

GRANT AGREEMENT

MDAQMD Contract Year: 2026

Contract Number: MD0626#05_Morongo Valley Project 1_2026-1986 Ford F-1700

Board Item: 05

Grant Description: MD0626#05_Morongo Valley Project 1_2026-1986 Ford F-1700 project funded by the Carl Moyer Program

PARTIES

- A. This AGREEMENT (hereinafter “Agreement”) is between the Mojave Desert Air Quality Management District (hereinafter “MDAQMD”) and Morongo Valley Community Service District, (hereinafter “GRANTEE”).
- B. The State of California, acting by and through the California Air Resources Board (CARB), is recognized as a third-party beneficiary to this Agreement.

Witnesseth:

WHEREAS, the purpose of the Carl Moyer Program is to reduce emissions by providing grants for the incremental cost of cleaner than required heavy-duty vehicles, engines and equipment ; and

WHEREAS, CARB as the original source of the monies used to fund this grant, will be able to audit and enforce this Agreement pursuant to the terms of the underlying funding Program Guidelines; and

WHEREAS, the MDAQMD is authorized to award grant funds to offset the incremental cost of projects that reduce air pollution pursuant to the specific Program Guidelines; and

WHEREAS, GRANTEE submitted an application requesting funding to obtain cleaner technology that meets the current emissions standards as described in the attached Exhibit(s) (hereinafter also referred to as “Project”); and

WHEREAS, District staff has evaluated GRANTEE’s Grant Application and has determined that the Application and Proposed Project complies with the funding Program Guidelines and shall meet the funding program requirements for the full term of this Agreement (also referred to as “Project Life”; and

WHEREAS, on that basis the MDAQMD Governing Board has approved GRANTEE’s project for funding in accordance with the terms of this Agreement; and

WHEREAS, funding of this Project is contingent upon successful completion of pre-inspection of existing equipment, GRANTEE signing this Grant Agreement and fulfilling the grant terms and conditions; and

WHEREAS, GRANTEE is qualified and experienced in its professional field and is able to perform the activities described in the Grant Proposal submitted by GRANTEE and the attached “Exhibit(s).”

The Parties agree as follows:

Grant Terms and Conditions

1. Purpose

The purpose of this Agreement hereby awards GRANTEE Project funding for the replacement of older polluting, heavy-duty off-road/on-road equipment with newer, cleaner technology that meets the current emissions standards as described in the Exhibit(s). This Project must be completed, operated and maintained in a manner such that it does not void any warranty. Equipment shall be operated a minimum of 70% of the total annual hours stated in the original application with 100% usage to occur within the MDAQMD for the entire term of the Project Life. GRANTEE certifies compliance with all applicable federal, state, and local air quality rules and regulations at time of contract execution and shall maintain compliance with such rules and regulations for the full Project Life. In the event that GRANTEE is unable to satisfy the required usage each year of the Project Life for the equipment, and provided that the GRANTEE still owns and operates the Carl Moyer Program funded equipment, the GRANTEE may request to extend the Project Life of this Agreement or repayment as listed in Section 4(e) of this Agreement. If the Carl Moyer Program funded equipment specified in the Exhibit(s) are sold, GRANTEE will be subject to repayment as listed in Section 4(e) of this Agreement. This Project complies with the Carl Moyer Program Guidelines and criteria and will meet all program requirements for the full term of the Agreement.

2. Services

- a) GRANTEE agrees, during the term of this Agreement, to perform the contracting services set forth below and in Exhibit A – Scope of Services.
- b) GRANTEE shall be obligated to devote as much time, attention, skill, and effort as may be reasonably required to perform the PROJECT services, in a professional and timely manner, consistent with the elements of the PROJECT.

3. Contract Period

- a) The term of this contract shall begin on the last date signed by the Parties below and conclude on or before the end dates listed in Exhibit B – Contract Term and Payment for Services Rendered, unless terminated or amended.
- b) This contract may be canceled by either party upon serving thirty (30) days' notice in writing to the other party.

4. Payment

- a) MDAQMD agrees to pay for the services covered by this Agreement pursuant to the payment terms set forth below and in Exhibit B – Contract Term and Payment for Services Rendered.

- b) The amount paid to the GRANTEE shall constitute full payment for all services set forth herein. GRANTEE shall not be reimbursed for any additional expenses incurred beyond the maximum approved sum.
- c) GRANTEE shall bill MDAQMD upon completion of the PROJECT and after all of the conditions for funding outlined in this Agreement are met. If the PROJECT funded under this Agreement is performed in phases or over a period of time, then requests can be made by the GRANTEE for partial payment. Partial requests for payments must receive prior authorization by MDAQMD. GRANTEE agrees to provide a detailed invoice to MDAQMD with copies of purchase orders, signed contracts, or receipts referencing the contract number. MDAQMD retains the right to require proof of services performed or costs incurred prior to any payment under this Agreement.
- d) Notwithstanding any other terms of this Agreement, no payments shall be made to GRANTEE until MDAQMD is satisfied that work of such value has been rendered pursuant to this Agreement.
- e) Repayment of grant. GRANTEE agrees to repay MDAQMD if any of the following occur:
 - (1) GRANTEE’s annual usage of the Project falls below 70% of the average usage as provided in project application. 100% usage to occur within the MDAQMD for the entire term of the Project Life as per Exhibit(s) A. GRANTEE may request to extend the terms of this Agreement (precluding overlap with an applicable rule implementation requirement) pursuant to the conditions listed in paragraphs (5)(c)(iii)(1)-(3) below; or
 - (2) The Project specified in Exhibit(s) A is sold and the buyer fails to accept and perform the obligations of this Agreement for the remaining Project Lifetime as set forth in Exhibit(s); or
 - (3) The amount of repayment shall be calculated as follows:

$$\text{Repayment amount} = \frac{G}{T} \left(\sum_{i=1}^n |R - A_i| \right)$$

Where:

G = “Grant amount” is the amount of money GRANTEE is paid for the Project under this Agreement.

n = “Project Life in years” for the purposes of this calculation is the term of the Agreement as per Exhibit(s) A.

R = annual hours as specified in the statement of usage

A = “hours used” is the number of hours the Project is required to operate annually in conformance with this Agreement.

T = “Total hours required is defined as R multiplied by n

5. Notices

- a) Any notice or demand desired or required to be given hereunder shall be in writing and deemed given when personally delivered, sent via email to project contact or to grants@mdaqmd.ca.gov with confirmed receipt, or deposited in the mail, postage prepaid, sent certified or registered and addressed to the Parties as follows:

MDAQMD:
Mojave Desert Air Quality Management District
Attn: Air Pollution Control Officer (APCO)
14306 Park Ave
Victorville, CA 92392

GRANTEE:
Morongo Valley Community Service District
Attn: Christina Gorke
PO Box 46
Morongo Valley, California 92256

- b) Any notice so delivered personally shall be deemed to be received on the date of delivery, any notice so delivered via email with confirmed receipt shall be deemed to be received on the date of receipt confirmation, and any notice mailed shall be deemed to be received five (5) days after the date on which it was mailed.

6. Promotional Decals

If requested to do so by MDAQMD, GRANTEE agrees to display promotional decals, provided by MDAQMD, on the grant-funded equipment.

7. Obligations of MDAQMD

- a) MDAQMD agrees to pay GRANTEE an amount not to exceed the requirements set forth in Exhibit B – Contract Term and Payment for Services Rendered, in accordance with the requirements listed in Exhibit A – Scope of Services.
- b) MDAQMD shall not reimburse GRANTEE for any expenses incurred by GRANTEE in the performance of PROJECT described in Exhibit A unless such reimbursement is specifically authorized in the Payment Schedule. GRANTEE shall not be reimbursed for any additional expenses incurred beyond the maximum amount.
- c) Except for the payment obligations set forth above, MDAQMD shall have no other obligations or responsibilities to GRANTEE under this Agreement.

