

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

33129 Cole Grade Road
Pauma Valley, CA 92061
PHONE: (760) 742-1909 | FAX: (760) 742-1588

**REGULAR MEETING
SUPPLEMENTAL MATERIALS PACKET**

DATE: Monday, February 24th, 2025
TIME: 10:00 AM – **Open Session**
VENUE: Board Room, Pauma Valley Community Services District
33129 Cole Grade Road, Pauma Valley, CA 92061

Pauma Valley Community Services District Mission

“The mission of the Pauma Valley Community Services District is to protect the public health and environment of its community by providing effective wastewater management and stormwater drainage control, life safety assistance, security services, and exceptional customer care.”

PAUMA VALLEY COMMUNITY SERVICES DISTRICT
Minutes of a Special Meeting of the Board of Directors

Held on January 27th, 2025

Directors Present: Fred Nelson, Richard Collins, Michael Esparza, Zan Villanueva, and Lolo Levy
Also Present: Resident Son Do, Bill Collier, Jeff Morris of DPMC, General Manager Eric Steinlicht, and Office Manager Marissa Fehling

1. Call to Order: Special Meeting was called to order at 3:04 PM by Nelson.
2. Pledge of Allegiance: The Pledge of Allegiance was led by Collins.
3. Roll Call: Fehling verified that a quorum was present.
4. Public Comment Period:
Do inquired on whether the District still enforces noise ordinance matters and if it would be possible to send a notice to individuals responsible for excessive noise. Esparza explained the reasoning behind the removal of the noise ordinance but advised that such concerns may be brought to the General Manager, who can coordinate with Security to address the issue directly.

--CONSENT ITEMS--

Items 5-10 appearing on the consent Calendar may be voted on by single motion. Items shall be removed from the Consent Calendar if any member of the Board of Directors, or public, requests removal prior to a vote on a motion to approve the items. Such items removed will be considered separately for action by the Board.

5. Minutes of the Special Board Meeting on December 09th, 2024
6. Minutes of the Regular Board Meeting on November 25th, 2024
7. Review of Balance Sheet, Revenue and Expense Report
8. Accounts Receivable Report
9. PVCSD Security Report
10. Employee Benefits Summary Update

Esparza inquired about changes to the Employee Benefits Summary, and Steinlicht reported the changes.

Motion: Collins moved to approve consent items 5-10 as presented. The motion was seconded by Esparza and the motion was carried by the following roll call vote:

Result: Approved (Unanimous)

Moved by: Collins

Seconded by: Esparza

Ayes: Villanueva, Esparza, Nelson, Levy, Collins

--DISCUSSION ITEMS--

11. Board of Directors Onboarding Requirements Update –
Fehling provided the Board of Directors with an overview of the onboarding requirements. Steinlicht emphasized the importance of using the designated email accounts for official district business.
12. Board of Directors Roles and Functions –
Levy proposed defining specific roles and responsibilities for each Board member. Esparza requested that Steinlicht research policies for the Board of Directors to consider for implementation and present findings at a future meeting. Esparza also explained the benefits of utilizing Ad-Hoc Committees as a best practice in certain situations.
13. Board of Directors Communication Protocols –

Levy requested clarification on the rules and regulations governing Board of Directors' communication and inquired about the possibility of attending board meetings via Zoom. Esparza reviewed and explained the applicable rules and regulations.

14. Security Gate Malfunctions –
Levy suggested improvements for communicating gate malfunctions to the community. Do provided Steinlicht with contact information for a resident experienced in gate operations who may be able to assist with future repairs.
15. Cost-of-Service Analysis Update – Steinlicht provided an update and explained the purpose of the analysis.
16. Storm Drainage Update –
Steinlicht provided an update to the Board. Collier inquired about the drain located under the bridge, leading to a discussion on the ongoing drainage issue. Nelson requested that Steinlicht consult legal counsel to draft a letter regarding the matter. Levy asked about the ownership and maintenance responsibility of the 8th Fairway, which Steinlicht clarified.
17. Solar Project Update –
Steinlicht updated the Board on challenges encountered in initiating the project, noting a lack of response from SDG&E. Esparza requested that Steinlicht consult the County Supervisor regarding the potential purchase of equipment and report back. Esparza also provided the new Board members with historical context on how the project was initiated.
18. Supervisory Control Data Acquisition (SCADA) Overview and Update – Steinlicht provided an update.
19. Strategic Plan Update – Esparza provided information.

--ACTION ITEMS--

20. Cybersecurity Grants for Local and Tribal Governments (SL) Program Awarded to the District
The General Manager identified and pursued a unique grant opportunity that resulted in an official award letter granting the District Two Hundred and Forty-Four Thousand Dollars (\$244,000) to fund critical cybersecurity projects.

Staff Recommendation:

1. Authorize the General Manager to engage the Grant Writer to facilitate fund procurement
2. Discuss and take other action as appropriate.

Steinlicht presented details of the Cybersecurity grant awarded to the District. Nelson commended Steinlicht for his efforts. Esparza noted that a municipality such as the City of Riverside, with an operating budget of \$45 million, would have highly valued a grant of this nature. Steinlicht added that, to his knowledge, a grant of this magnitude has not been awarded to the District before.

Motion: Esparza moved to authorize the General Manager to engage the Grant Writer to facilitate fund procurement. The motion was seconded by Levy and the motion was carried by the following roll call vote:

Result: Approved (Unanimous)

Moved by: Esparza

Seconded by: Levy

Ayes: Villanueva, Esparza, Nelson, Levy, Collins

21. Cost-Effective Wastewater Treatment Plant Sludge Disposal Alternative
The Board of Directors will consider authorizing the General Manager to maintain the operational relationship with Casino Pauma for Sludge Disposal with the assistance of Water Quality Specialists.

Staff Recommendation:

1. Authorize the General Manager to maintain the waste hauling agreement with Casino Pauma.
2. Discuss and take other action as appropriate.

Motion: Esparza moved to authorize the General Manager to maintain the waste-hauling agreement with Casino Pauma. The motion was seconded by Collins and the motion was carried by the following roll call vote:

Result: Approved (Unanimous)

Moved by: Esparza

Seconded by: Collins

Ayes: Villanueva, Esparza, Nelson, Levy, Collins

22. Cybersecurity, Data Protection and Information Technology Staff Support Solution

The Board of Directors will consider authorizing the General Manager to approve a 3-year term proposal presented by VC3 to provide key Information Technology (IT) support services to staff. VC3 Will provide critical IT services that include Cyber Security, Data Protection, Staff Training, Network Monitoring, 24/7 IT Staff Support, and more.

Staff Recommendation:

1. Authorize the General Manager to execute VC3's three-year contract.
2. Discuss and take other action as appropriate.

Motion: Levy moved to authorize the General Manager to execute VC3's three-year contract. The motion was seconded by Villanueva and the motion was carried by the following roll call vote:

Result: Approved (Unanimous)

Moved by: Levy

Seconded by: Villaneuva

Ayes: Villanueva, Esparza, Nelson, Levy, Collins

23. Ad-Hoc Committee Formation for the Review of Policies Concerning District Security

The Board of Directors will consider forming and assigning two Board of Directors to an Ad-Hoc committee focused on reviewing Ordinance 55, RFIDs, as well as the overall policy regarding the Centralization of Pauma Valley District Security.

Staff Recommendation:

1. Approve the creation of an Ad-Hoc Committee and assign roles as needed.
2. Discuss and take other action as appropriate.

Motion: Esparza moved to approve the creation of an Ad-Hoc Committee and assign roles as needed. The motion was seconded by Collins and the motion was carried by the following roll call vote:

Result: Approved (Unanimous)

Moved by: Esparza

Seconded by: Collins

Ayes: Villanueva, Esparza, Nelson, Levy, Collins

24. Addition of New District Banking Signers

The Board of Directors will consider the approval and signing of Resolution 125, thereby authorizing the Board President and Board Treasurer as signers for both Cal Bank and Trust, and Five Star Bank.

Staff Recommendation:

1. Approve and sign Resolution 125.
2. Discuss and take other action as appropriate.

Motion: Esparza moved to approve and sign Resolution 125. The motion was seconded by Collins and the motion was carried by the following roll call vote:

Result: Approved (Unanimous)

Moved by: Esparza

Seconded by: Collins

Ayes: Villanueva, Esparza, Nelson, Levy, Collins

--CLOSED SESSION--

25. The Board of Directors Will Meet in a Closed Session to Discuss:

A. PUBLIC EMPLOYMENT PERFORMANCE EVALUATION

Title: General Manager

Authority: Government Code section 54957

B. PUBLIC EMPLOYEE APPOINTMENT

Title: General Manager

Authority: Government Code Section 54957

Conference with Labor Negotiator

District Representative: President Fred Nelson

Employee: General Manager

Authority: Government Code Section 54957.6

C. CONFERENCE WITH LEGAL COUNSEL

Existing Litigation

Pursuant to Government Code Section 54956.9(d)(1)

Rancho Pauma Mutual Water Company vs Pauma Valley Community Services District

(San Diego Superior Court Case No. 37-2023-00038164-CU-BC-NC)

D. CONFERENCE WITH LEGAL COUNSEL

Potential/Threatened/Anticipated Litigation

Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(b)

(Two (2) Matters)

The Board proceeded into closed session at 4:25 p.m.

26. Open Session

A. Reportable Actions –

Motion: Collins moved to release a statement from legal counsel regarding the District's authority to enforce Roadway Rules of the Road within the Pauma Valley Country Club Estates.

The motion was seconded by Esparza and the motion was carried by the following roll call vote:

Result: Approved (4-0)

Moved by: Collins

Seconded by: Esparza

Ayes: Villanueva, Esparza, Nelson, Collins

Abstentions: Levy

None of the other matters had reportable actions.

--INFORMATIONAL ITEMS--

27. General Manager's Report - Item was tabled.
28. Miscellaneous Items
- A. Requested items for future agendas (Directors and Staff Only)
 - a) Salary and Total Compensation Study
 - b) Critical Spare Part Inventory/Replacement Program and CMMS
 - c) LAFCO Service Area AnnexationEsparza requested to add an item for progress updates on the CSDA Transparency Certification.
 - B. Board Comments – The Board thanked staff for all their hard work.
 - C. Announcements – None
 - a) Cybersecurity Grant Awarded
 - D. Next Regular Meeting of the Board:
 - a) Monday, February 24th, 2025, at 10:00 AM
29. Adjournment
- There being no further business to come before the Board, the meeting adjourned at 6:02 p.m.

Marissa Fehling

Marissa Fehling, Recording Secretary

Pauma Valley Community Services District
Balance Sheet (Unaudited)
As of January 2025

1	ASSETS		
2	Cash/Investment		
3	Checking	\$	341,497
4	LAIF		654
5	Petty Cash		368
6	LAIF Fair Market Value		(8)
7	Total Cash/Investments		342,511
8	Accounts Receivable		
9	Dues Receivable		32,719
10	Accounts Receivable Other		2,207
11	Accounts Receivable		25
12	Total Accounts Receivable		34,951
13	Other Current Assets		
14	Due from RPMWC		23,681
15	Interest Receivable		198
16	Allowance Account		4,944
17	Prepaid Insurance		20,325
18	Prepaid Solar Rooftop Lease		22,250
19	Undeposited Funds		-
20	Total Other Current Assets		71,398
21	Fixed Assets, Net		2,468,130
22	Other Assets		
23	Investment in USLRGMA		(6,446)
24	Deferred Outflows - Pension		1,224,393
25	Total Other Assets		1,217,947
	TOTAL ASSETS	\$	4,134,937
26	LIABILITIES		
27	Current Liabilities		
28	Accounts Payable	\$	18,517
29	PERS Vacation Liability		-
30	Accrued Expenses		1,056
31	Accrued Payroll		29,710
32	Accrued Federal Payroll Taxes		2,198
33	Accrued State Payroll Taxes		3,818
34	Accrued Retirement		2,162
35	Payroll Liabilities		325
36	Direct Deposit Liabilities		(132)
37	Compensated Absences		23,106
38	Total Current Liabilities		80,760
39	Long Term Liabilities		
40	Net Pension		317,882
41	Deferred Inflows - Pensions		1,576,071
42	Total Long Term Liabilities		1,893,953
43	TOTAL LIABILITIES		1,974,713
44	Fund Balance		
45	Retained Earnings		2,121,476
46	Net Income		38,748
47	Total Fund Balance		2,160,224
	TOTAL LIABILITIES & FUND BALANCE	\$	4,134,937

Pauma Valley Community Services District
Statement of Revenues and Expenses (Unaudited)
For Period Ending January 31, 2025

