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*675 Wildwood Avenue  
Rio Dell, CA 95562  
(707) 764-3532*

**TO:** Mayor and Members of the City Council

**THROUGH:** Kyle Knopp, City Manager

**FROM:** Karen Dunham, City Clerk for Derek Taylor, Wastewater Superintendent

**DATE:** August 1, 2023

**SUBJECT:** Peterson CAT Service Agreement

#### **RECOMMENDATION**

Approve a 2-year service agreement with Peterson Power Systems, Inc. for inspection, annual service, and load bank testing of the City of Rio Dell's eight CAT generators in the amount of \$13,591.

#### **BACKGROUND AND DISCUSSION**

The services will be designed around the Manufacturer's Recommended Standards, will be performed on a flat rate basis, and include labor, travel, and service parts as indicated in the agreement

#### **ATTACHMENTS:**

Customer Value Agreement



Date: 07/07/2023  
 Proposal #: DKG230702N

Prevailing Wage

**Customer Value Agreement  
 Prepared for City of Rio Dell**

Acct #: 5423100  
 Contact: Derek Taylor  
 Email: taylord@cityofriodell.ca.gov  
 Phone: 707 764 5754/707 351 1676  
 Fax:  
 Billing Address: 675 Wildwood Ave, Rio Dell CA  
 95562

Prepared by: Dennis K. Gordon  
 Email: DKGordon@petersonpower.com  
 Phone: (530) 227-2923  
 Business: 2828 Teagarden Street  
 Address: San Leandro, CA 94577

Peterson Power Systems, Inc. agrees to perform the services listed below for City of Rio Dell. The agreement will be for a period of TWO years, commencing on acceptance date. These services will be performed on the units listed below at the stated price.

The units are located at: Various locations City of Rio Dell. The services have been designed around the Manufacturer's Recommended Standards, will be performed on a flat fee basis and include labor, travel and service parts as indicated below. Taxes, if applicable, are not reflected, unless otherwise noted. Following is a summary of charges for the agreement.

| Unit         | Location                 | Make    | Model   | Serial No | \$ Inspection<br>x Freq | Annual         | Load<br>Test   | 3 Yr<br>Service | Battery<br>Replace | Megger       | Coolant<br>samplin<br>g/analysi<br>s | Total        |                 |
|--------------|--------------------------|---------|---------|-----------|-------------------------|----------------|----------------|-----------------|--------------------|--------------|--------------------------------------|--------------|-----------------|
| 1            | Corp Yard Yr 1           | CAT 600 | C18     | G7A04219  | 532 x 1                 | 1,682          |                |                 | 778                |              | 20                                   | \$3,012      |                 |
| 2            | Fern Street Yr 1         | CAT 50  | D50-2LC | CN301177  | 454 x 1                 |                |                |                 |                    |              |                                      | \$454        |                 |
| 3            | Painter Street Yr 1      | CAT 50  | D50-2LC | CN301173  | 454 x 1                 |                |                |                 |                    |              |                                      | \$454        |                 |
| 4            | Off Northwestern St Yr 1 | CAT 100 | XQ125   | CK500337  | 454 x 1                 | 993            |                |                 |                    |              | 20                                   | \$1,467      |                 |
| 5            | Corp Yard Yr 2           | CAT 600 | C18     | G7A04219  | 561 x 1                 | 1,769          | 1,475          |                 |                    |              | 20                                   | \$3,825      |                 |
| 6            | Fern Street Yr 2         | CAT 50  | D50-2LC | CN301177  | 477 x 1                 | 922            |                |                 |                    |              | 20                                   | \$1,419      |                 |
| 7            | Painter Street Yr 2      | CAT 50  | D50-2LC | CN301173  | 477 x 1                 | 922            |                |                 |                    |              | 20                                   | \$1,419      |                 |
| 8            | Off Northwestern St Yr 2 | CAT 100 | XQ125   | CK500337  | 477 x 1                 | 1,044          |                |                 |                    |              | 20                                   | \$1,541      |                 |
| <b>Total</b> |                          |         |         |           |                         | <b>\$3,886</b> | <b>\$7,332</b> | <b>\$1,475</b>  | <b>\$0</b>         | <b>\$778</b> | <b>\$0</b>                           | <b>\$120</b> | <b>\$13,591</b> |

Work is priced to be performed during normal working hours, Mon-Fri 7:00am-3:30pm

Only services priced above are to be performed

Applicable environmental charges, consumable supplies and fuel are not included in above pricing

The services listed above include, but are not limited to, the following. For a complete listing of service options please see Attachment B.

