

## **SERVICE AGREEMENT CITY OF FRESNO, CALIFORNIA**

THIS AGREEMENT (Agreement) is made and entered into on \_\_\_\_\_, by and between the CITY OF FRESNO, a California municipal corporation (City), and HADRONEX, INC., d.b.a. SMARTCOVER SYSTEMS, a Delaware corporation (Service Provider).

### **RECITALS**

WHEREAS, City desires to obtain necessary annual access to web-based remote monitoring dashboard, remote calibration support, and warranty coverage of all system parts for City-owned SmartCover® units for the time period of May 1, 2025 - April 30, 2028 services for SmartCover® Uniquely Qualified Multi-Year Service Agreement (Project); and

WHEREAS, Service Provider is engaged in the business of furnishing such services as a necessary annual access to web-based remote monitoring dashboard, remote calibration support, and warranty coverage of all system parts for City-owned SmartCover® units for the time period of May 1, 2025 - April 30, 2028 and hereby represents that it desires to and is professionally and legally capable of performing the services called for by this Agreement; and

WHEREAS, Service Provider acknowledges that this Agreement is subject to the requirements of Fresno Municipal Code Section 4-107 and Administrative Order No. 6-28; and

WHEREAS, this Agreement will be administered for City by its Department of Public Utilities Director (Administrator) or designee.

### **AGREEMENT**

NOW, THEREFORE, in consideration of the foregoing and of the covenants, conditions, and premises hereinafter contained to be kept and performed by the respective parties, it is mutually agreed as follows:

1. Scope of Services. Service Provider shall perform to the satisfaction of City the services described in **Exhibit A**, including all work incidental to, or necessary to perform, such services even though not specifically described in **Exhibit A**.
2. Term of Agreement and Time for Performance. This Agreement shall be effective from May 1, 2025 (Effective Date) and shall continue in full force and effect through April 30, 2028, subject to any earlier termination in accordance with this Agreement. The services of Service Provider as described in **Exhibit A** are to commence upon the Effective Date and shall be completed in a sequence assuring expeditious completion, but in any event, all such services shall be completed prior to expiration of this Agreement and in accordance with any performance schedule set forth in **Exhibit A**.
3. Compensation.
  - (a) Service Provider's sole compensation for satisfactory performance of all services required or rendered pursuant to this Agreement shall be a total

fee not to exceed \$120,290.00, paid on the basis of the rates set forth in the schedule of fees and expenses contained in **Exhibit A**. Such fee includes all expenses incurred by Service Provider in performance of the services.

- (b) Detailed statements shall be rendered monthly for services performed in the preceding month and will be payable in the normal course of City business. City shall not be obligated to reimburse any expense for which it has not received a detailed invoice with applicable copies of representative and identifiable receipts or records substantiating such expense.
- (c) The parties may modify this Agreement to increase or decrease the scope of services or provide for the rendition of services not required by this Agreement, which modification shall include an adjustment to Service Provider's compensation. Any change in the scope of services must be made by written amendment to the Agreement signed by an authorized representative for each party. Service Provider shall not be entitled to any additional compensation if services are performed prior to a signed written amendment.

4. Termination, Remedies, and Force Majeure.

- (a) This Agreement shall terminate without any liability of City to Service Provider upon the earlier of : (i) Service Provider's filing for protection under the federal bankruptcy laws, or any bankruptcy petition or petition for receiver commenced by a third party against Service Provider; (ii) seven calendar days' prior written notice with or without cause by City to Service Provider; (iii) City's non-appropriation of funds sufficient to meet its obligations hereunder during any City fiscal year of this Agreement, or insufficient funding for the Project; or (iv) expiration of this Agreement.
- (b) Immediately upon any termination or expiration of this Agreement, Service Provider shall (i) immediately stop all work hereunder; (ii) immediately cause any and all of its subcontractors to cease work; and (iii) return to City any and all unearned payments and all properties and materials in the possession of Service Provider that are owned by City. Subject to the terms of this Agreement, Service Provider shall be paid compensation for services satisfactorily performed prior to the effective date of termination. Service Provider shall not be paid for any work or services performed or costs incurred which reasonably could have been avoided.
- (c) In the event of termination due to failure of Service Provider to satisfactorily perform in accordance with the terms of this Agreement, City may withhold an amount that would otherwise be payable as an offset to, but not in excess of, City's damages caused by such failure. In no event shall any payment by City pursuant to this Agreement constitute a waiver by City of any breach of this Agreement which may then exist on the part of Service Provider, nor shall such payment impair or prejudice any remedy available to City with respect to the breach.

- (d) Upon any breach of this Agreement by Service Provider, City may (i) exercise any right, remedy (in contract, law or equity), or privilege which may be available to it under applicable laws of the State of California or any other applicable law; (ii) proceed by appropriate court action to enforce the terms of the Agreement; and/or (iii) recover all direct damages for the breach of the Agreement. If it is determined that City improperly terminated this Agreement for default, such termination shall be deemed a termination for convenience.
- (e) Service Provider shall provide City with adequate written assurances of future performance, upon Administrator's request, in the event Service Provider fails to comply with any terms or conditions of this Agreement.
- (f) Service Provider shall be liable for default unless nonperformance is caused by an occurrence beyond the reasonable control of Service Provider and without its fault or negligence such as, acts of God or the public enemy, acts of City in its contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, unusually severe weather, and delays of common carriers. Service Provider shall notify Administrator in writing as soon as it is reasonably possible after the commencement of any excusable delay, setting forth the full particulars in connection therewith, and shall remedy such occurrence with all reasonable dispatch, and shall promptly give written notice to Administrator of the cessation of such occurrence.

