

**EXHIBIT 8-A**

Customer # 440820E

Agreement # 3313

**MAINTENANCE AGREEMENT**

DATE: September 30, 2008

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:

See Attached List of Machines.

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: This agreement is continuous until cancelled or non-renewed.  
 Additional PM coverage may be added anytime at customer's request.

From: September 30, 2008

<u>SERVICE LEVEL</u>	<u>COVERED</u>	<u>NOT COVERED</u>	<u>FREQUENCY</u>	
PM1	X		Semi-Annual	1/yr.
PM2	X		Annual	1/yr.
PM3	X		Every 3 yrs	36 mos.
PM4		X		
LOADBANK OPTIONAL	X		Annual	1/yr.
ATS Service		X		

Customer # 440820E

Agreement # 3313

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 first year of the term of this Agreement, owner shall pay Quinn: *(Please indicate if taking Load Bank Option or not)*

For Level 1 Maintenance Services (labor)	\$ 549.00
For Level 2 Maintenance Services (labor)	\$ 708.00
For Level 3 Maintenance Services (labor)	\$ 1,609.00
For Level 4 Maintenance Services (labor)	N/A

Total Labor Charges	\$ 2,866.00
<i>(Labor includes travel time &amp; mileage charges to and from the job site)</i>	

Estimated cost of oil, oil analysis and parts as required per year.	\$ 1,056.00
---	-------------

Total price per year.	<u>\$ 3,922.00</u>
-----------------------	--------------------

**OPTIONAL:**

One LOAD BANK SERVICE per year. <u>2</u> hour test duration. <i>(If performed with P.M. Service.)</i>	\$ 1,000.00
--	-------------

Total price per year with load bank test.	<u>\$ 4,922.00</u>
---	--------------------

Customer# 440820E

Agreement# 3313

CONT.

Charges for labor performed after the first year of this Agreement shall be adjusted to reflect changes in Quinn's standard labor charges as in effect from time to time. 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: Frank Dupree

TITLE: CSA Technical Quoter

Date: 9-30-08

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: 9/30/2008  
Model: See Below  
Serial No. See Below  
Phone No. 831-648-7012  
Fax No.

Attention: Beverly Chaney

**Perform Preventive Maintenance Service and Inspections on the Following.**

Engine Description	Estimated Parts	Level 1	Level 2	Level 3	Level 4	ATS	Total w/o Load Bank	Leadbank	Total
Generac 94A03049-S, 75kW, SN 2013855 Location: San Clemente Dr. Sleepy Hollow	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Caterpillar 3306, 250kW, SN 9MRO4306	\$ 1,056.00	\$ 549.00	\$ 708.00	\$ 1,609.00	N/A	N/A	\$ 3,922.00	\$ 1,000.00	\$ 4,922.00
<b>Totals</b>	<b>\$ 1,056.00</b>	<b>\$ 549.00</b>	<b>\$ 708.00</b>	<b>\$ 1,609.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,922.00</b>	<b>\$ 1,000.00</b>	<b>\$ 4,922.00</b>

Note: This estimate includes travel and mileage charges to and from the job site

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

**General Description of Preventative Maintenance Services Exhibit "A-1"**

**PM Visit Level Description**  
**PM 1 Multi-Point Inspection**

- Comprehensive detailed inspection of unit is performed. All fluid levels and pressures are checked/adjusted for correct operation.
- Check and inspect air cleaner restriction gauge and air filter element
- Check primary source fuel tank for water with water finding paste
- Check that daytank/fuel tank/ fuel line fittings are inspected for leaks. Cooling system hoses, caps, clamps, fittings are inspected for brittleness, leaks, cracks, and weakness.
- Battery voltages, charging rates, specific gravities / ICV's, and battery fluid levels are checked/adjusted as needed.
- Engine cranking batteries will be tested under start up load for voltage drop.
- Block heater elements and inlet/outlet t-stats are checked for proper output and operation.
- Engine fan drive and belts are inspected and adjusted for proper tension and condition.
- Check turbo charger rotation / end play if so equipped.
- Generator brushes checked for proper tension/setting as equipped.
- Control panel instruments checked for proper operation and values documented.
- Grease bearings, fan shafts, linkages, and equipment fittings as required.
- Hot oil sample taken and submitted for analysis
- Test safety alarms and contacts
- Run unit under load for up to 30 minutes when authorized by site

**PM 2 Annual Service-Major with Multi-Point Inspection**

- All items from PM1 are performed, PLUS
- Change crankcase oil, oil filter(s), air filter(s), fuel filter(s), water separators, and coolant filters as equipped
- Draw fuel system sample for analysis
- Draw cooling system sample for analysis
- Submit report to customer

**PM 3 3 Year Cooling System Service**

- Drain, contain and dispose of waste coolant
- Flush cooling system with fresh water
- Replace all coolant hoses and clamps (upgrade block heater hoses to steel braided as recommended)
- Replace the radiator pressure cap(s)
- Replace the engine thermostat(s) and associated gasket(s)
- Replace the engine fan and alternator drive belts
- Refill system with proper amount of glycol antifreeze and conditioners
- Rod and clean oil cooler or heat exchanger as equipped
- Test run unit to operating temperature, under load when authorized by site personnel
- Return unit back to original mode of operation
- Submit report to customer

