

AGREEMENT FOR MUNICIPAL SERVICES

(City of Canyon Lake – Public Works Services)

This Agreement for Municipal Services (“Agreement”) is entered into for identification purposes as of March 24, 2026, by and between the City of Canyon Lake, a municipal corporation (“Canyon Lake”) and the City of Lake Elsinore, a municipal corporation (“Lake Elsinore”). Canyon Lake and Lake Elsinore are individually referred to herein as a “Party” and collectively as the “Parties”. In consideration of the mutual covenants and conditions set forth herein, the Parties agree as follows:

1. TERM

This Agreement shall commence on March 24, 2026 and shall, unless sooner terminated pursuant to the provisions of this Agreement, expire on June 30, 2028.

2. SERVICES

Lake Elsinore shall furnish and pay all properly skilled personnel, labor, necessary tools, expendable equipment, and all taxes, utility and transportation required to perform the services and related work as described in the Scope of Work (Exhibit “A”).

3. PERFORMANCE

a. Lake Elsinore represents that Lake Elsinore possesses the skill, experience, ability, background, certification and knowledge to perform the services and related work described in this Agreement on the terms and conditions set forth herein and Canyon Lake has relied upon that representation as a material inducement to enter into this Agreement. Lake Elsinore shall employ, at a minimum, generally accepted industry standards and practices utilized by persons engaged in providing same or similar services.

b. Time is of the essence in the performance of this Agreement. Lake Elsinore shall prosecute regularly and diligently the services and related work contemplated pursuant to this Agreement within the time periods established in the Scope of Work (Exhibit “A”).

4. PAYMENT

a. Canyon Lake agrees to pay Lake Elsinore in accordance with the fully burdened hourly rate for the assigned City employees performing the work as set forth in the Hourly Rate Schedule for fiscal year 2026-27 (Exhibit “B”), plus a 10% administrative charge. The Hourly Rate Schedule shall be updated each fiscal year during the Term.

b. Lake Elsinore shall not be compensated for any non-contemplated services rendered in connection with its performance of this Agreement unless such additional services are authorized in advance and in writing by Canyon Lake. Lake Elsinore shall only be compensated for any additional services in the amounts and in the manner as agreed to in writing by Canyon Lake and Lake Elsinore.

c. Lake Elsinore will submit invoices not less than monthly for actual service performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made

within thirty (30) days of receipt of each invoice as to all non-disputed fees. If Canyon Lake disputes any of Lake Elsinore's fees, it shall give written notice to Lake Elsinore within fifteen (15) days of receipt of an invoice of any disputed fees set forth on the invoice. Payment by Canyon Lake under this Agreement shall not be deemed a waiver of defects, even if such defects were known to Canyon Lake at the time of payment.

d. Lake Elsinore agrees to notify Canyon Lake of business status change and agrees to submit a new W-9 form within (3) business days. Lake Elsinore also agrees to notify Canyon Lake representative of changes to contract and billing address or phone number.

5. CONTRACT ADMINISTRATION

Canyon Lake's designated representative shall represent Canyon Lake in all matters pertaining to the administration of this Agreement, including review and acceptance of services and non-monetary changes in the Scope of Work (Exhibit "A"). The City Manager is authorized to act on Canyon Lake's behalf and to execute all necessary documents, including amendment(s) hereto, relating to (i) extensions of time, (ii) name changes, and/or (iii) suspension or termination of this Agreement. Notwithstanding the foregoing, the City Manager in his/her sole discretion may elect to present any proposed amendment, suspension or termination of this Agreement to the City Council for approval.

6. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

a. Canyon Lake may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portions hereof, by serving upon Lake Elsinore at least thirty (30) calendar days prior written notice. Upon receipt of said notice, Lake Elsinore shall immediately cease all work under this Agreement, unless the notice provides otherwise. If Canyon Lake suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

b. In the event this Agreement is terminated pursuant to this Section, Canyon Lake shall pay Lake Elsinore for services and related work performed up to the time of termination. Upon termination of this Agreement, Lake Elsinore shall submit a final invoice in accordance with Section 4.