8. Obligations of GRANTEE

- a) GRANTEE has or will obtain all additional funding set forth in Exhibit B of this Agreement.

- b) GRANTEE has or will obtain all required licenses, permits, fees, and other legal authorizations from all applicable Federal, State, and local jurisdictions necessary to commence and properly complete, in a professional manner, the PROJECT described in Exhibit A and will produce said documents if requested by MDAQMD.
- c) Labor, equipment, material, supply costs and other charges will be in conformance with the requirements of Exhibit A.
- d) No component of the monies to be paid by MDAQMD to GRANTEE shall be used for grant administration or any interest costs.
- e) GRANTEE shall provide proof of PROJECT completion and verification of costs as set forth in Exhibit A and Section 3 above.

9. Indemnification

GRANTEE agrees to indemnify, defend and hold harmless MDAQMD, State of California, CARB and its authorized agents, officers, volunteers and employees against any and all claims or actions arising from GRANTEE's acts, errors or omissions in performing services pursuant to this Agreement. GRANTEE agrees to indemnify, defend, and hold harmless MDAQMD, its authorized agents, officers, volunteers and employees against any and all losses sustained due to the use of the new equipment pursuant to this Agreement. MDAQMD agrees to indemnify, defend and hold harmless GRANTEE and its authorized agents, officers, volunteers and employees against any and all claims or actions arising from MDAQMD's acts, errors or omissions in performing services pursuant to this Agreement.

10. Title to Equipment

Title to and risk of loss of equipment purchased with funds received through this Agreement will, at all times, vest in and with GRANTEE. GRANTEE acknowledges that MDAQMD did not supply, design or manufacture the equipment or any of its components. This equipment is commercially manufactured and sold by a manufacturer to be determined by GRANTEE. MDAQMD specifically disclaims all warranties, express and implied, including the implied warranties of merchantability and fitness for the intended purpose, as to the purchased equipment, any test equipment or field tests. In no event will MDAQMD be liable to GRANTEE or any third party for any direct, indirect, consequential, special, incidental, or punitive damages for the design, manufacture, operation, maintenance, performance, or demonstration of the purchased equipment under any theory, including but not limited to, tort, contract, breach of warranty, or strict liability.

11. Record Keeping and Reporting

- a) Records - GRANTEE will keep, and provide to MDAQMD, upon request, accurate financial records (including invoices and published price lists on which Agreement was based) necessary to enable the review of GRANTEE's performance of this Agreement. These records must demonstrate that the grant funding has been used for the purchase of equipment and/or provision of services as described in Exhibit A to this Agreement.

GRANTEE will maintain all such records for at least three (3) years from the expiration of the term of this Agreement.

- b) Reports - GRANTEE will submit report(s) to the MDAQMD in accordance with the schedule and format specified in Exhibit(s) to this Agreement. To ensure accurate usage reporting, GRANTEE is required to maintain equipment (fuel or energy meter) necessary to determine usage.
- c) GRANTEE must document usage during a failure of such equipment and provide the MDAQMD with that documentation with the Annual Usage Report.

12. Compensation

The total obligation of MDAQMD under this Agreement will not exceed the amount listed in Exhibit(s).

- a) Payments - Only expenditures incurred by GRANTEE in the direct performance of this Agreement can be reimbursed by MDAQMD. GRANTEE shall bill MDAQMD upon completion of the PROJECT and after all the conditions for funding outlined in this Agreement are met. If the PROJECT funded under this Agreement is performed in phases or over a period of time, then requests can be made by the GRANTEE for partial payment. Partial requests for payments must be received prior authorization by MDAQMD. GRANTEE agrees to provide a detailed invoice to MDAQMD with copies of purchase orders, signed contracts, or receipts referencing the contract number. MDAQMD retains the right to require proof of services performed or costs incurred prior to any payment under this Agreement.
- b) Payments by MDAQMD to GRANTEE for any services detailed in Exhibit(s) will be processed only after said services have been satisfactorily rendered, and after a written request and claim from GRANTEE for such payment has been received by MDAQMD. Said written request will set forth the work completed in the claim period and must include copies of any and all invoices or financial records needed to verify that stated costs have been incurred by GRANTEE. Claims and all supporting documentation must be submitted to the Mojave Desert Air Quality Management District, Attn: Grants Section, 14306 Park Ave, Victorville, California 92392, or via email to grants@mdaqmd.ca.gov. MDAQMD will pay GRANTEE within (30) calendar days after receiving a request for payment and verifying that services have been satisfactorily completed as detailed in Exhibit(s) and cited in the invoice.
- c) Surplus Funds - Any part or all of a payment by MDAQMD to GRANTEE, which is not utilized for any reason by GRANTEE to pay costs pursuant to the terms and conditions of this Agreement and as detailed in a claim by GRANTEE, must be refunded by GRANTEE to MDAQMD within (30) days after the end of the Project Completion term as defined in Exhibit(s) to this Agreement.
- d) Close-Out Period - All final claims for repayment must be submitted by GRANTEE to MDAQMD within sixty (60) days following the final month of activities for which payment is claimed. No action will be taken by MDAQMD on claims submitted beyond the 60-day close-out period.

- e) Source of Funds - By signing this Agreement, GRANTEE affirms that they have disclosed to MDAQMD all funding sources for the project proposed in Exhibit(s) to this Agreement, whether potential (funding applied for but not received) or actual (funding received); and that GRANTEE will notify the MDAQMD of any additional sources of funding received for the project, including any sources that become available after execution of this Agreement. If the project is co-funded with another air district, CARB, any other public agency or any other source of public funds, GRANTEE understands and agrees that they must comply with all rules and criteria associated with each funding source used, that the sum of project funding from all sources may not exceed the total project cost, and that unless the GRANTEE is a public agency, no less than (15%) of the eligible expenses for the grant-funded equipment must be provided by non-public sources.

13. Insurance Requirements

In order to accomplish the indemnification herein provided for, GRANTEE shall procure and maintain, throughout the term of the Agreement replacement value insurance coverage to ensure complete repair or replacement in the event of major damage to the equipment. GRANTEE will also maintain insurance as required by law or regulation the following types of insurance as may apply to GRANTEE's operations and handling of the new equipment:

- (1) Workers' compensation insurance in amounts to satisfy applicable state laws;
- (2) Employer's liability insurance in the amount of \$1,000,000;
- (3) Automobile liability insurance in the amount of \$1,000,000 per occurrence;
- (4) General commercial liability insurance for bodily injury, death or loss of or damage to property of third persons in the minimum amount of \$1,000,000 per occurrence and in the aggregate.

Such insurance policies shall name MDAQMD, its officers, agents, employees, individually and collectively, as additional insured (except workers' compensation insurance), for purposes of the matter covered under this Agreement. The coverage shall contain no special limitations on the scope of protection afforded to the District, its officers, agents, employees, individually and collectively. Such coverage for additional insured shall apply as primary insurance, and any other insurance maintained by MDAQMD, its officers, agents, and employees, shall be excess only and not contributing with insurance provided under GRANTEE's policies herein. The GRANTEE's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. Any failure to comply with any of the provisions or policies including breach of warranties shall not affect coverage provided to the District, its officers, agents, employees, individually and collectively. GRANTEE will not cancel required insurance policies without thirty (30) day prior written notice.