An **Inspection** includes an individual inspection of each unit. The technician will verify the fluid levels (oil, coolant and fuel), service the batteries, ensure proper operation of battery charging system, perform an operational check of the engine and generator (as applicable), and provide a completed service report detailing the service and any potential problems that should be addressed.

An **Annual Service** includes a full inspection (see description above) of each unit and a full service which

includes; the replacement of engine oil, oil filters and fuel filters. Air filters are replaced on an as needed basis for an additional charge. Please contact your PSSR if you would like your air filters replaced.

**Load Bank Testing** is recommended annually for any generator that is not run "under load" (maintaining a load of at least 30% of its kilowatt (kW) rating) regularly, to ensure the proper operation of your generator. A load test will include the connection of a portable resistive load bank. The load will be varied in steps for a hour duration.

Every three years, engine manufacturers recommend replacement of cooling system belts, cooling system hoses and coolant. In addition, the three year services (PM-3) include upgrading block heater hoses to high temperature silicone hoses. Block heater isolation ball valves will be installed on any engine not already (if applicable) equipped. Engine thermostat and radiator cap are also replaced.

Batteries are recommended for replacement on a three year cycle, and will be replaced with Maintenance Free batteries unless otherwise specified by the customer.

**Notes and/or Exclusions:**

Oil sampling and analysis are included with annual service pricing

Results of services will be forwarded to you in a detailed report listing any components and/or areas requiring further attention for repair.

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Customer Signature

Date

Purchase Order

THANK YOU FOR THE OPPORTUNITY TO SERVE ALL OF YOUR POWER NEEDS.

The pricing in this proposal is valid for 90 days from the date above. The Purchaser identified above accepts and agrees, upon the signing of this proposal, to purchase and pay for the products and labor furnished by Peterson Power Systems, Inc., specifically for the above-identified equipment in this proposal. Services are quoted to be performed during normal working hours. Peterson Power Systems, Inc. will bill upon completion of the service. Any repair work required over and above the quoted service will be performed on a time-and-material basis, subject to the customer's written authorization. Warranty and Customer Registry coverage on Caterpillar parts, where applicable, will apply as a credit to the customer. The Purchaser will be charged for travel time and mileage associated with any service cancelled on the same date it was scheduled. For further terms and conditions please see Attachment A.

## PETERSON POWER SYSTEMS, INC. CUSTOMER VALUE AGREEMENT TERMS AND CONDITIONS

### Attachment A

1. **Terms and Conditions.** These Terms and Conditions ("Terms") govern the purchase of the goods (including, but not limited to, new and used equipment, trucks, attachments, components, technology and parts (collectively, "Goods") and services ("Services") from Peterson Power Systems, Inc., a California corporation ("Company") by the individual or entity identified on the Customer Value agreement on the reverse side hereof as Customer (the "Customer"), together with any Change Orders, exhibits, schedules, attachments and appendices making up a part of such Customer Value agreement (collectively, the "CVA"). Company and Customer are sometimes referred to herein individually as a "Party" and collectively as the "Parties". Unless otherwise agreed to in a writing signed by an authorized signatory of Company, Company hereby expressly rejects the terms of any purchase order or any other document submitted by Customer to Company, unless such purchase order or document is signed by Company's authorized representative. The placing of an order with Company or the receipt or acceptance of Services by Customer constitutes Customer's acceptance of these Terms as set forth herein. For purposes of the CVA, the term "authorized signatory of Company" means any one of the corporate or executive officers of the Company (i.e., CEO, President, Vice President, Secretary, CFO, or Treasurer) or Branch Manager.

2. **Term and Termination.** The CVA shall commence as of the date of the last signature on the reverse side hereof and shall continue until the delivery of the Goods and/or completion of the Services, as applicable, unless sooner terminated in accordance with these Terms. Company may terminate this CVA upon written notice if Customer (a) fails to pay any amount due under this CVA when due, in which event this CVA will terminate upon the termination date set forth in such letter or if no such date is included, then three (3) business days of delivery by Company of such notice; (b) becomes insolvent, enters into voluntary or involuntary bankruptcy, commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors (or assigns its interest to a third party creditor), or ceases to conduct business, in which event this CVA will terminate immediately; or (c) otherwise breaches this CVA and such breach remains uncured (either as a result of the failure or refusal of Customer to cure such breach or because such breach is incapable of cure) for thirty (30) days of delivery of such notice. Additionally, Company may terminate this CVA at any time upon sixty (60) days written notice to Customer. Customer may terminate this CVA upon written notice if Company materially breaches any provision of the CVA and such breach remains uncured through no fault of Customer, within sixty (60) days of written notice by Customer to Company. In the event of termination of this CVA, Customer will remain obligated for payment for any Goods delivered and any Services performed by Company prior to the effective date of termination and for any cancellations charges for work in progress as of and prior to such effective date of termination.

