

CITY OF OCEANSIDE**SERVICE AGREEMENT**

**PROJECT: SAN LUIS REY WATER RECLAMATION FACILITY ANNUAL
ASSET MANAGEMENT AND MAINTENANCE FOR NEUROS
AERATION BASIN TURBO BLOWERS - 9091197125722.5704.10600**

THIS AGREEMENT, dated January 9th, 2026 for identification purposes, is made and entered into by and between the CITY OF OCEANSIDE, a municipal corporation, hereinafter designated as "CITY", and APG-NEUROS, hereinafter designated as "CONTRACTOR."

NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **SCOPE OF WORK.** The CONTRACTOR desires to provide asset management and maintenance services for four aeration basin turbo blowers, more particularly described in the proposal dated November 11, 2025, attached hereto and incorporated herein as Exhibit A.
2. **INDEPENDENT CONTRACTOR.** CONTRACTOR'S relationship to the CITY shall be that of an independent contractor. CONTRACTOR shall have no authority, express or implied, to act on behalf of the CITY as an agent, or to bind the CITY to any obligation whatsoever, unless specifically authorized in writing by the CITY. CONTRACTOR shall be solely responsible for the performance of its employees, agents, and subcontractors under this Agreement, including the training of each employee regarding the rights and responsibilities of an employer and employee for any potential discrimination or harassment claim under state or federal law. CONTRACTOR shall report to the CITY any and all employees, agents, and CONTRACTORS performing work in connection with this project, and all shall be subject to the approval of the CITY.
3. **WORKERS' COMPENSATION.** Pursuant to Labor Code section 1861, the CONTRACTOR hereby certifies that the CONTRACTOR is aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and the CONTRACTOR will comply with such provisions, and provide certification of such compliance as a part of this Agreement.

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4. LIABILITY INSURANCE.

4.1. CONTRACTOR shall, throughout the duration of this Agreement maintain comprehensive general liability and property damage insurance, or commercial general liability insurance, covering all operations of CONTRACTOR, its agents and employees, performed in connection with this Agreement including but not limited to premises and automobile.

4.2 CONTRACTOR shall maintain liability insurance in the following minimum limits:

Comprehensive General Liability Insurance
(bodily injury and property damage)

Combined Single Limit Per Occurrence	\$ 2,000,000
General Aggregate	\$ 4,000,000*

Commercial General Liability Insurance
(bodily injury and property damage)

General limit per occurrence	\$ 2,000,000
General limit project specific aggregate	\$ 4,000,000

<u>Automobile Liability Insurance</u>	\$ 2,000,000
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*General aggregate per year, or part thereof, with respect to losses or other acts or omissions of CONTRACTOR under this Agreement.

4.3 If coverage is provided through a Commercial General Liability Insurance policy, a minimum of 50% of each of the aggregate limits shall remain available at all times. If over 50% of any aggregate limit has been paid or reserved, the CITY may require additional coverage to be purchased by the CONTRACTOR to restore the required limits. The CONTRACTOR shall also notify the CITY promptly of all losses or claims over \$25,000 resulting from work performed under this contract, or any loss or claim against the CONTRACTOR resulting from any of the CONTRACTOR'S work.

4.4 All insurance companies affording coverage to the CONTRACTOR for the purposes of this Section shall add the City of Oceanside as "additional insured" under the designated insurance policy for all work performed under this agreement. Insurance coverage provided to the City as additional insured shall be primary insurance and other insurance maintained by the City of Oceanside, its officers, agents, and

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employees shall be excess only and not contributing with insurance provided pursuant to this Section.