**PM 4 Inspection-Minor**

- General walk around inspection of unit is performed
- Fluid levels are spot checked for correct operating range
- Inspect air filter element
- Fuel tank/engine fuel line fittings are inspected for leaks and tighten as required
- Coolant hoses inspected for brittleness, leaks, cracks and weakness
- Engine cranking batteries will be tested under start up load for voltage drop
- Jacket water heater element and inlet/outlet t-stats are checked for proper operation
- Engine drive belts inspected for proper tension and condition
- Control panel instruments checked for proper operation
- Unit is run for 10 minutes, under no load
- Return unit back to original mode of operation
- Submit report to customer

**PM PG PointGuard Monitoring**

- PointGuard monitors various inputs and outputs of unit operation and functionality
- Identifies and alerts authorized personnel of potential problems by fault notification via text or e-mail by cellular, satellite, or land line applications

**PM Visit Level Description**  
**PM LB Load Bank**

- Connect resistive and inductive load bank(s) as applicable to generator
- Run test with requested load for 2, 4, or 8 hours interval
- Record readings and give customer service report with results and any recommendations
- Disconnect load bank(s) from units
- Return unit back to original mode of operation
- Submit report to customer

**PM ATS Automatic Transfer Switch**

- De-energize the transfer switch, when possible
- Clean unit of dust and dirt accumulations
- Clean open-type relays of dust/grease or oil
- Visually inspect unit for signs of arcing, burning, hot spots, charring or other damage
- Inspect for loose, broken or badly worn parts
- Check terminal lugs and trip units for tightness/signs of overheating
- Check main current carrying contacts for arcing, pitting and discoloration. Clean main contacts if needed. Check and re-tighten if needed
- Check manual switches for free movement and contact continuity. Check and adjust, if needed, relay finger contacts. Lubricate all components, if needed, for proper operation
- Check plug connections, if equipped
- Check door closure, locking bars and handle mechanism for proper operation
- Check exercise timer if equipped
- Perform transfer test of ATS under load when authorized by site personnel
- Check all components/timers for proper operation and sequencing. Check main power connections for heat build-up with infra-red gun or provide PM Infra-Red scan
- Timers reset to customer specifications and placed in automatic mode
- Return unit back to original mode of operation
- Submit report to customer

**PM IR Infra-Red Thermography Inspection**

- Problems can develop when electrical components generate excessive heat due to deterioration, loose connections, or overloads. An infrared inspection is recommended to be performed on all of the following areas: generator output connections, cables, bus, and generator breakers, while system is energized. Inspection will consist of:
- Set-up of thermographic imaging infra-red camera
- Conduct infrared scanning inspection
- High resolution photographs will accompany recommendations for corrective action or repair, and will assist overall as a critical part of any complete predictive or conditional based maintenance program
- Submit report to customer after technical review has been completed

**PM Battery Battery Replacement**

- Engine cranking batteries are removed and replaced
- Engine cranking batteries will be tested under start up load for voltage drop
- Battery disposal is provided
- Test run unit without load
- Return unit back to original mode of operation
- Submit report to customer

**PM Hourly Service per Unit Run Hours**

- PM service level is based upon unit run hours as opposed to calendar schedule and is typically reserved for operation and maintenance agreements
- Submit report to customer

**PM SWG Switchgear Service**

- Services include manufacturer recommended equipment service & inspection on single standby loads and multi-unit paralleling systems.
- Submit report to customer

**PM UPS Uninterrupted Power Supply Service**

(Monterey & San Benito County)

**SALINAS**

**QUINN POWER SYSTEMS**

**EMERGENCY NUMBERS AND LABOR CHARGES**

Quinn Company will provide "On Call" emergency service 24 hours per day, 7 days a week with a response of 4 hours or less.

Normal working hours (8:00am to 4:30pm / Monday – Friday) call:

CSA Customer Service (non-emergency).....(800) 789-9774

Keith Krebs – Service Manager.....(831) 775-3408

Joanna Gonzales – Service Coordinator.....(831) 775-3413

For regular or emergency service, call the following numbers:

**(831) 758-8461**

*Exhibit "C"*

**ADDITIONAL CSA LABOR RATES ARE AS FOLLOWS:**

<b><u>Standard rate:</u></b> (8:00am to 4:30pm Monday through Friday excluding Holidays)	\$106.00 per hour – Shop \$106.00 per hour – Field
<b><u>Overtime rate:</u></b> (after 4:30pm and Saturdays/holidays)	\$159.00 per hour - Shop \$159.00 per hour - Field
<b><u>Premium time:</u></b> (over 12 hours per day and Sunday)	\$212.00 per hour - Shop \$212.00 per hour - Field
<b>Travel (truck charges)</b>	\$2.50 per mile

**EFFECTIVE NOVEMBER 2, 2007**