	A	B	C	D	E
	January 2025 Month to Date Actuals	FY 25 YTD Actuals	FY 25 Adopted Budget	\$ Budget Variance	% Budget Variance
1 REVENUE					
2 Sewer Charges	\$ 47,484	\$ 321,668	\$ 565,198	\$ 243,530	57%
3 Security Patrol Charges	53,004	372,909	636,053	263,144	59%
4 Property Tax	24,538	88,578	136,774	48,196	65%
5 Interest	0	26	-	(26)	0%
6 RPMWC Lease	2,500	17,500	30,000	12,500	100%
7 Admin Services	100	647	-	(647)	0%
8 Other Revenue	643	12,466	8,520	(3,946)	146%
9 Security Gate Charge	42,983	300,878	515,790	214,913	58%
10 TOTAL REVENUE	171,252	1,114,671	1,892,335	777,664	70%
11 EXPENSE					
12 Salaries and Benefits					
13 Salaries	63,138	504,545	787,000	282,455	64%
14 Health Insurance	8,657	65,556	108,600	43,044	60%
15 Payroll Taxes	7,395	42,065	63,168	21,103	67%
16 PERS	4,953	38,945	69,200	30,255	56%
17 Uniforms	125	1,109	2,650	1,541	42%
18 Workers' Comp. Ins	2,183	13,098	23,220	10,122	56%
19 Total Salaries & Benefits	86,451	665,318	1,053,838	388,520	58%
20 Operations & Administrative Expenses					
21 Dwelling Live	782	5,590	8,900	3,310	63%
22 Electricity	5,244	39,021	59,570	20,549	66%
23 Liability Insurance	2,940	29,165	58,200	29,035	50%
24 Miscellaneous	15	2,829	3,500	671	81%
25 Telephones	851	5,054	15,200	10,146	33%
26 Postage	200	2,580	4,900	2,320	53%
27 Operator Contract Services	7,700	54,022	92,400	38,378	58%
28 Oak Tree Repair & Maint.	24	5,412	5,000	(412)	108%
29 Sewer line maintenance	330	20,042	35,000	14,958	57%
30 Sludge Removal	-	7,560	54,600	47,040	14%
31 SCADA Maintenance	475	475	-	(475)	0%
32 Plant Repairs & Maintenance - Other	2,457	24,503	20,000	(4,503)	123%
33 Building Repairs & Maintenance	781	7,370	20,000	12,630	37%
34 Airpark maintenance	-	450	1,000	550	45%
35 Gate Repairs & Maintenance	2,043	33,012	37,600	4,588	88%
36 Repairs & Maintenance - Other	-	-	-	-	0%
37 Office Supplies	2,481	20,444	27,100	6,656	75%
38 Utility Shop Supplies	106	1,291	1,000	(291)	129%
39 Security Supplies	233	2,291	1,280	(1,011)	179%
40 Gate Supplies	77	2,586	2,300	(286)	112%
41 Vehicles	846	9,533	16,400	6,867	58%
42 Drainage	-	7,794	12,000	4,206	65%
43 State Maint. Fee	-	32,150	31,000	(1,150)	104%
44 Water Tests & Analysis	310	3,917	12,400	8,483	32%
45 Fees	91	12,013	9,500	(2,513)	126%
46 Engineering	-	3,419	30,000	26,581	11%
47 Professional Services	590	10,746	44,500	33,754	24%
48 Pre-employment Gates	39	78	300	222	26%
49 Schools & Meetings	675	8,260	13,000	4,740	64%
50 Long Term Financial Plan	-	-	-	-	0%
51 Audit	-	11,200	10,500	(700)	107%
52 Accounting	3,373	11,880	54,000	42,120	22%
53 Legal	6,228	27,366	57,000	29,634	48%
54 SGMA Technical Study	-	387	-	(387)	0%
55 Guard Houses /Roadway Lease	-	2	2	-	100%
56 Contingency	1,166	8,164	25,000	16,836	33%
57 Total Operations & Admin Expenses	40,055	410,606	763,152	352,546	54%
58 TOTAL EXPENSE	126,506	1,075,924	1,816,990	741,066	59%
59 NET REVENUE / (EXPENSE) BEFORE CAPITAL	\$ 44,746	\$ 38,748	\$ 75,344	\$ 36,597	51%

Pauma Valley Community Services District
Vendor Check Payments Over 5k
January-2025

	Type	Date	Memo	Account	Amount
Hansford Economic Consulting LLC	Bill Pmt -Check	01/31/2025		105 · FS Checking	-5,722.50

PV COMMUNITY SERVICES DISTRICT

A/R Aging Summary

As of January 31, 2025

	<u>Current</u>	<u>1 - 60</u>	<u>61 - 120</u>	<u>121 - 180</u>	<u>> 180</u>	<u>TOTAL</u>
CSD-001	0.00	-3,132.92	0.00	0.00	0.00	-3,132.92
CSD-002	0.00	-661.74	-661.74	-661.74	-857.04	-2,842.26
CSD-003	0.00	-351.41	0.00	-351.00	-1,495.98	-2,198.39
CSD-004	0.00	0.00	0.00	-2,080.84	0.00	-2,080.84
CSD-005	0.00	-702.82	-351.41	-264.79	0.00	-1,319.02
CSD-006	0.00	-1,079.23	0.00	0.00	0.00	-1,079.23
CSD-007	0.00	-606.00	-303.56	0.00	0.00	-909.56
CSD-008	0.00	-705.60	0.00	0.00	0.00	-705.60
CSD-009	0.00	-702.82	-0.37	0.00	0.00	-703.19
CSD-010	0.00	-702.82	0.00	0.00	0.00	-702.82
CSD-011	0.00	-702.82	0.00	0.00	0.00	-702.82
CSD-012	0.00	-702.82	0.00	0.00	0.00	-702.82
CSD-013	0.00	-661.74	-10.26	0.00	0.00	-672.00
CSD-014	0.00	-648.29	0.00	0.00	0.00	-648.29
CSD-015	0.00	-534.04	0.00	0.00	0.00	-534.04
CSD-016	0.00	-523.33	0.00	0.00	0.00	-523.33
CSD-017	0.00	-513.18	0.00	0.00	0.00	-513.18
CSD-018	0.00	-481.06	0.00	0.00	0.00	-481.06
CSD-019	0.00	-460.66	0.00	0.00	0.00	-460.66
CSD-020	0.00	-402.95	0.00	0.00	0.00	-402.95
CSD-021	0.00	-369.74	0.00	0.00	0.00	-369.74
CSD-022	0.00	-363.41	0.00	0.00	0.00	-363.41
CSD-023	0.00	-353.56	0.00	0.00	0.00	-353.56
CSD-024	0.00	-351.44	0.00	0.00	0.00	-351.44
CSD-025	0.00	-351.41	0.00	0.00	0.00	-351.41
CSD-026	0.00	-351.41	0.00	0.00	0.00	-351.41
CSD-027	0.00	-351.41	0.00	0.00	0.00	-351.41
CSD-028	0.00	-351.41	0.00	0.00	0.00	-351.41
CSD-029	0.00	-351.41	0.00	0.00	0.00	-351.41
CSD-030	0.00	-351.41	0.00	0.00	0.00	-351.41
CSD-031	0.00	-351.41	0.00	0.00	0.00	-351.41
CSD-032	0.00	-351.41	0.00	0.00	0.00	-351.41
CSD-033	0.00	0.00	-351.41	0.00	0.00	-351.41
CSD-034	0.00	0.00	0.00	0.00	-350.00	-350.00
CSD-035	0.00	-334.10	0.00	0.00	0.00	-334.10
CSD-036	0.00	-330.87	0.00	0.00	0.00	-330.87
CSD-037	0.00	-330.87	0.00	0.00	0.00	-330.87
CSD-038	0.00	-241.00	-85.85	0.00	0.00	-326.85
CSD-039	0.00	-320.51	0.00	0.00	0.00	-320.51
CSD-040	0.00	-315.87	0.00	0.00	0.00	-315.87

	<u>Current</u>	<u>1 - 60</u>	<u>61 - 120</u>	<u>121 - 180</u>	<u>> 180</u>	<u>TOTAL</u>
CSD-041	0.00	-315.87	0.00	0.00	0.00	-315.87
CSD-042	0.00	0.00	-305.06	0.00	0.00	-305.06
CSD-043	0.00	-277.78	0.00	0.00	0.00	-277.78
CSD-044	0.00	-244.45	0.00	0.00	0.00	-244.45
CSD-045	0.00	-244.45	0.00	0.00	0.00	-244.45
CSD-046	0.00	-236.79	0.00	0.00	0.00	-236.79
CSD-047	0.00	-230.95	0.00	0.00	0.00	-230.95
CSD-048	0.00	-127.90	0.00	0.00	0.00	-127.90
CSD-049	0.00	0.00	-109.10	0.00	0.00	-109.10
CSD-050	0.00	-24.00	-24.00	0.00	0.00	-48.00
CSD-051	0.00	-20.00	0.00	0.00	0.00	-20.00
CSD-052	0.00	-12.39	0.00	0.00	0.00	-12.39
CSD-053	0.00	-9.46	0.00	0.00	0.00	-9.46
CSD-054	0.00	-7.09	0.00	0.00	0.00	-7.09
CSD-055	0.00	-1.00	0.00	0.00	0.00	-1.00
CSD-056	0.00	-0.03	0.00	0.00	0.00	-0.03
CSD-057	0.00	-0.02	0.00	0.00	0.00	-0.02
CSD-058	0.00	-0.02	0.00	0.00	0.00	-0.02
CSD-059	0.00	-0.01	0.00	0.00	0.00	-0.01
CSD-060	0.00	0.00	0.00	0.00	0.00	0.00
CSD-061	0.00	0.00	0.00	0.00	0.00	0.00
CSD-062	0.00	0.00	0.00	0.00	0.00	0.00
CSD-063	0.00	0.00	0.00	0.00	0.00	0.00
CSD-064	0.00	0.01	0.00	0.00	0.00	0.01
CSD-065	0.00	0.02	0.00	0.00	0.00	0.02
CSD-066	0.00	0.20	0.00	0.00	0.00	0.20
CSD-067	0.00	0.30	0.00	0.00	0.00	0.30
CSD-068	0.00	0.41	0.00	0.00	0.00	0.41
CSD-069	0.00	0.41	0.00	0.00	0.00	0.41
CSD-070	0.00	0.41	0.00	0.00	0.00	0.41
CSD-071	0.00	0.54	0.00	0.00	0.00	0.54
CSD-072	0.00	0.82	0.00	0.00	0.00	0.82
CSD-073	0.00	9.90	0.00	0.00	0.00	9.90
CSD-074	0.00	11.87	0.00	0.00	0.00	11.87
CSD-075	0.00	0.00	0.00	0.00	11.87	11.87
CSD-076	0.00	15.00	0.00	0.00	0.00	15.00
CSD-077	0.00	20.39	-0.03	0.00	0.00	20.36
CSD-078	0.00	20.54	0.00	0.00	0.00	20.54
CSD-079	0.00	25.33	1.45	1.32	0.00	28.10
CSD-080	0.00	35.54	0.00	0.00	0.00	35.54
CSD-081	0.00	36.41	0.00	0.00	0.00	36.41
CSD-082	0.00	0.00	0.00	38.66	0.00	38.66
CSD-083	0.00	49.77	0.00	0.00	0.00	49.77

	<u>Current</u>	<u>1 - 60</u>	<u>61 - 120</u>	<u>121 - 180</u>	<u>> 180</u>	<u>TOTAL</u>
CSD-084	25.00	34.75	0.00	0.00	0.00	59.75
CSD-085	0.00	61.61	0.00	0.00	0.00	61.61
CSD-086	0.00	79.97	0.00	0.00	0.00	79.97
CSD-087	0.00	93.31	0.00	0.00	0.00	93.31
CSD-088	0.00	104.60	0.00	0.00	0.00	104.60
CSD-089	0.00	112.92	0.00	0.00	0.00	112.92
CSD-090	0.00	180.73	0.00	0.00	0.00	180.73
CSD-091	0.00	197.97	0.00	0.00	0.00	197.97
CSD-092	0.00	29.98	25.86	25.73	120.84	202.41
CSD-093	0.00	30.01	25.87	25.74	122.84	204.46
CSD-094	0.00	236.79	0.00	0.00	0.00	236.79
CSD-095	0.00	236.79	0.00	0.00	0.00	236.79
CSD-096	0.00	236.79	0.00	0.00	0.00	236.79
CSD-097	0.00	236.79	0.00	0.00	0.00	236.79
CSD-098	0.00	240.15	0.00	0.00	0.00	240.15
CSD-099	0.00	241.88	0.00	0.00	0.00	241.88
CSD-100	0.00	259.66	0.00	0.00	0.00	259.66
CSD-101	0.00	351.41	-20.54	0.00	0.00	330.87
CSD-102	0.00	330.87	0.00	0.00	0.00	330.87
CSD-103	0.00	330.87	0.00	0.00	0.00	330.87
CSD-104	0.00	348.14	0.00	0.00	0.00	348.14
CSD-105	0.00	348.27	0.00	0.00	0.00	348.27
CSD-106	0.00	350.82	0.00	0.00	0.00	350.82
CSD-107	0.00	351.41	0.00	0.00	0.00	351.41
CSD-108	0.00	351.41	0.00	0.00	0.00	351.41
CSD-109	0.00	351.41	0.00	0.00	0.00	351.41
CSD-110	0.00	351.41	0.00	0.00	0.00	351.41
CSD-111	0.00	351.41	0.00	0.00	0.00	351.41
CSD-112	0.00	351.41	0.00	0.00	0.00	351.41
CSD-113	0.00	351.41	0.00	0.00	0.00	351.41
CSD-114	0.00	351.41	0.00	0.00	0.00	351.41
CSD-115	0.00	351.41	0.00	0.00	0.00	351.41
CSD-116	0.00	351.41	0.00	0.00	0.00	351.41
CSD-117	0.00	351.41	0.00	0.00	0.00	351.41
CSD-118	0.00	351.41	0.00	0.00	0.00	351.41
CSD-119	0.00	351.41	0.00	0.00	0.00	351.41
CSD-120	0.00	352.19	0.00	0.00	0.00	352.19
CSD-121	0.00	362.17	0.00	0.00	0.00	362.17
CSD-122	0.00	376.02	0.00	0.00	0.00	376.02
CSD-123	0.00	351.41	25.00	0.00	0.00	376.41
CSD-124	0.00	330.87	0.00	25.00	25.00	380.87
CSD-125	0.00	390.07	0.00	0.00	0.00	390.07
CSD-126	0.00	391.90	0.00	0.00	0.00	391.90

	<u>Current</u>	<u>1 - 60</u>	<u>61 - 120</u>	<u>121 - 180</u>	<u>> 180</u>	<u>TOTAL</u>
CSD-127	0.00	392.49	0.00	0.00	0.00	392.49
CSD-128	0.00	400.49	0.00	0.00	0.00	400.49
CSD-129	0.00	513.90	0.00	0.00	0.00	513.90
CSD-130	0.00	488.90	0.00	50.00	0.00	538.90
CSD-131	0.00	553.64	138.19	0.00	0.00	691.83
CSD-132	0.00	702.82	0.00	0.00	0.00	702.82
CSD-133	0.00	741.48	0.00	0.00	0.00	741.48
CSD-134	0.00	741.48	0.00	0.00	0.00	741.48
CSD-135	0.00	390.07	351.41	0.00	0.00	741.48
CSD-136	0.00	741.49	2.00	0.00	0.00	743.49
CSD-137	0.00	741.98	100.00	0.00	0.00	841.98
CSD-138	0.00	558.73	500.94	26.05	0.00	1,085.72
CSD-139	0.00	782.09	351.41	0.00	0.00	1,133.50
CSD-140	0.00	782.09	351.41	0.00	0.00	1,133.50
CSD-141	0.00	782.49	392.02	0.00	0.00	1,174.51
CSD-142	0.00	0.00	0.00	0.00	1,364.32	1,364.32
CSD-143	0.00	559.93	500.94	499.63	0.00	1,560.50
CSD-144	0.00	1,582.20	0.00	0.00	0.00	1,582.20
CSD-145	0.00	829.19	743.43	38.66	0.00	1,611.28
CSD-146	0.00	828.78	741.48	351.41	0.00	1,921.67
CSD-147	0.00	830.75	743.32	369.42	0.00	1,943.49
CSD-148	0.00	829.45	741.95	446.50	0.00	2,017.90
CSD-149	0.00	564.17	502.73	586.16	508.67	2,161.73
CSD-150	0.00	568.05	504.49	588.20	695.44	2,356.18
CSD-151	0.00	831.87	745.86	838.09	72.89	2,488.71
CSD-152	0.00	329.30	281.58	355.94	1,590.92	2,557.74
CSD-153	0.00	833.09	745.49	785.78	369.42	2,733.78
CSD-154	0.00	1,965.45	1,625.93	0.00	0.00	3,591.38
CSD-155	0.00	600.04	513.27	603.52	2,880.55	4,597.38
CSD-156	0.00	887.31	760.60	867.08	4,072.96	6,587.95
TOTAL	<u>25.00</u>	<u>11,228.52</u>	<u>9,193.30</u>	<u>3,164.52</u>	<u>9,132.70</u>	<u>32,744.04</u>

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

SECURITY REPORT

January 11 2025 – February 10 2025

Pauma Valley CSD Security Department Personnel		
Name	Call Sign	Billet
Officer Todd Albert	1L2	Patrolman / Security Supervisor
Officer German Colin	1L5	Patrolman
Officer Dale Easter	1L6	Patrolman
Officer Luis Orozco	1L4	Patrolman
Eduardo Aguilar	1L7	Patrolman
Matthew Carson	C1	Gate Attendant Supervisor
Zachary Meyer	C1	Gate Attendant
Lucas McElvain	C1	Gate Attendant
Bradley Megginson	C1	Gate Attendant
David Cortez	C1	Gate Attendant

Vehicle Maintenance Report

- Tesla 01 (84,507) - Did not pass visual inspection.
- Tesla 02 (90,736) - Did not pass visual inspection.