3. **Order and Delivery of Goods or Performance of Services.** All orders for Goods and Services are subject to credit approval, which is subject to final acceptance by Company in its sole discretion. Customer shall have no right to cancel orders for Goods once a purchase order is issued to Company; provided, however, some parts may be returnable to Company in accordance with Company's then current parts return policy. Company will exercise commercially reasonable efforts to meet any performance dates set forth in the CVA, which such dates are estimates only. Company will have no liability for any loss associated with the delay in the delivery of Goods or performance of Services under the CVA. Additionally, Company will not be deemed in breach of its obligations under this CVA or otherwise liable for any costs, charges, losses sustained or incurred by Customer for any delay in the delivery of Goods or performance of Services arising out of, caused by or in any way related or connected with any circumstances beyond its reasonable control, including, but not limited to delays caused by acts or omissions to acts by Customer or its Agents, acts of God, acts of war or terrorism, fire or other casualty, storms or adverse weather, strikes, labor shortages or disturbances, shortages of materials, manufacturer delays, theft or vandalism, transport and handling accidents, or revisions to laws, regulations or governmental requirements. As used herein, the term "Agents" means principals, employees, contractors, subcontractors, consultants, agents, representatives and any persons within the direction or control of Customer or acting on behalf of or for the benefit of Customer in connection with the Goods and Services hereunder.

Customer understands and acknowledges that the CVA or Proposal made by Company to Customer has been made by Company in reliance on representations made by Customer regarding, among other things, the cleanliness, functionality, operational status, condition, prior use, contents and nature of the equipment or machinery that will be subject to the Services. Should any of the representations on which Company relied in preparing the Services be for any reason false or incomplete, or if Company shall reasonably determine in the course of performing the Services that additional repair, maintenance or improvement services are necessary to satisfy its obligations hereunder, Company will promptly provide to Customer an estimated cost of the additional work necessary to satisfy its obligations hereunder ("Additional Work"). If Customer either declines or fails to agree to modify the Proposal and scope of Services to include the Additional Work within thirty (30) days, Company will be entitled to terminate without penalty this CVA in accordance with these Terms. Additional Work approved or accepted by Customer shall be deemed part of the Services hereunder and subject to these Terms (except as otherwise provided in such Additional Work - i.e., estimated costs). Company reserves the right to charge for any cancellation by Customer of any scheduled Services. Customer will pay for any partially completed work based on time and materials at Company's prevailing rates. Additional handling and storage fees may apply to partially completed work.

4. **Customer's Obligations.** Customer shall comply with Applicable Law in connection with its use, handling, maintenance, storage and operation of the machinery and equipment and shall cause its Agents (defined below) to comply with all such Applicable Law. As used herein "Applicable Law" means all applicable federal, state and local laws pertaining to its covenants and obligations under the CVA and its performance of the same, together with these Terms and all rules, regulations, standards, procedures and protocols pertaining or related to the machinery or equipment subject to the CVA, as stated or endorsed by Company or the manufacturer of such machinery or equipment. Customer shall cooperate with Company in all matters relating to the Goods and Services described subject to the CVA and to the extent Services are required, will make available to Company the machinery or equipment on which the Services are to be performed or provide such access to Customer's premises and facilities as may reasonably be requested by Company for the purposes of performing such Services. Customer shall provide directions, information, approvals, authorizations, decisions or materials that are reasonably necessary for Company to perform the Services. Customer shall maintain the premises on and around which the Services will be performed in a reasonably safe condition and shall notify Company in advance of any hazards, dangerous conditions and defects that cannot be abated. Customer warrants that the invoiced Goods or Services will be used for business or agricultural purposes and not for personal, family or household purposes. The representations and warranties of Customer under this CVA shall survive any expiration or termination of this CVA.

