

MEMORANDUM OF UNDERSTANDING BETWEEN CITY OF ENCINITAS AND THE ENCINITAS PROJECT TO RAISE FUNDS TO PROCURE AND PROVIDE SPECIFIC PROJECTS AND SERVICES

The City of Encinitas, a municipal corporation hereinafter referred to as CITY, and The Encinitas Project, a non-profit corporation hereinafter referred to as THE ENCINITAS PROJECT (TEP), enter into this Memorandum of Understanding (MOU) for the express purpose of supporting the City's Parks, Recreation, Cultural Arts (PRCA) Department by fundraising to procure and provide specific programs, events, equipment, or other infrastructure in the community.

I. PURPOSE

The purpose of this MOU is to establish a formal working relationship between the parties. The CITY and TEP desire to work cooperatively to actively support and work together to supplement traditional sources of City funding to enrich the lives of Encinitas residents and visitors. TEP fundraising is intended to supplement, not replace, the funding for PRCA project and services.

II. DESCRIPTION OF PROJECTS AND SERVICES

CITY and TEP desire to work cooperatively to provide the following projects and services, to be agreed upon by both parties, as outlined below.

- Installation of water bottle filling stations at CITY parks.
- Installation of adult workout equipment at CITY parks.
- Installation of art pedestals throughout the City.
- Installation of dog park amenities at CITY parks.
- Installation of sand box at CITY's Wiro park.

- Support for CITY intergenerational field trips.
- Support for CITY youth music classes.
- Support for youth athletics use of CITY parks.
- Support for CITY programs at Pacific View Arts Center
- Support for CITY programs at Encinitas Community Center and Senior Center.

A. CITY will:

1. CITY will recognize TEP for their donations through press releases, social media or at City Council meetings.
2. CITY will consider restricted donations as outlined in this MOU per Administrative Policy F007.

B. TEP will:

1. Maintain complete and accurate accounting records of all donations received as part of this MOU, shall administer and maintain donor records, conduct acknowledgement and receipt confirmation to donors, and provide an annual written report to City staff and the City Council.
2. Provide the CITY with a copy of TEP's annual federal and state financial reports and

maintain its non-profit status in good standing as required of a 501(c)(3) public benefit corporation throughout the duration of this MOU.

3. TEP may apply for grants available to 501(c)(3) organizations or for which the CITY is ineligible, to support the Projects and Services described in Section II. TEP may also act as a nonprofit partner on grant applications initiated by the CITY. Any grant application submitted by TEP that names the CITY as a partner or commits the CITY to any project, service, obligation, or resource allocation must receive prior written approval from both the CITY and TEP's Board of Directors."
4. For projects and services authorized under this Agreement, TEP will ensure that funds designated by a donor for a specific City project or service are used solely for that designated purpose. TEP will not deduct any administrative or management fees from designated donations. TEP may deduct actual third-party transaction costs not covered by the donor, including but not limited to credit and debit card processing fees, Donor-Advised Fund processing fees, and mobile payment platform fees (e.g., Venmo, PayPal). All such deductions will be disclosed to donors.
5. Comply with Internal Revenue Code 26 U.S.C. 501 (c)(3) federal requirements. Under the Internal Revenue Code, all section 501(c)(3) organizations are absolutely prohibited from directly or indirectly participating in, or intervening in, any political campaign on behalf of (or in opposition to) any candidate for elective public office. Contributions to political campaign funds or public statements of position (verbal or written) made on behalf of the organization in favor of or in opposition to any candidate for public office clearly violate the prohibition against political campaign activity. Violating this prohibition may result in denial or revocation of tax-exempt status and the imposition of certain excise taxes.

III. TERMS

The term of this MOU shall commence on the effective date agreed by the CITY and TEP, and continue through June 30, 2027. This MOU contains all the terms and conditions agreed upon by the parties regarding the subject matter of this MOU and supersedes any prior agreement, oral or written, and all other communications between parties related to such subject matter.

IV. TERMINATION FOR CAUSE

In the event of TEP failure to execute, deliver, or perform the projects or services, upon delivery of notice, the CITY may, in its sole and exclusive discretion, terminate this MOU by notifying TEP by certified mail of said termination.

V. TERMINATION FOR CONVENIENCE

Either party may, in its reasonable discretion, with or without cause, terminate this MOU upon the giving of ten (10) days prior written notice to the other party.