Prior to the commencement of performing its obligations under this Agreement, GRANTEE shall provide to MDAQMD appropriate certificates from its insurance carrier or carriers stating that such insurance coverages have been obtained and are in full force; that MDAQMD, its officers, agents and employees will not be responsible for any premiums on the policies; that such insurance names MDAQMD, its officers, agents, and employees, individually and

collectively, as additional insureds and stating policy number, dates of expiration, limits of liability thereunder, and special endorsements (except workers' compensation insurance), for purposes of the matter covered under this Agreement; that such coverage for additional insured shall apply as primary insurance and any other insurance maintained by MDAQMD, its officer, agents, and employees, shall be excess only and not contributing with insurance provided under GRANTEE's policies herein.

All insurance certificates must be sent to MDAQMD, by email to grants@mdaqmd.ca.gov or by mail to 14306 Park Avenue, Victorville, CA 92392.

14. Facilities, Equipment and Other Materials

Except as set forth herein, GRANTEE shall, at its sole cost and expense, furnish all facilities, equipment, and other materials which may be required for furnishing services pursuant to this Agreement. MDAQMD shall furnish GRANTEE only those facilities, equipment, and other materials, and shall perform only those obligations as listed herein.

15. Non-Discrimination

GRANTEE shall not discriminate in its employment practices because of race, religious creed, color, national origin, ancestry, disability, medical condition, marital status, sex, sexual preference, or in contravention of any other protected classification or practice identified in the California Fair Employment and Housing Act; Government Code section 12900 et seq.

16. Termination

- a. Breach of Agreement - MDAQMD may immediately suspend or terminate this Agreement, in whole or in part, if GRANTEE breaches any of the provisions herein, including but not limited to:
 1. An illegal or improper use of funds;
 2. A failure to comply with any term of this Agreement;
 3. A substantially incorrect or incomplete report submitted to MDAQMD; or
 4. Improperly performed services.

In no event will any payment by MDAQMD constitute a waiver by MDAQMD or their designee(s) of any breach of this Agreement or any default which may then exist on the part of GRANTEE, nor will such payment impair or prejudice any remedy available to MDAQMD or their designee(s) with respect to the breach or default. MDAQMD or their designee(s) has the right to demand of GRANTEE the repayment to MDAQMD of any funds disbursed to GRANTEE under this Agreement which in the judgment of MDAQMD or their designee(s) were not expended in accordance with the terms of this Agreement. GRANTEE must promptly refund any such funds upon demand. In addition to immediate suspension or termination, MDAQMD or their designee(s) may impose any other remedies available at law, in equity, or otherwise specified in this Agreement.

- b. Without Cause – MDAQMD or their designee(s) may terminate this Agreement at any time after giving the other Party at least (30) days advance written notice of intention

to terminate. In such case, GRANTEE will be paid the reasonable value of all services, if any, satisfactorily rendered and actual, reasonable costs incurred up to the time of the termination. Upon such termination, all the work, if any, produced by GRANTEE must be promptly delivered to MDAQMD. Additional terms and conditions may apply in the event of termination by GRANTEE.

17. Records, Documents and Audits

- a) GRANTEE shall maintain at all times complete, detailed records with regard to work performed under this Agreement, in a form acceptable to MDAQMD. The MDAQMD or its designee shall have the right to inspect such records at any reasonable time during the Project Life.
- b) GRANTEE agrees to return to MDAQMD, upon termination of this Agreement, all documents, drawings, photographs, and other written or graphic material, however produced, received from MDAQMD and used by GRANTEE in the performance of its services. All work papers, drawings, internal memoranda, graphics, photographs, and any written or graphic material, however produced, prepared by GRANTEE in connection with its performance of services hereunder shall be, and shall remain after termination of this Agreement, the property of MDAQMD and may be used by MDAQMD for any purpose whatsoever. MDAQMD agrees that any future use of documents produced by the GRANTEE under the terms of this contract shall be at the sole discretion of MDAQMD and GRANTEE shall bear no liability for the decisions on whether and how to use such documents.
- c) During the Project Life, either or both the MDAQMD and CARB or their designee have the authority to conduct a fiscal audit, inspect projects, enforce terms of this Agreement, and pursue a refund for any noncompliance with the terms and conditions of this Grant Agreement or applicable state laws or regulations. GRANTEE shall make available to MDAQMD at any time during regular business hours following reasonable notice from the MDAQMD, and as often as MDAQMD may deem necessary, all of its records and data for examination with respect to the matters covered in this Agreement. GRANTEE shall allow MDAQMD upon reasonable advance request at MDAQMD's cost, to audit and inspect all of such records and data necessary to ensure GRANTEE's compliance with the terms of this Agreement. In the event it becomes necessary, GRANTEE shall be subject to an audit to determine if the funds received by GRANTEE were spent for the incremental cost of cleaner equipment as provided in CARB's Carl Moyer Program Guidelines and to determine whether said funds were spent as provided by law and this Agreement. If after audit MDAQMD makes a determination that funds provided to GRANTEE pursuant to this Agreement were not spent in conformance with this Agreement or the requirements of the Program or any other applicable provisions of law, and following resolution of any appeal of such determination by GRANTEE to the Board of the MDAQMD, GRANTEE agrees to immediately reimburse MDAQMD all funds determined to have been expended not in conformance with said provisions.

- d) GRANTEE shall retain all records and data for activities performed under this Agreement for at least three (3) years beyond the performance of the final obligation pursuant to this Agreement or until all state and federal audits are completed, whichever is later.

18. Political Activity Prohibited

None of the funds, materials, property, or services provided under this Agreement shall be used for any political activity, or to further the election or defeat of any candidate for public office contrary to federal or state laws, statutes, regulations, rules, or guidelines.

19. Lobbying Prohibited

None of the funds provided under this Agreement shall be used for publicity, lobbying, or propaganda purposes designed to support or defeat legislation before the Congress of the United States of America or the Legislature of the State of California.

20. Conflict of Interest

No officer, employee or agent of MDAQMD who exercises any function or responsibility for planning and carrying out the services provided under this Agreement shall have any direct or indirect personal financial interest in this Agreement. GRANTEE shall comply with all federal, state and local conflict of interest laws, statutes, and regulations.

21. Economic Sanctions

GRANTEE agrees to comply with existing economic sanctions imposed by the U.S. Government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law.

22. Independent Status

- a) GRANTEE shall perform this contract as an independent contractor and not as an employee of MDAQMD. GRANTEE acknowledges that GRANTEE is not entitled to any of MDAQMD's fringe benefits, including without limitation; paid holidays, life insurance, sick leave, or travel or any other expenses in connection with services performed hereunder. No part of the compensation payable to GRANTEE hereunder shall be deducted or withheld for payment of Federal or State income or other employment related taxes. It shall be the responsibility of GRANTEE to provide all coverage necessary for GRANTEE's own benefit and not as an employee of MDAQMD.
- b) Except as MDAQMD may specify in writing, GRANTEE shall have no authority, express or implied, to act on behalf of MDAQMD in any capacity whatsoever as an agent. GRANTEE shall have no authority, express or implied, pursuant to this Agreement to bind MDAQMD to any obligation whatsoever.

23. Independent Contractor

In performance of the work, duties, and obligations assumed by GRANTEE under this Agreement, it is mutually understood and agreed that GRANTEE, including any and all of GRANTEE's officers, agents, and employees, will at all times be acting and performing as an independent contractor and will act in an independent capacity and not as an officer, agent, servant, employee, joint ventures, partner, or associate of MDAQMD. Furthermore, except for requirements specifically stated in this Agreement, MDAQMD will have no right to control, supervise or direct the manner or method by which GRANTEE will perform its work and function. MDAQMD retains the right to administer this Agreement to verify that GRANTEE is performing its obligations in accordance with the terms and conditions thereof. GRANTEE and MDAQMD must comply with all applicable provisions of law and the rules and regulations, if any, of governmental authorities having jurisdiction over matters the subject thereof, including but not limited to rules and regulations of the CARB and the MDAQMD. GRANTEE warrants that they are currently in compliance with all federal, state and local air quality rules and regulations and that they have no outstanding, unresolved or unpaid Notices of Violation or citations for violations of any such rules and regulations, and that they will maintain compliance with such rules and regulations for the entire term of this Agreement.