5. **Pricing.** Unless otherwise set forth in the CVA or a written proposal issued by Company ("Proposal"), the price for Goods shall be Company's list price for such Goods on the date such Goods are delivered to Customer. Unless otherwise set forth on a Proposal, the labor rates for Services shall be Company's standard labor rates for the applicable type of Service (including, but not limited to, field rates, shop rates, specialty rates or other rates, as applicable) in effect at the time the Services are performed. Unless expressly provided for on a Proposal, pricing and labor rates for future orders is subject to change without notice. Pricing and risk of loss for purchased Goods is FOB Company's site, unless purchased Goods are shipped to Customer directly from the manufacturer, in which case pricing and risk of loss is FOB factory. Any claims for shortages, damages, or delays must be made by Customer direct to the carrier.

6. **Taxes.** Customer will promptly pay to Company any taxes that Company is required to collect with respect to the purchase of Goods and Services or any amounts payable by Customer under the CVA, including, but not limited to, value added, personal property, sales, use, excise and similar taxes, duties and charges of any kind imposed by any federal, state or local governmental entity (collectively, "Taxes"). For any Taxes from which Customer claims exemption, Customer shall provide Company with properly completed exemption certificates and any documentation needed to validate the exemption. If Customer fails to provide an appropriate exemption certificate and supporting documentation, as determined by Company, Customer will remain liable for all such Taxes and will indemnify Company for any liability related to the same.

7. **Change Orders.** Subject to Section 3, above, if either Party wishes to change the scope or performance of the Services, it shall submit details of the requested change to the other Party in writing. Company shall, within a reasonable time after such request, provide a written proposal to Customer of (i) the likely time required to implement the change and (ii) any necessary variations to the fees and other charges for the Services arising from the change. Within thirty (30) days after receipt of the written estimate, the Parties shall negotiate and agree in writing on the terms of such change (a

"Change Order"). Neither Party shall be bound by any Change Order unless mutually agreed upon in writing. Notwithstanding the above, Company may from time to time change the Services without the consent of Customer provided that such changes do not materially affect the nature or scope of the Services, or the fees or any performance dates set forth in the CVA or relevant Proposal or Change Order.

8. **Payment.** For Customers with an open credit account with Company, machine sales payments are due Net 10, and all other payments are due Net 30. For Customers who do not have an open credit account with Company, payment is due upon delivery of Goods or completion of Services. Company may, in its sole discretion, at any time: (a) revoke credit; (b) modify terms and conditions of credit; (c) require payment in advance; and/or (d) withhold Goods, completed Services or scheduled Services until receipt of full payment then owing by Customer to Company. If Customer fails to pay for Goods and Services as and when due, Customer shall pay a late charge of 1.5% of the invoice balance each month until charges are paid in full, and Customer shall pay Company all reasonable attorneys' fees and collection costs incurred by Company.

In addition to any other right of set-off or recoupment Company has under applicable law, Customer agrees that, with respect to any amounts due from Customer or Customer's affiliates to Company or Company's affiliates, Company and its affiliates may set-off such amounts against any amounts owing to Customer or Customer's affiliates. If Customer requests customization of machinery or equipment, Customer agrees to pay all parts and labor costs Company incurs in customizing the machinery or equipment, regardless of whether or not Customer completes the purchase of the customized machinery or equipment. Customer, at its sole expense, must pick up its machinery or equipment from Company's facility within two (2) business days after notification from Company of completion of Services. If Customer's equipment is not picked up within two (2) business days after such notification, Customer will be liable for storage charges of \$50.00 per day from the date of completion of Services until Customer's equipment is picked up.

9. **Late Payments.** Any amounts not paid by Customer when and as due will bear interest at the lesser of the rate of 1.5% per month (18% per annum) and the highest rate permitted under applicable law, calculated daily and compounded monthly, from the date such payment was due until the date paid in full. In addition to all other remedies available under this CVA or at law (which Company does not waive by the exercise of any rights hereunder), Company will be entitled to suspend the provision of any Services if the Customer fails to pay any amounts when due hereunder.

10. **Invoice; Fees and Expenses.** Customer will (i) reimburse Company for all reasonable costs and expenses (including, but not limited to, Company's collection costs and reasonable attorneys' fees) incurred in connection with the Services or in collecting any late payments and (ii) pay all other amounts due under this CVA, in each case within thirty (30) days of receipt by the Customer of an invoice from Company. Failure to notify Company in writing of any dispute regarding an invoice within sixty (60) days of receipt thereof waives Customer's right to dispute such invoice. Customer's obligation to pay amounts invoiced is and will be absolute and unconditional and shall not be subject to any delay, reduction, set-off, defense or counter-claim.

11. **Warranties.** All warranties described herein, including any Extended Protection Plan that may be purchased by Customer are subject the provisions of [Section 11\(d\)](#) and [Section 12](#).