Tesla 01 has scuffs on the bottom right corner of the front bumper. The driver’s seat cover is ripped, wrap has sun damage. The B pillar clips are broken, and the cabin air filter needs to be replaced. The steering wheel cover is ripped. The driver-side window tint is peeling off. The rear passenger headliner is ripped.

Tesla 02 has the driver seat cover ripped, and both driver and passenger seat trims are broken. The cabin air filter needs to be replaced. There is sun damage on the wrap. There is a dent on the front passenger side skirt and the front passenger bumper is broken. The armrest cover elastic bands are ripped off.

German Colin, Vehicle Maintenance Officer

Gate Security Report

Our new returning gate attendant, Gerardo Gonzalez, has completed re-training and is now working overnight on the "A" shift at the gates, Monday through Thursday. Gerardo previously worked both the gates and on patrol. Our other new gate guard, David Cortes, has transitioned to a modified part-time schedule and is now working overnight at the gates from Friday through Sunday.

Currently, there have been no issues with the non-regulation service worker hours/days for admittance, as per Ordinance 55.

Matthew Carson, Gate Supervisor

ACTIVITY LOG

January 11th, 2025 at 1813 – Unsecured Door. Officer Easter found hangar 13 unsecured. Contact to be notified.

January 13th, 2025 at 1030 – Resident Complaint. A resident reported a gold Honda van that parks on the street on Luiseno Circle Dr daily. She requested that the patrol speak to the owner regarding the issue. The vehicle belongs to a permanent guest with an up-to-date parking pass. Officer Orozco informed the PVCSD Officer regarding the issue.

January 13th, 2025 at 1150 – Gate Crasher. Officer Orozco was dispatched to the front gate for a gate crasher. A resident came in contact with the barrier arm. The barrier arm was put back into working position. The vehicle was documented and reported to PVCSD.

January 13th, 2025 at 1413 – Fire report. Officer Orozco was dispatched to a report of a possible fire. Upon arrival, Cal Fire determined there was no active fire. A pipe had overheated, causing a small burst of flame. The issue was caused by a pond system running without water. The property owner was notified, and Cal Fire shut off the breaker for safety.

January 13th, 2025 at 1704 – Traffic Collision. Officer Aguilar responded to a traffic collision involving a gray Nissan SUV. The vehicle steered off the road and collided with a stationary object. Cal Fire and Medics were on the scene. No one was transported, and CHP remained with the vehicle owner for further assistance.

January 15th, 2025 at 1415 – Other. The Security Supervisor spoke with a resident regarding a previous incident at the front gate involving a tenet driving dangerously through the gate. The Security Supervisor expressed that this behavior will not be tolerated to gain access inside the community. The matter was acknowledged, and the resident will inform her tenant.

January 15th, 2025 at 1939 – Process Server. Officer Orozco was dispatched to Womsi Rd for a process server. The Officer escorted the server to the address. The server made contact with the resident. The server was successfully escorted out of the community.

January 16th, 2025 at 1149 – Loose Dog. A resident reported a loose dog on EL Tae Rd. Officer Easter arrived on the scene, ULT.

January 16th, 2025 at 1213 – Loose Dog. Officer Easter found the owner of the loose dog. The dog was retrieved.

January 16th, 2025 at 1804 – Loose Dog. Officer Meyer found a Golden Retriever on Wiskon Way East. Contact was notified.

January 16th, 2025 at 1812 – Jump-Start. Officer Meyer was dispatched to PVD for a jump-start. The resident's vehicle died on the street and needed assistance. The vehicle was unable to start, and a tow truck will be in route to pick up the vehicle.

January 16th, 2025 at 2146 – Resident Concern. Officer Meyer was dispatched to El Tae Rd. A resident reported that her elderly mother was lost, and she was unable to locate her. The officer patrolled the streets and was reported to be found inside her house in the back room lying down.

January 17th, 2025 at 0346 – Lift Assist. Officer Colin was dispatched to El Tae Rd for a lift assist. The resident, who had fallen, did not require medical assistance and requested help to be lifted back onto her bed. No injuries were sustained during this reporting period.

January 17th, 2025 at 1705 – Medical. Officer Easter was dispatched to a medical call on El Tae Rd. Upon arrival, contact was made with the patient's daughter, who stated her mother was in the back room lying on the bed, experiencing chest pain and numbness in her legs. Cal Fire and Medics arrived on the scene, assessed the patient, and transported her to Palomar Hospital.

January 18th, 2025 at 0432 – North Coast Church. A broken-down black GMC Yukon was reported. The owners of the vehicle will be back later in the day to pick up the vehicle.

January 18th 2025 at 0954 – North Coast Church. A black GMC Yukon reported broken down parked in the parking lot.

January 18th, 2025 at 1706 – Resident Concern. A resident reported seeing a woman, possibly homeless, walking down PVD. Officer Easter responded to the area but was unable to locate or make contact with the individual.

January 19th, 2025 at 0422 – Serratos 459A. Officer Colin was dispatched to Serratos Auto in response to a 459A. The owner reported the alarm going off. Upon arrival, Officer Colin found no signs of forced entry, and all doors were secured. It was determined that the alarm was set off accidentally. The Sheriff's deputies arrived on the scene and then left.

January 19th, 2025 at 0715 – Resident Concern. A resident reported seeing smoke coming from a house. Officer Colin responded and made contact with the homeowner, who stated the smoke was coming from the pool heater. No further action was required.

January 19th, 2025 at 1304 – Fire Alarm. Officer Orozco was dispatched to Kupa Dr in response to a fire alarm. Upon arrival, the resident requested patrol to conduct an interior inspection. The officer entered the residence and found no signs of fire or smoke. The alarm was disarmed, and no further action was required.

January 20th, 2025 at 2310 – Suspicious Activity. A mechanic working on a resident's car reported that the owner of the house where he was working appeared to be under the influence and drove into his front yard, damaging his fence. Officer Aguilar responded to the scene but was unable to locate the homeowner.

January 22nd, 2025 at 1722 – Snake Call. Officer Easter and Officer Orozco were dispatched to Oak Tree for a snake call. Both officers arrived at the scene. The snake was relocated.

January 23rd, 2025 at 1259 – Saint Francis 459A. Officer Easter was dispatched to Saint Francis in response to an alarm activation. Upon arrival, it was determined that the cleaning crew had accidentally set off the alarm. No further action was required.

January 23rd, 2025 at 2022 – North Coast Church 11.53. Officer Meyer found the storage room and electrical room unsecured. The officer cleared and secured both buildings. Contact to be notified in the morning.

January 24th, 2025 at 2004 – North Coast Church 11.53. Officer Meyer found the double doors unsecured. The officer cleared and secured the building. Contact to be notified in the morning.

January 25th, 2024 at 1430 – Other. Officer Easter was dispatched to W.W.W. for a water leak. A resident reported their neighbor's irrigation line broke. Officer Easter arrived at the scene confirmed a sprinkler line was broken and informed the resident to contact their landscaper to shut off the water.

January 26th, 2025 at 0556 – Suspicious Activity. Officer Aguilar was dispatched to Temet Dr regarding a report of a loud, high-pitched noise in the distance. Upon arrival, the officer located a smoke alarm sounding outside. The officer turned off the alarm and conducted a visual inspection of the area. No signs of smoke or any unusual odor were detected. The scene was deemed secure. And no further action was required.

January 26th, 2025 at 1052 – Process Server. Officer Orozco was dispatched to PVD for a process server. The Officer escorted the server to the address. The server made contact with the resident. The server was successfully escorted out of the community.

January 27th, 2025 at 1928 – Welfare Check. Officer Aguilar was dispatched to Luiseno Circle Dr for a welfare check requested by the daughter, who was concerned about her mother's well-being after being unable to reach her by phone. Upon arrival, the officer was permitted to enter the residence. The officer

located the mother asleep in bed and was instructed to wake her to assess responsiveness. The mother was alert and responsive. She was advised to contact her daughter. No further action was necessary.

January 27th, 2025 at 1952 – Medical. Officer Aguilar was dispatched to PVCC for a medical emergency. Upon arrival, the officer made contact with an individual experiencing a seizure. Cal Fire and Medics arrived on the scene. The individual was assessed and transported.

January 28th, 2025 at 1100 – Pauma Building. The new Zumba building requested for Security contact number for future incidents with their clients.

January 28th, 2025 at 1259 – Pauma School Request. The school requested that a patrolman attend the career day they are hosting on February 28th. The officer will inform the Security Supervisor.

January 29th, 2025 at 0210 – Medical. Officer Albert was dispatched to Sukat for a medical. A resident reported he had fallen and sustained a leg injury. Medics arrived at the scene. One was transported.

January 29th, 2025 at 1210 – Suspicious Activity. A resident reported witnessing an unknown individual take an item from a property. Upon investigation, it was determined that the property owner had arranged for someone to pick up the item but had forgotten to notify the front gate. The Security Supervisor addressed the situation with the gate attendant, reinforcing the procedure of verifying identification and contacting the property owner for future incidents.

January 29th, 2025 at 1413 – Medical. Officer Aguilar was dispatched to Sukat Ct for a medical. A neighbor reported that a resident had fallen inside the home, and the doors were locked. Upon arrival, Cal Fire and medics were on the scene. First responders located an unsecured bathroom window and gained entry into the residence. The individual was assessed and transported for further medical care.

January 30th, 2025 at 2045 – North Coast Church 1153. Officer Orozco found several packages behind the church. The officer informed Control 1 to make contact with the owners of the package.

January 30th, 2025 at 0037 – Pauma Building 11.53. Officer Orozco found building 200 unsecured. The officer cleared and secured the building. Contact to be notified in the morning.

January 30th, 2025 at 1230 – Gun Shots. A resident reported hearing possible gunshots in the area. Officer Albert was dispatched and conducted a thorough patrol of the area. No signs of gunfire, shell casings, or suspicious activity were found. The area remained clear.

January 30th, 2025 at 1355 – Report. A landscaper reported hearing an explosion on Nate Harrison Rd. Old dynamite was found on Nate Harrison Road.

January 30th, 2025 at 1455 – Escort. Officer Albert escorted the Pala Tribal Council member to a location inside PVCCE to check out a property for erosion. The councilman was successfully escorted out of the property.

January 31st, 2025 at 0920 – Jump Start. Officer Aguilar was requested for a jump-start on Paauwe Dr. The jump-start was successful.

January 31st, 2025 at 1502 – Resident Concern. Officer Aguilar was dispatched to PVD, a resident reported someone hit their concrete blocks in front of their yard. The officer took pictures and documented the incident.

February 1st, 2025 at 0025 – North Coast Church 11.53. Officer Colin found a blue Kia Optima parked in the unoccupied lot. The vehicle description was documented and reported to Control 1.

February 2nd, 2025 at 0048 – Pauma Building 11.53. Officer Colin found building 300 unsecured. The officer cleared and secured the building. Contact to be notified in the morning.

February 3rd, 2025 at 0343 – Medical. Officer Colin was dispatched to Cahuka Ct for a medical. The resident reported experiencing sharp pains while sleeping. Medics arrived on the scene, assessed the situation, and determined that no transport was necessary. No further action was required.

February 6th, 2025 at 0703 – Process Server. Officer Albert was dispatched to Paauwe Dr for a process server. The Officer escorted the server to the address. The server made contact with the resident. The server was successfully escorted out of the community.

February 6th, 2025 at 2133 – Pauma School 11.53. Officer Meyer found both the cafeteria and bathrooms near the primary building unsecured. The officer cleared both buildings but was unable to secure them. Contact to be notified in the morning.

February 7th, 2025 at 0400 – Pauma Building 11.53. Officer Colin found a white Dodge Ram parked in the unoccupied lot. The vehicle description was documented and reported to Control 1.

February 7th, 2025 at 2126 - Pauma School 11.53. Officer Meyer found both the cafeteria and bathrooms near the primary building unsecured. The officer cleared both buildings but was unable to secure them. Contact to be notified in the morning.

February 8th, 2025 at 0950 – Loose Dog. Officer Easter was dispatched to the front gate for a loose dog. The dog was returned to the owner on PVD.

February 9th, 2025 at 0417 – Resident Concern. A resident reported a white truck driving near her property on Luiseno Circle Dr and requested patrol. Officer Colin responded and conducted a check of the property but did not observe any suspicious activity or individuals. No further action was required.