Because of its status as an independent contractor, GRANTEE has no right to employment rights and benefits available to MDAQMD employees. GRANTEE is solely liable and responsible for providing to, or on behalf of, itself, all legally required employee benefits. GRANTEE is solely responsible and holds MDAQMD harmless from all matters relating to payment of GRANTEE's employees, including compliance with social security, withholding, and all other regulations governing such matters. It is acknowledged that during the term of this Agreement, GRANTEE may be providing services to others unrelated to MDAQMD or to this Agreement.

24. Warranties

GRANTEE warrants that its services are performed, with the usual thoroughness and competence; in accordance with the standard for professional services at the time those services are rendered.

25. Licenses, Permits, Etc

GRANTEE represents and warrants to MDAQMD that it has or will obtain before initiation of the PROJECT, all licenses, permits, qualifications, and approvals of whatever nature, which are legally required for GRANTEE to practice its profession. GRANTEE represents and warrants to MDAQMD that GRANTEE shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, and approvals which are legally required for GRANTEE to practice its profession at the time the services are performed.

26. Assignment or Transfer

GRANTEE may assign any of its rights, burdens, duties, or obligations under this Agreement only upon the prior written consent of MDAQMD. Approval will be at the sole discretion of MDAQMD.

27. Modification of Agreement

This Agreement cannot be changed or supplemented orally, and may be modified or superseded only by written instrument executed by all Parties.

28. Waiver

One or more waivers by one Party of any major or minor breach or default of any provision, term, condition, or covenant of this Agreement shall not operate as a waiver of any subsequent breach or default.

29. Entirety of Agreement

This Agreement constitutes the entire Agreement and understanding between the Parties. There are no oral understandings, terms, or conditions, and no party has relied upon any representation, express or implied, not contained in this Agreement. Any prior understandings, terms, or conditions are deemed merged into this Agreement. This Agreement is intended as the complete and exclusive statement of the Parties' agreement pursuant to Code of Civil Procedure section 1856.

30. Rights to Emission Reductions

Projects funded via the Carl Moyer Program cannot generate Emission Reduction Credits (ERCs) pursuant to MDAQMD Regulation XIV or be used for offsets pursuant to Regulation XIII. In addition, average banking and trading credits cannot be claimed.

31. Severability

In the event that any word, phrase, clause, sentence, paragraph, section, article or provision contained in this Agreement is held to be unenforceable for any reason by a court of competent jurisdiction, such holding shall not affect the remaining portions of this Agreement, and the Agreement shall then be construed as if such unenforceable provisions are not a part hereof.

32. Prevailing Wages and Labor Compliance

GRANTEE agrees to be bound by all applicable provisions related to public works projects, including but not limited to, California Labor Code Sections 1720-1861 regarding the regulation of employment conditions and prevailing wages for public works projects. GRANTEE agrees to act at all time in conformity with all applicable local, state and federal laws, including, without limitation, all applicable federal and state labor laws.

33. Forge Majeure

Neither MDAQMD or GRANTEE are liable for nor will be deemed to be in default for any delay or failure in performance under this Grant Agreement or interruption of services resulting, directly or indirectly, from acts of God, enemy or hostile governmental action, civil commotion, strikes, government declaration of emergency, national or State declared pandemics, lockouts, labor disputes, fire, flood, earthquakes, or other physical natural disasters. If either Party intends to invoke this clause to excuse or delay performance, the Party invoking the clause must provide written notice to the other Party immediately, but no later than within fifteen (15) calendar days of when the force majeure event occurs and reasons that the force majeure event is preventing that Party from or delaying that Party in performing its obligations under this Grant.

34. Duplicate Execution

This Agreement may be executed in duplicate. Each signed copy shall have the force and effect of an original.

35. Declination Clause

The Mojave Desert Air Quality Management District (MDAQMD) does not discriminate on the basis of race, national origin, ethnic group identification, ancestry, religion, age, sex, sexual orientation, gender identity, gender expression, color, genetic information, medical condition, or mental or physical disability, or any other attribute or belief protected by law in administration of its programs or activities, and MDAQMD does not intimidate or retaliate against any individual or group because they have exercised their rights to participate in action protected by or oppose actions prohibited by 40 C.F.R. Parts 5 and 7, or for the purpose of interfering with such rights.

36. Governing Law

This Agreement shall be interpreted under the laws of the State of California. Venue for any action arising out of this Agreement shall only be in San Bernardino County, California. This Agreement was entered into in Victorville, California.

37. Attorney's Fees

In the event any action is filed in connection with the enforcement or interpretation of this Agreement, each Party shall bear its own attorneys' fees and costs.

38. Citizenship and Alien Status

- a) GRANTEE warrants that it fully complies with all laws regarding the employment of aliens and others, and that its employees performing services hereunder meet the citizenship or alien status requirements contained in federal and state statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986 (PL. 99-603).
- b) GRANTEE shall indemnify, defend, and hold harmless MDAQMD, its officers and employees from employer sanctions and other liability which may be assessed against GRANTEE or MDAQMD, or both in connection with any alleged violation of federal

statutes or regulations pertaining to the eligibility for employment of persons performing services under this Agreement.

39. Subcontractor Approval

If GRANTEE intends to subcontract all or a portion of the work under this Agreement, then GRANTEE must first obtain written approval from MDAQMD's Executive Director or designee prior to subcontracting any work. Any material changes to the subcontract(s) that affect the scope of work, deliverable schedule, and/or payment/cost schedule shall also require the prior written approval of the Executive Director or designee, no subcontract charges will be reimbursed unless the required approvals have been obtained from MDAQMD.

40. Changes in Scope of Work

Changes or amendments to the Project application as it exists at the time the Governing Board makes the grant award and/or Scope of Work contained in this Agreement, including any increase or decrease in the amount of program funds awarded, and changes in the terms of this Agreement, shall be mutually agreed upon in writing by and between MDAQMD and GRANTEE, and shall only be effective by duly-executed written amendments to this Agreement.

41. Availability of Funds

It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Grant does not appropriate sufficient funds for the program, this Grant shall be of no further force and effect. In this event, the Parties shall have no liability to pay any funds whatsoever to GRANTEE or any Grant Recipient or to furnish any other considerations under this Grant and GRANTEE shall not be obligated to perform any provisions of this Grant.

42. Non-Allocation of Funds

The terms of this Agreement and the services to be provided there under are contingent on the approval and appropriation of funds by the MDAQMD Board and receipt of funds from the funding source. Should sufficient funds not be allocated or received, the services provided may be modified or this Agreement may be terminated at any time by MDAQMD after giving GRANTEE (30) days' notice in writing.

43. Funding Prohibitions for Sectarian Purposes and Non-Public Schools

Funds provided under this Agreement shall not be used for sectarian purposes, including but not limited to religious instruction, worship, or the promotion of any religious doctrine. Additionally, no funds shall be allocated to support non-public schools, except as permitted by applicable law. The GRANTEE shall ensure that all expenditures comply with federal and state regulations prohibiting the use of public funds for religious or private educational institutions.