- 4.5 All insurance companies affording coverage to the CONTRACTOR pursuant to this agreement shall be insurance organizations admitted by the Insurance Commissioner of the State of California to transact business of insurance in the state or be rated as A-X or higher by A.M. Best.
- 4.6 CONTRACTOR shall provide thirty (30) days written notice to the CITY should any policy required by this Agreement be cancelled before the expiration date. For the purposes of this notice requirement, any material change in the policy prior to the expiration shall be considered a cancellation.
- 4.7 CONTRACTOR shall provide evidence of compliance with the insurance requirements listed above by providing, at minimum, a Certificate of Insurance and applicable endorsements, in a form satisfactory to the City Attorney, concurrently with the submittal of this Agreement.
- 4.8 CONTRACTOR shall provide a substitute Certificate of Insurance no later than thirty (30) days prior to the policy expiration date. Failure by the CONTRACTOR to provide such a substitution and extend the policy expiration date shall be considered a default by CONTRACTOR and may subject the CONTRACTOR to a suspension or termination of work under the Agreement.
- 4.9 Maintenance of insurance by the CONTRACTOR as specified in this Agreement shall in no way be interpreted as relieving the CONTRACTOR of any responsibility whatsoever and the CONTRACTOR may carry, at its own expense, such additional insurance as it deems necessary.
5. **PROFESSIONAL ERRORS AND OMISSIONS INSURANCE.** Throughout the duration of this Agreement and four (4) years thereafter, the CONTRACTOR shall maintain professional errors and omissions insurance for work performed in connection with this Agreement in the minimum amount of Two Million Dollars (\$2,000,000.00).

CONTRACTOR shall provide evidence of compliance with these insurance requirements by providing a Certificate of Insurance.

6. **CONTRACTOR'S INDEMNIFICATION OF CITY.** To the greatest extent allowed by law, CONTRACTOR shall indemnify and hold harmless the CITY and its officers, agents and employees against all claims for damages to persons or

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property arising out of CONTRACTOR's work, including the negligent acts, errors or omissions or wrongful acts or conduct of the CONTRACTOR, or its employees, agents, subcontractors, or others in connection with the execution of the work covered by this Agreement, except for those claims arising from the willful misconduct, sole negligence or active negligence of the CITY, its officers, agents, or employees. CONTRACTOR'S indemnification shall include any and all costs, expenses, attorneys' fees, expert fees and liability assessed against or incurred by the CITY, its officers, agents, or employees in defending against such claims or lawsuits, whether the same proceed to judgment or not. Further, CONTRACTOR at its own expense shall, upon written request by the CITY, defend any such suit or action brought against the CITY, its officers, agents, or employees resulting or arising from the conduct, tortious acts or omissions of the CONTRACTOR.

CONTRACTOR'S indemnification of CITY shall not be limited by any prior or subsequent declaration by the CONTRACTOR.

7. **COMPENSATION.** CONTRACTOR'S compensation for all work performed in accordance with this Agreement, shall be \$71,326 per year for five years for a total not to exceed contract price of \$356,630.

No work shall be performed by CONTRACTOR in excess of the total contract price without prior written approval of the CITY. CONTRACTOR shall obtain approval by the CITY prior to performing any work that results in incidental expenses to CITY.

8. **TIMING REQUIREMENTS.** Time is of the essence in the performance of work under this Agreement and the timing requirements shall be strictly adhered to unless otherwise modified in writing. All work shall be completed in every detail to the satisfaction of the CITY by January 31, 2031.
9. **ENTIRE AGREEMENT.** This Agreement comprises the entire integrated understanding between CITY and CONTRACTOR concerning the work to be performed for this project and supersedes all prior negotiations, representations, or agreements.
10. **INTERPRETATION OF THE AGREEMENT.** The interpretation, validity and enforcement of the Agreement shall be governed by and construed under the laws of the State of California ("State"). The Agreement does not limit any other rights or remedies available to CITY.

The CONTRACTOR shall be responsible for complying with all local, state, and federal laws whether or not said laws are expressly stated or referred to herein.

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Should any provision herein be found or deemed to be invalid, the Agreement shall be construed as not containing such provision, and all other provisions, which are otherwise lawful, shall remain in full force and effect, and to this end the provisions of this Agreement are severable.