5. Confidential Information and Ownership of Documents.

- (a) Any reports, information, or other data prepared or assembled by Service Provider pursuant to this Agreement shall not be made available to any individual or organization by Service Provider without the prior written approval of the Administrator. During the term of this Agreement, and thereafter, Service Provider shall not, without the prior written consent of City, disclose to anyone any Confidential Information. The term Confidential Information for the purposes of this Agreement shall include all proprietary and confidential information of City, including but not limited to business plans, marketing plans, financial information, materials, compilations, documents, instruments, models, source or object codes and other information disclosed or submitted, orally, in writing, or by any other medium or media. All Confidential Information shall be and remain confidential and proprietary in City.
- (b) Any and all writings and documents prepared or provided by Service Provider and specific for the services outlined in Exhibit A, pursuant to this Agreement are the property of City at the time of preparation and shall be turned over to City upon expiration or termination of the Agreement. Service Provider shall not permit the reproduction or use thereof by any other person except as otherwise expressly provided herein.
- (c) If Service Provider should subcontract all or any portion of the services to be performed under this Agreement, Service Provider shall cause each subcontractor to also comply with the requirements of this Section 5.

(d) This Section 5 shall survive expiration or termination of this Agreement.

6. Level of Skill. It is further mutually understood and agreed by and between the parties hereto that inasmuch as Service Provider represents to City that Service Provider and its subcontractors, if any, are skilled in the profession and shall perform in accordance with the standards of said industry necessary to perform the services agreed to be done by it under this Agreement, City relies upon the skill of Service Provider and its subcontractors, if any, to do and perform such services in a skillful manner and Service Provider agrees to thus perform the services and require the same of any subcontractors. Therefore, any acceptance of such services by City shall not operate as a release of Service Provider or any subcontractors from said industry and professional standards.
7. Indemnification. To the furthest extent allowed by law, Service Provider shall indemnify, hold harmless and defend City and each of its officers, officials, employees, agents, and volunteers from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and property damage) incurred by City, Service Provider or any other person, and from any and all claims, demands and actions in law or equity (including reasonable attorney's fees, litigation expenses and cost to enforce this agreement), arising or alleged to have arisen directly or indirectly out of performance of this Agreement. Service Provider's obligations under the preceding sentence shall apply regardless of whether City or any of its officers, officials, employees, agents, or volunteers are negligent, but shall not apply to any loss, liability, fines, penalties, forfeitures, costs or damages caused solely by the gross negligence, or caused by the willful misconduct, of City or any of its officers, officials, employees, agents, or volunteers.

If Service Provider should subcontract all or any portion of the work to be performed under this Agreement, Service Provider shall require each subcontractor to indemnify, hold harmless and defend City and each of its officers, officials, employees, agents, and volunteers in accordance with the terms of the preceding paragraph.

This section shall survive termination or expiration of this Agreement.

8. Insurance.
  - (a) Throughout the life of this Agreement, Service Provider shall pay for and maintain in full force and effect all insurance as required in Exhibit B, which is incorporated into and part of this Agreement, with an insurance company(ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated no less than "A-VII" in the Best's Insurance Rating Guide, or (ii) as may be authorized in writing by City's Risk Manager or designee at any time and in its sole discretion. The required policies of insurance as stated in Exhibit B shall maintain limits of liability of not less than those amounts stated therein. However, the insurance limits available to City, its officers, officials, employees, agents, and volunteers as additional insureds, shall be the greater of the minimum

limits specified therein or the full limit of any insurance proceeds to the named insured.

- (b) If at any time during the life of the Agreement or any extension, Service Provider or any of its subcontractors fail to maintain any required insurance in full force and effect, all services and work under this Agreement shall be discontinued immediately, and all payments due or that become due to Service Provider shall be withheld until notice is received by City that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period satisfactory to City. Any failure to maintain the required insurance shall be sufficient cause for City to terminate this Agreement. No action taken by City pursuant to this section shall in any way relieve Service Provider of its responsibilities under this Agreement. The phrase "fail to maintain any required insurance" shall include, without limitation, notification received by City that an insurer has commenced proceedings, or has had proceedings commenced against it, indicating that the insurer is insolvent.
- (c) The fact that insurance is obtained by Service Provider shall not be deemed to release or diminish the liability of Service Provider, including, without limitation, liability under the indemnity provisions of this Agreement. The duty to indemnify City shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by Service Provider. Approval or purchase of any insurance contracts or policies shall in no way relieve from liability nor limit the liability of Service Provider, its principals, officers, agents, employees, or persons under the supervision of Service Provider, vendors, suppliers, invitees, consultants, sub-consultants, subcontractors, or anyone employed directly or indirectly by any of them.

9. Conflict of Interest and Non-Solicitation.

- (a) Prior to City's execution of this Agreement, Service Provider shall complete a City of Fresno conflict of interest disclosure statement in the form as set forth in Exhibit C. During the term of this Agreement, Service Provider shall have the obligation and duty to immediately notify City in writing of any change to the information provided by Service Provider in such statement.
- (b) Service Provider shall comply, and require its subcontractors to comply, with all applicable (i) professional canons and requirements governing avoidance of impermissible client conflicts; and (ii) federal, state, and local conflict of interest laws and regulations including, without limitation, California Government Code Section 1090 et. seq., the California Political Reform Act (California Government Code Section 87100 et. seq.) and the regulations of the Fair Political Practices Commission concerning disclosure and disqualification (2 California Code of Regulations Section 18700 et. seq.). At any time, upon written request of City, Service Provider shall provide a written opinion of its legal counsel and that of any subcontractor that, after a due diligent inquiry, Service Provider and the respective



subcontractor(s) are in full compliance with all laws and regulations. Service Provider shall take, and require its subcontractors to take, reasonable steps to avoid any appearance of a conflict of interest. Upon discovery of any facts giving rise to the appearance of a conflict of interest, Service Provider shall immediately notify City of these facts in writing.

