this Agreement. SUPPLIER is permitted to provide services to others during the same period service is provided to CITY under this Agreement. If necessary, SUPPLIER has the responsibility for employing other persons or firms to assist SUPPLIER in fulfilling the terms and obligations under this Agreement.

If in the performance of this Agreement any third persons are employed by SUPPLIER, such persons shall be entirely and exclusively under the direction, supervision, and control of SUPPLIER. All terms of employment including hours, wages, working conditions, discipline, hiring, and discharging or any other term of employment or requirement of law shall be determined by the SUPPLIER.

It is understood and agreed that as an independent contractor and not an employee of CITY neither the SUPPLIER or SUPPLIER'S assigned personnel shall have any entitlement as a CITY employee, right to act on behalf of the CITY in any capacity whatsoever as an agent, or to bind the CITY to any obligation whatsoever.

It is further understood and agreed that SUPPLIER must issue W-2 forms or other forms as required by law for income and employment tax purposes for all of SUPPLIER'S personnel.

As an independent contractor, SUPPLIER hereby indemnifies and holds CITY harmless from any and all claims that may be made against CITY based upon any contention by any third party that an employer-employee relationship exists by reason of this Agreement.

10. TERMINATION: Either Party may terminate this Agreement without cause or legal excuse by providing thirty (30) days' written notice to the other party.

11. CONFORMANCE WITH FEDERAL AND STATE LAW: All equipment, supplies and services used by SUPPLIER in the performance of this Agreement shall conform to the laws of the government of the United States and the State of California.

12. NO CONFLICT OF INTEREST. SUPPLIER represents that no conflict of

interest will be created under state or federal law by entering into or in carrying out this Agreement.

13. TIME: Time is of the essence in this Agreement for each covenant and term of a condition herein.

14. EXCUSABLE DELAYS; NOTICE TO OTHER PARTY OF DELAY. SUPPLIER shall not be in breach of this Agreement in the event that performance of Services is temporarily interrupted or discontinued due to a "Force Majeure" event which is defined as: riots, wars, sabotage, civil disturbances, insurrections, explosion, natural disasters such as floods, earthquakes, landslides, fires, strikes, lockouts and other labor disturbances or other catastrophic events, which are beyond the reasonable control of SUPPLIER. Force Majeure does not include: (a) SUPPLIER's financial inability to perform; (b) SUPPLIER's failure to obtain any necessary permits or licenses from other governmental agencies; or (c) SUPPLIER's failure to obtain the right to use the facilities of any public utility where such failure is due solely to the acts or omissions of the SUPPLIER.

15. ENTIRE AGREEMENT AND MODIFICATION: This Agreement supersedes all previous Agreements and constitutes the entire understanding of the parties hereto. SUPPLIER shall be entitled to no other benefits than those specified herein. No changes, amendments or alterations shall be effective unless in writing and signed by both parties. SUPPLIER specifically acknowledges that in entering into and executing this Agreement, SUPPLIER relies solely upon the provisions contained in this Agreement and no others. Should any conflict exist between the terms and conditions of the Agreement and any and all exhibits attached hereto, the terms and conditions of the Agreement shall prevail.

16. AMENDMENTS: Both parties to this Agreement understand that it may become desirable or necessary during the execution of this Agreement, for CITY or SUPPLIER to modify the scope of Services provided for under this Agreement. Any material extension or change in the scope of work shall be discussed with CITY and the change and cost shall be memorialized in a written amendment to the original contract prior to the performance of the additional work.

Until an Amendment is so executed, CITY will not be responsible to pay any charges SUPPLIER may incur in performing such additional services, and SUPPLIER shall not be required to perform any such additional services.

17. EXECUTION AND COUNTERPARTS. This Agreement may be executed simultaneously, and in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument. The Parties agree that this Agreement and any other documents to be delivered in connection herewith may be electronically signed utilizing services such as DocuSign and Nitro Sign, or by transmitting signatures in pdf or similar format, and that any electronic signatures appearing on this Agreement or such other documents are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

18. PARTIAL INVALIDITY: If any provision in this Agreement is held by a court

of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

19. WAIVER: No covenant, term, or condition or the breach thereof shall be deemed waived, except by written consent of the Party against whom the waiver is claimed, and any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition.

20. AUDIT: CITY's duly authorized representative shall have access at all reasonable times to all reports, contract records, contract documents, contract files, and personnel necessary to audit and verify SUPPLIER'S charges to CITY under this Agreement.

SUPPLIER agrees to retain reports, records, documents, and files related to charges under this Agreement for a period of four (4) years following the date of final payment for SUPPLIER Services. CITY's representative shall have the right to reproduce any of the aforesaid documents.

21. GOVERNING LAW: This Agreement shall be governed according to the laws of the State of California.

22. HEADINGS NOT CONTROLLING: Headings used in the Agreement are for reference purposes only and shall not be considered in construing this Agreement.

23. COMPLIANCE WITH LAWS: SUPPLIER shall insure compliance with all safety and hourly requirements for employees, in accordance with federal, state, and county safety and health regulations and laws including, but not limited to, prevailing wage laws, if applicable. SUPPLIER shall fully comply with all applicable federal, state, and local laws, ordinances, regulations and permits.

24. CITY BUSINESS LICENSE: SUPPLIER will have a City of Turlock business license.

25. ASSIGNMENT: This Agreement is binding upon CITY and SUPPLIER and their successors. Except as otherwise provided herein, neither CITY nor SUPPLIER shall assign, sublet, or transfer interest in this Agreement or any part thereof without the prior written consent of the other.

26. NOTICE: Any and all notices permitted or required to be given hereunder shall be deemed duly given and effective (1) upon actual delivery, if delivery is by hand; or (2) five (5) days after delivery into the United States mail, if delivery is by postage paid, registered, or certified (return receipt requested) mail. Each such notice shall be sent to the parties at the address respectively indicated below or to any other address as the respective parties may designate from time to time:

To City:

City of Turlock
Attention: Christopher Fisher, Municipal Services Director
156 South Broadway, Suite 270
Turlock, California 95380

With courtesy copy to:

City of Turlock, City Attorney's Office
George A. Petrulakis, City Attorney
156 S. Broadway, Suite 230
Turlock, California 95380-5456

If to Supplier:

Badger Meter, Inc.
Attention: Dan Gilliam
4545 W Brown Deer Road
Milwaukee, Wisconsin 53223

27. CITY CONTRACT ADMINISTRATOR: The City's contract administrator and contact person for this Agreement is:

Will Richards
Municipal Services Deputy Director
156 S. Broadway, Suite 270
Turlock, California 95380
Telephone: (209) 668-5590
E-mail: wrichards@turlock.ca.us

28. MODIFICATION: No alteration, amendment, modification, or termination of this Agreement shall be valid unless made in writing and executed by all of the Parties to this Agreement.

29. AUTHORITY: All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by such entities, persons, states or firms and that all former requirements necessary or required by state or federal law in order to enter into the Agreement have been fully complied with. Further, by entering into this Agreement, neither Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

30. VENUE. Venue for all legal proceedings shall be in the Superior Court of the State of California, in and for the County of Stanislaus.

31. SEVERIBILITY: If this Agreement in its entirety is determined by a court to be invalid or unenforceable, this Agreement shall automatically terminate as of the date of final entry

of judgment. If any provision of this Agreement shall be determined by a court to be invalid and unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable according to the terms of any federal or state statute, which becomes effective after the Effective Date of this Agreement, the remaining provisions shall continue in full force and effect and shall be construed to give effect to the intent of this Agreement.

32. ENTIRE AGREEMENT: This Agreement, together with its specific references, attachments, and exhibits, constitutes the entire agreement of the Parties with respect to the subject matters hereof and supersedes any and all prior negotiations, understanding, and agreements with respect hereto, whether oral or written.

33. SUPERSEDES PRIOR AGREEMENT: It is the intention of the Parties hereto that this Agreement shall supersede any prior agreements, discussions, commitments, or representations, whether written, electronic or oral, between the Parties with respect to the subject matter of this Agreement.

34. MANDATORY AND PERMISSIVE: "Shall" and "will" and "agrees" are mandatory. "May" and "can" are permissive.

35. SUCCESSORS AND ASSIGNS: All representations, covenants, and warranties specifically set forth in this Agreement, by or on behalf of, or for the benefit of, any or all of the Parties hereto, shall be binding upon and inure to the benefit of such Party, its successors and assigns.

36. ATTORNEY'S FEES AND COSTS: If any action at law or in equity not resolved pursuant to the "Arbitration of Disputes" section of this Agreement, including action for declaratory relief, is brought to enforce or interpret provisions of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

37. NECESSARY ACTS AND FURTHER ASSURANCES: The Parties shall at their own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement.

[*Signatures on Following Page*]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by and through their respective officers' thereunto duly authorized.

CITY OF TURLOCK, a municipal corporation

By: _____
Susan E. Borrego, Interim City Manager

Date: _____

APPROVED AS TO SUFFICIENCY:

By: _____
Christopher Fisher, Municipal Services Director

APPROVED AS TO FORM:

By: _____
George A. Petrulakis, City Attorney

ATTEST:

By: _____
Nichole Fiez, City Clerk

BADGER METER, INC. a Wisconsin corporation

By: _____

Title: _____

Print name: _____

Date: _____

Badger Meter

4545 W Brown Deer Road
PO Box 245036
Milwaukee, Wisconsin 53224-9536
414-355-0400 | 800-876-3837
www.badgermeter.com

BADGER METER PRICING

City of Turlock
Purchasing Department
156 S. Broadway
Suite 270
Turlock, CA 95380

Pricing Effective Dates: 01/14/2026 – 01/13/2027

Sales Person	Proposal Subject	Shipping Terms / INCO Terms	Payment Terms
Dan Gilliam	Purchase of Water Meters	PREPAY/ADD TO INVOICE FCA FACTORY	Net 30 days