February 9th, 2025 at 0447 – Pauma Village. Officer Colin found the freezer unlocked. The officer secured the freezer and contacted to be notified.

February 9th, 2025 at 1240 – Gate Malfunction. Officer Orozco found the back gate barrier arm in the upright position. The barrier arm malfunctioned, and the Security Supervisor was notified.

February 9th, 2025 at 1346 – Snake Call. Officer Orozco was dispatched to Tukwut for a snake call. The officer removed the snake.

February 10th, 2025 at 1251 – Resident Complaint. Officer Orozco was dispatched to Luiseno Circle Dr in response to a resident’s complaint regarding their neighbor. Upon arrival, the officer attempted to gather details about the complaint; however, the nature of the situation was unclear. The officer made contact with a tenant at the residence in question, who stated that the homeowner was not present at the time. No further action was taken.

February 10th, 2025 at 1704 – Resident Complaint. A resident reported that plants were being thrown near a gate off Highway 76. An officer responded to the location and conducted a search of the area but was unable to locate any plants or signs of debris.

PVCSD SECURITY REPORT January 11, 2025 – February 10, 2025

RFID Entries						
Front Gate		Center Gate			Back Gate	
11,016		1,058			13,719	
Dispatch By Location						
Inside PVCCE	Oak Tree	School	Business Dist.	St. Francis	PVCC	Hwy 76
242			4	1	1	4
Highlights by Shift Periods						
A: 2200-0600		B: 0600-1400			C: 1400-2200	
11		16			22	

PVCSD Patrol – Building Checks				
Location	Unsecured Door	Fire Alarm	Burglary Alarm	Officer Check
			459A	1153
Country Club(CC)				
Greens Maintenance(GM)				
Community Church(CO)	3			63
Gravel Yard(GY)				79
Saint Francis(SF)			1	83
Pauma School(PS)	2			33
Pauma Building(PB)	2			46
Airport Hangars(AH)				52
Treatment Plant(TP)				62
Pauma Village(PV)	1			49
Residential Houses/Other		1	1	14

PVCSD SECURITY REPORT January 11, 2025 – February 10, 2025

Patrol Activity				Gate Activity	
Medicals	6	Resident Concern	6	Activity/Malfunctions	Totals
Welfare Checks	1	Suspicious Activity	3	Unresponsive	0
Lift Assist	1	Noise Complaint		Will Not Close	Multiple Back gate
Domestic Dispute		Process Server	3	False Read	0
Traffic Collisions	1	911 Hang-up Call		Loss of Controls	Continuous
Gate Runner/ Gate Crashers	1	Loose Pets	4	Video Loss	1, Continuous
Public Assists		Snake Call	3	Device Entries	25,793
Jump Start	2	Trespassing		Passes Issued	2,572
Notice of Violation		Other	8	Pass Entries	5,131

Acronym Legend			
Acronym	Definition	Acronym	Description
459	Burglary penal code	AFA	Asian Female Adult
AMA	Against Medical Advise	AMA	Asian Male Adult
BOLO	Be on the Lookout	AFJ	Asian Female Juvenile
CHP	California Highway Patrol	AMJ	Asian Male Juvenile
DOB	Date of Birth	BFA	Black Female Adult
DL	Driver License	BMA	Black Male Adult
DV	Domestic Violence	BFJ	Black Female Juvenile
EB	East Bound	BMJ	Black Male Juvenile
FU	Follow Up	HFA	Hispanic Female Adult
IVO	In Vicinity Of	HMA	Hispanic Male Adult
LP	License Plate	HFJ	Hispanic Female Juvenile
LCD	Luiseno Circle Drive	HMJ	Hispanic Male Juvenile
NB	North Bound	MFA	Mexican Female Adult
NLT	No Later Than	MMA	Mexican Male Adult
PERT	Psychiatric Emergency Response Team	MFJ	Mexican Female Juvenile
PT	Patient	MMJ	Mexican Male Juvenile
PVD	Pauma Valley Drive	NAFA	Native American Female Adult
PVRA	Pauma Valley Roadway Association	NAMA	Native American Male Adult
ROTR	Rules of the Road	NAFJ	Native American Female Juvenile
RP	Reporting Party	NAMJ	Native American Male Juvenile
SB	South Bound	WFA	White Female Adult
S/O	Sheriff's Office	WMA	White Male Adult
SR 76	State Route 76/ Highway 76	WFJ	White Female Juvenile

TC	Traffic Collision	WMJ	White Male Juvenile
UTL	Unable to Locate		
WB	West Bound		
WWE	Wiskon Way East		
WWW	Wiskon Way West		
YOA	Years of Age		
Unresponsive	the gate does not open for an RFID		
Will Not Close	the gate does not close when it is supposed to		
False Signal	the alarm goes off in the Front Gate for no discernable reason		
Loss of Controls	gate attendant cannot open the gates remotely		
Video Loss	occurs when the gate attendant cannot see the feeds from the Center or Back Gates		



VC3 Manage + Shield + Backups Order

Pauma Valley Community Services District

33129 Cole Grade Road
 Pauma Valley, California 92061-9518
 United States

VC3

1301 Gervais St.
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 Columbia, SC 29201
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 7607421909

Prepared by: Shantae' Hansen

Senior Account Executive
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Products & Services

PRODUCTS & SERVICES	QUANTITY	UNIT PRICE	PRICE
VC3 Manage - Full User 24x7x365 Remote & Onsite Support: Users, Servers, Network Foundational Protection Components: EDR Including 24x7x365 SOC, M365 Protection & Backups Proactive Monitoring, Maintenance & Patching: Workstations, Servers, Network Strategic IT Planning: Alignment with IT Best Practices, IT Budgeting, Technology Roadmap M365 License Management Vendor Co-Ordination Hardware, Software, Domain and License Procurement / Renewals	4	\$150.00 / month	\$585.00 / month after 2.5% discount for 3 years

PRODUCTS & SERVICES	QUANTITY	UNIT PRICE	PRICE
VC3 Manage - Shared User 24x7x365 Remote & Onsite Support: Users using a shared workstation. Foundational Protection Components: EDR Including 24x7x365 SOC, M365 Protection & Backups Proactive Monitoring, Maintenance & Patching: Shared Workstations.	9	\$50.00 / month	\$438.75 / month after 2.5% discount for 3 years
VC3 Manage - Email Only User Support for email only users includes troubleshooting send/ receive issues and access issue to email platform. M365 & Email Protection & Backups Included	5	\$25.00 / month	\$121.87 / month after 2.5% discount for 3 years
Protect Shield (Add On) Cyber Aware Complete - Cyber Security Training & Simulated Phishing Tests Dark Web Credential Monitoring Web Protection & Content Filtering Email Protection & Spam Filtering VC3 Security Team	13	\$21.99 / month	\$220.87 / month after \$65.00 discount for 3 years
Protect Shield M365 Only User Cyber Aware Complete - Cyber Security Training & Simulated Phishing Tests Dark Web Credential Monitoring Email Protection & Spam Filtering M365 Monitoring & Protection VC3 Security Team	5	\$10.50 / month	\$40.00 / month after \$12.50 discount for 3 years
Protect Shield Email Protect Archiving Upgrade Email Archiving for up to 10 years.	18	\$2.00 / month	\$36.00 / month for 3 years
Data Recovery - Workstation Backups	1	\$19.00 / month	\$19.00 / month for 3 years
Data Recovery - Cloud Storage (Per GB)	3,000	\$0.05 / month	\$150.00 / month for 3 years

PRODUCTS & SERVICES	QUANTITY	UNIT PRICE	PRICE
HaaS Firewall HaaS Firewalls - Meraki MX67 at Main Office, Meraki MX68W at Gate Guard shack. Includes installation and Replacement Costs	1	\$231.15	\$231.15 for 3 years
HaaS Switch HaaS Switch - Meraki MS130-8P at Main Office Includes installation and Replacement costs	1	\$100.53 / month	\$100.53 / month for 3 years
HaaS WAP HaaS Wireless Access Point - Meraki MR44- HW at Main Office Includes installation and Replacement costs	2	\$86.84 / month	\$173.68 / month for 3 years
M365 Business Basic NCE Annual Subscription	17	\$6.00 / month	\$102.00 / month for 1 year
M365 Business Premium NCE Annual Subscription	3	\$22.00 / month	\$66.00 / month for 1 year
CSDA Member Benefit Cyber Aware Complete - Cyber Security Awareness Training and Simulated Phishing Attacks Dark Web Protect - Dark Web Credential Monitoring Self Service Password Reset	1	\$5.00 / month	\$0.00 / month after 100% discount for 3 years
VC3 Managed Services Onboarding	1	\$1,718.37	\$1,718.37
SUMMARY			
Monthly subtotal			\$2,053.70 after \$111.88 discount
One-time subtotal			\$1,949.52

Comments

Prices shown above are valid for 30 days from date of Order.

This work order is provided with the following assumptions:

- SCADA support will be provided through a separate provider.

This Order is entered into as of October 22, 2024 between VC3 Inc., a Delaware corporation ("Company") and Pauma Valley Community Services District ("Client")

Order Governed by the Master Agreement

This Order is subject to and governed by Company's Master Agreement in effect on the date this Order is entered into between Company and Client. The Master Agreement is available at <https://www.vc3.com/terms-of-service/> and is incorporated in full into and made a part of this Order by this reference. The Client may also request a copy of the Master Agreement by submitting an email request to betterit@vc3.com identifying the Client and the applicable Orders. Company's entering into this Order is conditioned on Client's agreement to the Master Agreement, and by entering into this Order with Company, Client accepts and agrees to the Master Agreement.

Deliverables & Services

Discovery & Deployment

Setup the Client System for management and provide training to help the Client get the most out of the services. This includes:

1. Deployment of all services listed above.
2. Full documentation and inventory of your network
3. Best-practice configuration of the network for monitoring and management
4. Orientation and training for your staff
5. MacOS Note: If Client is utilizing Mac OS, Company will provide documentation to end users on how to install Company's monitoring and management platform. MacOS does not allow a remote deployment of standard Company tools. Should Mac OS users require onsite assistance to install VC3's monitoring and management platform, support will be provided on a Time and Materials basis at the rates detailed within Client Master Agreement.
6. Implement performance monitoring of client's network prior to and during implementation.

24x7 Monitoring and Incident Response Services

1. Provide 24X7 Incident response services for all included user, server, and network devices.
2. Provide phone, remote and onsite support to authorized users for all included devices.
3. Track all incidents through an ITIL (Information Technology Infrastructure Library) based Service Desk system. All requests will be prioritized and processed per the 'Priority' guidelines listed in Addendum A.
4. Provide 24x7 collection of performance data for the client's included server and network devices per Company's best practices.
5. Utilize industry best practices for remote access, control, and management of all devices.
6. Patching: Deploy, manage, and monitor the installation of approved service packs, security updates and firmware updates as deemed necessary on all applicable devices. Some devices such as tablets and cell phones may not be compatible with included patching methodologies.
7. Resolution of monitoring alerts.
8. Resolution of performance issues.
9. Resolution of availability issues.
10. Resolution of end-user reported problems.
11. Routine additions, deletions, and changes to included devices and users.

Foundational Protection

1. Deploy Endpoint Detection and Response (EDR) to all workstations and servers with Company RMM deployed.
2. Monitor workstations and servers with EDR installed via 24x7x365 partner SOC.
3. Deploy M365 Monitoring and Backup Solutions to Client M365 Tenant.
4. Continually monitor M365 tenancy.
5. Backup M365 (SharePoint, OneDrive, Teams & Exchange Online) 3 times a day.
6. Configure infinite retention on M365 backups.
7. Respond to incidents and service requests. All requests will be prioritized and processed per the 'Priority' guidelines listed in Addendum A.

Application Support

1. Provide support for client licensed 3rd party applications. If it is determined from the initial discovery and/or from third-party application vendors that an application requires additional servers, licensing or support resources, additional monthly costs may be required before the application can be supported.

2. Microsoft Applications:

- a. Includes Microsoft Office and Office 365 core applications. This is limited to Microsoft Access, Excel, OneDrive for Business, OneNote, Outlook, PowerPoint, SharePoint, Teams and Word.
- b. Application installs, synchronization issues, permission management and general troubleshooting are all within scope for these applications.

Strategic IT Planning

Provide the client with a named Strategic resource to assist Client with the following:

1. **Budgeting:** Work with the client to develop an annual technology budget for recurring expense items and new capital requirements in alignment with organizational goals.
2. **Strategic Planning:** Recommend technology solutions as well as provide roadmaps that support key business processes in order to help the client leverage technology appropriately. The Company will work with the client as part of the annual planning process to understand the current business drivers and goals and make recommendations targeted toward maximizing the effectiveness of the client's technology investment.
3. **Analyze IT Health data:** Perform a periodic analysis of the data collected by Company's monitoring systems to proactively resolve issues and assess potential risks within the environment. The Company will make this analysis available to key stakeholders and provide direction on business decisions regarding the level of investment.

IT Asset Administration

1. Hardware and software asset and warranty expiration tracking
2. Domain name expiration tracking
3. Hardware and software purchase specification
4. Web portal access for ticket creation and management
5. Maintaining network documentation and secure password storage
6. Interfacing with vendors such as internet service providers (ISPs)

Procurement

1. Server, Networking, and Power equipment.
2. Desktops, laptops, tablets.
3. Peripherals, including Printers.
4. Software, including subscription-based services.
5. Domain names and security certificates.