- (c) In performing the work or services to be provided hereunder, Service Provider shall not employ or retain the services of any person while such person either is employed by City or is a member of any City council, commission, board, committee, or similar City body. This requirement may be waived in writing by the City Manager, if no actual or potential conflict is involved.
  - (d) Service Provider represents and warrants that it has not paid or agreed to pay any compensation, contingent or otherwise, direct or indirect, to solicit, or procure this Agreement or any rights/benefits hereunder.
  - (e) Service Provider and any of its subcontractors shall have no interest, direct or indirect, in any other contract with a third party in connection with this Project unless such interest is in accordance with all applicable law and fully disclosed to and approved by the City Manager, in advance and in writing. Notwithstanding any approval given by the City Manager under this provision, Service Provider shall remain responsible for complying with Section 9(a), above.
  - (f) If Service Provider should subcontract all or any portion of the work to be performed or services to be provided under this Agreement, Service Provider shall include the provisions of this Section 9 in each subcontract and require its subcontractors to comply therewith.
  - (g) This Section 9 shall survive expiration or termination of this Agreement.
10. Recycling Program. In the event Service Provider maintains an office or operates a facility(ies), or is required herein to maintain or operate same, within the incorporated limits of the City of Fresno, Service Provider at its sole cost and expense shall:
- (a) Immediately establish and maintain a viable and ongoing recycling program, approved by City's Solid Waste Management Division, for each office and facility. Literature describing City recycling programs is available from City's Solid Waste Management Division and by calling City of Fresno Recycling Hotline at (559) 621-1111.
  - (b) Immediately contact City's Solid Waste Management Division at (559) 621-1452 and schedule a free waste audit, and cooperate with such Division in their conduct of the audit for each office and facility.
  - (c) Cooperate with and demonstrate to the satisfaction of City's Solid Waste Management Division the establishment of the recycling program in paragraph (a) above and the ongoing maintenance thereof.

11. General Terms.

- (a) Except as otherwise provided by law, all notices expressly required of City within the body of this Agreement, and not otherwise specifically provided for, shall be effective only if signed by the Administrator or designee.
- (b) Records of Service Provider's expenses pertaining to the Project shall be kept on a generally recognized accounting basis and shall be available to City or its authorized representatives upon request during regular business hours throughout the life of this Agreement and for a period of three years after final payment or, if longer, for any period required by law. In addition, all books, documents, papers, and records of Service Provider pertaining to the Project shall be available for the purpose of making audits, examinations, excerpts, and transcriptions for the same period of time. If any litigation, claim, negotiations, audit or other action is commenced before the expiration of said time period, all records shall be retained and made available to City until such action is resolved, or until the end of said time period whichever shall later occur. If Service Provider should subcontract all or any portion of the services to be performed under this Agreement, Service Provider shall cause each subcontractor to also comply with the requirements of this paragraph. This Section 11(b) shall survive expiration or termination of this Agreement.
- (c) Prior to execution of this Agreement by City, Service Provider shall have provided evidence to City that Service Provider is licensed to perform the services called for by this Agreement (or that no license is required). If Service Provider should subcontract all or any portion of the work or services to be performed under this Agreement, Service Provider shall require each subcontractor to provide evidence to City that subcontractor is licensed to perform the services called for by this Agreement (or that no license is required) before beginning work.

12. Nondiscrimination. To the extent required by controlling federal, state and local law, Service Provider shall not employ discriminatory practices in the provision of services, employment of personnel, or in any other respect on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, ethnicity, status as a disabled veteran or veteran of the Vietnam era. Subject to the foregoing and during the performance of this Agreement, Service Provider agrees as follows:

- (a) Service Provider will comply with all applicable laws and regulations providing that no person shall, on the grounds of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, ethnicity, status as a disabled veteran or veteran of the Vietnam era be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity made possible by or resulting from this Agreement.

- (b) Service Provider will not discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, ethnicity, status as a disabled veteran or veteran of the Vietnam era. Service Provider shall ensure that applicants are employed, and the employees are treated during employment, without regard to their race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, ethnicity, status as a disabled veteran or veteran of the Vietnam era. Such requirement shall apply to Service Provider's employment practices including, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Service Provider agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provision of this nondiscrimination clause.
- (c) Service Provider will, in all solicitations or advertisements for employees placed by or on behalf of Service Provider in pursuit hereof, state that all qualified applicants will receive consideration for employment without regard to race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, ethnicity, status as a disabled veteran or veteran of the Vietnam era.
- (d) Service Provider will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice advising such labor union or workers' representatives of Service Provider's commitment under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (e) If Service Provider should subcontract all or any portion of the services to be performed under this Agreement, Service Provider shall cause each subcontractor to also comply with the requirements of this Section 12.

13. Independent Contractor.

- (a) In the furnishing of the services provided for herein, Service Provider is acting solely as an independent contractor. Neither Service Provider, nor any of its officers, agents, or employees shall be deemed an officer, agent, employee, joint venturer, partner, or associate of City for any purpose. City shall have no right to control or supervise or direct the manner or method by which Service Provider shall perform its work and functions. However, City shall retain the right to administer this Agreement so as to verify that Service Provider is performing its obligations in accordance with the terms and conditions thereof.