Description	Part #	Price	Qty	Total
Disc, M35 3/4"(7-1/2)	**101-2995**	$182.92	3,630	$663,999.60
Disc, M25 5/8"(3/4x7-1/2) (ALTERNATE)	**101-4300**	$151.64	1	$151.64
Disc, M55 1"(10-3/4)	**103-6510**	$251.60	14,640	$3,683,424.00
Disc, M120 1-1/2"-ELL	**101-4690**	$473.28	665	$314,731.20
Disc, M170 2"-ELL	**101-4754**	$660.28	710	$468,798.80
E-Series SS, 1-1/2" EL(13)	**100-3026**	$534.93	1	$534.93
E-Series SS, 2" EL(17)	**100-1831**	$715.77	1	$715.77
E-Series B-Alloy, 3" RND(12)	**103-7505**	$2,032.45	78	$158,531.10
E-Series B-Alloy, 3" RND(17) (ALTERNATE)	**103-7506**	$2,065.70	1	$2,065.70
E-Series B-Alloy, 4" RND(14)	**104-0156**	$2,475.55	73	$180,715.15
E-Series B-Alloy, 4" RND(20) (ALTERNATE)	**103-3368**	$2,509.15	1	$2,509.15
E-Series B-Alloy, 6" RND (18)	**107-5582**	$3,735.20	35	$130,732.00
E-Series B-Alloy, 6" RND (24) (ALTERNATE)	**106-6379**	$3,951.85	1	$3,951.85
E-Series B-Alloy, 8" RND (20)	**106-3240**	$4,692.80	15	$70,392.00
TSM, 10" Rnd	**117-0876**	$6,360.55	2	$12,721.10
Disc, M25 5/8"(3/4x7-1/2) (ALTERNATE, with Twist Tight)	**101-2195**	$137.02	1	$137.02
Disc, M35 3/4"(7-1/2) (ALTERNATE, with Twist Tight)	**101-4348**	$168.30	1	$168.30
Disc, M55 1"(10-3/4) (ALTERNATE, with Twist Tight)	**102-6280**	$236.98	1	$236.98
Disc, M120 1-1/2"-ELL (ALTERNATE, with Twist Tight)	**101-4674**	$458.66	1	$458.66

Description	Part #	Price	Qty	Total
Disc, M170 2"-ELL (ALTERNATE, with Twist Tight)	**101-4745**	$645.66	1	$645.66
E-Series SS, 1-1/2" EL(13) (ALTERNATE with Twist Tight)	**100-3346**	$520.41	1	$520.41
E-Series SS, 2" EL(17) (ALTERNATE with Twist Tight)	**100-3091**	$722.50	1	$722.50
E-Series B-Alloy, 3" RND(12) (ALTERNATE, with Twist Tight)	**103-3092**	$2,017.40	1	$2,017.40
E-Series B-Alloy, 3" RND(17) (ALTERNATE, with Twist Tight)	**103-3282**	$2,050.65	1	$2,050.65
E-Series B-Alloy, 4" RND(14) (ALTERNATE, with Twist Tight)	**103-3077**	$2,460.50	1	$2,460.50
E-Series B-Alloy, 4" RND(20) (ALTERNATE, with Twist Tight)	**103-3079**	$2,494.10	1	$2,494.10
E-Series B-Alloy, 6" RND (18) (ALTERNATE, with Twist Tight)	**103-4206**	$3,720.15	1	$3,720.15
E-Series B-Alloy, 6" RND (24) (ALTERNATE, with Twist Tight)	**104-4569**	$3,936.80	1	$3,936.80
E-Series B-Alloy, 8" RND (20) (ALTERNATE, with Twist Tight)	**104-4568**	$4,677.40	1	$4,677.40
TSM, 10" Rnd (ALTERNATE, with Twist Tight)	**117-0877**	$6,345.50	1	$6,345.50
JUMPER HARNESS, ITRON ILC /TWIST TIGHT	**70385-001**	$22.50	1	$22.50
			Subtotal	**$5,724,588.52**
			Estimated Taxes at 8.625%	**$493,745.76**
			Total	**$6,218,334.28**

Notes and Assumptions:

If applicable, sales tax and freight, if included on the proposal, is an estimate and will be recalculated based on rates and tax status in effect at the time of invoicing.
To expedite the order entry process, please ensure the following is noted on your purchase order: billing address, shipping address, purchase order number, quantity, price, payment terms, quotation number, and the vendor is listed as Badger Meter, Inc.
Please send all purchase orders to the contact that prepared this quotation for you. Actual lead time to be provided at time of order.
Badger Meter provides certification files to help manage meter and endpoint inventory and to maintain meter accuracy data. The standard method of delivery for this format is via electronic mail. Any deviations from our standard format, or any custom file formats, will be considered on a time and material basis.
Due to continuous improvements and redesign of Badger Meter products and technology solutions, Badger Meter reserves the right to provide our newest product solutions as an alternative to the proposed products provided they are in conformance with the requirements of the specifications and do not exceed the prices quoted.

Thank you for your business!

Estimated ship dates subject to change based upon component availability, as a result of global supply chain constraints, or credit review.
This acknowledgment is made subject to the terms & conditions found on our web-site: https://www.badgermeter.com/terms-and-conditions.
Terms and conditions related to service units, training, and professional services can be found here: https://badgermeter.com/service-units-terms-and-conditions

City Council Staff Report

January 27, 2026

From: Christopher Fisher, Municipal Services Director
Prepared by: Oscar Molina, Assistant Engineer
Agendized by: Susan E. Borrego, Interim City Manager

1. ACTION RECOMMENDED:

Motion: Awarding bid and approving an Agreement with Dynamic Pavement, Inc. of Modesto, California in the amount of $25,472.00 and authorizing a construction contingency amount of $4,000.00 (15.7%) for the construction of City Project No. 25-017 "Speed Lumps at Berkeley Roundabouts" to be funded by Fund 218 "Measure L".

Resolution: Determining the award of bid for construction of City Project No. 25-017 "Speed Lumps at Berkeley Roundabouts" is exempt from the provisions of CEQA in accordance with section 15301 of the CEQA Guidelines

2. NARRATIVE:

The purpose of City Project No. 25-017, “Speed Lumps at Berkeley Roundabouts,” is to install speed lumps at two roundabout locations along N. Berkeley Avenue to reduce traffic speeds while maintaining emergency vehicle access. Residents have reported frequent speeding in the area, and accidents have occurred at the roundabouts.

This project aims to slow drivers before they enter the roundabout to improve safety. The scope of work includes asphalt concrete paving, installation of thermoplastic pavement markings, and placement of new sign posts with accompanying signage.

The main elements of the scope of work for this project consist of:

- Installation of speed lumps at two locations on North Berkeley Avenue
- Installation of accompanying signs and posts
- Installation of striping markings on speed lumps

City staff solicited bids from five (5) contractors on October 17th, 2025 through direct emails in accordance with the City's informal bid procedure for public works projects under $75,000 (See Turlock Municipal Code Section 2-9-03). On November 7th, 2025, three (3) bids were received for City Project No. 25-017 "Speed Lumps at Berkeley Roundabouts". Dynamic Pavement, Inc. of Modesto, California, was the lowest responsible bidder with a base bid amount of $25,472.00.

Bidder's Summary:

BIDDER	BID AMOUNT
DYNAMIC PAVEMENT	$25,472.00
HENSLEY PAVING	$55,407.00

UNITED PAVEMENT MAINTENANCE	$62,118.00

Staff reviewed the bids for bidder responsiveness and responsibility and recommends approval of an Agreement with Dynamic Pavement Inc., of Modesto, California as the lowest responsive, responsible bidder with a bid amount of $25,472.00.

3. FISCAL IMPACT / BUDGET AMENDMENT:

The total estimated project costs are displayed below:

Construction Contractor Bid Cost	$25,472.00
Construction Contingency	$4,000.00
Preliminary Engineering	$4,000.00
Construction Engineering	$10,000.00
Materials Testing Services	$5,000.00
Estimated Total Project Costs	**$48,472.00**

All project costs are anticipated to be expensed in Fiscal Year 2025-26. The designated project account number for this project is Fund 218 "Measure L" account number 218-40-462.51270.

4. ENVIRONMENTAL DETERMINATION:

The project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301 (Existing Facilities) as the project involves negligible or no expansion of use in the existing facilities.

5. ATTACHMENTS:

1. Draft Resolution
2. Bidder's Summary
3. Agreement with Dynamic Pavement, Inc. for construction of City Project 25-017 "Speed Lumps at Berkeley Roundabouts"

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF DETERMINING THE AWARD OF BID FOR CONSTRUCTION OF CITY PROJECT NO. 25-017 "SPEED LUMPS AT BERKELEY ROUNDABOUTS" IS EXEMPT FROM THE PROVISIONS OF CEQA IN ACCORDANCE WITH SECTION 15301 OF THE CEQA GUIDELINES	}	**RESOLUTION NO. 2026-**

WHEREAS, City Project No. 25-017 "Speed Lumps at Berkeley Roundabouts" consists of installation of speed lumps at two locations on North Berkeley Avenue, accompanying signs and posts, striping marks on speed lumps, and;

WHEREAS, on November 7th, 2025, three (3) bids were received for City Project No. 25-017 "Speed Lumps at Berkeley Roundabouts" with Dynamic Pavement, Inc. of Modesto, California, submitting the lowest responsive bid in the amount of $25,472.00; and

WHEREAS, this project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301 (Existing Facilities) as the project involves negligible or no expansion of use of the existing facilities.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Turlock does hereby determine the award of bid for construction of City Project No. 25-017 "Speed Lumps at Berkeley Roundabouts" is exempt from the provisions of CEQA in accordance with section 15301 of the CEQA guidelines.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 27th day of January, 2026, by the following vote:

AYES:
NOES:
NOT PARTICIPATING:
ABSENT:

ATTEST:

_____
Nichole Fiez, City Clerk,
City of Turlock, County of Stanislaus,
State of California

CITY OF TURLOCK BIDDER'S SUMMARY

PROJECT TITLE: Speed Lumps at Berkeley Roundabouts
PROJECT NUMBER: 25-017
BID OPENING: November 7, 2025
5:00 PM
ANTICIPATED COUNCIL AWARD DATE: January 13, 2026