(a) **Goods.** For new Goods purchased by Customer from Company, Customer acknowledges that (i) Company is not the manufacturer of the Goods; (ii) Company will pass through to Customer the manufacturer's warranty to the extent permitted by the terms of such warranty; and (iii) any manufacturer's warranty is and will be subject to all terms, conditions and exclusions contained in these Terms. Notwithstanding anything contained to the contrary in this CVA, including this [Section 11\(a\)](#), Company makes no representation or warranty as to the Goods or any manufacturer's warranty of or for such Goods.

(b) **Services.** For Services purchased by Customer from Company, Company warrants that its Services will be performed and completed in a professional and workmanlike manner in accordance with generally recognized industry standards for similar services, with such service warranty extending for a period of time expressly set forth in the service warranty (as the same may be extended by an applicable Extended Protection Plan), commencing from completion of the original Services. For example, if the service warranty is for a period of six months from completion of the original services, then if Company performs a repair pursuant to its service warranty, the warranty period remains six months from completion of the original Services; the six month service warranty period does not start over with the repair. If replacement parts used by Company in connection with the provision of Services include a manufacturer's warranty, Company will pass such warranty through to Customer to the extent permitted by the terms of the manufacturer's warranty. Company's service warranty will be voided in the event of any of the following: misuse or abuse of Goods by Customer, subsequent repairs performed by Customer or vendors other than Company, use beyond ordinary wear and tear, failure to maintain and operate Goods in accordance with the maintenance and operations manual of the manufacturer (including, but not limited to, use of fluids that do not meet the manufacturer's standards or failure to maintain fluid levels recommended by the manufacturer) or damage due to theft, vandalism or casualty. In the event of a conflict between the terms and conditions set forth in any applicable service warranty and these Terms, the provisions of the applicable service warranty shall control.

(c) **Extended Protection or Coverage.** Customer acknowledges that Customer may have the option of purchasing an equipment protection plan or extended services coverage (each, an "Extended Protection Plan") and Customer agrees that if an Extended Protection Plan is available and purchased by Customer at the time of sale, the Extended Protection Plan will be subject to the terms, conditions and exclusions contained in such applicable Extended Protection Plan.

(d) **Disclaimer of Warranties.** EXCEPT AS MAY BE EXPRESSLY DESCRIBED ABOVE, COMPANY MAKES NO WARRANTY WHATSOEVER HEREUNDER. COMPANY DISCLAIMS ANY WARRANTY, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY (i) WARRANTY OF MERCHANTABILITY; (ii) WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; (iii) WARRANTY OF TITLE; OR (iv) WARRANTY AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY, WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE. COMPANY IS NEITHER A MANUFACTURER OF ANY PARTS USED IN THE SERVICES NOR AN AGENT THEREOF. ALTHOUGH COMPANY MAY ADMINISTER WARRANTIES ISSUED BY A MANUFACTURER, CUSTOMER ACKNOWLEDGES AND AGREES THAT: (1) ANY EXPRESS WARRANTIES BY SUCH MANUFACTURER ARE NOT THE RESPONSIBILITY OF COMPANY; (2) SUCH MANUFACTURER'S WARRANTY MAY CONTAIN LIMITATIONS; AND (3) CUSTOMER MAY INCUR CERTAIN REPAIR, TRANSPORTATION OR OTHER CHARGES BY COMPANY WHICH ARE NOT COVERED BY SUCH MANUFACTURER'S WARRANTY. Any warranty by Company shall be null and void and have no legal effect if Customer has failed to pay for the Services at issue. Except for any express warranties contained hereunder, no other representation or warranty of any kind or nature will be binding on or obligate Company.

12. **Limitation of Liability.**

(a) IN NO EVENT SHALL COMPANY, ANY COMPANY ENTITIES OR ITS PRINCIPALS, OFFICERS, DIRECTORS, EMPLOYEES, CONTRACTORS, REPRESENTATIVES OR AGENTS BE LIABLE TO CUSTOMER, ITS AGENTS OR ANY THIRD PARTY FOR ANY LOST PROFITS, LOST REVENUE, LOST BUSINESS, INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES, HOWEVER ARISING WHETHER OR NOT THAT PARTY WAS AWARE OF THE POSSIBILITY OF THOSE DAMAGES AND DESPITE THE FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY STATED IN THIS CVA.