44. Confidentiality

The Parties acknowledge that information disclosed under this Agreement may be subject to public disclosure laws, including the California Public Records Act (California Government Code Section 7920.000 et seq.), while proprietary, sensitive, or legally protected information will be handled in accordance with applicable laws, the GRANTEE shall not disclose non-public information that has been designated as confidential received under this Agreement without prior written approval from MDAQMD or Parties, except as required by law. If the GRANTEE is required by law to disclose any information, it shall promptly notify MDAQMD prior to disclosure, unless prohibited by law.

45. Funding Prohibitions for Sectarian Purposes and Non-Public Schools

Funds provided under this Agreement shall not be used for sectarian purposes, including but not limited to religious instruction, worship, or the promotion of any religious doctrine. Additionally, no funds shall be allocated to support non-public schools, except as permitted by applicable law. The CONTRACTOR shall ensure that all expenditures comply with federal and state regulations prohibiting the use of public funds for religious or private educational institutions.

46. Office of Foreign Assets Control (OFAC) Compliance

GRANTEE certifies that no transactions involve the property or interests in property of an entity or individual listed on the OFAC targeted lists. OFAC publishes lists of targeted individuals, groups, and entities, which can be found at <https://home.treasury.gov/policy-issues/office-of-foreign-assets-control-sanctions-programs-and-information>. Refer also to the U.S. Department of the Treasury website: <https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information/ukraine-russia-related-sanctions>. The property and interests in property of an entity that is 50 percent or more owned by one or more persons whose property and interests in property are blocked pursuant to any part of 31 C.F.R. chapter V are also blocked, regardless of whether the entity itself is listed. GRANTEE shall comply with all applicable OFAC and regulations and sanctions program. If GRANTEE identifies that are in violation of the sanctions GRANTEE must notify MDAQMD/Parties within 15 calendar days. Any violation of this provision shall be grounds for immediate termination of this Agreement.

47. Personality Identifiable Information (PII) Protection

GRANTEE agrees to comply with all applicable federal, state, and local laws regarding the collection, use, and protection of Personally Identifiable Information (PII). GRANTEE shall implement appropriate measures to safeguard PII from unauthorized access, use, or disclosure, and shall ensure that any PII collected in connection with this Agreement is only used for the purposes specified herein. In the event of a data breach involving PII, GRANTEE shall promptly notify MDAQMD in accordance with applicable law and take all necessary steps to mitigate the breach.

48. GenAI Use and Reporting

- a) “Generative AI (GenAI)” means an artificial intelligence system that can generate derived synthetic content, including text, images, video, and audio that emulates the structure and characteristics of the system's training data. (Gov. Code § [11549.64.](#))
- b) During the Term of the Grant Agreement, GRANTEE must immediately notify MDAQMD in writing, if they are aware of any work performed under this Grant Agreement that:
 - a) Will provide GenAI technology as a deliverable to CARB; or,
 - b) Utilizes GenAI, including GenAI from third Parties, to complete all or a portion of any deliverable that materially impacts:
 - i. Functionality of a State system;
 - ii. Risk to the State; or,
 - iii. Performance under this Grant Agreement.

For avoidance of doubt, the term “materially impacts” shall have the meaning set forth in State Administrative Manual (SAM) § 4986.2.

- c) If MDAQMD or GRATEE are using GenAI to perform work under this Grant Agreement, MDAQMD and GRANTEE shall:
 - i. Allow CARB to augment the GenAI training data with CARB data;
 - ii. Track and disclose the quality of the GenAI training data used, and generated data, for any GenAI in relation to this Grant Agreement, using suitable metrics and methods to measure the accuracy, relevance, and bias of the data over time;
 - iii. Share such metrics and methods, as well as the underlying data and output, with CARB upon request by CARB or at periodic intervals as may be agreed by the Parties;
 - iv. Provide CARB reasonable access to the GenAI security logs, latency statistics, and other related GenAI security data that affect this Grant Agreement and generated data, at no cost to CARB;
 - v. Allow CARB to audit, review, or investigate the quality of the GenAI Training Data at any time, subject to reasonable notice and the confidentiality obligations;
 - vi. Ensure that all generated data that materially impacts deliverables created pursuant to the Grant Agreement contains a digital watermark or other digital identification that clearly identifies that the generated data was created by GenAI; and,
 - vii. Comply with all other applicable laws, regulations, and guidelines concerning the identification of generated data, including but not limited to the California AI Transparency Act (Bus. & Prof. Code §§ 22757 et seq).
- e) Failure to comply with the terms of this section to constitute a material breach of the Grant Agreement. CARB/MDAQMD is entitled to seek any and all remedies available to it under law as a result of such breach, including but not limited to termination of the Grant Agreement pursuant to the terms stated herein.

49. Exhibits

All exhibits referred to herein and attached hereto are fully incorporated by this reference.

50. Electronic Signatures

An Electronic Signature refers to any representation in electronic form used to express intent, including a typed name placed in a signatory area, a digitized image or copy of a handwritten signature, a scanned signature on a PDF document, a biometric mark, a sound, or a digital signature. An Electronic Signature provides who signed, what was signed, captures intent and consent. If the Parties agree to a transaction by electronic means and are required by law to provide, send, or deliver information in writing, the requirement is satisfied if the information is provided, sent, or delivered in an electronic record, which the recipient can retain at the time of receipt.

By the action of applying an Electronic Signature to this Agreement, Parties to the Agreement are certifying their willingness to use electronic signatures and records delivered via electronic means. A signed copy of this Agreement, or any other related ancillary Agreement or amendment, transmitted by facsimile, email, electronic signature application, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signature.

The Parties so agree.

Morongo Valley Community Service District:

Date: _____

Christina Gorke
Board President

Mojave Desert Air Quality Management District:

Date: _____

Brad Poiriez
Air Pollution Control Officer

Grant Description: MD0626#05_Morongo Valley Project 1_2026-1986 Ford F-1700

Project Contact Information (subject to change):

GRANTEE:

Christina Gorke
Board President
760-363-6454
1201 Ocotillo Street
Morongo Valley, CA 92256

MDAQMD:

Amanda Koncur
Grant Specialist
760-245-1661 Ext. 3471
14306 Park Ave,
Victorville, CA 92392

EXHIBIT A
SCOPE OF SERVICES

Project Scope:

Purchase a 2026 John Deere 3032E Tractor (Replacement Equipment), and destroy a 1986 Ford F-1700 Tractor (Baseline Equipment).

The Replacement Equipment funded under this Agreement shall perform the same operations as the Baseline Equipment and shall operate 100% within the MDAQMD at a minimum of 600 hours per year for 1 year, in order to meet the minimum total of 600 hours usage in the MDAQMD prior to the Contract End Date.

Sections I and II below must be completed prior to funding, and prior to the Project Completion End Date identified in Exhibit B of this Agreement.