- (b) This Agreement does not evidence a partnership or joint venture between Service Provider and City. Service Provider shall have no authority to bind City absent City's express written consent. Except to the extent otherwise provided in this Agreement, Service Provider shall bear its own costs and expenses in pursuit thereof.
  - (c) Because of its status as an independent contractor, Service Provider and its officers, agents, and employees shall have absolutely no right to employment rights and benefits available to City employees. Service Provider shall be solely liable and responsible for all payroll and tax withholding and for providing to, or on behalf of, its employees all employee benefits including, without limitation, health, welfare and retirement benefits. In addition, together with its other obligations under this Agreement, Service Provider shall be solely responsible, indemnify, defend and save City harmless from all matters relating to employment and tax withholding for and payment of Service Provider's employees, including, without limitation, (i) compliance with Social Security and unemployment insurance withholding, payment of workers compensation benefits, and all other laws and regulations governing matters of employee withholding, taxes and payment; and (ii) any claim of right or interest in City employment benefits, entitlements, programs and/or funds offered employees of City whether arising by reason of any common law, de facto, leased, or co- employee rights or other theory. It is acknowledged that during the term of this Agreement, Service Provider may be providing services to others unrelated to City or to this Agreement.
14. Notices. Any notice required or intended to be given to either party under the terms of this Agreement shall be in writing and shall be deemed to be duly given if delivered personally, transmitted by facsimile followed by telephone confirmation of receipt, or sent by United States registered or certified mail, with postage prepaid, return receipt requested, addressed to the party to which notice is to be given at the party's address set forth on the signature page of this Agreement or at such other address as the parties may from time to time designate by written notice. Notices served by United States mail in the manner above described shall be deemed sufficiently served or given at the time of the mailing thereof.
  15. Binding. Subject to Section 16, below, once this Agreement is signed by all parties, it shall be binding upon, and shall inure to the benefit of, all parties, and each parties' respective heirs, successors, assigns, transferees, agents, servants, employees, and representatives.
  16. Assignment.
    - (a) This Agreement is personal to Service Provider and there shall be no assignment by Service Provider of its rights or obligations under this Agreement without the prior written approval of the City Manager or designee. Any attempted assignment by Service Provider, its successors or assigns, shall be null and void unless approved in writing by the City Manager or designee.

- (b) Service Provider hereby agrees not to assign the payment of any monies due Service Provider from City under the terms of this Agreement to any other individual(s), corporation(s) or entity(ies). City retains the right to pay any and all monies due Service Provider directly to Service Provider.
17. Compliance With Law. In providing the services required under this Agreement, Service Provider shall at all times comply with all applicable laws of the United States, the State of California and City, and with all applicable regulations promulgated by federal, state, regional, or local administrative and regulatory agencies, now in force and as they may be enacted, issued, or amended during the term of this Agreement.
18. Waiver. The waiver by either party of a breach by the other of any provision of this Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of either the same or a different provision of this Agreement. No provisions of this Agreement may be waived unless in writing and signed by all parties to this Agreement. Waiver of any one provision herein shall not be deemed to be a waiver of any other provision herein.
19. Governing Law and Venue. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction. Venue for purposes of the filing of any action regarding the enforcement or interpretation of this Agreement and any rights and duties hereunder shall be Fresno County, California.
20. Headings. The section headings in this Agreement are for convenience and reference only and shall not be construed or held in any way to explain, modify or add to the interpretation or meaning of the provisions of this Agreement.
21. Severability. The provisions of this Agreement are severable. The invalidity, or unenforceability of any one provision in this Agreement shall not affect the other provisions.
22. Interpretation. The parties acknowledge that this Agreement in its final form is the result of the combined efforts of the parties and that, should any provision of this Agreement be found to be ambiguous in any way, such ambiguity shall not be resolved by construing this Agreement in favor of or against either party, but rather by construing the terms in accordance with their generally accepted meaning.
23. Attorney's Fees. If either party is required to commence any proceeding or legal action to enforce or interpret any term, covenant or condition of this Agreement, the prevailing party in such proceeding or action shall be entitled to recover from the other party its reasonable attorney's fees and legal expenses.
24. Exhibits. Each exhibit and attachment referenced in this Agreement is, by the reference, incorporated into and made a part of this Agreement.
25. Precedence of Documents. In the event of any conflict between the body of this Agreement and any exhibit or attachment hereto, the terms and conditions of the body of this Agreement shall control and take precedence over the terms and conditions expressed within the exhibit or attachment. Furthermore, any terms or

conditions contained within any exhibit or attachment hereto which purport to modify the allocation of risk between the parties, provided for within the body of this Agreement, shall be null and void.

26. Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.
27. No Third Party Beneficiaries. The rights, interests, duties, and obligations defined within this Agreement are intended for the specific parties hereto as identified in the preamble of this Agreement. Notwithstanding anything stated to the contrary in this Agreement, it is not intended that any rights or interests in this Agreement benefit or flow to the interest of any third parties.
28. Extent of Agreement. Each party acknowledges that they have read and fully understand the contents of this Agreement. This Agreement represents the entire and integrated agreement between the parties with respect to the subject matter hereof and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be modified only by written instrument duly authorized and executed by both City and Service Provider.
29. The City Manager, or designee, is hereby authorized and directed to execute and implement this Agreement. The previous sentence is not intended to delegate any authority to the City Manager to administer the Agreement, any delegation of authority must be expressly included in the Agreement.