(b) EXCEPT FOR DAMAGES FOR PERSONAL INJURY, INCLUDING DEATH AND PROPERTY DAMAGE RESULTING FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY EMPLOYEES, CONTRACTORS, REPRESENTATIVES OR AGENTS OF COMPANY OR ANY COMPANY ENTITY OR THE PRINCIPALS, OFFICERS, DIRECTORS, EMPLOYEES, CONTRACTORS, REPRESENTATIVES OR AGENTS OF COMPANY OR ANY COMPANY ENTITIES, IN NO EVENT WILL THE AGGREGATE LIABILITY OF COMPANY OR ANY COMPANY ENTITIES ARISING OUT OF THIS CVA EXCEED THE LESSER OF THE AMOUNT CUSTOMER HAS ACTUALLY PAID TO COMPANY UNDER THIS AGREEMENT FOR THE PREVIOUS TWELVE (12) MONTHS IMMEDIATELY PRIOR TO THE SUBJECT CLAIM OR ONE MILLION DOLLARS \$1,000,000.

(c) EXCEPT FOR THE BREACH OF OBLIGATIONS OF CUSTOMER OR ITS AGENTS UNDER [SECTION 8](#) (PAYMENT), CUSTOMER'S INDEMNIFICATION OBLIGATIONS UNDER THIS CVA AND DAMAGES FOR PERSONAL INJURY, INCLUDING DEATH AND PROPERTY DAMAGE RESULTING FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY EMPLOYEES, CONTRACTORS, REPRESENTATIVES OR AGENTS OF CUSTOMER OR ANY OF ITS AGENTS, IN NO EVENT SHALL THE AGGREGATE LIABILITY OF CUSTOMER OR CUSTOMER'S AGENTS ARISING OUT OF THIS CVA EXCEED THE GREATER OF THE AMOUNT CUSTOMER HAS ACTUALLY PAID TO COMPANY UNDER THIS AGREEMENT FOR

THE PREVIOUS TWELVE (12) MONTHS IMMEDIATELY PRIOR TO THE SUBJECT CLAIM.

(d) THE PARTIES AGREE THAT THIS SECTION 12 REPRESENTS A REASONABLE ALLOCATION OF RISK.

(e) THE PROVISIONS OF THIS SECTION 12 SHALL SURVIVE ANY TERMINATION OR EXPIRATION OF THIS CVA.

13. **Indemnification.** Each Party agrees to indemnify, defend and hold harmless the other Party for, from and against any third party claims related to the Goods or Services to the extent and only to the extent such third party claims (including, but not limited to, claims related to the death or injury of any person(s) or damage to property) are caused by the indemnifying party's negligent acts or omissions, subject to the limitations set forth in Section 14 below. The foregoing indemnity shall not apply to claims asserted by employees of either party. To the fullest extent permitted by Applicable Law, except to the extent of the gross negligence or willful misconduct of Company, Customer agrees to indemnify, defend and hold harmless Company, its affiliates, parent company and subsidiaries, and all of their respective owners, directors, officers, managers, employees, agents or representatives for, from and against any and claims, losses, deficiencies, judgments, settlements, interest, awards, fines, causes of action, damages (including, but not limited to, damages for personal injury, including death, and real and personal property damage), liabilities, costs, penalties, taxes, assessments, charges, punitive damages and expenses (including, but not limited to, reasonable attorneys' fees, expert witness fees, costs and expenses) of whatever kind (collectively, the "Claims") that are caused by, arising from or related in any way to (a) any breach or failure to comply with any representation, warranty, covenant or obligation hereunder by Customer or its Agents; (b) any act or omission to act of Customer or its Agents with respect to the Goods or Services purchased by Customer, including, but not limited to, the acts or omissions of Customer or its Agents with respect to such person's use, handling or maintenance of the any machinery or equipment purchased by Customer or serviced at the request of or for the benefit of Customer hereunder that conflicts with or does not conform to the usage for such machinery or equipment as specified by Company, the manufacturer of such machinery or equipment.

14. **Insurance.** During the term of this CVA, each Party shall, at its own expense, maintain and carry insurance in full force and effect which includes, but is not limited to, (a) commercial general liability in occurrence form with a minimum limit of \$1,000,000 per occurrence, plus a minimum \$2,000,000 general aggregate limit; (b) workers' compensation in an amount no less than the minimum required by law and employers' liability in a sum no less than \$1,000,000; and (c) any additional insurance Company may reasonably require, in each case with financially sound and reputable insurers. Upon either Party's request, the other Party shall provide the requesting Party with a certificate of insurance from such Party's insurer evidencing the insurance coverage required under these Terms. The certificate of insurance shall name the requesting party as an additional insured. The insured Party shall provide the requesting Party with thirty (30) days' advance written notice in the event of a cancellation or material change in the insured Party's insurance policy. Customer acknowledges that additional insurance required by Company under subsection (c) shall be deemed reasonable where the Goods or Services under the CVA are, or have or may become, in the commercially reasonable discretion of Company of such nature, scope, or volume to warrant such additional insurance. A certificate of insurance from Customer's insurer evidencing such additional insurance shall be delivered to Company upon Company's request.