11. **PROTECTION OF PERSONAL INFORMATION.** "Personal information" means information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or household, as more fully defined in California Civil Code section 1798.140. The CONTRACTOR shall not collect any Personal Information except as is necessary for performance of obligations under this Agreement or otherwise required by law. The CONTRACTOR shall protect, according to reasonable industry standards, the privacy and security of any Personal Information to which CONTRACTOR has access in connection with this Agreement and shall not disclose such Personal Information to any third party or government agency, including federal immigration enforcement agents, unless required by this Agreement or by State or federal law.
12. **AGREEMENT MODIFICATION.** This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto.
13. **TERMINATION OF AGREEMENT.** Either party may terminate this Agreement by providing thirty (30) days' written notice to the other party. If any portion of the work is terminated or abandoned by the CITY, then the CITY shall pay CONTRACTOR for any work completed up to and including the date of termination or abandonment of this Agreement. The CITY shall be required to compensate CONTRACTOR only for work performed in accordance with the Agreement up to and including the date of termination.
14. **SIGNATURES.** The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the CONTRACTOR and the CITY.

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IN WITNESS WHEREOF, the parties hereto for themselves, their heirs, executors, administrators, successors, and assigns do hereby agree to the full performance of the covenants herein contained and have caused this Professional Services Agreement to be executed by setting hereunto their signatures on the dates set forth below.

APG-NEUROS,

CITY OF OCEANSIDE

By: Josee Chiurillo
Name/Title

By: _____
Jonathan Borrego, City Manager

By: Aftermarket Director
Name/Title

APPROVED AS TO FORM:

98-1049944
Employer ID No.

[Signature]
Chief Deputy City Attorney
Assistant

NOTARY ACKNOWLEDGMENTS OF CONTRACTOR MUST BE ATTACHED.

Commissioner for Oaths
for Quebec and outside
of Quebec Yehya Hamaoui
Comm # 223373
Comm Exp date: Sept 11 2027



EXHIBIT A



PROPOSAL FOR AN ASSET MANAGEMENT AND MAINTENANCE SERVICE PLAN



Presented to:

Ryan Williams

Oceanside, CA

3950 N River Road

Oceanside, CA 92058

Phone: 760-859-8143

Email: rwilliams@oceansideca.org

Date : November 11, 2025

Our Proposal

Reference: AM-2025-5663 AMMSP 19-0033, 23-0019 – Oceanside, CA

Subject: Proposal for an Asset Management and Maintenance Service Plan

Equipment covered: (3) NX350-C060, (1) NX400S-C070

Dear Mr. Williams,

We are pleased to provide you with our proposal for an **Asset Management and Maintenance Service Plan** for our product in your facility.

We trust that our High-Speed Turbo Blowers have met your expectations throughout the life of the operation at your facility. APG-Neuros is continuously listening to its customers to develop the highest quality products and offer the latest product innovations to keep your blowers technologically current and up to date.

This plan has been carefully designed to provide you with a peace-of-mind operation, protecting your turbo blowers from unscheduled events. Through the Asset Management, we incorporate the latest improvements and developments into your Turbo Blowers and proactively manage their health throughout their life cycle, maintaining the equipment technologically up to date and maximizing their efficiency. The Asset Management and Maintenance Service Plan provides protection from unexpected maintenance spending through the Extended Warranty as well as priority supply of spare parts when needed.

Our Asset Management and Maintenance Service Plan includes:

- A. Asset Management – Upgrades**
- B. Extended Warranty**
- C. Remote Monitoring System**
- D. Extended Preventive Routine Maintenance**

A. Asset Management – Upgrades

The Asset Management maintains the Turbo Blowers technologically up to date.

Includes:



Mandatory or recommended product modifications



Recommended upgrades and new component developments



Fine tuning of turbo blower(s) and aeration system



Participation in manufacturer's maintenance and support development



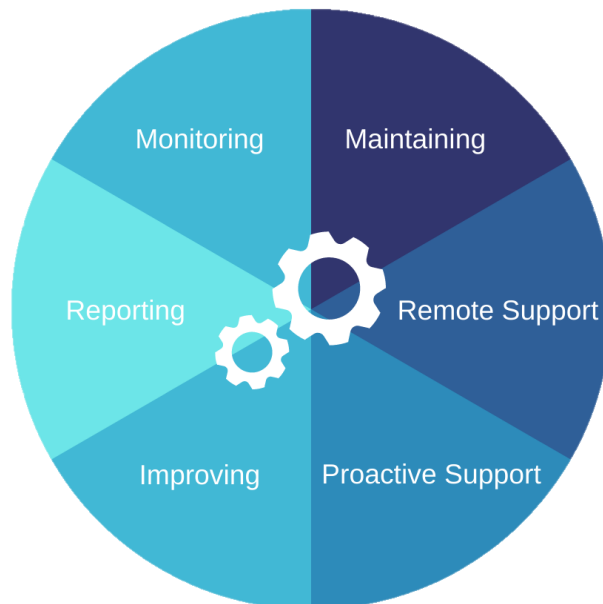
After Hours Remote Technical Support (by telephone), as required:

- 24 hour a day - 365 days a year customer service support line by calling at **1-855-423-2746**
- Priority access to the field support team
- Priority on availability of parts and modules within 72 hours
- Priority on availability of replacement cores (loaners) at no charge to minimize downtime
- Field service report after each visit
- Refresher training on turbo blower preventive maintenance activities



Dedicated Regional Manager for first response on field support

- Regular meetings with customers to listen to current concerns and future needs
- Regular training sessions for on-site personnel



B. Extended Warranty

The Extended Warranty eliminates the need to worry about capital and maintenance budget restrictions. It covers the cost of repairing or replacing major components when out of service.

The Extended Warranty includes:

1. Blower core:
 - High efficiency impeller,
 - Permanent magnet synchronous motor,
 - Bump-foil air bearings,
 - Diffuser fan,
 - Motor casing.
2. Variable speed drive/inverter
3. Input line reactor
4. Sine-wave (sinus) filter
5. Blower local control panel and Programmable Logic Controller (PLC) components
6. HMI touch-screen components
7. Internal vibration and absorption mounts
8. Vibration sensors and monitoring
9. Discharge expander (discharge cone)
10. Blow off by-pass valve and solenoid parts
11. Blow off silencer
12. Sound attenuating enclosure
13. Check valve seals and discs
14. Stop valve body seals and discs
15. External expansion joint



C. Remote Monitoring System

Remote Monitoring System and support as permitted by the customer.

- Enables site managers to make better informed decisions through useable data of Turbo Blower operation.
- Fine tuning and monitoring of aeration system that allows for optimal Turbo Blower operation.

Option C1

Customer allows APGN to have remote access.

- APGN will have a real-time view of all analog values of the Turbo Blower.
- Elevated security with independent 3G/LTE mobile network connection.
 - No on-site Wi-Fi connection required.
 - Site can enable or disable access at anytime.



Option C2

Customer provides operational data to APGN.

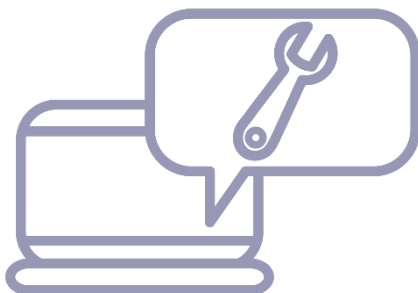
- APGN will not have remote access.
- Up to twice per year, operation and diagnostics reporting on operating units, when available. Customer will provide operational data from its control system to APGN for analysis such as:
 - a. Motor speed and temperature
 - b. Suction flow rate and temperature
 - c. Discharge pressure and temperature
 - d. Filter pressure drop
 - e. Bearing temperature
 - f. Power consumption
 - g. Rotor vibration
 - h. VFD temperature
 - i. Ambient temperature and ambient relative humidity
 - j. Blower status
 - k. Fault codes

D. Extended Preventive Routine Maintenance

Our Extended Preventive Routine Maintenance is designed in accordance with the standards of the annual health check and inspection outlined in the O&M manual.