[SIGNATURES FOLLOW ON THE NEXT PAGE.]

IN WITNESS WHEREOF, the parties have executed this Agreement at Fresno, California, the day and year first above written.

CITY OF FRESNO,  
a California municipal corporation

HADRONEX, INC., d.b.a.  
SMARTCOVER SYSTEMS,  
a Delaware corporation

By: \_\_\_\_\_  
Paul Amico, PE,  
Interim Director of Public Utilities

DocuSigned by:  
By: Corey Williams 10/16/2025  
846D5F25A4514AB...

Name: Corey Williams

President

Title: \_\_\_\_\_

(If corporation or LLC., Board Chair,  
Pres. or Vice Pres.)

APPROVED AS TO FORM:

ANDREW JANZ

City Attorney

Signed by:  
By: Sukham S. Sekhon 10/28/2025  
6917A7D9D8364A9... Date  
Deputy City Attorney

Signed by:  
By: David Rees 10/23/2025  
00AAC4C2064F483...

Name: David Rees

CTO

Title: \_\_\_\_\_

(If corporation or LLC., CFO, Treasurer,  
Secretary or Assistant Secretary)

ATTEST:

TODD STERMER, MMC

City Clerk

By: \_\_\_\_\_  
Deputy Date

Addresses:

CITY:

City of Fresno

Attention: Arturo Alvarez,  
Water/Wastewater Manager, Certified

5607 W. Jensen Ave.

Fresno, CA 93706

Phone: (559) 621-1270

E-mail: art.alvarez@fresno.gov

Service Provider:

Hadronex, Inc. d.b.a. SmartCover  
Systems

Attention: Maureen Fox, Renewal &  
Sales/Op Manager

2110 Enterprise Street

Escondido, CA 92029

Phone: (760) 291-1980 x8211

E-mail: mfox@smartcoversystems.com

Attachments:

1. Exhibit A - Scope of Services
2. Exhibit B - Insurance Requirements
3. Exhibit C - Conflict of Interest Disclosure Form

## **EXHIBIT A**

### **SCOPE OF SERVICES**

**Service Agreement between City of Fresno  
and HADRONEX, INC., d.b.a. SMARTCOVER SYSTEMS**  
SmartCover® Uniquely Qualified Multi-Year Service Agreement

See attached Budget Quote.





# Budget Quote

|                                                                                                                                                                               |                                                                                                                                                                    |                       |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------|
| <b>Hadronex, Inc.</b><br><b>DBA SmartCover Systems</b><br><b>2110 Enterprise Street</b><br><b>Escondido, CA 92029 USA</b><br><b>P: 760-291-1980</b><br><b>F: 760-291-1982</b> | <b>Due Date</b>                                                                                                                                                    | <b>Period Covered</b> | <b>Quote Number</b> |
|                                                                                                                                                                               | 04/30/2025                                                                                                                                                         | 05/01/2025-04/30/2028 | 00002895            |
|                                                                                                                                                                               | Remit PO to <a href="mailto:orders@smartcoversystems.com">orders@smartcoversystems.com</a> or return this quote signed with PO number.<br>Scan of PO is preferred. |                       |                     |

| Bill To:                                                      |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Ship To:                                                                                                            |    | Date       | 02/19/2025  |        |             |
|---------------------------------------------------------------|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|----|------------|-------------|--------|-------------|
| City of Fresno<br>2600 Fresno Street<br>Fresno, CA 93721, USA |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | City of Fresno<br>Wastewater Management Division, Collection System<br>5607 W. Jensen Ave.<br>Fresno, CA 93706, USA |    |            |             |        |             |
| #                                                             | Product  | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Qty                                                                                                                 | Mo | Rate       | Subtotal    | Tax    | Total       |
| 1                                                             | ASM-SC3R | Renewal: SmartLevel – REQUIRED for system to function. 3 year rate.<br><br>5/1/2025 - 4/30/2028<br>8879 LS 26 - TEMP<br>6535 MH 2666-19<br>6534 MH 2858-49<br>6533 MH 2559-62<br>4621 MH 2254-07<br>4620 MH 3260-23<br>4619 MH 1144-60 W Bluff Ave x N Santa Fe Ave<br>4107 MH 955-07 W Bluff Ave & Riverview Dr<br>4106 MH 2656-80 Tulare St X P St<br>4105 MH 2761-03 S. Backer Ave<br>4104 MH 2254-27 N. Wishon<br>4103 MH 857-42 N Ashford Ave & E Walnut Ave<br>3223 MH 2155-03 N. Del Mar<br>3221 MH 2555-20<br>3220 MH 2561-66 E Tulare St X N Chestnut Ave<br>2789 MH 2656-34 LS 11<br>2788 MH 858-109 LS 10<br>2787 MH 2650-10 LS 18<br>2786 MH 2054-21 LS 03<br>2785 MH 2750-132 LS 02<br>2784 MH 955-11 LS 04<br>2783 MH 1145-06 LS 14<br>2782 MH 1144-69 LS 16<br>2781 MH 859-37 LS 06<br>2779 MH 757 27 E. Champlain Dr<br>2778 MH 2060-89 LS 15<br>2414 MH 2352-20 Lamona & Delno<br>2413 MH 758-22 LS 05<br>2412 MH 1144-07 W River ista x N Carnegie<br>9643 MH 2455-14<br>9642 MH 3159-27<br>9641 MH 3057-25<br>8878 MH 2553-34<br>3222 MH 2857-95<br>2780 MH 2465-01 | 29                                                                                                                  | 36 | \$1,225.00 | \$35,525.00 | \$0.00 | \$35,525.00 |