15. **Force Majeure.** Company shall not be liable, nor be deemed to have defaulted or breached this CVA, for any failure or delay in fulfilling or performing any term of this CVA to the extent such failure or delay is caused by or results from acts or circumstances beyond Company's reasonable control including, without limitation, acts of God, flood, fire, earthquake, explosion, governmental actions, war, invasion or hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest, national emergency, revolution, insurrection, epidemic, lock-outs, strikes or other labor disputes (whether or not relating to either Party's workforce), restraints or delays affecting carriers, and inability or delay in obtaining supplies of adequate or suitable materials, telecommunication breakdown or power outage.

16. **Privacy Statement.** Customer consents to the collection, use, retention and disclosure of information by Company and/or the Company Entities in accordance with Company's Privacy Statement, which is posted on Company's website (as such statement may be revised from time to time), and agrees that such information may be accessed by the Company Entities and their partners and manufacturers with a legitimate business reason to access it, as well as third parties who may process such information on their behalf.

17. **Entire Agreement.** This CVA and the exhibits and attachments hereto, represent and constitute the entire agreement between the parties, may only be amended in writing signed by both parties, and supersede all prior agreements and understandings with respect to the matters covered by this CVA.

18. **Binding Effect.** This CVA shall be binding upon and inure to the benefit of the successors and permitted assigns of the Parties hereto.

19. **Severability.** If any provision of this CVA is found unenforceable or invalid, the remainder of the CVA will remain in full force and effect and it and any related provisions will be interpreted to best accomplish the unenforceable provision's essential purpose.

20. **Counterparts.** This CVA may be executed in any number of counterparts, including facsimile, PDF and other electronic copy, each of which when taken together shall constitute one instrument. No counterpart shall be effective until each Party has executed at least one counterpart.

21. **Assignment.** Neither Party may assign, convey or transfer this CVA, or any portion thereof, without the prior written consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed, except that Company may assign this CVA or any portion thereof without the prior consent of Purchaser to a person or entity controlling, controlled by or affiliated with Company or its parent company.

22. **No Waiver.** A waiver of any term, right or condition of this CVA by a party must be in writing to be effective and will in no way be construed as a waiver of any later breach of that provision. No express waiver of any term, right or condition of this CVA shall operate as a waiver of any other term, right or condition.

23. **Relationship of the Parties.** No employment, agency, joint venture, or similar arrangement is created or intended between Customer and Company.

24. **Construction.** Words used herein, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine, or neuter, as the context requires. The provisions of this CVA and the documents and instruments referred to herein, have been examined by the parties and no implication shall be drawn nor made against any party hereto by virtue of drafting this CVA. The term "including" used herein shall mean "including, but not limited to". The subject headings of the sections and subsections of this CVA are included for purposes of convenience only and shall not affect the construction or interpretation of any of the provisions herein. Each Party acknowledges that they have read this CVA, have had an opportunity to review with an attorney of their respective choice, and have agreed to all of its terms, including these Terms. Each Party agrees that the rule of construction that a contract be construed against the drafter shall not be applied in interpreting this CVA and that in the event of any ambiguity in any provisions of this CVA, including any Exhibits or attachments or agreed upon Change Orders hereto and whether or not placed of record, such ambiguity shall not be construed for or against any Party hereto on the basis of such Party did or did not author the same.

25. **No Third Party Beneficiaries.** Unless otherwise expressly provided, no provisions of this CVA are intended or will be construed to confer upon or give to any person or entity other than Customer and Company any rights, remedies or other benefits under or by reason of this CVA.

26. **Attorneys' Fees; Enforcement Costs and Expenses.** If any claim or action is brought by either party hereunder against the other party regarding the subject matter hereof, the prevailing party shall be entitled to recover from the non-prevailing party, in addition to any other relief granted, reasonable attorneys' fees and the expense of litigation.