- I. Prior to the Replacement Equipment being released from the dealer (or seller) to the GRANTEE, the GRANTEE shall meet the following conditions:
 - A. Purchase Replacement Equipment as described above. If after contract execution GRANTEE chooses to purchase a piece of equipment that is different than the originally proposed Replacement Equipment, then GRANTEE shall make a request to MDAQMD, in writing, to seek approval of the change(s) as soon as possible. The equipment modification shall: 1) not increase emissions from the originally proposed Replacement Equipment, 2) shall continue to perform the same functions as the Baseline Equipment, and 3) shall not increase the awarded grant amount.
 - 1) The modification in the Replacement Equipment to be purchased shall only occur with MDAQMD approval. An approval/denial letter shall be emailed to the GRANTEE after MDAQMD has reviewed the request and has made a final determination.
 - 2) If the request to modify the originally proposed Replacement Equipment results in an increase in emissions from its original evaluation, then MDAQMD shall reduce the awarded grant amount in order to maintain the same level of cost effectiveness. Such a change will require MDAQMD approval and a contractual amendment signed by both the GRANTEE and MDAQMD.
 - 3) Modified Replacement Equipment must meet Carl Moyer Program Guideline.
 - B. Purchase a minimum one-year or 1600-hour powertrain warranty for the Replacement Equipment. The warranty must cover parts and labor. A separate supplemental minimum one-year or 1600-hour power and drivetrain warranty must be purchased if the equipment does not have one. Warranty documentation must be provided to the air district.
 - C. The dealer must have documentation of a MDAQMD pre-inspection and post-inspection of the Replacement Equipment.
 - D. GRANTEE (or its representative) shall provide to MDAQMD:
 - 1) Copies of itemized invoices relative to the purchase of the Replacement Equipment;
 - 2) Proof and terms of financing, including lender and amount financed (if applicable);

- 3) Warranty and its terms;
 - 4) Certification that the Baseline Equipment will be delivered to a MDAQMD approved salvage yard (or other approved location) within 90 days of receipt of the Replacement Equipment. The certification must include the make, model, year, EIN, engine make, engine serial number, the date the equipment is expected to be delivered to the salvage yard, and the salvage yard's location;
 5. Certification from the GRANTEE that all funding sources that they have applied for or received for the Project have been disclosed, and that the GRANTEE will notify MDAQMD of additional sources of funding received for the total cost of the Project, including any sources that become available after contract execution, prior to Project funding. GRANTEE is prohibited from receiving grants and other funds that exceed the total project amount.
 6. Original invoice to MDAQMD, for the amount of requested grant funds for reimbursement. Note that the invoice cannot be paid until the Baseline Equipment has been destroyed, per Section II below. MDAQMD may require GRANTEE to re-submit the invoice if payment requirements have not been met in the current MDAQMD fiscal year (7/1 through 6/30).
- E. The horsepower rating for the replacement engine must not be greater than a 35 percent increase of the original manufacturer rated horsepower of the existing baseline engine (baseline horsepower). Any engine with a horsepower above this range must be pre-approved by MDAQMD prior to purchase, when feasible.
 - F. Have a Post Inspection conducted by MDAQMD (or its representative) of the Replacement Equipment. The GRANTEE (or its representative) shall be responsible for scheduling the appointment with MDAQMD.
 - G. A determination by MDAQMD that the Replacement Equipment and all associated documentation have satisfied the requirements for funding and authorization for the equipment to be delivered to the GRANTEE.
 - H. Display on the Replacement Equipment an MDAQMD Clean Air Project decal that partial funding was made available from MDAQMD. Any graphics used for this purpose need to be approved in advance by MDAQMD staff.
- II. GRANTEE shall ensure that the Baseline Equipment has been destroyed.
- A. The Baseline Equipment must be delivered to a MDAQMD approved salvage yard (or other MDAQMD approved entity) for destruction within 60 days of GRANTEE's receipt of the Replacement Equipment funded under this Agreement.
 - B. The salvage yard (or approved entity) shall destroy the Baseline Equipment within 60 days of receipt of the equipment.
 - C. Documentation of equipment destruction must be provided to MDAQMD within 30 days of destruction. The documentation must be provided pursuant to the most recent Carl Moyer Program Guidelines.
 - D. The destruction method of the equipment will vary depending on the structure of the equipment:

- 1) Equipment with permanent frame rails running the length of the equipment: complete cuts of both frame rails between the front and rear axles.
 - 2) Equipment with removable/bolt-on frame rails: structural damage, with cuts or otherwise, that renders the main body of the equipment inoperable and unrepairable.
 - 3) Equipment without frame rails: structural damage, with cuts or otherwise, that renders the main body of the equipment inoperable and unrepairable.
 - 4) Articulated equipment: damage, cuts or otherwise, to the articulation joints of front and rear halves of the equipment so that neither half can be joined.
 - 5) Other equivalent methods of destruction are acceptable if approved by the air district.
- E. The engine shall be destroyed by putting a hole in the engine block with a diameter of at least three inches at the narrowest point. The hole (or equivalent) must be irregularly shaped (i.e. no symmetrical squares or circles) and a section of the oil pan flange must be removed as part of the hole or have a line cut through it that connects the hole.
- F. Either the salvage yard (if authorized by MDAQMD) or MDAQMD staff shall conduct a salvage inspection to verify destruction of the Baseline Equipment within 10 days of destruction, in accordance with the most recent Carl Moyer Program Guidelines.
- G. The Baseline Equipment may not be sold/given to another person in which the intent is to part it out into individual pieces and then be sold to another party.
- III. Reporting and Recordkeeping Requirements during the Project Implementation Period. The Project Implementation Period refers to the timeframe between the Replacement Equipment's approved Post-Inspection date and the Contract End Date.
- A. Record annual hours of the Replacement Equipment throughout the term of this Agreement. If the equipment operates in areas outside of the MDAQMD jurisdiction the hours must be clearly documented in the annual report (see Section B below).
 - B. GRANTEE shall provide MDAQMD Annual Monitoring Reports as described in Exhibit C. The first annual monitoring report shall be submitted no later than 13 months after Project post-inspection and continuing annually thereafter throughout the Project Implementation Period of this Agreement. At a minimum, noncompliance with the reporting requirements will require an on-site inspection(s). At the sole discretion of MDAQMD, ten (10) percent of the awarded grant amount, as outlined in Exhibit B, may be withheld pending the submittal and approval of the first Annual Monitoring Report as outlined in Exhibit C – Monitoring Report Format.
 - C. GRANTEE shall maintain and retain usage and other records associated with the Project for at least three years after the end of the contract term.
 - D. Pursuant to Section 8 of this Agreement, GRANTEE shall provide proof of insurance prior to performing work on this Project, and throughout the term of this contract.
- IV. General Conditions:
- A. GRANTEE shall notify MDAQMD in writing if installation and/or implementation of this Project will deviate from the scope of work as outlined in the GRANTEE's Grant Application or this Agreement at any time during the term of this Agreement. GRANTEE shall notify the MDAQMD within 15 days of recognizing such deviation. If funding has

not yet been disbursed at the time of recognizing such deviation, then the GRANTEE shall notify the MDAQMD at least 30 days in advance of any request for payment. The APCO has the sole discretion to approve, deny, or adjust funding amount as outlined in Exhibit B of this Agreement, based on the extent of the deviation.

- B. GRANTEE shall maintain the Replacement Equipment according to the manufacturer's specifications for the term of the Agreement and shall not tamper with the engine in a way as to void the warranty or to cause the engine to operate in a manner not intended or originally designed.
 - C. GRANTEE shall allow MDAQMD, CARB, or other designee to conduct an inspection or audit of the Project being funded under this Agreement, including the engine, equipment and associated records, during the contract term. At the time of execution of this Agreement, GRANTEE's signature shall be a certification that its fleet, engine(s), and equipment are in compliance with all applicable federal, State, and local air quality rules and regulations and shall continue to maintain, for the term of the Agreement, compliance with all applicable federal, State, and local air quality rules and regulations for the full contract term.
 - D. When determining compliance with mobile source regulatory requirements, the Replacement Equipment shall be included when defining fleet size, when applicable.
 - E. Throughout the term of this Agreement, the Project cannot be used to generate credits or compliance extensions, and must be excluded when determining regulatory compliance, when applicable.
 - F. GRANTEES that receive co-funding for the Project funded under this Agreement must meet all criteria associated with each funding source used to fund the Project.
 - G. GRANTEES that are not a public entity must provide at least 15 percent of the Project's Moyer eligible costs from non-public sources.
 - H. In addition to the terms of this Agreement, GRANTEE shall adhere to all requirements outlined in the applicable California Air Resources Board Guidelines. If there is a conflict between the terms of this contract and California Air Resources Board's guidelines, the California Air Resources Board's Guidelines shall prevail.
 - I. By executing this Agreement, GRANTEE understands and agrees to operate the equipment and engine according to the terms herein and to cooperate with MDAQMD and CARB in implementation, monitoring, enforcement, and other efforts to assure the emission benefits are real, quantifiable, surplus, and enforceable.
 - J. CARB, as an intended third-party beneficiary, reserves the right to enforce the terms of this Agreement at any time during the term of this Agreement to ensure emission reductions are obtained.
- V. Repercussions for Nonperformance:
- A. If for any reason, after Project funding, the Replacement Equipment does not perform according to what was submitted in the GRANTEE's application, or in conjunction with the application, or if the conditions of this Agreement are not met, MDAQMD or CARB may require reimbursement of grant funds including but not limited to cancelling the

contract and recapturing project funds in proportion to any loss of emission reductions or underutilization as agreed to in the contract (H&SC Section 44291(c)).