						1		2		3	
				ENGINEER'S EST.		Dynamic Pavement		Hensley Paving		UPM	
Item No.	Item Description	Unit of Measure	Estimated Quantity	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total
1	Mobilization and Demobilization	LS	1	$ 7,500.00	$ 7,500.00	$ 1,815.00	$ 1,815.00	$ 3,875.00	$ 3,875.00	$ 8,450.00	$ 8,450.00
2	Traffic Control	LS	1	$ 7,500.00	$ 7,500.00	$ 5,325.00	$ 5,325.00	$ 5,075.00	$ 5,075.00	$ 4,825.00	$ 4,825.00
3	Speed Lumps Location	EA	2	$ 5,000.00	$ 10,000.00	$ 6,655.00	$ 13,310.00	$ 9,005.00	$ 18,010.00	$ 10,500.00	$ 21,000.00
4	W17-1 Sign and Post	EA	4	$ 500.00	$ 2,000.00	$ 423.00	$ 1,692.00	$ 413.00	$ 1,652.00	$ 797.50	$ 3,190.00
5	Hot Mix Asphalt - Grind and Overlay	TON	10	$ 1,000.00	$ 10,000.00	$ 91.00	$ 910.00	$ 2,315.00	$ 23,150.00	$ 1,970.20	$ 19,702.00
6	Striping and Markings	LS	1	$ 2,500.00	$ 2,500.00	$ 1,210.00	$ 1,210.00	$ 1,770.00	$ 1,770.00	$ 4,950.00	$ 4,950.00
7	All Other Work Not Included in Bid Items	LS	1	$ 1,000.00	$ 1,000.00	$1,210.00	$ 1,210.00	$1,875.00	$ 1,875.00	$1.00	$ 1.00
			Base Bid Total =	**$**	**40,500.00**	**$**	**25,472.00**	**$**	**55,407.00**	**$**	**62,118.00**

AGREEMENT

FOR PUBLIC IMPROVEMENT

City Project No. 25-017

Speed Lumps at Berkeley Roundabouts

THIS PUBLIC IMPROVEMENT AGREEMENT (the "Agreement") is entered into by and between the CITY OF TURLOCK, a California municipal corporation ("City"), and Dynamic Pavement, Inc., a California ("Contractor"), on this 27th day of January 2026 (the "Effective Date"). City and Contractor may be collectively referred to herein as the "Parties" or individually as "Party." There are no other parties to this Agreement.

RECITALS

A. City seeks a duly qualified and licensed firm experienced in the construction of Speed Lumps at Berkeley Roundabouts (the "Project").

B. The Project involves the expenditure of funds in excess of $5,000 and constitutes a "public project" pursuant to Public Contract Code section 20161.

C. Contractor has made a proposal to City to provide construction services, a copy of which is attached and incorporated hereto as **Exhibit A** (the "Services").

D. City has determined it is necessary and desirable to employ the services of Contractor to perform construction work on the Project.

E. City has taken appropriate proceedings to authorize construction of the Project and execution of this contract pursuant to Public Contract Code section 20160 et seq.; specifically, on January 27, 2026, at a duly noticed meeting of the City Council of the City of Turlock, this contract for the construction of the improvements hereinafter described was awarded to Contractor as the lowest responsive and responsible bidder for said improvements.

NOW, THEREFORE, in consideration of the promises and covenants set forth below, the Parties agree as follows:

AGREEMENT

1. Contract Documents: This Agreement, together with the following documents, are collectively referred to herein as the "Contract Documents":

i. Notice to Bidders;
ii. Contractor's Bid or Proposal accepted by City;
iii. Special Provisions of the City of Turlock for Speed Lumps at Berkeley Roundabouts;
iv. Plans and detailed drawings prepared for this Project and approved by City ("Project Plans");
v. All bonds and insurance required in any of the Contract Documents;
vi. Any and all supplemental agreements amending, decreasing, or extending the work contemplated or which may be required to complete the work in a substantial and acceptable manner; and
vii. The current edition of the City of Turlock Standard Specifications and Drawings.

All of the Contract Documents are intended to incorporate the terms of the others so that any work called for in one and not mentioned in the other, or vice versa, is to be executed the same as if mentioned in all said documents. The documents comprising the complete contract will hereinafter be referred to as the "Contract." In case of any dispute regarding the terms of the Contract, the decision of the City Engineer shall be final.

2. Term. The Contract shall be effective as of the Effective Date first stated above. Contractor shall not commence work on the Project until it has been given notice by City ("Notice to Proceed"). The Contract shall terminate one (1) year(s) after City accepts Contractor's performance of the Services by recording a Notice of Completion with the County of Stanislaus Clerk Recorder (the "Term"), unless the Parties mutually agree in writing to terminate the Contract earlier or extend the Term in an agreed writing executed by both Parties.

3. Scope of Work.

(a) *Services.* Contractor shall perform the Services described in Exhibit A, subject to all terms and conditions in the Contract. Contractor shall not receive additional compensation for the performance of any Services not described therein.

(b) *Modification.* City, at any time, by written order, may make changes within the general scope of the work under this Agreement or issue additional instructions, require additional work or direct deletion of work. Contractor shall not proceed with any change involving an increase or decrease in the Contract Price, as defined in Section 4 of this Agreement, without prior written authorization from City. Contractor shall not be entitled to compensation for the performance of any such unauthorized work. Contractor further waives any and all right or remedy by way of restitution or quantum meruit for any and all extra or changed work performed without express and prior written

authorization of City. Notwithstanding the foregoing, Contractor shall promptly commence and diligently complete any change to the work subject to City's written authorization issued pursuant to this Section; Contractor shall not be relieved or excused from its prompt commencement of diligent completion of any change subject to City's written authorization by virtue of the absence or inability of Contractor and City to agree upon the extent of any adjustment to the completion schedule or Contract Price on account of such change. The issuance of a change order pursuant to this Section 3 in connection with any change authorized by City shall not be deemed a condition precedent to Contractor's obligation to promptly commence and diligently complete any such change authorized by City hereunder. City's right to make changes shall not invalidate the Contract nor relieve Contractor of any liability or other obligations under the Contract. Any requirement of notice of changes in the scope of work to Contractor's surety shall be the responsibility of Contractor.

(c) *Specific Materials & Performance of Work.* Contractor shall furnish all tools, equipment, facilities, labor, and materials necessary to perform and complete, in good workmanlike manner, the work of general construction as called for and in the manner designated in, and in strict conformity with, the plans and specifications for said work entitled, "**Special Provisions for Speed Lumps at Berkeley Roundabouts"** The equipment, apparatus, facilities, labor, and material shall be furnished, and said work performed and completed as required by the Contract under the direction and supervision, and subject to the approval, of the City Engineer or City Engineer's designated agent.

(d) *Exhibits.* All "Exhibits" referred to below or attached hereto are, by this reference, incorporated into the Contract.

	Exhibit Designation	Exhibit Title
1.	Exhibit A	Contractor's Proposal for Services
2.	Exhibit B	Payment by Force Account
3.	Exhibit C	Workers' Compensation Insurance Certification
4.	Exhibit D	Performance Bond
5.	Exhibit E	Payment Bond

4. Contract Price. City shall pay, and Contractor shall accept in full payment for the work set forth above in Section 3, Scope of Work, an amount not to exceed Twenty-Five Thousand Four Hundred Seventy-Two **Dollars ($25,472.00)** (the "Contract Price"). Said amount shall be paid pursuant to Section 8 of this Agreement. The Contract Price may only be changed by a contract change order. The value of any work covered by a contract change order for an adjustment in the Contract Price will be determined in the sole discretion of City as follows:

(a) If the work performed is on the basis of unit prices contained in the Contract Documents, the change order will be determined in accordance with the provisions in Section 4-1.05, "Changes and Extra Work", of the Caltrans Standard Specifications, as applicable; or

(b) If the work performed is not included on the engineer's estimate associated with a unit price, the change order will be by a mutually agreed lump sum; or

(c) If the change order is not determined as described above in either subdivision (a) or (b), the change order will be determined on the basis of force account in accordance with the provisions set forth in **Exhibit B**, "Payment by Force Account," attached hereto and incorporated herein by reference.

5. Time for Performance. The time fixed for the commencement of work under the Contract is within ten (10) working days after the Notice to Proceed has been issued. The work on this project shall be substantially completed on or before the expiration of **Fifteen (15)** working days (the "Substantial Completion Due Date") beginning on the first day of work or no later than the tenth day after the Notice to Proceed has been issued. All work on this project, including all punch list items, shall be completed on or before the expiration of **Twenty (20)** working days (the "Final Completion Due Date") beginning on the first day of work or no later than the tenth day after the Notice to Proceed has been issued.

(a) *Right of City to Increase Working Days:* If Contractor fails to complete the Services by the Substantial and Final Completion Due Dates, the City Engineer shall have the right to increase the number of working days in the amount the City Engineer may determine will best serve the interests of City, and if the City Engineer desires to increase said number of working days, the City Engineer shall have the further right to charge Contractor and deduct from the final payment for the work the actual cost of engineering, inspection, superintendence, and other overhead expenses which are directly chargeable to Contractor, and which accrue during the period of such extension, except that the cost of the final service and preparation of the final estimates shall not be included in such charges. No extension of time for completion of Services under the Contract shall be considered unless requested by Contractor at least twenty (20) calendar days prior to the Substantial and Final Completion Due Dates, in writing, to the City Engineer.

The Substantial and Final Completion Due Dates may only be changed by a contract change order. The value of any work covered by a contract change order for an adjustment in the Substantial and Final Completion Due Dates will be determined as follows:

i. Additional working days will be awarded where the amount of time is mutually agreed upon by Contractor and the City Engineer; or

ii. Additional working days will be awarded where Contractor is prevented from completing any part of the work identified on the critical path and:

1. where the delay is caused by acts of public enemy, fire, floods, tsunamis, earthquakes, epidemics, quarantine restrictions, strikes, labor disputes, shortage of materials and freight embargos, provided that Contractor shall notify Engineer in writing of the causes of delay within fifteen (15) days from the beginning of that delay; or

2. where the delay is caused by actions beyond the control of Contractor; or

3. where the delay is caused by actions or failure to act by the City Engineer.

Contractor shall not be entitled to an adjustment in the Substantial and Final Completion Due Dates for delays within the control of Contractor. Delays resulting from and within the control of a subcontractor or supplier of Contractor shall be deemed to be delays within the control of Contractor.

(b) *Excusable Delays.* Contractor shall not be in breach of the Contract in the event that performance of Services is temporarily interrupted or discontinued due to a "Force Majeure" event

which is defined as: riots, wars, sabotage, civil disturbances, insurrections, or explosions; natural disasters, such as floods, earthquakes, landslides, and fires; strikes, lockouts, and other labor disturbances; or other catastrophic events, which are beyond the reasonable control of Contractor. Force Majeure does not include Contractor's financial inability to perform, Contractor's failure to obtain any necessary permits or licenses from other governmental agencies, or Contractor's failure to obtain the right to use the facilities of any public utility where such failure is due solely to the acts or omissions of Contractor. If Contractor's performance of the Services is delayed by an excusable delay, the Substantial and Final Completion Due Dates shall be extended for such reasonable time as determined by the City Engineer. Extensions in time must be requested by Contractor within fifteen (15) calendar days of the excusable delay in order to receive consideration.