Protect Shield

1. Deployment & Implementation Services:

- a. Provision **Dark Web Protect** -Dark web monitoring platform, including provisioning Client's domain(s), reviewing existing data with Client point of contact, and configuring real time alerting:
 - i. Configure monitoring service to monitor corporate domains in scope.
 - ii. Configure up to five (5) personal email addresses to be monitored.
- b. Provision **Cyber Aware** – Cyber Security Training platform. Includes synchronizing employees between Client's domain and training platform. Company will configure initial and ongoing testing and training at a frequency determined by Client.
 - i. Whitelisting emails from the Cyber Aware server to maximize delivery rates.
 - ii. Maintaining active user list within the platform.
 - iii. Creating phishing campaigns targeting users on Client domain.
 - iv. Management of phishing campaigns monthly.
 - v. Creating training campaigns, educating users on Client domain.
 - vi. Management of training campaigns monthly.
 - vii. Providing phishing / training reports to Client.
- c. Provision **Email Protect** – Advanced Email Threat Protection platform.
 - i. Deploy Email protect to Client Microsoft 365 environment.
 - ii. Updating MX Records.
 - iii. Customizing Spam settings.
 - iv. Creating filter policies and approve/block sensor list items.
- d. Provision **Web Protect** - Advanced DNS/Web protection platform. Filters content accessible by employees when connected to the corporate network or using corporate devices:
 1. Deployment of agent to all devices with Company RMM deployed.
 2. Initial configuration of web and content filtering policy within the solution

2. General Managed Security Services

1. 24x7 Monitoring and Incident Response Services:

1. Provide 24X7 Incident response services for all included deployed services.

2. Track all incidents through an ITIL (Information Technology Infrastructure Library) based Service Desk system. All requests will be prioritized and processed per the 'Priority' guidelines listed in Addendum A.
 3. Provide 24x7 Partner Security Operations Centre (SOC) monitoring for all endpoints with Endpoint Protect deployed.
 4. 24X7 response to critical event driven Incidents.
 5. Utilize industry best practices for remote access, control and management of all devices.
3. **Quarterly Security Summary.** Includes a report of the activities that have taken place under this Order.

Managed Backups

1. Installation and Configuration:

- a. Install backup agents and initialize backups on all protected servers within the Client's environment.
- b. Perform an initial seed of the Client's backup data and will load that data into the cloud.
- c. Configure the cloud backups such that backups are performed per the backup retention schedule determined during implementation.
- d. Configure the backup monitoring to alert VC3 of backup failures.
- e. Perform an initial backup of all systems and will confirm that backups are performing as expected.

2. Backup Management:

- a. Monitor and maintain backups for the servers protected.
- b. Perform periodic updates to the backup software such as patches, and updates.
- c. Provide replacement components for failures that occur as a result of internal equipment defects or end of life for Company provided hardware. This does not include physical damage to the equipment due to abuse or environmental factors (for example, fire, hurricane or flood damage).

3. Disaster Recovery Plan

- a. Work with Client to identify and document backup requirements to form a Disaster Recovery Plan. This includes:
 - i. Servers to be backed up.
 - ii. Recovery Point Objective (RPO)
 - iii. Recovery Time Objective (RTO)
 - iv. Data Backup Plan
 - v. Automatic Daily Restore Testing.
 - vi. Disaster Recovery team
 - vii. Requirements of Data Recovery

Hardware as a Service

1. Company will procure, provision and deploy hardware within Client environment.
2. Installation and replacement of hardware listed within Products & Services are included within the unit price.
3. If a unit count is dropped within the first twelve months of activation a drop fee of three times unit cost will be assessed.
4. Company will make arrangements to repair or replace the failed component in the event of failure.
5. Once the hardware has been replaced, Client is responsible for returning the replaced device to Company within 7 business days.
6. Failure to return said device within 7 business days will result in a replacement charge for the item.
7. Company will provide replacement components with substantially same or better performance as the original for failures on Hardware-as-a-Service equipment that occur because of internal equipment defects or end of life failure. The model and manufacturer of replacement devices may vary depending on device availability and lifecycle.

CSDA Member Benefits

1. Provision **Cyber Aware** – Cyber Security Training platform. Includes synchronizing employees between Client's domain and training platform. Company will configure initial and ongoing testing and training at a frequency determined by Client.
 1. Whitelisting emails from the Cyber Aware server to maximize delivery rates.
 2. Maintaining active user list within the platform. Creating phishing campaigns targeting users on Client domain.
 3. Management of phishing campaigns monthly. Creating training campaigns, educating users on Client domain.
 4. Management of training campaigns monthly. Providing phishing / training reports to Client.
2. Provision **Dark Web Protect** -Dark web monitoring platform, including provisioning Client's domain(s), reviewing existing data with Client point of contact, and configuring real time alerting:
 1. Configure monitoring service to monitor corporate domains in scope.
 2. Configure up to five (5) personal email addresses to be monitored
3. Provision **Self Service Password Reset Tool**
 1. Deploy Self Service Password Reset Tool to be used by Client users within Client Active Directory.
 2. Provide training to Client users on how to use tool.

Exclusions

Items other than those included above are expressly excluded from the Services provided within this Order. The following exclusions and clarifications are intended to clarify the scope of services for this order:

1. Excluded services are those related to functionality upgrades, such as those required to evaluate, specify, purchase, and implement client system or server upgrades such as operating systems, Microsoft Office suite software unless included with a specific Company product, third party software deployments or upgrades, or equipment related to these services whose scope exceeds that defined above. Company will provide these services to the client on a Time & Materials Order basis at the rates outlined in the Master Agreement. If modification or replacement of a hardware device or component is required, client is responsible for all hardware and hardware vendor services costs, excluding Company owned hardware explicitly provided through this Order.
2. Software development, training and project work, including client-owned PC upgrades and non-patch upgrades of software, are not included.
3. When client requests services by Company not explicitly included in this agreement, they are agreeing to invoicing of said services per the terms outlined in the Master Agreement. For all services which incur additional hourly fees, Company will notify the client that these services are outside the scope of this work order and will receive approval from client prior to rendering these additional services.
4. Software and licensing purchased by the client directly from a third-party vendor are not included as a part of services to be supported.
5. Architectural changes, mass deployment, database management, data visualization and business process automation / troubleshooting are considered excluded from this Order.
6. Cybersecurity event or incident response activities or remediation efforts exceeding eight (8) hours of technician, engineer or project management time.
7. Should deficiencies, malware infections, or critical vulnerabilities be discovered during the deployment of services, Company will bring to Client attention and discuss the impact of the deficiencies on Company's ability to provision the Services and provide client with options to correct the deficiencies. Initial remediation hours will be billed outside of this Order unless otherwise explicitly stated in this Order.

Assumptions

1. The Order will not become effective unless and until it is agreed upon and signed by the Client and Company.
2. If Company is providing or managing Client 's Microsoft Licenses, then Client agrees to the Microsoft terms and conditions as stated in the Microsoft Customer Agreement found here: <https://www.microsoft.com/licensing/docs/customeragreement>
3. Company reserves the right, at its discretion, to pass onto the client any changes to obligations, such as terms or pricing imposed on Company by a given vendor, for an offering that is currently resold to the client at any time during the current agreement term.
4. Company will make reasonable efforts to resolve all issues remotely prior to dispatching an engineer onsite. Travel hours incurred will be invoiced according to the Master Agreement.
5. Microsoft NCE licenses and subscriptions run on an annual basis and cannot be terminated nor altered mid-term.
6. If client Microsoft licenses are under a current annual NCE subscription, Company assumes they will migrate to become under Company's management at the point of renewal.
7. The items defined in this Order are designed to enhance the security of the customer environment. There is no guarantee that any security measure will prevent a data breach, infection, or other cyber security incident.
8. Company is authorized to obtain any documentation or information regarding any and all accounts at all locations the Client may have with any telecommunications vendor. Company also has the authority to be added as an account contact and speak on behalf of the Client in negotiating services, billing, credits and/or connectivity of this Client's services with the Telecommunications company and/or vendor with the proviso that only the Client has authority to enter into contracts with any vendor or supplier.
9. Throughout the relationship between Company and Client, the Company will also make extensive use of Remote Management software. This software is used across all clients to monitor workstations and servers in real time. Company will also use this software to remotely connect and assist the Client's users when they have a technological problem if the user has an internet connection. In addition, endpoint protection software, ticketing, and asset management are managed through this software.

Client Responsibilities

1. Client will provide a primary point of contact for Company to work with on all services provided in this Order.
2. Client is responsible for authorizing access for Company to sites that are owned / controlled by third parties.
3. Client is responsible for proper disposal of client-owned devices.
4. Client will make a best effort to maintain the minimum infrastructure requirements as defined by Company.
5. Client will maintain both hardware and software maintenance agreements with the source Vendor whenever possible to allow for ongoing access to security updates and to provide quick replacement of non-functioning components.
6. Client must assign Company as their Microsoft Partner of record.
7. Client is responsible for procurement and ownership of all licenses, maintenance, and vendor support agreements required for support of their third-party applications, excluding the Microsoft licensing explicitly included in the per seat packages identified in Products & Services section.
8. Third party tool licensing may be required for additional cost.
9. Client will be financially responsible for any remaining or ongoing charges from Microsoft. Microsoft subscriptions can each have their own terms and renewal dates. It is the client's responsibility to engage Company to adjust Microsoft subscription counts and terminations prior to 12 months from the original work order or subsequent change order purchase date.

Invoicing

Recurring services, if included, shall be provided for term indicated in Products & Services, starting from the date of the first recurring invoice (Effective Services Start Date), unless terminated in accordance with the terms of this Order or the Master Agreement.

Company will invoice the Client a pro-rated monthly fee based on any partial month of service plus the first full month of service on the Effective Services Start Date. All subsequent service months will be invoiced at the start of the month in which services are to be rendered. Services activated after the first of month may be invoiced on a pro rata basis the following month. All One-Time Fees will be invoiced to Client upon signature of this Order.

Any taxes related to services purchased or licensed pursuant to this Order shall be paid by Client or Client shall present an exemption certificate acceptable to the taxing authorities. Applicable taxes and freight charges shall be billed as a separate item on the invoice.

Unit rates will automatically increase annually on the anniversary of the Effective Services Start Date equivalent to the CPI change for All Urban Consumers or by 4.00%, whichever is higher.

The terms of this Order will automatically renew for an additional term of equivalent length to the current active term unless notice of termination is provided by either party no fewer than 90 calendar days prior to expiration of the current active term.

Company will audit the Client's usage of the quantity of Services on a monthly basis; for each quantity of Services found in excess of the amount stated in this Order above, Company will increase the monthly service fee amount by the corresponding unit price stated above.

At no time during the term of this Order will the fees payable under this Order (i.e. the monthly subtotal amount) drop below seventy-five percent (75%) of the initially agreed upon monthly subtotal stated above.

In the event of the early termination of the Agreement in accordance with Section 3.3 of the Master Agreement, Client agrees that the initially agreed upon monthly subtotal stated above shall be used for calculating fees due for the remaining term of the Agreement.

Additional services may be added at any time during the life of this Order at the unit price listed above.

Addendum A – Service Desk Priorities

Incidents and Service Requests are triaged and prioritized to effectively resolve the most important issues in a timely manner. Company utilizes the following priorities, criteria and response metrics:

- **Priority 1:**
 - System/device/application down causing work to cease and critical impact to the entire organization, a whole department, or a C-level executive or VIP user; no interim solution available; Client is in danger of or is experiencing a financial loss or the ability to make strategic business decisions is impaired.
 - **24x7 Support:** Priority 1 incidents will be addressed on a 24 hours a day, 7 days a week basis including holidays.
- **Priority 2:**

- System/device/application down causing work to cease and potential business impact for up to 5 users, a C-level executive, or a VIP user; no interim solution available.
- **24x7 Support:** Priority 2 incidents will be addressed on a 24 hours a day, 7 days a week basis including holidays.
- **Priority 3:**
 - Level of service degraded causing impact to an individual user; no interim solution available. Operational impact to the organization or a whole department though work continues as a result of implementing an interim solution or use of other system/device/service.
 - **Business Hours Support:** Priority 3 incidents will be addressed during normal business hours Monday-Friday, 8:00am to 5:00pm excluding holidays.
- **Priority 4:**
 - Minor inconvenience to a department or user exists though work continues as a result of implementing an interim solution or use of another system/device/service.
 - **Business Hours Support:** Priority 4 incidents will be addressed during normal business hours Monday-Friday, 8:00am to 5:00pm excluding holidays.
- **Priority 5:**
 - Maintenance tasks, audits, or alignment work that is not requested by the client.
 - **Business Hours Support:** Priority 5 incidents will be addressed during normal business hours Monday-Friday, 8:00am to 5:00pm excluding holidays.

Call Priority	Initial Client Contact Guidelines	Initial Client Contact Percentages
1	1 Hour	90%
2	2 Hours	90%
3	4 Business Hours	90%
4	8 Business Hours	90%
5	N/A	N/A

Addendum B - Maintenance Windows

All work performed within Company's Hosting or Client Infrastructure is a form of maintenance. Such work may or may not result in a disruption of service depending on the scope of the activity.

1. **Scheduled Maintenance:** All planned work performed on Company's Hosting or Client Infrastructure by Company engineers, or staff is defined as "Scheduled Maintenance". During Scheduled Maintenance, some or all of Company's Hosting or Client Infrastructure may be out of service and therefore may not be accessible to users. Regularly Scheduled Maintenance will occur between 2 AM and 6 AM in the local time zone for which the Client Infrastructure being maintained resides. Downtime to perform changes is expected during this window. If Client has a business need to avoid said downtime, they must provide their request via the Company Service Desk ten business days in advance.
 - a. **Notification:** Client will be notified via email should Scheduled Maintenance be required to take place outside of the windows specified above.
2. **Emergency Maintenance:** All work performed in response to a disruption or a threat to the availability of a component of Company's Hosting or Client Infrastructure within the control of Company is defined as "Emergency Maintenance". Emergency Maintenance will be conducted based upon the timeframe that the emergency exists. Normal business hours will see an immediate response. For issues that occur during non-business hours, the impact of the event will be evaluated as soon as possible, and appropriate measures taken to return the system to normal availability.
 - a. **Notification:** Client will be notified via email should Emergency Maintenance be necessary. Commercially reasonable efforts will be made to notify Client prior to emergency maintenance. Company reserves the right to complete Emergency Maintenance without prior notification to Client if necessary to mitigate risks posed by the need for Emergency Maintenance in a timely manner.

Signature

Eric Steinlicht

Signature

Date

Printed name

Countersignature

Hunter Lindsay

Countersignature

Date

Printed name

Terms of Service

MASTER TERMS AND CONDITIONS FOR SERVICES AND THIRD PARTY PRODUCTS

1. Definitions; Services; Third Party Products; and Orders.

1.1 Definitions. For purposes of this Master Agreement, the following terms have the following meanings:

“Agreement” means an Order and the documents incorporated into the Order including without limitation this Master Agreement.

“Company” means VC3, Inc., a Delaware corporation having its principal place of business at 1301 Gervais Street, Suite 1800, Columbia, SC 29201;

“Client” means the client of Company as identified in the applicable Order;

“Master Agreement” means these VC3 Master Terms and Conditions for Services and Third Party Products; and

“Order” means a written executed order between Company and Client that references this Master Agreement.