# Budget Quote

|   |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |    |    |            |             |        |             |
|---|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----|------------|-------------|--------|-------------|
| 2 | ASM-SF3R | Renewal: SmartFLOE™ - REQUIRED for system to function. 3 Year rate.<br><br>5/1/2025 - 4/30/2028<br>9643 MH 2455-14<br>9642 MH 3159-27<br>9641 MH 3057-25<br>8878 MH 2553-34<br>3222 MH 2857-95<br>2780 MH 2465-01                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 6  | 36 | \$2,000.00 | \$12,000.00 | \$0.00 | \$12,000.00 |
| 3 | PW-5C3R  | Renewal: Power Warranty: PARTS ONLY. 3 year rate.<br><br>5/1/2025 - 4/30/2028<br>8879 LS 26 - TEMP<br>6535 MH 2666-19<br>6534 MH 2858-49<br>6533 MH 2559-62<br>4621 MH 2254-07<br>4620 MH 3260-23<br>4619 MH 1144-60 W Bluff Ave x N Santa Fe Ave<br>4107 MH 955-07 W Bluff Ave & Riverview Dr<br>4106 MH 2656-80 Tulare St X P St<br>4105 MH 2761-03 S. Backer Ave<br>4104 MH 2254-27 N. Wishon<br>4103 MH 857-42 N Ashford Ave & E Walnut Ave<br>3223 MH 2155-03 N. Del Mar<br>3221 MH 2555-20<br>3220 MH 2561-66 E Tulare St X N Chestnut Ave<br>2789 MH 2656-34 LS 11<br>2788 MH 858-109 LS 10<br>2787 MH 2650-10 LS 18<br>2786 MH 2054-21 LS 03<br>2785 MH 2750-132 LS 02<br>2784 MH 955-11 LS 04<br>2783 MH 1145-06 LS 14<br>2782 MH 1144-69 LS 16<br>2781 MH 859-37 LS 06<br>2779 MH 757 27 E. Champlain Dr<br>2778 MH 2060-89 LS 15<br>2414 MH 2352-20 Lamona & Delno<br>2413 MH 758-22 LS 05<br>2412 MH 1144-07 W River ista x N Carnegie<br>9643 MH 2455-14<br>9642 MH 3159-27<br>9641 MH 3057-25<br>8878 MH 2553-34<br>3222 MH 2857-95<br>2780 MH 2465-01<br>9643 MH 2455-14<br>9642 MH 3159-27<br>9641 MH 3057-25<br>8878 MH 2553-34<br>3222 MH 2857-95<br>2780 MH 2465-01 | 35 | 36 | \$691.00   | \$24,185.00 | \$0.00 | \$24,185.00 |



# Budget Quote

|   |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |    |    |            |             |        |             |
|---|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----|------------|-------------|--------|-------------|
| 4 | EW-SC3R | <p>Renewal: System Warranty- Covers all systems parts except PowerPack- PARTS ONLY. 3 year rate.</p> <p>5/1/2025 - 4/30/2028</p> <p>8879 LS 26 - TEMP</p> <p>6535 MH 2666-19</p> <p>6534 MH 2858-49</p> <p>6533 MH 2559-62</p> <p>4621 MH 2254-07</p> <p>4620 MH 3260-23</p> <p>4619 MH 1144-60 W Bluff Ave x N Santa Fe Ave</p> <p>4107 MH 955-07 W Bluff Ave &amp; Riverview Dr</p> <p>4106 MH 2656-80 Tulare St X P St</p> <p>4105 MH 2761-03 S. Backer Ave</p> <p>4104 MH 2254-27 N. Wishon</p> <p>4103 MH 857-42 N Ashford Ave &amp; E Walnut Ave</p> <p>3223 MH 2155-03 N. Del Mar</p> <p>3221 MH 2555-20</p> <p>3220 MH 2561-66 E Tulare St X N Chestnut Ave</p> <p>2789 MH 2656-34 LS 11</p> <p>2788 MH 858-109 LS 10</p> <p>2787 MH 2650-10 LS 18</p> <p>2786 MH 2054-21 LS 03</p> <p>2785 MH 2750-132 LS 02</p> <p>2784 MH 955-11 LS 04</p> <p>2783 MH 1145-06 LS 14</p> <p>2782 MH 1144-69 LS 16</p> <p>2781 MH 859-37 LS 06</p> <p>2779 MH 757 27 E. Champlain Dr</p> <p>2778 MH 2060-89 LS 15</p> <p>2414 MH 2352-20 Lamona &amp; Delno</p> <p>2413 MH 758-22 LS 05</p> <p>2412 MH 1144-07 W River ista x N Carnegie</p> <p>9643 MH 2455-14</p> <p>9642 MH 3159-27</p> <p>9641 MH 3057-25</p> <p>8878 MH 2553-34</p> <p>3222 MH 2857-95</p> <p>2780 MH 2465-01</p> <p>9643 MH 2455-14</p> <p>9642 MH 3159-27</p> <p>9641 MH 3057-25</p> <p>8878 MH 2553-34</p> <p>3222 MH 2857-95</p> <p>2780 MH 2465-01</p> | 35 | 36 | \$1,388.00 | \$48,580.00 | \$0.00 | \$48,580.00 |
|---|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----|------------|-------------|--------|-------------|



# Budget Quote

Terms and Conditions for this transaction:

- 1. Payment: Net 30 days
- 2. All pricing subject to change.
- 3. All hardware, rentals, software subscriptions and renewals may be subject to tax.
- 4. Taxes were calculated at the time of quote creation and may change at the time of invoice.
- 5. Customer is responsible for paying the appropriate taxes due at time of invoice.
- 6. SmartCover is not responsible for the loss of wireless communication or internet communications or any communications used in the operation of this system.