(c) *Emergency - Additional Time for Performance - Procurement of Materials.* If, because of war or other declared national emergency, the federal or state government restricts, regulates, or controls the procurement and allocation of labor or materials, or both, and if solely because of said restrictions, regulations or controls, Contractor is, through no fault of Contractor, unable to perform the Services, or the work is thereby suspended or delayed, any of the following steps may be taken:

i. City may, pursuant to resolution of the City Council, grant Contractor additional time for the performance of the Contract, sufficient to compensate in time, for delay or suspension.

   To qualify for such extension in time, Contractor within ten (10) days of Contractor's discovering such inability to perform, shall notify the City Engineer in writing thereof, and give specific reasons therefore; the City Engineer shall thereupon have sixty (60) days within which to procure such needed materials or labor as is specified in this agreement, or permit substitution, or provide for changes in the work in accordance with subdivision (b) of this Section.

   Substituted materials, or changes in the work, or both, shall be ordered in writing by the City Engineer, and the concurrence of the City Council shall not be necessary. All reasonable expenses of such procurement incurred by the City Engineer shall be defrayed by the Contractor; or

ii. If such materials or labor cannot be procured through legitimate channels within sixty (60) days after the filing of the aforesaid notice, either Party may, upon thirty (30) days' written notice to the other, terminate this agreement. In such event, Contractor shall be compensated for all work executed upon a unit basis in proportion to the amount of the work completed, or upon a cost-plus-ten-percent (10%) basis, whichever is the lesser. Materials on the ground, in process of fabrication or in route upon the date of notice of termination specially ordered for the Project and which cannot be utilized by Contractor, shall be compensated for by City at cost, including freight, provided Contractor shall take all steps possible to minimize this obligation; or

iii. The City Council, by resolution, may suspend the Contract until the cause of inability to perform is removed for a period of not to exceed sixty (60) days.

If the Contract is not canceled, and the inability of Contractor to perform continues without fault on Contractor's part, beyond the time during which the Contract may have been suspended, as herein above provided, the City Council may further suspend the Contract, or either Party hereto may, without incurring any liability, elect to declare the Contract terminated upon the ground of impossibility of performance. In the event City declares this agreement terminated, such declaration shall be authorized by the City Council by resolution, and Contractor shall be notified in writing thereof within five (5) days after the adoption of such resolution. Upon such termination, Contractor shall be entitled to proportionate compensation at the Contract Price for such portion of the Contract as may have been performed; or

iv. City may terminate the Contract, in which case Contractor shall be entitled to proportionate compensation at the agreed rate for such portion of the Contract as may have been performed. Such termination shall be authorized by resolution of the City Council. Notice thereof shall be forthwith given in writing to Contractor, and the Contract shall be terminated upon receipt by Contractor of such notice.

In the event of the termination provided in this sub-paragraph (iv), none of the covenants, conditions or provisions hereof shall apply to the Services not performed, and City shall be liable to Contractor for the proportionate compensation last herein mentioned.

(d) *Delay Damages.* In the event Contractor, for any reason, fails to perform the Services to the satisfaction of the City Engineer by the Substantial Completion Due Date, City may, in accordance with Section 7203 of the Public Contract Code, in lieu of any other of its rights authorized by Section 6 of this agreement, deduct from payments or credits due Contractor after such breach a sum equal to **Three Hundred Sixty** and no/100ths Dollars **($360.00)** for each calendar day beyond the Substantial Completion Due Date. Upon Substantial Completion of the work, and in the event Contractor, for any reason, fails to perform the Services to the satisfaction of the City Engineer by the Final Completion Due Date, City may, in accordance with Section 7203 of the Public Contract Code, in lieu of any other of its rights authorized by Section 6 of this agreement, deduct from payments or credits due Contractor after such breach a sum equal to **One Hundred Fifty** and no/100ths Dollars **($150.00)** for each calendar day beyond the Final Completion Due Date. This deduction shall not be considered a penalty but shall be considered as delay damages. The aforementioned rate of deduction is an amount agreed to by the Parties as reasonably representing additional construction engineering costs incurred by City if Contractor fails to complete the Services by the Substantial and Final Completion Due Dates. However, any deduction assessed as delay damages shall not relieve Contractor from liability for any damages or costs resulting from delays to other contractors on the project or other projects caused by a failure of the assessed Contractor to complete the Services by the Substantial and Final Completion Due Dates. Due account shall be taken of any time extensions granted to Contractor by City. Permitting Contractor to continue work beyond the Substantial and Final Completion Due Dates shall not operate as a waiver on the part of City of any of its rights under the Contract nor shall it relieve Contractor from liability for any damages or costs resulting from delays to other contractors on the project or other projects caused by a failure of the assessed Contractor to complete the Services by the Substantial and Final Completion Due Dates.

6. Termination.

(a) *Option of City to Terminate Contract for Failure to Complete Services.* If a Party should fail to perform any of its obligations hereunder within the time and in the manner herein provided, or otherwise violates any of the terms of the Contract (the "Defaulting Party"), the other Party shall give notice to the Defaulting Party and allow the Defaulting Party ten (10) days to correct such deficiency. If the Defaulting Party does not correct such deficiency, the other Party may immediately terminate the Contract by giving written notice of such termination, stating the reason for such termination. In such event, Contractor shall be entitled to receive payment for all Services satisfactorily rendered until such termination, provided, however, there shall be deducted from such amount the amount of damage, if any, sustained by virtue of any breach of the Contract by Contractor, including Delay Damages. If payment under the Contract is based upon a lump sum in total or by individual task, payment for Services satisfactorily rendered shall be an amount which bears the same ratio to the total fees specified in this Agreement as the Services satisfactorily rendered hereunder by Contractor to the total services otherwise required to be performed for such total fee, provided, however, that there shall be deducted from such amount the amount of damage, if any sustained by City by virtue of any breach of the Contract by Contractor. Upon termination, Contractor shall deliver copies of all Work Product, as defined in Section 19 of this Agreement, to City. If City terminates the Contract before Contractor commences any Services hereunder, City shall not be obligated to make any payment to Contractor.

(b) If Contractor should be adjudged bankrupt or if it should make a general assignment for the benefit of its creditors, or if a receiver should be appointed on account of its insolvency, or if it or any of its subcontractors should violate any of the provisions of the Contract, City may serve written notice upon it and its surety of its intention to terminate the Contract. Such notice shall contain the reasons for City's intention to terminate the Contract, and unless such violations shall cease within five (5) calendar days after serving of such notice, the Contract shall cease and terminate upon the expiration of said five (5) calendar days. In the event of any such termination, City shall immediately serve written notice thereof upon the surety and Contractor, and the surety shall have the right to take over and perform the Contract; provided however, that, if the surety does not give City written notice of its intention to take over and perform the Contract or does not commence performance thereof within thirty (30) calendar days from the date of the service of such notice, City may take over the work and prosecute the same to completion by contract or any other method it may deem advisable, for the account and at the expense of Contractor, and Contractor and its surety shall be jointly liable to City for any excess cost occasioned City thereby, and in such event City may, without liability for so doing, take possession of and utilize in completing the work, such materials, appliances, and other property belonging to Contractor as may be on the Project site and necessary thereof.

7. Liability for Breach: Neither Party waives the right to recover direct damages against the other for breach of the Contract, including any amount necessary to compensate City for all detriment proximately caused by Contractor's failure to perform its obligations hereunder or which in the ordinary course of things would be likely to result therefrom. City reserves the right to offset such damages against any payments owed to Contractor. City shall not, in any manner, be liable for special or consequential damages, including but not limited to Contractor's actual or projected lost profits had Contractor completed the Services required by the Contract. In the event of termination by either Party, copies of all finished or unfinished Work Product, as defined in Section 19 of this Agreement, shall become the property of City. Notwithstanding the foregoing, in no event shall City be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect

or incidental damages, including, but not limited to, lost profits or revenue, arising out of or in connection with the Contract or the Services performed in connection with the Contract.

8. Compensation: City shall make payments to Contractor in accordance with the provisions of Section 9 of the City Standards in legally executed and regularly issued warrants of City, drawn on the appropriate fund or funds as required by law and order of the City Council thereof. Contractor shall be administered a progress payment approximately every thirty (30) calendar days from the time work begins according to the payment schedule furnished by the City Engineer at the time work begins. Contractor shall provide access at all reasonable times to all reports, contract records, contract documents, contract files, and personnel necessary to audit and verify Contractor's charges to City under this Contract.

Monthly progress payments in the amount of 95 percent (95%) of the value of the work will be made to Contractor based on the Contractor's estimate and the schedule of prices contained in the accepted bid. The remaining 5 percent (5%) will be retained by City as partial security for the fulfillment of the Contract except that at any time after 50 percent (50%) of the work has been completed, if the City Engineer finds that satisfactory progress is being made and the Project's critical path of work are on schedule, City may discontinue any further retention. Such discontinuance will only be made upon the written request of Contractor. City may, at any time the City Engineer finds that satisfactory progress is not being made, again institute retention of 5 percent (5%) as specified above. Payment will be made as soon as possible after the preparation of the Contractor's estimate. City shall pay the remaining 5 percent (5%) of the value of the Services completed under this Contract, if unencumbered by retentions for claims, not sooner than the expiration of thirty-five (35) calendar days from the date of recordation of the Notice of Completion, pursuant to Section 2 of this agreement, and not later than sixty (60) days from the "completion" of the Services as said term is defined in Public Contract Code section 7107(c).

No estimate or payment shall be made if, in the judgment of the City Engineer, the work is not proceeding in accordance with the provisions of the Contract, or when, in his judgment, the total value of the work done since the last estimate amounts to less than $1,000. No progress payments will be made if the time allotted for the job is thirty (30) working days or less. Payment of any progress payment, or the acceptance thereof by Contractor, shall not constitute acceptance of the work performed under this Contractor, or any portion thereof, and shall in no way reduce the liability of Contractor to replace unsatisfactory work or materials, though the unsatisfactory character of such work or materials may not have been apparent or detected at the time such payment was made.

Additionally, as a precondition to City's progress payments hereunder, Contractor shall provide to City, prior to payment, unconditional waivers and releases of stop notices pursuant to Civil Code section 8128 et seq. from each subcontractor and materials supplier. The form of said waivers and releases shall be as set forth in Civil Code section 3262(d)(2).