- One (1) on-site maintenance and inspection visit by a manufacturer's Field Service Technician.
- Customized classroom/hands-on training to your staff's needs.
 - o Also available through videoconference.
- Inspection and cleaning or replacement of air intake filters (inside the turbo blower, customer to provide filters).
- Inspection and cleaning of dirt and debris in enclosure, sealing air leaks as required.
- Visual inspection of core.
- Core shaft torque measurement to assess condition.
- Bump start alignment of the core bearings.
- Audible and visual inspection of unit to determine health of connections, valves, and gaskets.
- Verification of PLC and HMI software, ensuring it is operational and suitable for the blower control.
- Verification of blower protection from surge or adverse operating conditions.
- Review and analysis of PLC error history, identifying trends and providing recommendations as needed.
- Verification of the PLC and HMI software version including the new protection or optimization, and update to latest standard, if applicable.
- Inspection for loose electrical and mechanical connections, tightening as required.
- Inspection of all electrical wiring for signs of overheating or wear.
- Verification of sensors functionality, replacing as required.
- Inspection of blower operation following factory specifications and adjustment of control parameters to adapt to the operating environment.
- Inspection of paint and fasteners, applying touch-up paint to areas the size of up to a quarter dollar coin and replacing fasteners as required.
- For liquid cooled models only:
 - o Coolant system check and top up as required.
 - o Perform coolant flush (every 3 years)
 - Customer to dispose the old fluid.
- Field service report including a comprehensive check list for each blower.

Additionally, this plan includes:



- After Hours Remote Technical Support (by telephone), as required.
 - 24 hour a day - 365 days a year customer service support line by calling at 1-855-423-2746
 - Response time within 1 hour
 - Up to 150 hours of technical support
 - Remote trouble shooting for operation issue and diagnostics of unit, where remote access is available and provided by customer.
- **10% discount on spare parts and air filters.**

Price:

- ☐ Three-year option: US \$ 69,770.00 + taxes (where Applicable) per year for three (3) years of coverage.
- ☐ Five-year option: US \$ 65,890.00 + taxes (where Applicable) per year for five (5) years of coverage.

➤ The above prices include coverage for (3) NX350-C060, (1) NX400S-C070

Exclusions:

The following consumables and life limited parts are excluded from the coverage:

- Air filters elements
- BOV orifice diaphragm
- Coolant fluids
- Fuses
- Gaskets
- Hardware and fittings
- Power supplies
- Thermocouple and thermocouple transmitter
- Transformer 560/480 – 110/220 V
- Existing rusted areas on enclosure are not covered under the warranty

Note: A pre-inspection of the turbo blowers may be required prior enrollment of the Asset Management and Maintenance Service Plan.

This proposal is valid until February 11, 2026.

Sincerely,

Joe Gerardo

Life Cycle Regional Manager

M: 951-370-4310

E: jgerardo@apg-neuros.com

About APG-Neuros

Founded in 2005, APG-Neuros is recognized as the force behind the successful introduction of the high-efficiency turbo blower technology to the water and wastewater treatment market in North America and Europe, modernizing and bringing a much-needed change to the existing aging industry. APG-Neuros turbo blowers are used in a variety of industrial applications and wastewater treatment processes, with over 1500 units installed in over 500 installations in North America and Europe, and more than 3000 additional units installed worldwide.



APG-Neuros continues to lead the industry by constantly driving and propelling innovation forward through the most technologically advanced products and artificial intelligence aeration control solutions to achieve maximum energy efficiency and operational flexibility for our customers.

OUR MISSION

APG-Neuros is committed to achieving customer satisfaction by providing quality products and services delivered on time while maintaining a safe environment for our employees in a setting that promotes resource sustainability. APG-Neuros honors its commitments by integrating quality and environmental considerations into the decision-making process.

OUR VISION

To be recognized as the reference technology company for producing innovative products, including the Turbo Blowers, Turbo Compressors, and other efficient and affordable technology products.

OUR VALUES

1. **Innovation:** We strive for continuous technological development and innovation. We conduct in-house R&D programs to keep innovating and improving our products and services.
2. **Integrity:** Promote a culture of transparency, continuous improvements and strive for a sustainable business model.
3. **Team:** Ensure employee empowerment and fulfillment through continued skills development and career advancement.
4. **Environment:** We strive to limit the impact of our activities and our product on the environment.

OUR CERTIFICATIONS



APGN Inc.

1270, Michèle-Bohec, Blainville, Québec J7C 5S4
Tel.: 450 939-0799 Fax: 450 939-2115 Web site: www.apg-neuros.com

Acceptance and Authorization

Your signature below indicates your authorization to proceed with the enrollment to the Asset Management and Maintenance Service Plan.

For Customer

Name

Title

Signature

Date

For APGN inc.

Omar Hammoud

Name

CEO & President

Title

Signature

Date

The APG-Neuros Aftermarket Team thanks you for your trust.