1.2 Services. Company will provide to Client computer system and network maintenance services, managed services, software services, hardware as a service (“HaaS”), consulting services and/or professional services (the “Services”) in each case as described in an Order provided however that the parties recognize that Company may from time to time provide Services to Client at Client’s request not covered by an Order, and in such cases, these Services shall be subject to and governed by the terms and conditions of this Master Agreement and performed by Company on a time and materials basis and invoiced at the hourly billing rates specified in Exhibit A to this Master Agreement.

1.3 Third Party Products. Company may sell or license or provide Third Party Products (as defined in Section 5.2) to Client as set forth in and on terms and conditions set forth in an Order.

1.4 Change Orders. Client may request a change in the scope or nature of the Services in an Order at any time. However, changes to the scope of the Services in an Order can be made only in writing executed by both parties.

1.5 Non-Exclusive. Client understands and agrees that the Services provided under the Agreement are not exclusive to Client, and Company may provide the same or similar services to Company’s other customers.

2. Charges for Services and Third Party Products.

2.1 Fees. Client agrees to pay Company the fees for Services and Third Party Products as indicated in an Order, or as hourly work defined below in Exhibit A (collectively referred to as the “Fees”). Company reserves the right to increase the Fees once per calendar year, as provided for in this Agreement. Unless otherwise expressly stated in an Order, Company’s compensation for Services

will be based on direct labor hours charged at fixed labor rates. The Order may call for a budget of expected charges as a way for both parties to monitor performance. Except as otherwise expressly set forth in an Order, all Services that are identified to be rendered on a time and materials basis will be invoiced at the hourly billing rates specified in Exhibit A.

2.2 Payment. Unless otherwise stated in an Order, all undisputed Fees for Services shall be due and payable by Client in advance of the calendar month in which the Services are to be provided to Client. Unless otherwise stated in an Order, Fees for Third Party Products shall be due and payable in advance of delivery. Payments made using electronic transfer shall be deducted from Client's designated bank account on the first business day of the month for which the Services are to be provided or on the date of delivery of Third Party Products. For prepaid Fees or Fees paid pursuant to a service plan, payment must be made in advance of providing Services or delivery of Third Party Products, unless other arrangements are agreed upon in the Order. Fees invoiced to Client shall be paid on a net thirty (30) day basis. Late payment for undisputed Fees (or any other amounts owing from Client to Company) shall be subject to interest on the unpaid amount(s) until and including the date payment is received, at the lower of either 2.0% per month or the maximum allowable rate of interest permitted by applicable law. Company reserves the right, but not the obligation, to suspend part or all of the Services in the event that any portion of undisputed Fees are not timely received by Company within fifteen (15) days following the date on which such Fees are due. All disputes initiated by Client related to Fees must be received by Company within 60 days after the applicable Service is rendered or the date on which Client receives an invoice, whichever is later, otherwise Client waives its right to dispute the applicable Fees thereafter. A re-connect fee may be charged to Client in the event that Company suspends the Services due to Client's nonpayment. Client shall be liable to Company for and reimburse and indemnify Company against legal fees as well as costs incurred in collection of past due balances including but not limited to collection fees, filing fees and court costs. TIME IS OF THE ESSENCE IN THE PERFORMANCE OF ALL PAYMENT OBLIGATIONS BY CLIENT.


2.3 Expenses. Client shall pay Company for all reasonable expenses incurred by Company in the performance of the Services, including without limitation travel, living, and out-of-pocket expenses incurred pursuant to the Agreement. Any expenses incurred under this Section which are outside the scope of this Agreement or any signed Work Order require prior written approval from the Client

2.4 Taxes. Client shall pay directly, or reimburse Company for, and indemnify and hold Company harmless from, all taxes and tariffs assessed or levied by any governmental entity that are now or may become applicable to the Services or Third Party Products or measured by payments made by Client to Company hereunder, or are required to be collected by Company or paid by Company to tax authorities including interest assessment thereon if such assessments are due to Client's actions or inactions. This includes, but is not limited to, sales, use, excise, gross receipt and personal property taxes, or any other form of tax based on services performed, Third Party Products, equipment used by Company to perform services solely for Client, and the communication or storage of data, but does not include taxes based upon Company's net income.

3. Term; Termination.

3.1 Term. The term of the Agreement shall be three (3 years) and shall continue from the effective date of the Order until the earlier of (a) expiration of the term of the Order or (b) termination of the Agreement as provided in the Agreement.

3.2 Termination for Breach. Either party may terminate the Agreement for material breach by the other party of the Agreement which is not cured within 30 days from the receipt by the party in breach of a written notice from the other party specifying the breach in detail. Client shall be liable for payment to Company for all Services rendered prior to the effective date of any such termination.

3.3 Early Termination. The Parties acknowledge that early termination of the Agreement (i) by Company pursuant to Section 3.2 (Termination for Breach) or (ii) termination of the Agreement by Client for any reason other than pursuant to Section 3.2 will result in Company incurring damages difficult or impossible to ascertain. In the event of such occurrence, Company will be entitled to, and Client agrees to pay (not as a penalty), During the initial 3 year term  monthly fees due for the remaining initial term of the Agreement, in addition to any other amounts owed to Company under the Agreement.

3.4 Equipment / Software Removal. Upon termination of the Agreement for any reason, Client shall provide Company with access, during normal business hours, to Client's premises (or any other locations at which Company-owned hardware, equipment or software is located) to enable Company to remove all Company-owned hardware (including HaaS Hardware), equipment and software from the premises (if any). If Client fails to grant Company access as described herein, or if any of the Company-owned hardware or equipment is broken or damaged (normal wear and tear excepted) or any of the software is missing, Company shall have the right to invoice Client for, and Client hereby agrees to pay immediately, the full replacement value of any and all Company-owned hardware, equipment and software (as applicable) located at Client's premises.

3.5 Survival. Expiration or termination of the Agreement for any reason will not release either party from any liabilities or obligations set forth in the Agreement which (a) the parties have expressly agreed will survive any such expiration or termination or (b) remain to be performed or by their nature would be intended to be applicable following any such expiration or termination.

4. Proprietary Protections.

4.1 Ownership Rights

(a) General. Each party will retain all rights to any software, ideas, concepts, know-how, development tools, techniques or any other proprietary material or information that it owned or developed prior to the effective date of the Agreement or acquired or developed after the effective date of the Agreement without reference to or use of the intellectual property of the other party. All software that is licensed by a party from a third party vendor will be and remain the property of such vendor. No licenses will be deemed to have been granted by either party to any of its patents, trade secrets, trademarks, or copyrights, except as otherwise expressly provided in the Agreement. Nothing in the Agreement will require Company or Client to violate the proprietary rights of any third party in any software or otherwise. Notwithstanding anything to the contrary in the Agreement, Company (i) will retain all right, title and interest in and to all software development tools, know-how, methodologies, processes, technologies or algorithms used in performing the Services which are based on trade secrets or proprietary information of Company or are otherwise owned or licensed by Company (collectively, "tools"), (ii) will be free to use the ideas, concepts, methodologies, processes and know-how which are developed or created in the course of

performing the Services and may be retained by Company's employees in intangible form, all of which constitute substantial rights on the part of Company in the technology developed as a result of the Services performed under the Agreement.

(b) Materials Developed for or Delivered to Client. Client agrees that all software and other materials (including, but not limited to customizations, modifications, specifications, documentation and training materials) developed for or delivered to Client pursuant to the Agreement, including without limitation all related copyrights, patent rights, trade secrets, ideas, designs, concepts, techniques, inventions, discoveries or other intellectual property rights (collectively, the "Materials"), shall be the exclusive property of Company and the Company shall own all right, title and interest therein. In this connection, Client acknowledges that all Materials which are or may be developed pursuant to the Agreement are and shall be the intellectual property and confidential proprietary information and products of Company, and Client hereby transfers and assigns any and all rights in and to the Materials to Company, its successors and assigns, including without limitation all intellectual property rights relating thereto. From time to time upon Company's request, Client shall confirm such assignment by execution and delivery of such assignments, confirmations of assignment, or other written instruments as Company may request. Company agrees that Client shall have a limited nonexclusive license to use the Materials internally to the extent necessary to carry out and fulfill the terms and conditions of the Order for which the Materials were developed and shall have the right to grant a limited nonexclusive license to the third parties specifically identified in an Order to use the Materials solely for the purposes contemplated by such Order, provided that such third parties shall first agree in a signed writing to be bound by the terms of the Agreement or such terms as may be acceptable to Company.

(c) Specific Deliverables Owned by Client. Notwithstanding the foregoing provisions of Section 4.1(b) but subject to any third party rights or restrictions and the provisions of Section 4.1(a) and the other provisions of this Section 4.1(c), Client will own the copyright in and to Materials that (i) are developed for and delivered by Company to Client, (ii) are paid for by Client, and (iii) are clearly and specifically identified in an Order as governed by the provisions of this Section 4.1(c) (the "Specific Client Owned Deliverables"). Notwithstanding the foregoing, Company will retain ownership of any Company-owned software or development tools that are used in producing the Specific Client Owned Deliverables and become embedded in the Specific Client Owned Deliverables. Company hereby grants to Client a perpetual (subject to compliance with this sentence), royalty-free, non-transferable, nonexclusive license to use such embedded software and tools (if any) solely in connection with Client's internal use and exploitation of the Specific Client Owned Deliverables and only so long as such software and tools (if any) remain embedded in the Specific Client Owned Deliverables and are not separated therefrom. Company will own all intellectual property rights in or related to the Specific Client Owned Deliverables other than the copyright ownership rights granted to Client pursuant to this Section 4.1(c).

4.2 Client Information. Company recognizes and agrees that, except as specified in Section 4.1, it has no claim of ownership to any data, materials or information submitted by Client to Company or the Services ("Client Information"), which Client Information is being provided to Company solely for the purposes of enabling Company to render the Services, and that title and all ownership rights in and to such Client Information shall at all times remain with Client. Client shall have sole

responsibility for the accuracy, quality, integrity, legality, reliability, appropriateness, and intellectual property ownership or right to use all Client Information.

4.3 Confidentiality.

(a) Confidential Information. This Section 4.3 shall apply to all confidential and proprietary information disclosed by either party (“Disclosing Party”) to the other party (“Receiving Party”) in connection with the Agreement, including without limitation, all Client Information, Materials of Company, and information related to the Disclosing Party’s technology, software, know-how, products, potential products, services, potential services, financial information, employees, customers, markets and/or business information (collectively, “Confidential Information”). The terms and conditions of the Agreement shall be treated by Client as the Confidential Information of Company. Confidential Information shall not include any information which (i) was known to the Receiving Party prior to being disclosed by the Disclosing Party, (ii) becomes publicly known through no wrongful act of the Receiving Party, (iii) is approved for release by written authorization of the Disclosing Party, (iv) is received from a third party not in breach of any separate confidentiality obligation known to the Receiving Party, or (v) is independently developed without reference to the Disclosing Party’s Confidential Information.

(b) Scope of Obligation. The Receiving Party agrees to use the Confidential Information of the Disclosing Party only as provided for in the Agreement. Each party agrees to hold the other party’s Confidential Information in strict confidence and not to disclose such Confidential Information to any third parties. Notwithstanding the foregoing, each party may disclose the other party’s Confidential Information only to those employees, agents, representatives and/or consultants who require such information only in connection with the Agreement. Each party agrees to instruct all such employees, agents, representatives and consultants regarding the foregoing obligations and ensure that such employees, agents, representatives and consultants are bound by obligations of confidentiality to the Receiving Party that are at least as restrictive as those contained herein. Each party agrees that it will take all reasonable measures to protect the confidentiality of, and avoid the unauthorized disclosure or use of, the other party’s Confidential Information in order to prevent it from being made public or in the possession of persons other than those persons authorized hereunder to have any such Confidential Information, which measures shall include at least the same degree of care that the Receiving Party utilizes to protect its own confidential information of a similar nature but in any event shall include commercially reasonable precautions designed to protect the Disclosing Party’s Confidential Information from unauthorized disclosure and/or use.

(c) Limited Disclosure Right. Confidential Information may be disclosed to the extent required by court order or as otherwise required by law, provided that the Receiving Party, to the extent legally permissible, notifies the Disclosing Party promptly upon learning of the possibility of any such requirement and, to the extent legally permissible, has given the Disclosing Party a reasonable opportunity to contest or limit the scope of such required disclosure.

(d) Return of Confidential Information. Promptly upon termination of the Agreement, or at any other time upon the request by a party, the other party shall (i) return to the Disclosing Party or, at the Disclosing Party’s request, destroy all Confidential Information of such Disclosing Party, whether in paper or electronic form, provided, however that the foregoing shall not apply to

Confidential Information that is stored in the Receiving Party's electronic archives, which Confidential Information will be destroyed in the ordinary course of the Receiving Party's business in accordance with its document destruction policies; and (ii) certify to the Disclosing Party in writing that it has complied with the provisions of this Section 4.3.

5. Limited Warranty and Disclaimers.

5.1 Limited Services Warranty. Company warrants to Client that the Services, as and when delivered or rendered hereunder, will substantially conform to the description of services or specifications set forth in the applicable Order. Company's sole liability under the foregoing warranty shall be to provide the services described in Section 5.5 hereof.

5.2 No Third Party Products Warranty. UNLESS OTHERWISE EXPRESSLY STATED IN AN ORDER, ANY THIRD PARTY PRODUCTS OR SERVICES SOLD TO, PROVIDED TO OR PROCURED FOR CLIENT, INCLUDING BUT NOT LIMITED TO THIRD PARTY HARDWARE, SOFTWARE, PERIPHERALS AND ACCESSORIES (COLLECTIVELY, "THIRD PARTY PRODUCTS") ARE PROVIDED TO CLIENT "AS IS" AND COMPANY EXPRESSLY DISCLAIMS ALL WARRANTIES OF ANY KIND, EXPRESS, IMPLIED, ARISING FROM COURSE OF DEALING OR USAGE OF TRADE OR STATUTORY WITH RESPECT TO SUCH THIRD PARTY PRODUCTS, INCLUDING BUT NOT LIMITED TO WARRANTIES OF PERFORMANCE, SECURITY, INTEGRATION, NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. COMPANY SHALL USE REASONABLE EFFORTS TO ASSIGN, TRANSFER AND FACILITATE ALL WARRANTIES (IF ANY) AND SERVICE LEVEL COMMITMENTS (IF ANY) FROM THE APPLICABLE THIRD PARTY MANUFACTURER OR VENDOR FOR THE THIRD PARTY PRODUCTS TO CLIENT, BUT WILL HAVE NO LIABILITY WHATSOEVER FOR SUCH THIRD PARTY PRODUCTS. COMPANY SHALL NOT BE HELD LIABLE AS AN INSURER OR GUARANTOR OF THE PERFORMANCE, UPTIME, USEFULNESS, OR QUALITY OF ANY THIRD PARTY PRODUCTS.