SmartCover is an advisory service only. As such, SmartCover is not responsible for any damage of any kind or from any cause whatsoever that may result from, in relation to, in connection with, due to, or as a result of the installation or operation of the system, including without limitation, equipment failure, or any consequential damages caused by, or resulting from, the use or installation of the SmartCover system.

Signature for Approval \_\_\_\_\_

P.O. No.

**We appreciate your business!**

|              |                     |
|--------------|---------------------|
| Subtotal     | \$120,290.00        |
| Tax          | \$0.00              |
| <b>Total</b> | <b>\$120,290.00</b> |

## **Exhibit B INSURANCE REQUIREMENTS**

### **MINIMUM SCOPE OF INSURANCE**

Coverage shall be at least as broad as:

1. The most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01, providing liability coverage arising out of your business operations. The Commercial General Liability policy shall be written on an occurrence form and shall provide coverage for “bodily injury,” “property damage” and “personal and advertising injury” with coverage for premises and operations (including the use of owned and non-owned equipment), products and completed operations, and contractual liability with limits of liability not less than those set forth under “Minimum Limits of Insurance.”
2. The most current version of ISO \*Commercial Auto Coverage Form CA 00 01, providing liability coverage arising out of the ownership, maintenance or use of automobiles in the course of your business operations. The Automobile Policy shall be written on an occurrence form and shall provide coverage for all owned, hired, and non-owned automobiles or other licensed vehicles (Code 1- Any Auto).
3. Workers’ Compensation insurance as required by the State of California and Employer’s Liability Insurance.
4. Technology Liability (Errors and Omissions) insurance appropriate to SERVICE PROVIDER’S profession. Coverage shall be sufficiently broad to respond to duties and obligations as is undertaken by SERVICE PROVIDER in this agreement and shall include but not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines penalties and credit monitoring expenses with limits sufficient to respond to these obligations.
5. Cyber Liability (Privacy and Data breach) insurance appropriate to SERVICE PROVIDER’S profession.

### **MINIMUM LIMITS OF INSURANCE**

SERVICE PROVIDER, or any party the SERVICE PROVIDER subcontracts with, shall maintain limits of liability of not less than those set forth below.

1. **COMMERCIAL GENERAL LIABILITY:**
  - (i) \$1,000,000 per occurrence for bodily injury and property damage;
  - (ii) \$1,000,000 per occurrence for personal and advertising injury;
  - (iii) \$2,000,000 aggregate for products and completed operations; and,

(iv) \$2,000,000 general aggregate applying separately to the work performed under the Agreement.

2. COMMERCIAL AUTOMOBILE LIABILITY:

\$1,000,000 per accident for bodily injury and property damage.

3. WORKERS' COMPENSATION INSURANCE as required by the State of California with statutory limits.

4. EMPLOYER'S LIABILITY:

- (i) \$1,000,000 each accident for bodily injury;
- (ii) \$1,000,000 disease each employee; and,
- (iii) \$1,000,000 disease policy limit.

5. TECHNOLOGY PROFESSIONAL LIABILITY :

- (i) \$1,000,000 per claim/occurrence; and,
- (ii) \$2,000,000 policy aggregate.

6. CYBER LIABILITY insurance with limits of not less than:

- (i) \$1,000,000 per claim/occurrence; and,
- (ii) \$2,000,000 policy aggregate

UMBRELLA OR EXCESS INSURANCE

In the event SERVICE PROVIDER purchases an Umbrella or Excess insurance policy(ies) to meet the "Minimum Limits of Insurance," this insurance policy(ies) shall "follow form" and afford no less coverage than the primary insurance policy(ies). In addition, such Umbrella or Excess insurance policy(ies) shall also apply on a primary and non-contributory basis for the benefit of the CITY, its officers, officials, employees, agents and volunteers.

DEDUCTIBLES AND SELF-INSURED RETENTIONS

SERVICE PROVIDER shall be responsible for payment of any deductibles contained in any insurance policy(ies) required herein and SERVICE PROVIDER shall also be responsible for payment of any self-insured retentions.

OTHER INSURANCE PROVISIONS/ENDORSEMENTS

The General Liability and Automobile Liability insurance policies are to contain, or be endorsed to contain, the following provisions:

- 1. CITY, its officers, officials, employees, agents and volunteers are to be covered as additional insureds. Additional Insured status under the General Liability policy shall be broad as that contained in ISO Form CG 20 10 04 13 or CG 20 26 04 13.
- 2. For any claims relating to this Agreement, SERVICE PROVIDER'S insurance coverage shall be primary insurance with respect to the CITY, its officers, officials,



employees, agents and volunteers. Any insurance or self-insurance maintained by the CITY, its officers, officials, employees, agents and volunteers shall be excess of SERVICE PROVIDER'S insurance and shall not contribute with it. SERVICE PROVIDER shall establish primary and non-contributory status under the General Liability policy by use of ISO Form CG 20 01 04 13 or by an executed manuscript insurance company endorsement that provides primary and non contributory status as broad as that contained in ISO Form CG 20 01 04 13.

All policies of insurance shall contain, or be endorsed to contain, the following provision: SERVICE PROVIDER and its insurer shall waive any right of subrogation against CITY, its officers, officials, employees, agents and volunteers.