- B. CARB and MDAQMD have the authority to pursue any remedies available under the law for noncompliance with most recent Carl Moyer Program Guideline requirements and nonperformance of terms outlined in this Agreement, in an effort to ensure emission reductions are obtained.

VI. Project Promotion:

- A. Upon request from the MDAQMD, GRANTEE agrees to help organize a media event to help promote the MDAQMD's clean air efforts by providing the following.
 - 1. A press releases.
 - 2. Invitations to the Press, City and local officials, the MDAQMD and other persons as recommended by the MDAQMD.
 - 3. A photo opportunity with the new clean air equipment.

VII. Project Cancellation:

If a complete reimbursement requests pursuant to Section I. D. has not been submitted by the Project Completion date, 12/31/2026 then the contract may be terminated and the funds returned to the grant pool for disbursement to others.

EXHIBIT B

CONTRACT TERM AND PAYMENT FOR SERVICES RENDERED

Grant Description: MD0626#05_Morongo Valley Project 1_2026-1986 Ford F-1700

Contract Schedule (to occur on or before the following dates)

Start Date:	Last date signed by the Parties
Estimated Project Completion End Date:	12/31/2027
Project Implementation Period:	1 year

Budget

Amount Awarded by MDAQMD:	\$10,461.00
Estimated Co-Funding (including in-kind):	\$0
Estimated Total Project Amount:	\$10,461.00

If the Total Project Amount is less than what is listed above, then the GRANTEE may be required to provide an equivalent percentage of Co-Funding based on the reduced Total Project Amount. The Amount Awarded by MDAQMD, as listed above, shall be adjusted accordingly.

Payment

MDAQMD will provide up to \$10,461.00 in funding to purchase Replacement Equipment, in accordance with the requirements listed in this Agreement. Payment(s) shall be made to the GRANTEE within thirty (30) days after the billing is received and approved by MDAQMD.

At the sole discretion of MDAQMD, ten (10) percent of the awarded grant amount, as outlined in this exhibit, may be withheld pending the submittal and approval of the first Annual Monitoring Report as outlined in Exhibit C – Monitoring Report Format.

A completed federal W-9 form and/or California 590 form must be submitted prior to payment. An IRS Form 1099 will be issued for incentive funds received under this Agreement, if applicable. It is the GRANTEE's responsibility to determine tax liability associated with receiving grant incentive funds.

Invoices

Invoices shall be submitted to MDAQMD in an original format and include the contract number when possible. Along with submitting an invoice for reimbursement, provide copies of all paid receipts and proof of in-kind support (when applicable), and evidence of financing, associated with the Project funded under this Agreement.

EXHIBIT C
MONITORING REPORT FORMAT

Grant Description: MD0626#05_Morongo Valley Project 1_2026-1986 Ford F-1700

The first annual monitoring report shall be submitted no later than 13 months after MDAQMD approved Project post-inspection and continuing annually thereafter throughout the Project Implementation Period of this Agreement. The report can be emailed, mailed, or delivered in person to MDAQMD.

The report shall include the following:

1. GRANTEE's name, address, and telephone number.
2. Reference Contract Number.
3. Equipment make, model, and equipment identification number.
4. Previous year's annual hours of usage, including the percentage of hours occurring within the MDAQMD jurisdiction.
5. Hour reading at time of the report.
6. Total hours of usage within MDAQMD County from the date GRANTEE first started operating equipment.
7. Proof of insurance listing MDAQMD as an additional certificate holder for the equipment.
8. Or GRANTEE can complete the District's annual reporting form.

Note: After the monitoring report is submitted to MDAQMD, staff may conduct a performance evaluation on the Project.

Prepared For

MORONGO VALLEY CSD & FIRE DEPARTMENT
11207 OCOTILLO ST
MORONGO VALLEY, CA 922569325
(760) 363-6454

Prepared By

Stefanie Roark
RDO Agriculture Equipment Co
20 Iowa Avenue
Riverside, CA 92507
951-901-0102
sloark@rdoequipment.com

Quote Id 2292303

Creation Date 24-Jun-2026

Expiration Date 24-Jul-2026

Customer Notes

Sourcewell Account # 139077

* Current ETA 4 - 5 months from date RDO Equipment Co. confirms receipt of agency PO or LOI. ETA can be subject to change without notice.

Quote Summary

Equipment Summary	Suggested List	Selling Price	QTY In Group	Extended
New 2026 JOHN DEERE 3032E Compact Utility Tractor 1475LV-652638	\$31,430.19	\$25,772.76	1	\$25,772.76
Contract: Sourcewell Grounds Maint 112624-DAC (PG BT CG 76)				
BB5060 Standard Duty Box Blade	\$1,454.00	\$1,192.28	1	\$1,192.28
Contract: Sourcewell Grounds Maint 112624-DAC (PG BT CG 76)				
Price Effective Date: 23-Jun-2026				
Equipment Total				\$26,965.04
Quote Summary				
Total Selling Price				\$26,965.04
Sales Tax - (8.75%)				\$2,359.44
Sub-total				\$29,324.48
*Total Non-Taxable Equipment Fees				\$7.00
Balance Due				\$29,331.48

Salesperson : X _____

Accepted By : X _____

Selling Equipment

Quote # 2292303
 Customer MORONGO VALLEY CSD & FIRE DEPARTMENT

New 2026 JOHN DEERE 3032E Compact Utility Tractor 1475LV

QTY In Group : 1

Equipment Notes	- - -	Suggested List
Hours	0	\$31,430.19
Serial Number	652638	Selling Price
Stock Number	Z242642	\$25,779.76
Contract	Sourcewell Grounds Maint 112624-DAC (PG BT CG 76)	Discount Amount
PUK Parent Serial #	- - -	(\$5,657.43)

Equipment Summary

Code	Description	Qty	List Price	Discount %	Discount \$	Adjusted Selling Price
1475LV	3032E Compact Utility Tractor	1	\$24,245.00	18.0%	(\$4,364.10)	\$19,880.90

Base / Options

Code	Description	Qty	List Price	Discount %	Discount \$	Adjusted Selling Price
0202	United States	1	\$0.00	18.0%	\$0.00	\$0.00
0409	English Operator's Manual and Decal Kit	1	\$0.00	18.0%	\$0.00	\$0.00
YDCT	Special Discount \$	1	\$0.00	18.0%	\$0.00	\$0.00
4061	Less iMatch Quick Hitch Category 1	1	\$0.00	18.0%	\$0.00	\$0.00
4110	Draft Links - Flat Bar (Standard)	1	\$0.00	18.0%	\$0.00	\$0.00
3749	Less Backhoe	1	\$0.00	18.0%	\$0.00	\$0.00
1701	Factory Installed Loader with Bucket	1	\$6,024.00	18.0%	(\$1,084.32)	\$4,939.68
6210	25x8.50-14 6PR R4 Industrial	1	\$70.00	18.0%	(\$12.60)	\$57.40
5210	15-19.5 6PR R4 Industrial	1	\$179.00	18.0%	(\$32.22)	\$146.78
Total Base / Options			\$30,518.00		(\$5,493.24)	\$25,024.76