27. **Governing Law; Venue.** (a) This CVA and any attachments or documents related thereto shall be governed, construed and enforced in accordance with (i) the laws of the State of California, excluding conflict of law rules, for all sales made or accepted by Company at its offices within such state, (ii) with the laws of the State of Oregon, excluding conflict of law rules, for all sales made or accepted by Company at its office within such state, and (iii) with the laws of the State of Washington, excluding conflict of law rules, for all sales made or accepted by Company at its office within such state. For agreements made or accepted by Company in the State of California, each party hereby irrevocably submits to the personal and exclusive jurisdiction of the state courts of Alameda County, California and the United States District Court for the Northern District of California, for the purposes of any action, proceeding, suit or claim arising out of this CVA. For agreements made or accepted by Company in the State of Oregon, each party hereby irrevocably submits to the personal and exclusive jurisdiction of the state courts of Multnomah County, Oregon and the United States District Court for the District of Portland in Portland, Oregon. For agreements made or accepted by Company in the State of Washington, each party hereby irrevocably submits to the personal and exclusive jurisdiction of the state courts of Cowlitz County, Oregon and the United States District Court for the Western District of Washington in Seattle, Washington. (b) Each party irrevocably and unconditionally waives any objection to the laying of venue as described herein.

28. Survival. Notwithstanding anything contained herein to the contrary, Sections 6, 11(d), 12, 13, 14, 15, 16, 24, 26, 27, and 28 will survive any termination or expiration of this CVA.

**Peterson Power Systems  
Detail of Services Offered  
Attachment B**

**Inspection Service**

Before Starting Engine:

- Check engine oil and coolant levels
- Check block heater (should maintain a coolant temperature of 90° F in the block)
- Check fuel level in storage tank
- Check battery water level and top as necessary
- Check battery terminals for corrosion and connections for tightness (lead acid)

With Engine Running:

- Check oil pressure
- Check fuel pressure
- Check oil level and add oil as required
- Check RPM (frequency)
- Check generated voltage
- Check for leaks or unusual noises

After Stopping Engine:

- Check/verify all switches are in proper positions for automatic start.
- Check fuel level in tank
- Record battery charger volts, check for proper operation
- Remove, clean and reinstall all battery connections (lead acid)
- Inspect generator for cleanliness

Reporting:

- Provide written service report for each visit
- Advise customer of any/all unusual situations or potential problems which will require further attention
- Advise when main fuel tank is below  $\frac{3}{4}$  full

**Annual Service**

Includes all Inspection Services and the following:

- Drain crankcase oil and replace with new oil
- Remove and replace oil and fuel filters
- Inspect air filter(s)
- Check generator output
- Take oil sample for analysis

**Load Test**

Start engine and load with contractor supplied resistive load bank. As per NFPA 110 (2013 Edition)  
Code 8.4.2.3

**Three Year Service (PM-3)**

- Replace all rubber coolant hoses
- Replace drive belts
- Replace block heater hoses
- Replace coolant regulators (Thermostat) - Thermostats are not included on the Cat C175 Engines
- Replace rad cap
  - Standard antifreeze will be replaced every three years
  - Extended life coolants will be upgraded after the first three years and replaced after six years
  - Additional services upon request

**Thermal Image Inspections:**

Thermo Images reveal temperature variations that signal electrical and mechanical problems before they become failures.



**Fuel Conditioning/Polishing:**

Extend life of stored diesel fuel by adding CAT Diesel Fuel Conditioner and polishing with high efficiency kidney loop filtration system.

**ATS Hot Inspection:**

All ATS units must have an NFPA 70E Article 110 compliant survey and labeling in order for work to be completed. Additional information at [www.NFPA.org](http://www.NFPA.org).

Inspect enclosure, anchorage, door seal, connections for thermal variance, loose or damaged wires, overheating or mechanical malfunction, and indicator lamps. Record serial number, set points, voltage drop across contacts, and amps per phase (access permitting). Transfer load up to 30 minutes (as permitted). Replace 9V battery (as applicable).

**ATS Major Inspection:**

Visual and electrical/mechanical inspection of automatic transfer switch. Includes checking the following: Indication light; Lug Connections; Condition of main & Aux arcing contacts; Freedom of movement; Loose wiring; and Inphase monitor. Inspect and clean controller and relays; brush and vacuum enclosure. take infrared image for diagnostic heat detection.

**Megger Testing:**

Vibration, general usage or moisture can break down generator insulation and cause electrical shorts. Megohmmeter testing identifies decreasing generator insulation before it becomes a major repair or replacement. CAT recommends annual testing.

**Emergency Servicing:** Provide 24-hour emergency repair coverage **800.963.6446**