All policies of insurance required herein shall be endorsed to provide that the coverage shall not be cancelled, non-renewed, reduced in coverage or in limits except after thirty (30) calendar days written notice by certified mail, return receipt requested, has been given to CITY. SERVICE PROVIDER is also responsible for providing written notice to the CITY under the same terms and conditions. Upon issuance by the insurer, broker, or agent of a notice of cancellation, non-renewal, or reduction in coverage or in limits, SERVICE PROVIDER shall furnish CITY with a new certificate and applicable endorsements for such policy(ies). In the event any policy is due to expire during the work to be performed for CITY, SERVICE PROVIDER shall provide a new certificate, and applicable endorsements, evidencing renewal of such policy not less than five (5) calendar days after the expiration date of the expiring policy.

The Cyber and Technology Professional Liability insurance shall cover claims involving privacy violations, information theft, damage to or destruction of electronic information, intentional and/or unintentional release of private information (including credit monitoring costs), alteration of electronic information, extortion and network security. Such coverage is required for claims involving any professional services for which SERVICE PROVIDER is engaged with the City for such length of time as necessary to cover any and all claims

If the Technology Professional and Cyber Liability insurance policies) are written on a claims-made form:

1. The retroactive date must be shown, and must be before the effective date of the Agreement or the commencement of work by SERVICE PROVIDER.
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the Agreement work or termination of the Agreement, whichever occurs first, or, in the alternative, the policy shall be endorsed to provide not less than a five (5) year discovery period.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of the Agreement or the commencement of work by SERVICE PROVIDER, SERVICE PROVIDER must purchase "extended reporting" coverage for a minimum of five (5) years completion of the Agreement work or termination of the Agreement, whichever occurs first.
4. A copy of the claims reporting requirements must be submitted to CITY for review.

5. These requirements shall survive expiration or termination of the Agreement. Should any of these policies provide that the defense costs are paid within the Limits of Liability, thereby reducing the available limits by defense costs, then the requirement for the Limits of Liability of these policies will be twice the above stated limits.

The fact that insurance is obtained by SERVICE PROVIDER shall not be deemed to release or diminish the liability of SERVICE PROVIDER, including, without limitation, liability under the indemnity provisions of this Agreement. The policy limits do not act as a limitation upon the amount of indemnification to be provided by SERVICE PROVIDER. Approval or purchase of any insurance contracts or policies shall in no way relieve from liability nor limit the liability of SERVICE PROVIDER, its principals, officers, agents, employees, persons under the supervision of SERVICE PROVIDER, vendors, suppliers, invitees, consultants, subcontractors, or anyone employed directly or indirectly by any of them.

#### VERIFICATION OF COVERAGE

SERVICE PROVIDER shall furnish CITY with all certificate(s) and applicable endorsements effecting coverage required hereunder. All certificates and applicable endorsements are to be received and approved by the CITY'S Risk Manager or his/her designee prior to CITY'S execution of the Agreement and before work commences. All non-ISO endorsements amending policy coverage shall be executed by a licensed and authorized agent or broker. In the event of a claim, and upon reasonable request of the City, SERVICE PROVIDER shall immediately furnish City with a complete copy of any insurance policy required under this Agreement, including all endorsements, with said copy certified by the underwriter to be a true and correct copy of the original policy. This requirement shall survive expiration or termination of this Agreement.

#### SUBCONTRACTORS

If SERVICE PROVIDER subcontracts any or all of the services to be performed under this Agreement, SERVICE PROVIDER shall require, at the discretion of the CITY Risk Manager or designee, subcontractor(s) to enter into a separate Side Agreement with the City to provide required indemnification and insurance protection. Any required Side Agreement(s) and associated insurance documents for the subcontractor must be reviewed and preapproved by CITY Risk Manager or designee. If no Side Agreement is required, SERVICE PROVIDER will be solely responsible for ensuring that it's subcontractors maintain insurance coverage at levels no less than those required by applicable law and is customary in the relevant industry.

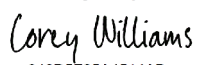
**EXHIBIT C**  
**DISCLOSURE OF CONFLICT OF INTEREST**  
SmartCover® Uniquely Qualified Multi-Year Service Agreement

|                                                                       |                                                                                                                                                                                                                | YES*                     | NO                                  |
|-----------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------------------|
| 1                                                                     | Are you currently in litigation with the City of Fresno or any of its agents?                                                                                                                                  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2                                                                     | Do you represent any firm, organization, or person who is in litigation with the City of Fresno?                                                                                                               | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3                                                                     | Do you currently represent or perform work for any clients who do business with the City of Fresno?                                                                                                            | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4                                                                     | Are you or any of your principals, managers, or professionals, owners or investors in a business which does business with the City of Fresno, or in a business which is in litigation with the City of Fresno? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5                                                                     | Are you or any of your principals, managers, or professionals, related by blood or marriage to any City of Fresno employee who has any significant role in the subject matter of this service?                 | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 6                                                                     | Do you or any of your subcontractors have, or expect to have, any interest, direct or indirect, in any other contract in connection with this Project?                                                         | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| * If the answer to any question is yes, please explain in full below. |                                                                                                                                                                                                                |                          |                                     |

Explanation: \_\_\_\_\_  
 N/A

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

☐ Additional page(s) attached.

DocuSigned by:  
  
 846D5F25A4514AB...

10/16/2025  
 Date

Corey Williams  
 Name

SmartCover Systems  
 Company  
 2110 Enterprise St.

Address  
 Escondido, CA 92029

City, State, Zip