Dealer Attachments

Code	Description	Qty	List Price	Discount %	Discount \$	Adjusted Selling Price
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JOHN DEERE

BXX11659	SELECTIVE CONTROL VALVE, DUAL REAR Serial Number: - - - Stock Number: - - -	1	\$912.19	18.0%	(\$164.19)	\$748.00
Total Dealer Attachments			\$912.19		(\$164.19)	\$748.00
Selling Price Subtotal						\$25,772.76
CA Tire Fee						\$7.00
Total Selling Price						\$25,779.76

BB5060 Standard Duty Box Blade

QTY In Group : 1

Equipment Notes	---	Suggested List
Hours	---	\$1,454.00
Serial Number	---	Selling Price
Stock Number	---	\$1,192.28
Contract	Sourcewell Grounds Maint 112624-DAC (PG BT CG 76)	Discount Amount
Price Effective Date	23-Jun-2026	(\$261.72)
PUK Parent Serial #	---	

Equipment Summary

Code	Description	Qty	List Price	Discount %	Discount \$	Adjusted Selling Price
1641XF	BB5060 Standard Duty Box Blade	1	\$1,454.00	18.0%	(\$261.72)	\$1,192.28
Total Base / Options			\$1,454.00		(\$261.72)	\$1,192.28
Selling Price Subtotal						\$1,192.28
Total Selling Price						\$1,192.28

Extended Warranty Proposal

PowerGard™ Protection Plan

New 2026 JOHN DEERE 3032E Compact Utility Tractor 1475LV

Serial Number: 652638
Date: 24-Jun-2026

Machine/Use Information		Plan Description		Price	
Manufacturer	JOHN DEERE	Plan Type		Deductible	\$100.00
Equipment Type	Tractor	Warranty Coverage	Comprehensive	Quoted Price	\$2,400.00
Model	3032E	Total Months	60	PowerGard List	\$2,400.00
Country	US	Total Hours	5000	Date Quoted	24-Jun-2026

MFWD/Tracks N

GRACE pricing is only good during the first 12 months or 1000 hours of ownership for new tractors during the John Deere basic warranty period. After this period, DELAYED pricing can be purchased up to the end of the John Deere basic warranty for tractors of 24 months or 2000 hours, and having passed a special inspection/certification process. The Total Months and Hours listed above include the John Deere basic Warranty. "Limited" Plan coverage = Engine & Powertrain only. "Comprehensive" Plan coverage = Full Machine.

PowerGard Protection Proposal Prepared for:

I have been offered this extended warranty and

- I ACCEPT the PowerGard Protection
 I DECLINE the PowerGard Protection

If declined, I fully understand that any equipment listed above is not covered for customer Expenses due to component failures beyond the original basic warranty period provided by John Deere.

Customer Name - Please Print

Customer Signature

Note: This is not a contract. For specific PowerGard Protection coverage terms and conditions, please refer to the actual PowerGard Protection Plan contract for more information and the terms, conditions, and limitations of the agreement.

What PowerGard Protection is:

The PowerGard Protection Plan is an **extended warranty** program for reimbursement on parts and labor for covered components that fail due to faulty material or original workmanship that occur beyond the John Deere Basic Warranty coverage period. The agreement is between Deere & Company and the owners of select John Deere Commercial and Agricultural equipment, who purchase the PowerGard Plans for the desired coverage as indicated in this proposal.

What PowerGard Protection is not:

PowerGard Protection is **not insurance**. It also does not cover routine maintenance or high wear items, or insurance-related risks/perils such as collision, overturn, vandalism, wind, fire, hail, etc. It does not cover loss of income or loss of value of crops during or after an equipment failure. See the actual product-specific PowerGard Protection Plan agreement for a complete listing of covered components, and limitations and conditions under the program.

Features/Benefits:

PowerGard Protection includes the following features and benefits under the program:

- Pays for parts and labor costs incurred on failed covered components (less any applicable deductibles).
- Does not require pre-approval before repairs are made by the authorized John Deere dealership.
- Payments are reimbursed directly to the dealership, with no prepayment required by the contract holder.
- PowerGard Protection agreements ensure that only Genuine John Deere Parts are used in all repairs.
- PowerGard coverage is fully transferable to future owners, with no transfer fees when coverage remains.
- PowerGard ensures higher resale value and makes equipment more marketable during the sale or trade-in.
- PowerGard allows you to budget your total cost of ownership, with financing available through John Deere Financial or other sources.
- PowerGard helps prevent large, unexpected repair bills during later years of equipment ownership, in exchange for a smaller protection fee up front.



JOHN DEERE
FINANCIAL

WHY FINANCE WITH JOHN DEERE FINANCIAL?

Whether you're running a farm, managing a business, or maintaining your property, John Deere Financial is here to support you. With decades of experience and deep knowledge of John Deere equipment, we offer flexible financing solutions tailored to your needs, your goals, and your budget. From large-scale ag producers to commercial contractors to homeowners, we make it easier to own and operate the equipment you trust, with competitive rates and terms that work for you.

For generations, we've stood by our customers with reliable financing and long-term commitment. With John Deere Financial, your financing works as hard and reliably as your equipment, because we believe in building lasting relationships that grow with you.

CONVENIENT

- Multiple finance solutions for the products and services you need.
- Enjoy a seamless experience with eStatements, easy account management through My Financial Accounts, secure eSignature options, and fast approvals—saving you time and simplifying your financial life.

COMPETITIVE

- Customized solutions — help choosing the best financial mix to support your needs.
- Unmatched industry expertise.
- Tailored terms, flexible payments, and cost-effective maintenance plans.

COMMITTED

- Here for you in good times and in bad - we'll find solutions to keep you in your equipment and on track for future success.
- As a finance company owned and operated by John Deere, we are focused on products built by John Deere.

INSIGHTFUL

- Customer service team that thoroughly understands your industry and the challenges customers face.
- Financing solutions for real life.



SCAN HERE

*To learn about our
finance products.*

SCAN HERE
To apply online today!





RDO Finance Quote - Lease

RDO Equipment Co.
3275 Hwy 86
Imperial CA, 92251

Phone: (760) 355-7829 - Fax: (760) 355-1821

Prepared For:
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Prepared By:
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Comments

PMT's don't include sales or property tax. \$10,000 Advance PMT followed by Monthly PMT's.

Equipment Information

Status / Year / Make / Model	Serial Number
New 2025 JOHN DEERE 3025E	1LV3025EKSS171604
New 2025 FRONTIER BB5060	1XFBB50XCS0129391

Quote Overview

Selling Price:	\$26,965.04
Down Payment:	(\$10,000.00)
DOC/UCC Fees:	\$510.00
Amount to Finance:	\$17,475.04

Quote Options

	Lender	Frequency	Term	Number Of Payments	Security Deposit	Number of Advanced Payments	Payment (Plus Applicable Taxes)	Annual Hours	Purchase Option or FMV
Option 1	John Deere Financial	Monthly	36	35	\$0.00	0	\$565.26	0	\$1.00 (PO)
	Municipal Lease								
Option 2	John Deere Financial	Monthly	48	47	\$0.00	0	\$432.78	0	\$1.00 (PO)
	Municipal Lease								

Other Notices

All Numbers subject to Final Credit Approval