VI. AMENDMENTS OR MODIFICATIONS

This MOU may only be amended, upon council approval, via a written amendment/modification approved and signed by the parties hereto. The CITY shall have the right to grant reasonable extensions of time to TEP for the performance of any obligation hereunder.

VII. INDEMNIFICATION

TEP agrees to defend, with the attorneys of City's choosing, indemnify and hold the CITY and CITY's officers, officials, employees, elected and appointed officials and agents harmless from and against any and all liabilities, claims, demands, causes of action, losses, damages, and costs, including all costs of defense thereof arising out of, or in any manner connected directly or indirectly with, any negligent acts or omissions of TEP or TEP's agents, employees, subcontractors, officials, officers or representatives in regards to TEP projects and services. TEP will defend and indemnify CITY and CITY'S officers, officials, employees, and agents, from and against such liabilities, claims, demands, causes of action, losses, damages, and costs related to and only to TEP projects and services. Except as otherwise provided in this Section, CITY'S intentional acts, CITY'S violations of law, or the CITY'S sole active negligence are the CITY'S responsibility and not those of TEP's board, officers, employees, or agents.

VIII. INSURANCE

- A. TEP shall obtain, and during the term of this MOU shall maintain, policies of automobile liability, to the extent applicable general liability, and property damage insurance from an insurance company authorized to be in business in the State of California for TEP. Each such policy shall be in an amount of not less than one million dollars (\$1,000,000) for each occurrence, and shall be endorsed with the following language:
 1. The CITY and CITY'S officers, officials, employees, agents, and volunteers are to be covered as additional insured by the City of Encinitas with respect to liability arising out of the acts and omissions by or on behalf of ENCINITAS the acquisition/installation of project or performance of a service during the event. TEP's obligation herein does not extend to liabilities, claims, demands, and causes of action, losses, damages, or costs that arise out of the CITY'S intentional wrongful actions, CITY'S violation of law, or the CITY'S active negligence.
 2. The insurer shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring company.
 3. Provide that the policy shall remain in full force during the full term of this MOU and shall not be canceled, terminated, or allowed to expire without thirty (30) days prior written notice to the CITY from the insurance company. Insurance will begin on the effective date of this agreement.
- B. Before TEP shall employ any person or persons in the performance of the MOU, TEP shall procure for its employees, if any, a policy of Worker's Compensation Insurance as required by the Labor Code of the State of California.
- C. Prior to commencement of work under this MOU, TEP shall furnish to the MOU OFFICER proof of the insurance required in this Section.

IX. MOU IN WRITING

This MOU contains and embraces the entire MOU between the parties hereto and it, nor any part of it, may not be changed, altered, modified, limited, or extended, orally or by any MOU between the parties unless such MOU is expressed in writing, signed, and authorized by the CITY and TEP.

X. NOTICES

Any notices, consents or approvals permitted or required to be given in accordance with this Agreement shall be sent by regular U.S. mail, overnight mail service, or personal delivery, addressed as follows, and shall be deemed to have been delivered (i) if sent by U.S. mail, on the fourth (4th) business day following deposit in the United States mail, (ii) if sent by overnight mail, on the date that it is recorded as delivered to the intended recipient, (iii) if personally delivered, upon receipt.

CITY:

Jennifer Campbell
City Manager
505 S. Vulcan Avenue
Encinitas, CA 92024

THE ENCINITAS PROJECT:

Ross Ridder
President
PO Box 232043
Encinitas, CA 92023-2023

XI. EXECUTION OF MOU

The people executing this MOU on behalf of the parties hereto warrant that they are duly authorized to execute this MOU on behalf of said parties and that by doing so the parties hereto are formally bound to the provisions of this MOU.

The parties hereto, have caused this MOU to be executed, effective as of the date of execution by the CITY.

CITY OF ENCINITAS

Signed by:
 7/20/2026
1C492DDFB8C3415...
Jennifer Campbell, City Manager Date

THE ENCINITAS PROJECT

Signed by:
 7/13/2026
75618D23D5F544C...
Ross Ridder, President Date

Signed by:
 7/13/2026
A488D68DD787466...
Farnad Mahmoudi, Treasurer Date

APPROVED AS TO FORM:

Signed by:
 7/14/2026
283D953F9C5949A...
Ajit Thind, City Attorney Date