Pursuant to Public Contract Code section 22300 et seq., Contractor may request the right to substitute securities for any moneys withheld by City to ensure the performance required of Contractor under the Contract, or that City make payment of retentions earned directly into an escrow account established at the expense of Contractor.

9. Disputes Pertaining to Payment for Work: Should any dispute arise respecting the true value of any work performed, of any work omitted, or of any extra work which Contractor may be

required to do, or respecting the size of any payment to Contractor during the performance of the Contract, such dispute shall be decided by the City Engineer, and the decision of the latter shall be final and conclusive. The Parties agree to comply with the claims resolution procedures set forth in Public Contract Code section 9204 when applicable.

(a) *Claims Processing.* Any submission of a claim by Contractor must comply with the requirements of Public Contract Code section 9204. Upon receipt of a claim pursuant to this section, City shall conduct a reasonable review of the claim and, within a period not to exceed forty-five (45) days, shall provide Contractor a written statement identifying what portion of the claim is disputed and what portion is undisputed. Upon receipt of a claim, the Parties may, by mutual agreement, extend the time period provided in this subdivision. Contractor shall furnish reasonable documentation to support the claim. Any payment due on an undisputed portion of the claim shall be processed and made within sixty (60) days after City issues its written statement. If Contractor disputes City's written response, or if City fails to respond to a claim issued pursuant to this section within the time prescribed, Contractor may demand in writing an informal conference to meet and confer for settlement of the issues in dispute.

(b) *Meet-and-Confer Conference.* Upon receipt of a demand in writing sent by registered mail or certified mail, return receipt requested, City shall schedule a meet-and-confer conference within thirty (30) days for settlement of the dispute. Within ten (10) business days following the conclusion of the meet-and-confer conference, if the claim or any portion of the claim remains in dispute, City shall provide the claimant a written statement identifying the portion of the claim that remains in dispute and the portion that is undisputed. Any payment due on an undisputed portion of the claim shall be processed and made within sixty (60) days after the City issues its written statement.

(c) *Nonbinding Mediation.* Any disputed portion of the claim, as identified by Contractor in writing, shall be submitted to nonbinding mediation, with the Parties sharing the associated costs equally. The Parties shall mutually agree to a mediator within ten (10) business days after the disputed portion of the claim has been identified in writing. If the Parties cannot agree upon a mediator, each party shall select a mediator and those mediators shall select a qualified neutral third party to mediate with regard to the disputed portion of the claim. Each Party shall bear the fees and costs charged by its respective mediator in connection with the selection of the neutral mediator. If mediation is unsuccessful, the parts of the claim remaining in dispute shall be subject judicial review pursuant to Section 23 of this Agreement.

Notwithstanding any claim, dispute, or other disagreement between the Parties regarding performance under the Contract, the scope of work hereunder, or any other matter arising out of or related to, in any manner, the Contract, Contractor shall proceed diligently with performance of the Services in accordance with City's written direction, pending any final determination or decision regarding any such claim, dispute, or disagreement.

10. Permits and Care of Work: Contractor shall, at Contractor's expense, obtain all necessary permits and licenses for the construction of each improvement, give all necessary notices and pay all fees and taxes required by law, except those City fees set forth in Section 1 of the Special Provisions. Contractor has examined the Project site and is familiar with its topography and condition, location of property lines, easements, building lines, and other physical factors and limitations affecting the performance of the Contract. Contractor, at Contractor's expense, shall obtain any permission necessary for any operations conducted off the property owned or controlled by City. Contractor

shall be responsible for the proper care and protection of all materials delivered and work performed until completion and final acceptance.

11. Public Works and Payment of Prevailing Wage:

(a) *Monitoring and Enforcement.* In accordance with the provisions of Sections 1725.5, 1771.1, 1771.3, and 1771.4 of the Labor Code, all work performed under the Contract is subject to compliance monitoring and enforcement by the Department of Industrial Relations ("DIR"). All work performed by Contractor or its subcontractors under the Contract is subject to the requirements of Labor Code section 1720 et seq. It is not a violation of this section for an unregistered contractor to submit a bid that is authorized by Section 7029.1 of the Business and Professions Code or by Section 10164 or 20103.5 of the Public Contract Code, provided the contractor is registered to perform public work pursuant to Section 1725.5 of the Labor Code at the time the contract is awarded. Contractor and its subcontractors shall furnish the records specified in Section 1776 of the Labor Code directly to the Labor Commissioner, at least monthly, in the format prescribed by the Labor Commissioner.

In accordance with the provisions of Section 1773.3 of the Labor Code, City shall provide notice to DIR of the award of this Contract within thirty (30) working days of the award. The notice shall be transmitted electronically in a format specified by DIR and shall include the name of Contractor, any subcontractor listed on the successful bid, the bid and contract award dates, the contract amount, the estimated start and completion dates, Project location, and any additional information DIR specifies that aids in the administration and enforcement of Section 1720 et seq. of the Labor Code.

(b) *Wages & Hours of Employment*: In the performance of the Services under the Contract, eight (8) hours shall be the maximum hours of labor on any calendar day, and the minimum wages of compensation of persons performing labor in the execution of this agreement shall be the current prevailing scale of wages determined by DIR for the community. Contractor shall forfeit as penalty Twenty-five and no/100ths Dollars ($25.00) to be paid to City for each workman employed in the execution of the Contract by Contractor or its subcontractor(s), for each calendar day during which any workman is required or permitted to labor more than eight (8) hours, in violation of provisions of Labor Code section 1810 et seq. Contractor shall post prevailing wage rates at the Project no later than the first day Contractor commences performance of the Services under the Contract.

12. Superintendence by Contractor: Contractor shall give personal superintendence to the work on the Project or have a competent foreman or superintendent satisfactory to the City Engineer on the Project at all times during construction and performance of work under the Contract, with authority to act for Contractor.

13. Inspection and Testing by City: Contractor shall at all times maintain proper facilities and provide safe access for inspection by City to all parts of the work performed on the Project and to the shops wherein the work is in preparation. Contractor shall notify City with sufficient time in advance of the manufacture of production materials to be supplied by Contractor under the Contract in order for City to arrange for mill or factory inspection and testing of same. Any materials shipped by Contractor from factory prior to having satisfactorily passed such testing and inspection by City's representative or prior to the receipt of notice from such representative that such testing and inspection

will not be required shall not be incorporated on the Project. Contractor shall also furnish to City, in triplicate, certified copies of all factory and mill test reports upon request.

14. Conformity with Law and Safety: Contractor shall observe and comply with all applicable laws, ordinances, codes, and regulations of governmental agencies, including federal, state, municipal, and local governing bodies having jurisdiction over any or all of the scope of Services, including all provisions of the Occupational Safety and Health Act of 1979 as amended, all California Occupational Safety and Health Regulations, the California Building Code, the American with Disabilities Act, any copyright, patent, or trademark law, and all other applicable federal, state, municipal, and local safety regulations, appropriate trade association safety standards, and appropriate equipment manufacturer instructions. All Services performed by Contractor or its subcontractors must be in accordance with these laws, ordinances, codes, and regulations. Contractor's failure to comply with any laws, ordinances, codes, or regulations applicable to the performance of the Services hereunder shall constitute a breach of contract. In cases where standards conflict, the standard providing the highest degree of protection shall prevail.

If a death, serious personal injury or substantial property damage occurs in connection with the performance of the Contract, Contractor shall immediately notify City's risk manager by telephone. If any accident occurs in connection with the Contract, Contractor shall promptly submit a written report to City, in such form as City may require. This report shall include the following information: (a) name and address of the injured or deceased person(s); (b) name and address of Contractor's subcontractor, if any; (c) name and address of Contractor's liability insurance carrier; and (d) a detailed description of the accident, including whether any of City's equipment, tools, or materials were involved.

If a release of a hazardous material, substance, or waste occurs in connection with the performance of the Contract, Contractor shall immediately notify City. Contractor shall not store hazardous materials or hazardous waste within City limits without a proper permit from City.

15. Other Contracts: City may award other contracts for additional work on the Project, and Contractor shall fully cooperate with such other contractors and carefully fit Contractor's own work to that provided under other contracts as may be directed by the City Engineer. Contractor shall not commit or permit any act which will interfere with the performance of work by any other contractor.

16. Bonds: Concurrently with the execution hereof, Contractor shall furnish, on the forms provided herein as **Exhibits D and E**, respectively, corporate surety bonds to the benefit of City, issued by a surety company acceptable to City and authorized and admitted to do business in the state of California, as follows:

(a) *Faithful Performance Bond.* In an amount equal to at least one hundred percent (100%) of the Contract Price as security for the faithful performance of the Contract. The bond shall contain a provision that the surety thereon waives the provisions of Sections 2819 and 2845 of the Civil Code.

(b) *Payment Bond.* In an amount equal to at least one hundred percent (100%) of the Contract Price as security for the payment of all persons performing labor and furnishing materials in connection with the Contract. The bond shall be in accordance with the provisions of Sections 3225, 3226, and 3247 through 3252, inclusive, of the Civil Code and Section 13020 of the

Unemployment Insurance Code of California. Said bond shall also contain a provision that the surety thereon waives the provisions of Sections 2819 and 2845 of the Civil Code.

The surety companies shall familiarize themselves with all provisions and conditions of the Contract. It is understood and agreed that the surety or sureties waive the right of special notification of any modification or alterations, omissions or reductions, extra or additional work, extensions of time, or any other act or acts by City or its authorized agents under the terms of this Contract and failure to so notify the surety or sureties of such changes shall in no way relieve the surety or sureties of their obligations under the Contract.

17. Indemnification:

(a) *Indemnity for Professional Liability*. When the law establishes a professional standard of care for Contractor's Services, to the fullest extent permitted by law, Contractor shall indemnify, protect, defend, and hold harmless City and any and all of its elective and appointive boards, officers, officials, agents, employees or volunteers ("City's Agents") from and against any and all losses, liabilities, damages, costs, and expenses, including legal counsel's fees and costs but only to the extent Contractor or its subcontractors are responsible for such damages, liabilities and costs on a comparative basis of fault between Contractor or its subcontractors and City in the performance of professional services under the Contract. Contractor shall not be obligated to defend or indemnify City for City's own negligence or for the negligence of others.