7. DEFAULT OF LAKE ELSINORE

a. Lake Elsinore's failure to comply with the provisions of this Agreement shall constitute a default.

b. If Canyon Lake determines that Lake Elsinore is in default in the performance of any of the terms or conditions of this Agreement, there shall be cause to serve upon Lake Elsinore a written notice of default. Lake Elsinore shall have fifteen (15) calendar days after service of said notice in which to cure the default by rendering a satisfactory performance.

c. In the event that Lake Elsinore fails to cure its default within such period of time, Canyon Lake shall have no obligation or duty to compensate Lake Elsinore for any work performed after expiration of such cure period and shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

8. OWNERSHIP OF DOCUMENTS

a. Lake Elsinore shall maintain complete and accurate records with respect to costs, expenses, receipts, and other such information required by Canyon Lake that relate to the performance of services under this Agreement. Lake Elsinore shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Lake Elsinore shall provide free access to the representatives of Canyon Lake or its designees at reasonable times to such books and records; shall give Canyon Lake the right to examine and audit said books and records; shall permit Canyon Lake to make transcripts there from as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

b. Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared, with the exception of this Agreement, invoices, and payments, in the course of providing the services to be performed will remain the property of Lake Elsinore.

c. Canyon Lake shall have sole determination of the public's rights to documents under the Public Records Act (California Government Code Section 6250 *et seq.*), and any third-party requests made to Lake Elsinore shall be immediately referred to Canyon Lake, without any other actions by Lake Elsinore.

9. INDEMNIFICATION

Lake Elsinore shall indemnify, defend, and hold harmless Canyon Lake, its elected officials, officers, employees, agents, and volunteers from and against any and all losses, liability, claims, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life, or damage to property, or any violation of any federal, state, or municipal law or ordinance, to the extent caused by Lake Elsinore's negligent acts, errors, omissions, or willful misconduct in the performance of this Agreement.

Canyon Lake shall indemnify, defend, and hold harmless Lake Elsinore, its elected officials, officers, agents, employees and volunteers, from and against any and all losses, liability, claims, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life, or damage to property, or any violation of any federal, state, or municipal law or ordinance, to the extent caused by Canyon Lake's negligent acts, errors, omissions, or willful misconduct in the performance of this Agreement.

10. INSURANCE

Prior to the commencement of services and related work hereunder, Lake Elsinore shall provide certificates of insurance with original endorsements to Canyon Lake of the insurance coverage as specified in Exhibit "C," or evidence that Lake Elsinore is self-insured or participates in a joint powers authority for insurance purposes. Lake Elsinore shall maintain such insurance for the duration of this Agreement. By executing this Agreement, Lake Elsinore confirms that it has reviewed and approved the requirements of Exhibit "C".

11. INDEPENDENT CONTRACTOR AND NO JOINT VENTURES

a. Lake Elsinore is and shall at all times remain as to Canyon Lake a wholly independent contractor. The personnel performing the services under this Agreement on behalf of Lake Elsinore shall at all times be under Lake Elsinore's exclusive direction and control. Neither Canyon Lake nor any of its officers, employees, or agents shall have control over the conduct of Lake Elsinore or any of Lake Elsinore's officers, employees, or agents, except as set forth in this Agreement. Lake Elsinore shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of Canyon Lake. Lake Elsinore shall not incur or have the power to incur any debt, obligation, or liability whatsoever against Canyon Lake, or bind Canyon Lake in any manner.

b. No employee benefits shall be available to Lake Elsinore or its personnel in connection with the performance of this Agreement. Except for the fees paid to Lake Elsinore as provided in this Agreement, Canyon Lake shall not pay salaries, wages, or other compensation to Lake Elsinore for performing services hereunder. Canyon Lake shall not be liable for compensation or indemnification to Lake Elsinore for injury or sickness arising out of performing services hereunder.

c. It is agreed, nothing in this Agreement or in Lake Elsinore's performance of the services under this Agreement shall be construed as forming a partnership or joint venture between Canyon Lake and Lake Elsinore. Lake Elsinore and Canyon Lake shall be severally responsible for their own separate debts and obligations and neither Party shall be held responsible for any agreements, debts or obligations not expressly provided for herein.

12. PERS ELIGIBILITY INDEMNIFICATION.

Lake Elsinore's employees and personnel performing services pursuant to this Agreement are eligible participants in the City of Lake Elsinore's Public Employees Retirement System (PERS) retirement plan and are ineligible for enrollment in PERS as an employee of Canyon Lake. In the event that any employee, agent, or subcontractor of Lake Elsinore claims or is determined by PERS or a court of competent jurisdiction to be eligible for PERS enrollment as an employee of Canyon Lake, Lake Elsinore shall indemnify, defend, and hold harmless Canyon Lake for the payment of any employee and/or employer contributions for PERS benefits as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of Canyon Lake.

a. Notwithstanding any other federal, state and local laws, codes, ordinances and regulations to the contrary, Lake Elsinore and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by Canyon Lake.