5.3 No Compliance Warranty. COMPANY DOES NOT WARRANT THAT THE PROVISION OF THE SERVICES, OR CLIENT'S USE OF THE SERVICES, WILL SATISFY ANY PARTICULAR INDUSTRY-SPECIFIC OR REGULATORY REQUIREMENTS, OR BRING CLIENT INTO COMPLIANCE WITH ANY SUCH REQUIREMENTS.


5.4 DISCLAIMER OF WARRANTIES. THE WARRANTY SET FORTH IN SECTION 5.1 STATES COMPANY'S SOLE AND EXCLUSIVE WARRANTY TO CLIENT HEREUNDER. EXCEPT AS EXPRESSLY SET FORTH IN SECTION 5.1, THE SERVICES ARE PROVIDED STRICTLY "AS IS" AND COMPANY MAKES NO ADDITIONAL WARRANTIES, EXPRESS, IMPLIED, ARISING FROM COURSE OF DEALING OR USAGE OF TRADE, OR STATUTORY, AS TO THE SERVICES OR ANY MATTER WHATSOEVER. IN PARTICULAR, ANY AND ALL WARRANTIES OF PERFORMANCE, SECURITY, INTEGRATION, NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE ARE EXPRESSLY EXCLUDED. COMPANY DOES NOT WARRANT, AND SPECIFICALLY DISCLAIMS THAT THE SERVICES BEING PROVIDED WILL RESULT IN COST SAVINGS, PROFIT IMPROVEMENT, OR THAT THE SERVICES WILL BE ERROR-FREE. THIS IS A LIMITED WARRANTY AND IS THE ONLY WARRANTY MADE BY COMPANY.


5.5 Notice Obligation; Remedy Regarding Services. Client shall notify Company in writing within 90 days after completion of the Services in question when any of the Services fail to

substantially conform to the description of services or specifications set forth in the applicable Order. Such notification shall include the detailed information necessary for Company to verify such nonconformity. Upon actual receipt of such notification and verification of the nonconformity, Company shall correct the nonconformity so that the Services shall substantially conform with the agreed description of services or specifications in the applicable Order. Client agrees to pay Company for all personnel time and expenses incurred in investigating reported nonconformities when the alleged nonconformities are not discovered. The passage of the thirty (30) day period after completion of the Services in question without the notification described herein shall constitute final acceptance of the Services.

6. Limitation of Liability.

6.1 COMPANY'S LIABILITY ON ANY CLAIM, LOSS OR LIABILITY ARISING OUT OF, OR CONNECTED WITH THE AGREEMENT, THE SERVICES, OR USE OF THE PRODUCT OF ANY SERVICES FURNISHED HEREUNDER, SHALL IN ALL CASES BE LIMITED SOLELY TO CORRECTION OF NONCONFORMITIES WHICH DO NOT SUBSTANTIALLY CONFORM WITH THE AGREED DESCRIPTION OF SERVICES IN AN ORDER, OR SPECIFICATIONS IDENTIFIED IN AN ORDER.

6.2 IF FOR ANY REASON COMPANY IS UNABLE OR FAILS TO CORRECT NONCONFORMITIES AS PROVIDED, COMPANY'S LIABILITY FOR DAMAGES ARISING OUT OF THE AGREEMENT FOR SUCH FAILURE, WHETHER IN CONTRACT OR TORT (INCLUDING NEGLIGENCE), LAW, EQUITY OR OTHERWISE, SHALL NOT EXCEED THE AMOUNTS PAID BY CLIENT FOR THAT PORTION OF THE SERVICES WHICH FAIL TO CONFORM. EXCEPT AS SET FORTH IN SECTION 7.1,  NO EVENT SHALL COMPANY'S MAXIMUM AGGREGATE LIABILITY ARISING OUT OF OR RELATING TO THE AGREEMENT (INCLUDING FOR ANY CLAIM AND/OR SERIES OF CLAIMS WHETHER RELATED OR UNRELATED), WHETHER IN CONTRACT OR TORT (INCLUDING NEGLIGENCE), LAW, EQUITY OR OTHERWISE, EXCEED THE AMOUNTS PAID BY CLIENT TO COMPANY IN THE SIX MONTH PERIOD PRECEDING THE EVENT(S) GIVING RISE TO THE CLAIM (OR TO THE FIRST CLAIM IN A SERIES OF CLAIMS). IT IS UNDERSTOOD AND AGREED THAT THE FEES FOR THIRD PARTY PRODUCTS (IF ANY) PROVIDED TO CLIENT SHALL NOT BE INCLUDED IN THE CALCULATION OF THE LIMITATION OF DAMAGES DESCRIBED IN THIS PARAGRAPH AND AMOUNTS PAID BY CLIENT TO COMPANY. IT IS FURTHER UNDERSTOOD AND AGREED THAT THE LIMITATIONS SET FORTH IN THIS SECTION SHALL NOT APPLY TO PERSONAL INJURY (INCLUDING DEATH) OR DAMAGE TO TANGIBLE PROPERTY CAUSED BY THE WILLFUL MISCONDUCT OR SOLE NEGLIGENCE OF COMPANY.

6.3 UNDER NO CIRCUMSTANCES SHALL COMPANY BE LIABLE TO CLIENT FOR ANY LOSS OF USE, INTERRUPTION OF BUSINESS, LOSS OR CORRUPTION OF DATA, LOST PROFITS, LOST REVENUE, OR ANY INDIRECT, SPECIAL, INCIDENTAL, EXEMPLARY PUNITIVE OR CONSEQUENTIAL DAMAGES OF ANY KIND REGARDLESS OF THE FORM OF ACTION WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), LAW, EQUITY OR OTHERWISE, EVEN IF COMPANY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, OR FOR ANY CLAIM OR DAMAGES ASSERTED BY ANY THIRD PARTY OR FOR ANY DAMAGES CAUSED BY ANY DELAY IN FURNISHING SERVICES HEREUNDER. 

6.4 CLIENT ACKNOWLEDGES THAT COMPANY HAS SET ITS FEES, AND ENTERED INTO THE AGREEMENT IN RELIANCE UPON THE LIMITATIONS OF LIABILITY AND THE DISCLAIMERS OF WARRANTIES AND DAMAGES SET FORTH IN THE AGREEMENT, AND THAT THE SAME FORM AN ESSENTIAL BASIS OF THE BARGAIN BETWEEN THE PARTIES. THE FOREGOING LIMITATION OF LIABILITY IS INDEPENDENT OF ANY EXCLUSIVE REMEDIES FOR BREACH OF WARRANTY SET FORTH IN THE AGREEMENT.

6.5 THE PROVISIONS OF SECTIONS 5, 6 AND 7 ARE CLIENT'S EXCLUSIVE REMEDIES RELATED TO THE SERVICES, ANY FAILURE BY COMPANY TO CORRECT NONCONFORMITIES IN THE SERVICES, OR FOR BREACH BY COMPANY OF THE AGREEMENT AND SHALL APPLY REGARDLESS OF THE SUCCESS OR EFFECTIVENESS OF SUCH REMEDIES.

6.6 Unless otherwise expressly stated in an Order, Company assumes no liability for failure of hardware or equipment or software or any losses resulting from such failure which are unrelated to the Services provided under this Agreement”.

6.7 Client is responsible for adopting reasonable measures to limit Client's exposure with respect to such potential losses and damages, including without limitation examination and confirmation of results of the Services prior to use thereof, provision for identification and correction of errors and omissions, and preparation and storage of backup or duplicate data. Client is also responsible for complying with, and shall comply with, all local, state, provincial, federal, national and international laws, rules and regulations (“Laws”) pertaining to the use of the Services and use and disclosure of any Client Information.

7. Indemnity

7.1 Infringement Claims.

(a) General. The limitations set forth below in this Section 7.1 and the procedures set forth below in Section 7.3, Company and Client (each an “indemnitor”) each agrees to defend the other party (each an “indemnitee”) against any action to the extent that such action is based upon a claim that the Confidential Information (other than third party hardware, software, products, materials or services) provided by the indemnitor, or any part thereof, (i) infringes a copyright perfected under United States statute, or (ii) constitutes an unlawful disclosure, use or misappropriation of another party's trade secret, and the indemnitor will bear the expense of such defense and pay any damages, costs and expenses, including reasonable attorneys' fees and expenses (collectively “Damages”) that are attributable to such claim finally awarded by a court of competent jurisdiction.

(b) Exclusions. Neither Company nor Client will be liable to the other for claims of indirect or contributory infringement. The indemnitor will have no liability to the indemnitee hereunder if (i) the claim of infringement is based upon the use of Confidential Information provided by the indemnitor hereunder in connection or in combination with equipment, devices or software not supplied by the indemnitor or used in a manner for which the Confidential Information was not designed, (ii) the indemnitee modifies any Confidential Information provided by the indemnitor hereunder and such infringement would not have occurred but for such modification, or (iii) the claim of infringement

arises out of the indemnitor's compliance with specifications or requirements provided by the indemnitee and such infringement would not have occurred but for such compliance.

(c) Additional Remedy. If Confidential Information becomes the subject of an infringement claim under this Section 7.1, or in the indemnitor's opinion is likely to become the subject of such a claim, then, in addition to defending the claim and paying any damages and attorneys' fees as required above in this Section 7.1, the indemnitor may, at its option and in its sole discretion, (A) replace or modify the Confidential Information to make it noninfringing or cure any claimed misuse of another's trade secret or (B) procure for the indemnitee the right to continue using the Confidential Information pursuant to the Agreement. Any costs associated with implementing either of the above alternatives will be borne by the indemnitor. If neither alternative is pursued by, or (if pursued) available to, the indemnitor, (x) the indemnitee will return such Confidential Information to the indemnitor and (y) if requested by the indemnitee in good faith, the parties will negotiate, to reach a written agreement on what, if any, monetary damages (in addition to the indemnitor's obligation to defend the claim and pay any damages and attorneys' fees as required above in this Section 7.1) are reasonably owed by the indemnitor to the indemnitee as a result of the indemnitee no longer having use of such Confidential Information. The payment of any such monetary damages will be the indemnitee's sole and exclusive remedy for the inability of the indemnitor to implement either of the above alternatives.

7.2 Third Party Indemnification of Company. Without limiting Company's liability to Client under the Agreement, each of the parties acknowledge that Company would not enter into the Agreement, and by Company entering into and performing its obligations under the Agreement, Company will not assume and should not be exposed to the business and operational risks associated with Client's business, and Client therefore agrees, subject to Section 7.3 below, to indemnify and defend Company and hold Company harmless from any and all third party claims and Damages arising out of the conduct of Client's business, including without limitation the use by Client of the Services or any Third Party Products.

7.3 Procedures. The indemnification obligations set forth in this Section 7 will not apply unless the party claiming indemnification: (a) notifies the other promptly in writing of any matters in respect of which the indemnity may apply and of which the notifying party has knowledge, in order to allow the indemnitor the opportunity to investigate and defend the matter; provided, however, that the failure to so notify will only relieve the indemnitor of its obligations under this Section 7 if and to the extent that the indemnitor is prejudiced thereby; and (b) gives the other party full opportunity to control the response thereto and the defense thereof, including without limitation any agreement relating to the settlement thereof; provided, however, that the indemnitee will have the right to participate in any legal proceeding to contest and defend a claim for indemnification involving a third party and to be represented by legal counsel of its choosing, all at the indemnitee's cost and expense. However, if the indemnitor fails to promptly assume the defense of the claim, the party entitled to indemnification may assume the defense at the indemnitor's cost and expense. The indemnitor will not be responsible for any settlement or compromise made without its consent, unless the indemnitee has tendered notice and the indemnitor has then refused to assume and defend the claim and it is later determined that the indemnitor was liable to assume and defend the claim. The indemnitee agrees to cooperate in good faith with the indemnitor at the request and expense of the indemnitor.

8. Additional Terms.

8.1 Hardware as a Service (HaaS).

(a) All hardware provided by Company as a part of Company providing HaaS under an Order (“HaaS Hardware”) shall at all times remain the property of Company and Client shall not have any right, title or interest in or to the HaaS Hardware other than the right to possession and use of the HaaS Hardware in accordance with the Agreement.

(b) Client shall, during the term of the Agreement and until redelivered to Company:

- ensure that the HaaS Hardware is kept and operated in a suitable environment, which shall as a minimum meet any requirements set out in the Order, use only for the purposes for which it is designed, and operate it in a proper manner by trained competent staff in accordance with any operating instructions;
- keep the HaaS Hardware in as good and operating condition as it was on the date of its delivery (fair wear and tear only excepted) including replacement of worn, damaged and lost parts, and shall make good any damage to the HaaS Hardware;
- make no alteration to the HaaS Hardware and not remove any existing component(s) from the HaaS Hardware without the prior written consent of Company;
- at all times keep the HaaS Hardware in its possession or control at the location(s) specified in the Order or such other locations as may be agreed with the Company in writing;
- permit Company or its duly authorized representative to inspect the HaaS Hardware at all reasonable times and for such purpose to enter upon the premises at which the HaaS Hardware is located, and shall grant reasonable access and facilities for such inspection;
- not, without the prior written consent of Company, part with control of (including for the purposes of repair or maintenance), sell or offer for sale, underlet or lend the HaaS Hardware or allow the creation of any mortgage, charge, lien or other security interest in respect of it;
- give immediate written notice to Company in the event of any loss, accident or damage to the HaaS Hardware arising out of or in connection with the Client’s possession or use of the HaaS Hardware; and
- deliver up the HaaS Hardware at the end of the term of the Agreement at such address as Company requires, or if necessary allow Company or its representatives access to the premises where the HaaS Hardware is located for the purpose of removing the HaaS Hardware.