(b) *Indemnity for other than Professional Liability.* Other than in the performance of professional services and to the full extent permitted by law, Contractor shall indemnify, defend, and hold harmless City and any and City's Agents from and against any liability, including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsel's fees and costs, court costs, interest, defense costs, and expert witness fees, where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of the Contract by Contractor or by any individual or agency for which Contractor is legally liable, including, but not limited to, officers, agents, employees, or subcontractors of Contractor.

18. Contractor's Insurance: Concurrently with the execution hereof, Contractor shall furnish City with satisfactory proof of carriage of the insurance required under this section, and that Contractor shall give City at least thirty (30) days prior notice of the cancellation of any policy during the Term of this contract. Contractor shall not commence work under this Agreement until Contractor has obtained City's approval regarding all insurance requirements, forms, endorsements, amounts, and carrier ratings, nor shall Contractor allow any subcontractor to commence work on a subcontract until all similar insurance required of the subcontractor shall have been so obtained and approved. Contractor shall procure and maintain for the duration of the Contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Services hereunder by Contractor, its agents, representatives, employees or subcontractors. Failure to maintain or renew coverage or to provide evidence of renewal may constitute a material breach of the Contract. Any available insurance proceeds in excess of the specified minimum limits and coverage shall be available to City. The City of Turlock shall be named as a certificate holder.

(a) *Commercial General Liability Insurance*. Contractor shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than One Million Dollars ($1,000,000.00) per occurrence, Two Million Dollars ($2,000,000.00) general aggregate, and One Million Dollars ($1,000,000.00) products and completed operations for bodily injury, personal injury, and property damage, including, without limitation, blanket contractual liability and coverage for explosion, collapse, and underground property damage hazards. The general aggregate limit shall apply separately to this Project or the general aggregate shall be doubled. The policy shall contain, or be endorsed to contain, the following provisions:

(1) City, its elective and appointive boards, officers, agents, employees, and volunteers are to be covered as additional insureds with respect to liability arising out of work or operations performed by or on behalf of Contractor, including materials, parts or equipment furnished in connection with such work or operations. The coverage shall be provided in the form of an endorsement to Contractor's insurance (at least as broad as CG 20 10 for ongoing operations and CG 20 37 for products/completed operations for construction services). The City shall be named as a certificate holder on the Certificate of Insurance.

(2) For any claims related to the Project, Contractor's insurance coverage shall allow and be endorsed primary insurance as respects City and any insurance or self-insurance maintained by City shall be excess of Contractor's insurance and shall not contribute with it.

(3) In the event of cancellation, non-renewal, or material change that reduces or restricts the insurance coverage afforded to City under the Contract, the insurer, broker/producer, or Contractor shall provide City with thirty (30) days' prior written notice of such cancellation, non-renewal, or material change.

(4) Coverage shall not extend to any indemnity coverage for the sole negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

(b) *Workers' Compensation Insurance*. Contractor shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance with limits of at least One Million Dollars ($1,000,000.00) each accident, One Million Dollars ($1,000,000.00) by disease-policy limit, and One Million Dollars ($1,000,000.00) by disease-each employee. Contractor shall submit to City, along with the Certificate of Insurance a Waiver of Subrogation endorsement in favor of the City, its offices, agents, employees, and volunteers.

(c) *Commercial Automobile Liability Insurance*. Contractor shall maintain commercial automobile liability insurance using ISO Business Auto Coverage form CA 00 01, or the exact equivalent, with a limit of no less than One Million Dollars ($1,000,000.00) each accident for owned, leased, hired, non-owned, and borrowed automobiles. The policy shall provide and be endorsed that the City, its officials, officers, agents, employees, and volunteers are included or named as additional insureds. If Contractor owns no vehicles, this requirement may be met through a non-owned auto coverage or an endorsement to the CGL policy.

(d) Builder's Risk Insurance. [Intentionally Omitted]

(e) *Contractors Pollution Insurance*. [Intentionally Omitted]

(f) *Professional Liability Insurance*. [Intentionally Omitted]

(g) *Umbrella or Excess Policy.* Contractor may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required. The Umbrella or Excess policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying policies of insurance. No coverage or insurance policies maintained by the Additional Insureds, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Contractor's primary and excess liability policies are exhausted.

(h) *Deductibles and Self-Insured Retentions*. Upon request of City, any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City and City's Agents; or (2) Contractor shall provide a financial guarantee satisfactory to City guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

(i) *Acceptability of Insurers*. Insurance is to be placed with insurers admitted in California with a current A.M. Best's rating of no less than A-:VII or with an insurer to which City has provided prior approval.

(j) *Verification of Coverage*. Contractor shall furnish City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this Section 18. All certificates and endorsements are to be received and approved by City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive Contractor's obligation to provide them. City reserves the right, at any time, to require complete, certified copies of all required insurance policies and endorsements.

(k) *Waiver of Subrogation*. With the exception of professional liability, Contractor hereby agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. The commercial general liability policy, automobile liability policy, and workers' compensation policy shall be endorsed to contain a waiver of subrogation in favor of City for all work performed by Contractor, its agents, employees, independent contractors and subcontractors. Contractor shall provide written proof of waiver of subrogation in the Certificate of Insurance. Additionally, Contractor agrees to obtain any available endorsements that may be necessary to effectuate this waiver of subrogation.

(l) *Subcontractors*. Contractor shall ensure all subcontractors furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

19. Ownership of Work Product: Any and all work, artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, designs, specifications,

drawings, diagrams, surveys, source codes, professional or technical information or data, photographs, notes, letters, emails, or any original works of authorship created by contractor or its subcontractors or subcontractors in connection with Services performed under the Contract ("Work Product") shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works are the property of City. In the event that it is ever determined that any Work Product created by Contractor or its subcontractors or subcontractors under the Contract are not works for hire under U.S. law, Contractor hereby assigns all copyrights to such Work Product to City. With the prior written approval of the City Engineer, Contractor may retain and use copies of such Work Product for reference and as documentation of its experience and capabilities.

All Work Product shall become the property of City irrespective of where located or stored and Contractor agrees to deliver all such documents and information to City, without charge and in whatever form it exists, upon the Final Completion Date, as may be extended. Contractor shall have no ownership interest in such Work Product.

All Work Product of Contractor under the Contract, including written information which City will cause to be distributed for either internal or public circulation, including both preliminary and final drafts, shall be delivered to City in both printed and electronic form, or as may be specific in Exhibit A.

When the Contract is terminated, Contractor agrees to return to City all documents, drawings, photographs, and other written or graphic material, however produced, that it received from City or City's Agents, in connection with the performance of its Services under the Contract. All materials shall be returned in the same condition as received.

20. Taxes: Payment of any taxes, including California sales and use taxes, levied upon the Contract, the transaction, or the Services or goods delivered pursuant hereto, shall be the obligation of Contractor. Contractor shall cooperate with City to the full extent possible to maximize the local allocation of California sales and use tax to City. Such cooperation shall include, but not be limited to:

(a) *Use Tax Direct Payment Permits.* Contractor shall apply for, obtain, and utilize, to the maximum extent reasonable, a California Use Tax Direct Payment Permit.

(b) *Purchases of $500,000 or More.* Contractor shall require vendors and suppliers located outside California from whom Contractor makes purchases of $500,000 or more to allocate the use tax to City.

21. Independent Contractor: At all times during the Term of the Contract, Contractor shall be deemed to be an independent contractor and shall be wholly responsible for the manner in which Contractor performs the Services required under the Contract. Contractor shall be liable for its acts and omissions, and those of its employees, contractors, subcontractors, representatives, volunteers, and its agents. Nothing contained herein shall be construed as creating an employment, agency, or partnership relationship between City and Contractor. City shall have the right to control Contractor only insofar as the result of Contractor's Services rendered pursuant to the Contract; however, City shall not have the right to control the means by which Contractor accomplishes Services rendered pursuant to the Contract.

22. Contractor Not Agent: Except as City may specify in writing, Contractor shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied, pursuant to the Contract to bind City to any obligation whatsoever.

23. Arbitration of Disputes: All claims, disputes, and other matters in question between City and Contractor arising out of, or relating to, this Contract or the breach thereof, including claims of Contractor for extra compensation of Services related to the project, shall be decided by arbitration before a single arbitrator in accordance with the provisions of Sections 1281 through 1284.2 of the Code of Civil Procedure (the "Arbitration Laws") unless the Parties mutually agree otherwise. The provisions of Section 1283.05 of the Arbitration Laws apply to any arbitration proceeding except as otherwise provided in the Contract. The arbitrator shall have authority to decide all issues between the Parties including, but not limited to, claims for extras, delay, and liquidated damages, if any, provided for the Contract, matters involving defects in the Services performed by Contractor or its subcontractors, rights to payment, and whether the necessary procedures for arbitration have been followed. The award rendered by the arbitrator shall be final and judgment may be entered upon it in accordance with applicable law in any court having competent jurisdiction thereof.

Notice of the demand for arbitration shall be filed in writing with the other Party. The demand for arbitration shall be made within a reasonable time after the claim, dispute, or other matter in question has arisen, and in no event shall it be made after the date when institution of legal or equitable proceedings based on such claim, dispute, or other matter in question would be barred by the applicable statute of limitations.

The parties shall jointly appoint an arbitrator within fifteen (15) calendar days of the date of giving the notice of the demand for arbitration. If the Parties are unable to jointly agree upon the appointment of an arbitrator within said fifteen (15) calendar day period, and do not agree in writing to extend said period for a fixed period, then either Party may seek to have the arbitrator appointed by the Superior Court of Stanislaus County in accordance with the Arbitration Laws.

If any proceeding is brought to contest the right to arbitrate and it is determined that such right exists, the losing Party shall pay all costs and attorney's fees incurred by the prevailing Party.

In addition to the other rules of law which may be applicable to any arbitration hereunder, the following shall apply:

(a) Promptly upon the filing of the arbitration, each Party shall be required to set forth in writing and to serve upon each other Party a detailed statement of its contentions of fact and law.

(b) All Parties to the arbitration shall be entitled to the discovery procedures provided under Section 1283.05 of the California Code of Civil Procedure.

(c) The arbitration shall be commenced and conducted as expeditiously as possible consistent with affording reasonable discovery as provided herein.

(d) These additional rules shall be implemented and applied by the arbitrator.

The costs of arbitration shall be borne by the Parties as determined by the arbitrator, but each Party shall bear its own attorney's fees associated with the dispute with the other Party and to the arbitration.

