

MAINTENANCE AGREEMENT

AUG 16 2004

DATE: August 13, 2004

MPWMD

PARTIES: First Party: **QUINN POWER SYSTEMS**, a California corporation,
hereinafter referred to as "QUINN"; and
Second Party: **Monterey Peninsula Water Management District**
hereinafter referred to as "OWNER".

RECITALS:

1. Quinn is a factory authorized Caterpillar dealer.
2. Owner owns certain equipment and Owner desires to retain Quinn to perform periodic preventive maintenance on such equipment, and Quinn is willing to perform such periodic preventive maintenance, on the terms and subject to the conditions set forth in this Agreement.

AGREEMENT:

The parties hereto do hereby agree as follows:

1. **The Equipment.** Owner now owns the following described engines and related equipment:

Generac 94A03049-S, 75kW Emergency Standby Power Generator Set, SN 2013865.
Caterpillar 3306, 250kW Emergency Standby Power Generator Set, SN 9NR04306.

All of the above-described items are hereinafter collectively referred to as "the Equipment" and covered under this agreement.

2. **The Services.** Owner hereby engages Quinn to render certain maintenance services to the Equipment during the term of this Agreement as indicated below and described on Exhibit "A" attached hereto ("Detailed Description of Maintenance Services").

Term:

From: October 1, 2004 to September 30, 2006

SERVICE LEVEL	COVERED	NOT COVERED	FREQUENCY
1	X		Semi-Annual 1/yr.
2	X		Annual 1/yr.
3	X	3306	Annual 1/yr.
LOADBANK OPTIONAL	X		Annual (3306 only) 1/yr.

CONT.

3. **Standards of Performance.** Quinn shall perform the Maintenance Services in accordance with the standard of care customarily employed in the heavy equipment maintenance industry. Quinn will cooperate with Owner in scheduling performance of the Maintenance Services and Quinn will perform the Maintenance Services in a manner to minimize interference with the Owner's normal business operations to the extent reasonably possible.
4. **Limited Duty and Liability.** It is expressly agreed that the responsibility and liability of Quinn is strictly limited to performance of the Maintenance Services on the Equipment. Quinn has no responsibility or liability for failure to discover actual or potential problems in the condition or operation of the Equipment. Quinn makes no representations, warranties, or guaranties concerning the Equipment or the operation of the Equipment. Quinn shall have no liability for any consequential damages or lost profits suffered or incurred by Owner. It is expressly agreed that the total liability of Quinn to Owner whether such liability is based upon breach of contract, tort, or any other theory, shall be limited to an amount equal to the total fee payable by Owner to Quinn during the twelve (12) month period prior to such claim. It is further understood by Owner that Quinn would not enter into this Agreement or perform the Maintenance Services without obtaining the benefit of the above-described limitation on Quinn's liability to Owner.
5. **Fee.** During the two year term of this Agreement, owner shall pay Quinn: *(Please indicate if taking Load Bank Option or not)*

For Level 1 Maintenance Services (labor)	\$	1,855.00
For Level 2 Maintenance Services (labor)	\$	2,594.00
For Level 3 Maintenance Services (labor)	\$	889.00

Total Labor Charges	\$	5,338.00
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(Labor includes travel time & mileage charges to and from the job site)

Estimated cost of oil, oil analysis and parts as required per year.	\$	1,608.00
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Total price for two (2) years.	<u>\$</u>	<u>6,946.00</u>
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OPTIONAL:

One LOAD BANK SERVICE per year. <u>2</u> hour test duration. (If performed with P.M. Service.) (Price for the 3306 only)	\$	1,200.00
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Total price for two (2) years with load bank test.	<u>\$</u>	<u>8,146.00</u>
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Charges for labor performed after the first year of this agreement have already been adjusted for the second year to reflect changes in Quinn's standard labor charges.

If Quinn personnel arrive at the job site to perform the Maintenance Services, and are prevented from doing so through no fault of Quinn, Owner will be charged for the serviceman's time and mileage in each such instance.

Quinn will invoice Owner in accordance with provisions of this Agreement, plus any applicable taxes, after each visit and Owner will pay each invoice within thirty (30) days of receipt. A service charge of one and one half percent (1.5%) per month (18% per annum) will accrue on any invoice that remains unpaid for more than thirty (30) days.

6. **Term.** This Agreement shall commence on the date first above written and shall continue until the end of the coverage term as stated in paragraph 2 or terminated by either party giving the other party thirty (30) days written notice of termination. The provisions of this Agreement relating to indemnification and limitation of Quinn's liability shall survive any termination of this Agreement.
7. **General Provisions.** This Agreement sets forth the entire agreement of the parties hereto concerning the subject matter of this Agreement. This Agreement may only be modified or amended by an agreement in writing executed by each of the parties hereto.

IN WITNESS WHEREOF, the undersigned have executed this Agreement on the date first above written.

QUINN POWER SYSTEMS, a California corporation

BY: Joe Campos

TITLE: PSSR - Quinn Power Systems

Date: _____

Owner: **Monterey Peninsula Water Management District**

BY: _____

TITLE: _____

QUINN POWER SYSTEMS

SALINAS

PREVENTIVE MAINTENANCE SCHEDULE

Customer Name: **Monterey Peninsula Water Management District**
 Address: **P.O. Box 85**
Monterey, Ca. 93940

Date: **8/13/04**
 Model: **See Below**
 Serial No. **See Below**
 Phone No. **(831) 648-7012**

Attention: **Beverly Chaney**

Perform Preventive Maintenance Service and Inspections on the Following.

Engine Description	Estimated Parts	Level 1		Level 2		Level 3		Total w/o Load		Loadbank	Total
		Labor		Labor		Labor		Bank			
Generac 94A03049-S, 75kW, SN 2013865 Location: San Clemente Dr. Sleepy Hollow	Year 1 \$ 206.00	\$ 480.00	\$ 707.00	N/A	\$ 1,393.00	N/A	\$ 1,393.00	N/A	\$ 1,393.00		\$ 1,393.00
	Year 2 \$ 218.00	\$ 494.00	\$ 728.00	N/A	\$ 1,440.00	N/A	\$ 1,440.00	N/A	\$ 1,440.00		\$ 1,440.00
Caterpillar 3306, 250kW, SN 9NR04306	Year 1 \$ 901.00	\$ 434.00	\$ 571.00	\$ 889.00	\$ 2,795.00	\$ 600.00	\$ 3,395.00	\$ 600.00	\$ 3,395.00		\$ 3,395.00
	Year 2 \$ 283.00	\$ 447.00	\$ 588.00	N/A	\$ 1,318.00	\$ 600.00	\$ 1,918.00	\$ 600.00	\$ 1,918.00		\$ 1,918.00
Totals	\$ 1,608.00	\$ 1,855.00	\$ 2,594.00	\$ 889.00	\$ 6,946.00	\$ 1,200.00	\$ 8,146.00	\$ 1,200.00	\$ 8,146.00		\$ 8,146.00

Note: This estimate includes travel and mileage charges to and from the job site. It also includes the handling and disposal of the hazardous waste oil and coolant.

This estimate does not include freight, shipping or taxes where applicable. This quote is effective for 60 days from the date indicated above.

Joe Campos
 P.S.S.R.