(c) Client acknowledges that Company shall not be responsible for any loss of or damage to the HaaS Hardware arising out of or in connection with any negligence, misuse, mishandling of the HaaS Hardware or otherwise caused by Client or any of its officers, employees, agents or contractors;

(d) The risk of loss, theft, damage or destruction of the HaaS Hardware shall pass to the Client on delivery by Company to Client. The HaaS Hardware shall remain at the sole risk of the Client during the term of the Agreement and until such time as the HaaS Hardware is redelivered to Company.

(e) During the term of the Agreement and until redelivered to Company, the Client shall, at its own expense, obtain and maintain the following insurances:

- insurance of the HaaS Hardware to a value not less than its full replacement value comprehensively against all usual risks of loss, damage or destruction by fire, theft or accident, and such other risks as Company may from time to time nominate in writing;
- insurance for such amounts as a prudent owner or operator of the HaaS Hardware would insure for, or such amount as Company may from time to time reasonably require, to cover any third party or public liability risks of whatever nature and however arising in connection with the HaaS Hardware; and

insurance against such other or further risks relating to the HaaS Hardware as may be required by law, together with such other insurance as Company may from time to time consider reasonably necessary and advice to the Client.

The Client shall, on demand, supply copies of the relevant insurance policies or other insurance confirmation acceptable to Company and proof of premium payment to Company to confirm the insurance arrangements. If the Client fails to effect or maintain any of the insurances required under these conditions, Company shall be entitled to effect and maintain the same, pay such premiums as may be necessary for that purpose and recover the same as a debt due from the Client.

(f) Client permits Company to:

- charge Client for repairs to, or replacement of, any HaaS Hardware that is lost, damaged or destroyed until it has been returned to Company; and
- at any time swap the HaaS Hardware for alternative equipment offering in Company's reasonable judgment the same functionality.

8.2 EULAs. Portions of the Services may require Client to accept the terms of one or more third party end user license agreements ("EULAs"). EULAs may contain service levels, warranties and/or liability limitations that are different than those contained in the Agreement. Client agrees to be bound by the terms of such EULAs and shall look only to the applicable third party provider for the enforcement of the terms of such EULAs. Client will defend, indemnify, and hold Company harmless from any claims and Damages resulting from any breach of a EULA by Client or any of its directors, officers, employees, or agents.

8.3 Data Backup. Unless otherwise stated in an Order, Client understands and agrees that Company shall not be responsible for data backup or any data lost, corrupted, or rendered unreadable due to communication and/or transmissions errors or related failures, or equipment failures (including but not limited to silent corruption-related issues). Client is strongly advised to

maintain a local and offsite backup of all mission-critical or customer-critical data, and to periodically verify the integrity and availability of all backed up data.

8.4 Bring Your Own Device (BYOD). Client hereby represents and warrants that Company is authorized to provide the Services to all devices, peripherals and/or computer processing units, including without limitation mobile devices (such as personal digital assistants, notebook computers, and tablet computers) that (i) are connected to Client's systems related to the Services, and (ii) have been designated by Client to receive the Services, regardless of whether such device(s) are owned, leased or otherwise controlled by Client. Unless otherwise stated in an Order, devices will not receive or benefit from the Services while the devices are detached from or unconnected to such systems.

8.5 Hosted Solutions. Hosted solutions, including but not limited to hosted email and document-related applications, may require Client to accept the terms of a third party EULA, which may contain service levels, warranties and/or liability limitations that are different than those contained in the Agreement. Client agrees to be bound by the terms of such EULAs and shall look only to the applicable third party provider for the enforcement of the terms of such EULAs. Client will defend, indemnify, and hold Company harmless from any claims and Damages resulting from any breach of such a EULA by Client or any of its directors, officers, employees, or agents. Company reserves the right to suspend or terminate Client's access to hosted solutions in the event that Company has reason to believe that the hosted solutions are being accessed, used or otherwise manipulated in a manner that violates any Law, or poses a threat to the integrity or security of Company's computer servers or any third party server.

8.6 Disposal of Equipment. Client agrees that any Client assets, equipment, hardware, or software deemed to be replaced, retired, faulty, non-functional, dead-on arrival, returned, unrecoverable, or otherwise unusable may be disposed of by Company unless Client provides a written request to keep the asset at the time of removal.

8.7 Recording.

(a) Some Services provided may involve recording and/or monitoring. For such Services, information uploaded to or in any way passing through computer systems used to provide the Services, including without limitation written, visual, or oral communications or other electronic means, may be recorded or monitored for quality assurance and diagnostic purposes. By accessing or using the Services, Client consents to such recording and monitoring. Client is also solely responsible for informing anyone with whom Client interacts or otherwise communicates via the Services that information uploaded to or in any way passing through the Services, including without limitation written, visual, or oral communications or other electronic means, may be recorded or monitored for quality assurance and diagnostic purposes.

(b) If phone conferences/conference bridges are applicable to the Services being provided to Client, Client acknowledges that the laws of certain jurisdictions may require that if a conference is recorded, all participants in the conference must be informed in advance of any such recording, so they may consent to being recorded (if required by applicable Laws). Client acknowledges and agrees that Client shall be solely responsible for complying with all applicable Laws and third party rights when using recording features (which includes Client's obligation to obtain the consent, if

required by applicable Laws, of all participants before the commencement of the recording). Company shall have no liability to Client or any participant in Client's recorded conference with respect to Client's obligations under this Section 8.7.

9. General Provisions.

9.1 Non-Hire Provision. Each party to the Agreement agrees that it will not hire, employ or contract with, or solicit to hire, employ or contract with, any person who is, or within the immediately preceding one year was, an employee or subcontractor of the other party to the Agreement for any purposes during the term of the Agreement, or for a period of one year after the Agreement terminates.

9.2 Conflict. Any purchase order or other document issued by Client is for administrative convenience only and does not govern, control or amend the terms of the Agreement. In the event of any conflict between this Master Agreement and an Order, this Master Agreement shall prevail unless the Order expressly references amending and superseding a specific provision of this Master Agreement.

9.3 Survival. In the event of any expiration or termination of the Agreement, Sections 2, 3, 4, 5, 6, 7, and 9 of this Master Agreement shall survive and shall continue to bind the parties.

9.4 Governing Law. The Agreement shall be governed in all respects by the laws of the United States of America and the State of California without regard to conflicts of law principles. The parties agree that the United Nations Convention on Contracts for the International Sale of Goods is specifically excluded from application to the Agreement.

9.5 Forum. All disputes arising under the Agreement shall be brought in the state or federal courts located in Columbia, South Carolina, as permitted by law. The state and federal courts located in Columbia, South Carolina shall each have nonexclusive jurisdiction over disputes under the Agreement. Client consents to the personal jurisdiction of the above courts.

9.6 Injunctive Relief. It is understood and agreed that, notwithstanding any other provisions of the Agreement, breach of the provisions of the Agreement by Client will cause Company irreparable damage for which recovery of money damages would be inadequate, and that Company shall therefore be entitled to obtain timely injunctive relief to protect Company's rights under the Agreement in addition to any and all remedies available at law.

9.7 Notices. All notices or reports permitted or required under the Agreement shall be in writing and shall be delivered by personal delivery or by certified or registered mail, return receipt requested, and shall be deemed given upon personal delivery or five (5) days after deposit in the mail. Notices shall be sent to Company at the addresses described on the first page of this Master Agreement in the definition of Company and to Client at the address set forth in the applicable Order or such other address as either party may designate for itself in writing. All notices to Company must be submitted to its President, as specifically stated below in this contract, to be effective:

(Insert President Name) David Bridges, President

(Inset President's mailing address) 1301 Gervais St Ste 1800, Columbia, SC 29201

9.8 No Agency. Nothing contained herein shall be construed as creating any agency, partnership, or other form of joint enterprise between the parties.

9.9 Force Majeure. Neither party shall be liable hereunder by reason of any failure or delay in the performance of its obligations hereunder on account of strikes, shortages, riots, insurrection, fires, flood, storm, explosions, acts of God, war, governmental action, labor conditions, earthquakes, power failure, communications delays/outages, material shortages or any other cause which is beyond the reasonable control of such party.

9.10 Waiver. The failure of either party to require performance by the other party of any provision hereof shall not affect the full right to require such performance at any time thereafter; nor shall the waiver by either party of a breach of any provision hereof be taken or held to be a waiver of the provision itself.

9.11 Severability. In the event that any provision of the Agreement shall be unenforceable or invalid under any applicable law or be so held by applicable court decision, such unenforceability or invalidity shall not render the Agreement unenforceable or invalid as a whole, and, in such event, such provision shall be changed and interpreted so as to best accomplish the objectives of such unenforceable or invalid provision within the limits of applicable law or applicable court decisions.

9.12 This section was intentionally omitted.

9.13 Headings. The section headings appearing in this Master Agreement are inserted only as a matter of convenience and in no way define, limit, construe, or describe the scope or extent of such section or in any way affect this Master Agreement.


9.14 Entire Agreement. The Agreement completely and exclusively states the agreement of the parties regarding its subject matter. It supersedes, and its terms govern, all prior proposals, agreements, or other communications between the parties, oral or written, regarding such subject matter. The Agreement shall not be modified except by a subsequently dated written amendment signed on behalf of Company and Client by their duly authorized representatives.

Exhibit A Hourly Service Area	Hourly Bill Rate	Description of Service Area
Consulting & Project Management	\$ 232.00	Consulting (Design, Architecture, Planning); Technology Assessments; Security Audits. Project Management. CIO Consulting Services including without limitation product

		evaluations and application/infrastructure planning services.
Application Development	\$ 232.00	Application Software development, design, testing, and code revisions. Systems Programming (System Level Scripting/Automation). All SharePoint services.
Web Design Services	\$ 201.00	Web site design and implementation services which are NOT built on a Microsoft SharePoint platform.
Infrastructure Deployment Services	\$ 206.00	Installation and Setup of the following: Networks, Electronic Messaging Systems, Servers, SANs, VMWare, Citrix, Network Domains, and Desktop Deployments.
Infrastructure Maintenance Services	\$ 196.00	Maintenance Services for the following: Networks, Electronic Messaging Systems, Servers, SANs, VMWare, Domains, Microsoft Server, and Desktop support.
Travel Time	\$ 124.00	Travel time to and from the Client. This rate includes the mileage expense at the current

		IRS approved mileage rate.
After Hours Support Services	\$ 257.00	All reactive support services provided to Client outside of the hours of 8am to 5pm Monday through Friday and all services provided on National Holidays

Note: Rates will automatically increase on an annual basis equivalent to the CPI change for All Urban Consumers or by a rate of 4%, whichever is higher. Annual rate increases will become effective on the first of the month following the release of data for the prior calendar year.

 **Confidential:** this document is for internal use by only the Client, and is not to be shown or distributed to any other parties without the express written permission of VC3 unless subject to disclosure as required by law, including, but not limited to, the California Public Records Act.

RESOLUTION NO. 126

**A RESOLUTION OF THE BOARD OF DIRECTORS OF PAUMA VALLEY COMMUNITY SERVICES DISTRICT
ADOPTING SALARY SCHEDULE FOR EMPLOYEES**

WHEREAS, the Public Employees' Retirement Law ("PERL"), Public Employees' Pension Reform Act of 2013 (PEPRA), and Title 2 of the California Code of Regulations ("CCR") require employee pay rates to be paid pursuant to a publicly available pay schedule; and

WHEREAS, Government Code Section 20636 defines compensation earnable for "Classic" members and Government Code Section 7522.34 defines pensionable compensation for "New" PEPRA members employed by the District; and

WHEREAS, the California Public Employees Retirement System ("CalPERS") adopted the California Code of Regulations, Title 2, Section 570.5; and

WHEREAS the adoption and approval of the pay schedule will ensure proper documentation of base salaries for retirement purposes; and

WHEREAS the Regulations require that the pay schedule be made public without reference to another document in lieu of disclosing the pay rate; and

WHEREAS, the California Code of Regulations, Title 2, Section 570.5 requires the District's Board of Directors to approve and adopt all pay schedules.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Pauma Valley Community Services District, a public agency in the County of San Diego, California, that the Salary Schedule attached in Exhibit A is approved and adopted.

PASSED AND ADOPTED BY the Board of Directors of the Pauma Valley Community Services District, Pauma Valley, California, held on the 24th day of February 2025, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Fred Nelson, President

ATTEST:

Michael Esparza
Board Secretary

Exhibit A

Pauma Valley Community Services District

Pay Range Salary Schedule - Effective February 24,2025

Job Title	hourly min	hourly max	annual min	annual max
General Manager (FLSA Exempt)	-	-	\$118,450.00	\$203,500.00
Office Manager (FLSA Exempt)	-	-	\$53,560.00	\$93,500.00
Water Quality Data Tech & Compliance Admin. (30 hr/wk max)	\$23.69	\$33.55	\$49,275	\$52,338
Administrative Assistant	\$24.76	\$33.55	\$51,503	\$69,784
Office Clerk	\$19.26	\$26.57	\$40,063	\$55,255
Utility Division Supervisor	\$30.60	\$41.71	\$63,651	\$86,761
Utility Worker II	\$25.17	\$34.32	\$52,360	\$71,386
Utility Worker I	\$21.70	\$30.92	\$45,140	\$64,316
Security Division Supervisor	\$27.10	\$39.85	\$56,367	\$82,894
Patrol Officer	\$21.53	\$27.83	\$44,776	\$57,886
Gate Attendant Supervisor	\$20.23	\$28.83	\$42,077	\$59,968
Gate Attendant	\$18.13	\$23.71	\$37,706	\$49,306

Governing Body Resolution Number 127

BE IT RESOLVED BY THE Board of Directors
(Governing Body)
OF THE Pauma Valley Community Services District THAT
(Name of Applicant)
Richard Collins, OR
(Name or Title of Authorized Agent)
Fred Nelson, OR
(Name or Title of Authorized Agent)
Lois Levy,
(Name or Title of Authorized Agent)

is hereby authorized to execute for and on behalf of the named Applicant, a public entity established under the laws of the State of California, any actions necessary for the purpose of obtaining federal financial assistance provided by the federal Department of Homeland Security and subgranted through the State of California for the following Grant Award:

FY2024 State and Local Cybersecurity Grant Program
(List Grant Year and Program)

Passed and approved this 24th day of February, 2025

Certification

I, _____, duly appointed and
(Name)

_____ Of the _____
(Title) (Governing Body)

do hereby certify that the above is a true and correct copy of a resolution passed and approved by the _____ day of _____, 20_____

(Official Position)

(Signature) (Date)