All administrative remedies required under Section 9 of this Agreement or pursuant to Public Contract Code section 9204, or required by any other law, shall be exhausted prior to commencement of any arbitration under this Section 23.

24. Provisions Cumulative: The provisions of the Contract are cumulative, and in addition to and not in limitation of, any other rights or remedies available to City.

25. Notices: All notices shall be in writing and delivered in person or transmitted by certified mail, postage prepaid. Any Party hereto may at any time, by giving ten (10) days' written notice to the other Party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below.

If to City:	**City of Turlock** **Attn: City Engineer** **156 S. Broadway, Suite 150** **Turlock, CA 95380-5461**
With courtesy copies to:	**City of Turlock, City Attorney's Office** **Attn: George A. Petrulakis, City Attorney** **156 S. Broadway, Suite 230** **Turlock, CA 95380-5456**
If to Contractor:	Dynamic Pavement, Inc., Attn: Scott Yerzy 816 Cobblestone Circle Modesto Ca 95355
If to Contractor's Sureties:	_____ _____ _____ _____

26. City Contract Administrator: The City's contract administrator and contact person for this Agreement is:

Oscar Molina, E.I.T.
City of Turlock Engineering Division
156 S. Broadway, Suite 150
Turlock, California 95380-5461

Telephone: (209) 668-5366
E-mail: omolina@turlock.ca.us

27. Interpretation: As used herein, any gender includes each other gender, the singular includes the plural and vice versa.

28. Antitrust Claims: Contractor or its subcontractors offer and agree to assign to City all rights, title, and interest to any causes of action under Section Four of the Clayton Act and the Cartwright Act concerning antitrust claims.

29. Use of City Project Number: Contractor or its subcontractors agree to use the aforementioned City project number on all maps, drawings, submittals, billing, and written correspondence that involve City staff or contracted consultants. Nothing in this section shall preclude Contractor or its subcontractors from using their own project numbers for their own internal use.

30. No Conflict of Interest: Contractor represents that no conflict of interest will be created under state or federal law by entering into or in carrying out the Contract.

31. Confidentiality: Contractor understands and agrees that, in the performance of Services under the Contract, or in the contemplation thereof, Contractor may have access to private or confidential information that may be owned or controlled by City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to City ("Confidential Information"). Contractor shall not, either during or after the Term, disclose to any third party any Confidential Information without the prior written consent of City. If City gives Contractor written authorization to make any such disclosure, Contractor shall do so only within the limits and to the extent of that authorization. Contractor may be directed or advised by the City Attorney on various matters relating to the performance of Services on the Project or on other matters pertaining to the Project, and in such event, Contractor agrees that it will treat all communications between itself, its employees, and its subcontracts as being communications which are within the attorney-client privilege.

32. Modification. No alteration, amendment, modification, or termination of the Contract shall be valid unless made in writing and executed by all Parties to the Contract.

33. Waiver: No covenant, term, or condition or the breach thereof shall be deemed waived, except by written consent of the Party against whom the waiver is claimed, and any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition.

34. Assignment: No Party to the Contract shall assign, transfer, or otherwise dispose of this Agreement in whole or in party to any individual, firm, or corporation without the prior written consent of the other Party. Subject to the foregoing provisions, the Contract shall be binding upon, and inure to the benefit of, the respective successors and assigns of the Parties hereto.

35. Authority: All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by such entities,

person, states, or firms and that all former requirements necessary or required by state or federal law in order to enter into the Contract have been fully complied with. Further, by entering into this Agreement, neither Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

36. Governing Law: The Contract shall be governed and construed in accordance with the laws of the state of California.

37. Severability: If the Contract in its entirety is determined by an arbitrator or a court of competent jurisdiction to be invalid or unenforceable, the Contract shall automatically terminate as of the date of final entry of judgment. If any provision of the Contract shall be determined to be invalid and unenforceable, or if any provision of the Contract is rendered invalid or unenforceable according the terms of any federal or state statute, which becomes effective after the Effective Date of this Agreement, the remaining provisions shall continue in full force and effect and shall be construed to give effect to the intent of this Agreement.

38. Execution and Counterparts: This Agreement may be executed simultaneously and, in several counterparts, each of which shall be deemed an original but together shall constitute one and the same instrument. The Parties agree that this Agreement and any other documents to be delivered in connection herewith may be electronically signed utilizing services such as DocuSign and Nitro Sign, or by transmitting signatures in pdf or similar format, and that any electronic signatures appearing on this Agreement or such other documents are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

39. Mandatory and Permissive: "Shall" and "will" and "agrees" are mandatory. "May" and "can" are permissive.

40. Headings: Headings used in this Agreement are for reference purposes only and shall not be considered in construing this Agreement.

41. Attorney's Fees and Costs: Except as expressly provided for in Section 23 of this Agreement, if any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret the provisions of the Contract, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

42. Necessary Acts and Further Assurances: The Parties shall, at their own cost and expense, execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of the Contract.

43. Recitals: The recitals set forth above ("Recitals") are true and correct and are hereby incorporated into and made part of this Agreement by this reference. In the event of any inconsistency between the Recitals and Section 1 through 43 of this Agreement, Sections 1 through 43 shall prevail.

[*Signatures on Following Page*]

IN WITNESS WHEREOF, two identical counterparts of this agreement, consisting of a total of 32 pages, each of which counterparts shall for all purposes be deemed an original of said agreement, have been duly executed by the parties hereinabove named, on the day and year first herein above written.

DYNAMIC PAVEMENT, INC.
a California corporation

By: _____

_____
Print Name

Address:_____
_____
_____
Phone: _____

Date: _____

Federal Tax ID or Social Security No:

_____

DIR Registration Number:

_____

Affix Contractor's Seal Here

CITY OF TURLOCK, a municipal corporation

By: _____
Susan E. Borrego, Interim City Manager

Date: _____

APPROVED AS TO SUFFICIENCY:

By: _____
William D. Morris, RCE, PLS, City Engineer

By: _____
Christopher Fisher, Municipal Services Director

APPROVED AS TO FORM:

By: _____
George A. Petrulakis, City Attorney

ATTEST:

By: _____
Nichole Fiez, City Clerk

EXHIBIT A
CONTRACTOR'S PROPOSAL FOR SERVICES

BIDDER'S FORM

PROJECT TITLE: Speed Lumps at Berkeley Roundabouts

PROJECT NUMBER: 25-017

OPENING DATE: November 7, 2025

OPENING TIME: 5:00 PM

Item No.	Item Description	Unit of Measure	Estimated Quantity	Unit Price	Total
1	Mobilization and Demobilization	LS	1	$1,815.00	$1,815.00
2	Traffic Control	LS	1	$5,325.00	$5,325.00
3	Speed Lumps Location	EA	2	$6,655.00	$13,310.00
4	W17-1 Sign and Post	EA	4	$423.00	$1,692.00
5	Hot Mix Asphalt - Grind and Overlay	TON	10	$91.00	$910.00
6	Striping and Markings	LS	1	$1,210.00	$1,210.00
7	All Other Work Not Included in Bid Items	LS	1	$1,210.00	$1,210.00
Subtotal					$25,472.00

Bidder has examined and carefully studied the Bidding documents and other related data identified in the Bidding Documents and the following Addenda, receipt of which is hereby acknowledged

ADDENDA

No. 1	Date 10/30/2025	Signed Scott Young
No.	Date	Signed
No.	Date	Signed
No.	Date	Signed
No.	Date	Signed

TOTAL BID WRITTEN IN FIGURES: $ __,__25,472.00

TOTAL BID WRITTEN IN WORDS: Twenty-Five Thousand Four Hundred Seventy-Two Dollars

CONTRACTOR: Dynamic Pavement Inc

EXHIBIT B
PAYMENT BY FORCE ACCOUNT

For work paid by force account, the City Engineer compares City's records to Contractor's daily force account work report. When the City Engineer and Contractor agree on the contents of the daily force account work reports, the City Engineer accepts the report and City pays for the work. If the records differ, City pays for the work based only on the information shown on City's records. If a subcontractor performs work at force account, work paid at force account will be accepted at an additional 2 percent (2%) markup to the total cost of that work, including markups, as reimbursement for additional administrative costs. The markups specified in labor, materials, and equipment includes compensation for all delay costs, overhead costs, and profit. If an item's unit price is adjusted for work-character changes, City excludes Contractor's cost of determining the adjustment. Payment for owner-operated labor and equipment is made at the market-priced invoice submitted.

A. Labor. Labor payment is full compensation for the cost of labor used in the direct performance of the work plus a fifteen percent (15%) markup, as set forth below, and consistent with California Labor Code section 1770 et seq. Force account labor payment consists of:

1. Employer payment to the worker for:

    1.1 Basic hourly wage
    1.2 Health and welfare
    1.3 Pension
    1.4 Vacation
    1.5 Training
    1.6 Other State and federal recognized fringe benefit payments

2. Labor surcharge percentage in *Labor Surcharge and Equipment Rental Rates* current during the work paid at force account for:

    2.1 Workers' compensation insurance
    2.2 Social security
    2.3 Medicare
    2.4 Federal unemployment insurance
    2.5 State unemployment insurance
    2.6 State training taxes

3. Subsistence and travel allowances paid to the workers

4. Employer payment to supervisors, if authorized

The fifteen percent (15%) markup consists of payment for all overhead costs related to labor but not designated as costs of labor used in the direct performance of the work including:

(a) Home office overhead
(b) Field office overhead
(c) Bond costs

(d) Profit
(e) Labor liability insurance
(f) Other fixed or administrative costs that are not costs of labor used in the direct performance of the work

B. Materials. Material payment is full compensation for materials the Contractor furnishes and uses in the work. The City Engineer determines the cost based on the material purchase price, including delivery charges, except:

1. A fifteen percent (15%) markup is added;

2. Supplier discounts are subtracted whether the Contractor takes them or not;

3. If the City Engineer believes the material purchase prices are excessive, City pays the lowest current wholesale price for a similar material quantity;

4. If Contractor procured the materials from a source Contractor wholly or partially own, the determined cost is based on the lower of the:

   4.1 Price paid by the purchaser for similar materials from that source on Contract items; and
   4.2 Current wholesale price for those materials;

5 If Contractor does not submit a material cost record within thirty (30) days of billing, the determined cost is based on the lowest wholesale price:

   5.1 During that period
   5.2 In the quantities used

C. Equipment Rental. Equipment rental payment is full compensation for:

1. Rental equipment costs, including moving rental equipment to and from the change order work site using its own power.

2. Transport equipment costs for rental equipment that cannot be transported economically using its own power. No payment is made during transport for the transported equipment.