13. LEGAL RESPONSIBILITIES

Lake Elsinore shall keep informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. Lake Elsinore shall at all times observe and comply with all such laws and regulations. Canyon Lake, and its officers and employees, shall not be liable at law or in equity occasioned by failure of Lake Elsinore to comply with this Section.

Agreement, no member, officer or employee of Canyon Lake, during the term of his or her service with Canyon Lake, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

19. EQUAL OPPORTUNITY EMPLOYMENT

Lake Elsinore represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

20. PREVAILING WAGES

Lake Elsinore is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. Lake Elsinore agrees to fully comply with all applicable federal and state labor laws (including, without limitation, if applicable, the Prevailing Wage Laws). It is agreed by the Parties that, in connection with the work or services provided pursuant to this Agreement, Lake Elsinore shall bear all risks of payment or non-payment of prevailing wages under California law, and Lake Elsinore hereby agrees to defend, indemnify, and hold Canyon Lake, and its officials, officers, employees, agents, and volunteers, free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. The foregoing indemnity shall survive termination of this Agreement.

21. ASSIGNMENT AND SUBCONTRACTING

The Parties recognize that a substantial inducement to Canyon Lake for entering into this Agreement is the reputation, experience and competence of Lake Elsinore. Lake Elsinore shall not subcontract or assign any portion of the services or related work to be performed under this Agreement without the express written authorization of Canyon Lake. If Canyon Lake consents to such subcontract or assignment, Lake Elsinore shall be fully responsible to Canyon Lake for all acts or omissions of those subcontractors or assignees. Nothing in this Agreement shall create any contractual relationship between Canyon Lake and any subcontractor or assignee nor shall it create any obligation on the part of Canyon Lake to pay any monies to any such subcontractor or assignee other than as otherwise is required by law.

22. MEDIATION

The Parties agree to make a good faith attempt to resolve any disputes arising out of this Agreement through mediation prior to commencing litigation. The Parties shall mutually agree upon the mediator and share the costs of mediation equally. If the Parties are unable to agree upon a mediator, the dispute shall be submitted to JAMS or its successor in interest. JAMS shall provide the Parties with the names of five qualified mediators. Each Party shall have the option to strike two of the five mediators selected by JAMS and thereafter the mediator remaining shall hear the dispute. If the dispute remains unresolved after mediation, either Party may commence litigation.

23. LITIGATION EXPENSES AND ATTORNEYS' FEES

If either Party to this Agreement commences any legal action against the other Party arising out of this Agreement, the prevailing party shall be entitled to recover its reasonable litigation expenses, including court costs, expert witness fees, discovery expenses, and attorneys' fees.

24. SEVERABILITY

If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

25. INCORPORATION OF EXHIBITS

The Parties agree that the Exhibits attached hereto are a part of this Agreement and are hereby incorporated by reference herein as though set forth in full. Notwithstanding the foregoing, to the extent that Exhibit "A" is a proposal from Lake Elsinore, such proposal is incorporated only for the description of the scope of work and the schedule of performance, as applicable, and no other terms or conditions set forth in such proposal shall be binding on Canyon Lake unless explicitly and separately agreed to herein.

26. ENTIRE AGREEMENT; AMENDMENT

This Agreement contains the entire understanding between the Parties relating to the obligations of the Parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each Party is entering into this Agreement based solely upon the representations set forth herein and upon each Party's own independent investigation of any and all facts such Party deems material. Any amendments to this Agreement must be in a writing of equal dignity.

27. AUTHORITY TO EXECUTE THIS AGREEMENT

a. Lake Elsinore has all requisite power and authority to conduct its business and to execute, deliver, and perform this Agreement. The person or persons executing this Agreement on behalf of Lake Elsinore warrants and represents that he/she has the authority to execute this Agreement on behalf of Lake Elsinore and has the authority to bind Lake Elsinore to the performance of its obligations hereunder.

b. This Agreement may be executed in counterparts. Facsimile and transmitted signatures indicating concurrence or electronic signatures shall be binding as original signatures.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year set forth below.

“LAKE ELSINORE”

“CANYON LAKE”

CITY OF LAKE ELSINORE, a municipal corporation

CITY OF CANYON LAKE, a municipal corporation

Jason Simpson, City Manager

Arron Brown, City Manager

Date: _____

Date: _____

ATTEST:

ATTEST:

City Clerk

City Clerk

APPROVED AS TO FORM:

APPROVED AS TO FORM:

City Attorney

City Attorney