3. Fifteen percent (15%) percent markup.

If Contractor wants to return the equipment to a location other than its original location, the payment to move the equipment must not exceed the cost of returning the equipment to its original location. If Contractor uses the equipment for work other than work paid by force account, the transportation cost is included in the other work.

Before moving or loading the equipment, Contractor must obtain authorization for the equipment rental's original location.

The City Engineer determines rental costs:

1. Using rates in *Labor Surcharge and Equipment Rental Rates*:

    1.1. By classifying equipment using manufacturer's ratings and manufacturer-approved changes.
    1.2. Current during the work paid by force account.
    1.3. Regardless of equipment ownership but City uses the rental document rates or minimum rental cost terms if:
        1.3.1. Rented from equipment business Contractor does not own.
        1.3.2. The Labor Surcharge and Equipment Rental Rates hourly rate is $10.00 per hour or less.

2. Using rates established by the City Engineer for equipment not listed in *Labor Surcharge and Equipment Rental Rates*. Contractor may submit cost information that helps the City Engineer establish the rental rate but City uses the rental document rates or minimum rental cost terms if:
    2.1. Rented from equipment business Contractor does not own.
    2.2. The City Engineer establishes a rate of $10.00 per hour or less.

3. Using rates for transport equipment not exceeding the hourly rates charged by established haulers.

Equipment rental rates include the cost of:

1. Fuel
2. Oil
3. Lubrication
4. Supplies
5. Small tools that are not consumed by use
6. Necessary attachments
7. Repairs and maintenance
8. Depreciation
9. Storage
10. Insurance
11. Incidentals

City pays for small tools consumed by use. The City Engineer determines payment for small tools consumed by use based on Contractor-submitted invoices.

The City Engineer may authorize rates in excess of those in the *Labor Surcharge and Equipment Rental Rates* if:

1. Contractor submits a request to use rented equipment
2. Equipment is not available from Contractor’s normal sources or from one of Contractor’s subcontractors
3. Rented equipment is from an independent rental company
4. Proposed equipment rental rate is reasonable
5. The City Engineer authorizes the equipment source and the rental rate before Contractor uses the equipment

D. Equipment on the Job Site. For equipment on the job site at the time required to perform work paid by force account, the time paid is the time:

1. To move the equipment to the location of work paid by force account plus an equal amount of time to move the equipment to another location on the job site when the work paid by force account is completed

2. To load and unload equipment

3. Equipment is operated to perform work paid by force account and:
   3.1. Hourly rates are paid in 1/2-hour increments
   3.2. Daily rates are paid in 1/2-day increments

E. Equipment Not on the Job Site Required for Original-Contract Work. For equipment not on the job site at the time required to perform work paid by force account and required for original-Contract work, the time paid is the time the equipment is operated to perform work paid by force account and the time to move the equipment to a location on the job site when the work paid by force account is completed.

The minimum total time paid is:

1. 1 day if daily rates are paid
2. 8 hours if hourly rates are paid

If daily rates are recorded, equipment:

1. Idled is paid as 1/2 day
2. Operated four (4) hours or less is paid as 1/2 day
3. Operated four (4) hours or more is paid as one (1) day

If the minimum total time exceeds eight (8) hours and if hourly rates are listed, City rounds up hours operated to the nearest 1/2-hour increment and pays based on the hours shown in the following table. The table does not apply when equipment is not operated due to breakdowns, in which case rental hours are the hours the equipment was operated.

Equipment Rental Hours

Hours operated	Hours paid
0.0	4.00
0.5	4.25
1.0	4.50
1.5	4.75
2.0	5.00
2.5	5.25
3.0	5.50
3.5	5.75
4.0	6.00

4.5	6.25
5.0	6.50
5.5	6.75
6.0	7.00
6.5	7.25
7.0	7.5
7.5	7.75
≥8.0	hours used

F. Equipment Not on the Job Site Not Required for Original-Contract Work. For equipment not on the job site at the time required to perform work paid by force account and not required for original-Contract work, the time paid is the time:

1. To move the equipment to the location of work paid by force account plus an equal amount of time to return the equipment to its source when the work paid by force account is completed

2. To load and unload equipment

3. Equipment is operated to perform work paid by force account

G. Non-Owner-Operated Dump Truck Rental. Contractor shall submit the rental rate for non-owner-operated dump truck rental to City. The City Engineer shall determine the payment rate. Payment for non-owner-operated dump truck rental is for the cost of renting a dump truck, including its driver. For the purpose of markup payment only, the non-owner-operated dump truck is rental equipment and the owner is a subcontractor.

The above markups shall constitute full compensation for all home office overhead, field office overhead, bond costs, profit, labor liability insurance, and other fixed or administrative costs that are not costs specifically designated as cost or equipment rental as stated above. The total payment made as provided above shall be deemed to be the actual cost of the work and shall constitute full compensation therefor.

When extra work to be paid for on a force account basis is performed by a subcontractor, an additional markup of 2 percent (2%) will be added to the total cost of that extra work including all markups specified in this Section. The additional 2 percent (2%) markup shall reimburse Contractor for additional administrative costs, and no other additional payment will be made by reason of performance of the extra work by a subcontractor.

EXHIBIT C

WORKERS' COMPENSATION INSURANCE CERTIFICATION

Pursuant to Section 18(b) of the Agreement, Contractor certifies as follows:

I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

Signed: _____ Date: _____

_____
(Typed or Printed Name)

Business Address (Street Address, City, State & Zip Code):

_____

_____

_____

Business Phone: ( ) _____

EXHIBIT D

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the **City of Turlock,** State of California, has awarded to **Dynamic Pavement, Inc.**, hereinafter designated as the "Principal," a contract for **Project No.25-017**, **"Speed Lumps at Berkeley Roundabouts";** and,

WHEREAS, said Principal is required under the terms of said contract to furnish a bond for the faithful performance of said contract.

NOW, THEREFORE, we the Principal, and _____ as Surety, are held and firmly bound unto the City of Turlock in the penal sum of _____ **($_____)**, lawful money of the United States for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, or assigns jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that if the above bounden Principal, or Principal's heirs, executors, administrators, successors, or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions, and agreements in said contract and any alteration thereof made as therein provided, on the Principal's part, to be kept and performed at the time and in the manner therein specified and in all respects according to their true intent and meaning; and shall defend, indemnify and save harmless the City of Turlock, its officers and agents as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and virtue.

And the Surety, for value received hereby stipulates and agrees that, in accordance with the Plans, Standard Specifications, Special Provisions, and other contract documents, no change, extension of time, alteration, or addition to the terms of the contract, or to the work to be performed hereunder, or to the specifications accompanying the same shall in anywise affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration of additions to the terms of the Contract to the work, or to the specifications.

The City of Turlock reserves the right to refuse use of any Contractor assigned by any surety to complete the work.

[*Signatures on Following Page*]

IN WITNESS WHEREOF, the above-bound parties have executed this instrument under their seals this _____ day of _____, 20__, the name and corporate seals of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

(Corporate Seal) **Principal** _____

By _____

Title _____

(Attach Notarial Acknowledgment)

(Corporate Seal) **Surety** _____

Address _____

Phone No.: ( )_____ Fax No.: ( ) _____

By _____
Attorneys-in-Fact

Title _____

(Attach Notarial Acknowledgment)

<u>NOTE TO SURETY COMPANY</u>: There must be submitted a certified copy of unrevoked resolution of authority for the attorneys-in-fact.

(Seal) **Witness** _____

Approved as to form:

_____
Risk Manager

EXHIBIT E

PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the **City of Turlock**, a municipal corporation, has awarded to **Dynamic Pavement, Inc.**, hereinafter designated as the "Principal", a contract for **Project No.25-017, "Speed Lumps at Berkeley Roundabouts"**; and

WHEREAS, said Principal is required to furnish a bond in connection with said contract, to secure payment of claims of laborers, mechanics, or materialmen employed on work under said contract, as provided by law.

NOW, THEREFORE, we the undersigned Principal and Surety are held and firmly bound unto the City of Turlock in the sum of _____ **($_____),** said sum being equal to the estimated amount payable by said City of Turlock under the terms of the contract, for which payment well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, or assigns jointly and severally, firmly by these presents.

THE CONDITIONS OF THIS OBLIGATION ARE SUCH that if said Principal, or Principal's heirs, executors, administrators, successors, or assigns, or subcontractors shall fail to pay for any material, provisions, provender, or other supplies, implements, or machinery used in, upon, for or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or for amounts due under the Unemployment Insurance Code with respect to such work or labor, or for any amounts required to be deducted, withheld, and paid over to the Franchise Tax Board from these wages of employees of the Contractor and Contractor's subcontractors pursuant to the Revenue and Taxation Code, with respect to such work and labor, the Surety or Sureties hereon will pay for the same in an amount not exceeding the sum specified in this bond, otherwise the above obligation shall be void. In case suit is brought upon this bond, said Surety will pay a reasonable attorney's fee to be fixed by the court.

This bond shall inure to the benefit of any and all persons, companies, and corporations entitled to file claims under Section 3138 of the Civil Code of the State of California so as to give a right of action to them or their assigns in any suit brought upon this bond.

Said Surety, for value received, hereby stipulates and agrees that, in accordance with the Plans, Standard Specifications, Special Provisions, and other Contract Documents, no change, extension of time, alteration or addition to the terms of the contract, or to the work to be performed there under, or to the specifications accompanying the same, shall in anywise affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract, or to the work, or to the specifications.

[*Signatures on Following Page*]

IN WITNESS WHEREOF, the above-bound parties have executed this instrument under their seals this _____ day of _____, 20__, the name and corporate seals of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

(Corporate Seal) **Principal** _____

By _____

Title _____

(Attach Notarial Acknowledgment)

(Corporate Seal) **Surety** _____

Address _____

Phone No.: ( )_____ Fax No.: ( ) _____

By _____
Attorneys-in-Fact

Title _____

(Attach Notarial Acknowledgment)

<u>NOTE TO SURETY COMPANY</u>: There must be submitted a certified copy of unrevoked resolution of authority for the attorneys-in-fact.

(Seal) **Witness** _____

Approved as to form:

_____
Risk Manager