



*“Creating
Customers
For Life”*

G & R
CONTROLS

Contract Number: _____

**Independent Field Office for
Siemens Building Technologies, Inc.**

Preventive Maintenance Agreement (PMA)

Prepared for

**Elkton School District 05-3
Elkton, South Dakota**

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Proposed Solution

The following is a customized Preventive Maintenance Agreement for your facility. Included are the services to be provided on the specific equipment in your facility as shown in the attached List of Maintained Equipment.

Customer Support Services

Educational Services: Through our educational services, your employees will learn how to take advantage of your HVAC equipment and control system's capabilities, thus realizing a greater return on your investment. G & R Controls in conjunction with Siemens Building Technologies regularly hold classes in the training facility located in our Sioux Falls office for an additional fee. Training may also be offered in our Fargo and Rapid City offices based on customer demand.

HVAC CONTROL SERVICES

Automation

Operator Coaching: Through our individual operator coaching, we will review and reinforce learned skills, leading to greater utilization of the HVAC equipment and control system in your facility. Our system experts assist your operators in identifying, verifying and resolving problems found in executing tasks. During the coaching sessions we can address logbook issues, assist your operators in becoming more self sufficient, and tailor HVAC control system applications to the needs of your facility and to your operators' specific job responsibilities.

Automation Controls Analysis & Optimization: Automation controls can drift out of calibration with changes in mechanical component performance, building use, and climatic conditions. We will analyze and optimize automation controls in accordance with a program of standard routines, including preventive maintenance, as determined by our experience, equipment application and location. Automation Controls Analysis & Optimization will extend equipment life, reduce energy consumption, and reduce the risk of costly and disruptive breakdowns. The List of Maintained Equipment details the equipment included under this service.

Control Loop Analysis & Optimization: Control devices, such as valves, dampers, actuators, etc., by their nature drift out of calibration with changes in mechanical efficiency, building use, and climatic conditions. Through Control Loop Analysis & Optimization, we ensure the control loops throughout your HVAC control system experience minimized overshooting and oscillatory behavior. You will benefit from lower energy consumption through more efficient equipment usage. You will realize a more comfortable and productive environment.

Network Analysis & Optimization: Through Network Analysis & Optimization, we ensure reliable and optimized communication throughout your HVAC control system's building level network data trunks. You will have higher data network up time, and when infrequent problems do occur, you will benefit from faster problem resolution. Using our network performance diagnostic technologies, our proactive calibration and tuning of the data network analyzes variables that are impacting network performance. These variables include node tables, token passes, turn speed, change of values over the network, unresolved points, and overall operation.

Software Analysis & Optimization: Software Analysis & Optimization ensures that HVAC control system application programming changes made by your staff are clear and consistent. We will address any programming errors, failed points, points in alarm, or points in operator priority. This will increase system efficiency, assure compliance to specified conditions, and reduce the risk of costly and disruptive system problems.

Business Protection & Recovery Services: Business Protection & Recovery Services safeguard your HVAC control system's vital databases of business information from unforeseen and costly catastrophic events (lightning strike, electrical power surge, flood, physical damage, etc.). We will back-up your HVAC control system Insight workstation software, graphics and field panel databases periodically to provide safe storage of this critical business information. Should a catastrophic event occur, we will respond onsite (or online if available) to reload the databases and system files from our stored backup copy and to ensure proper operation and performance.

Emergency Onsite Response: To reduce the costs and disruptions of downtime when an unexpected problem does occur, we will provide emergency onsite response within **(1) one working day** upon your notification. Non-emergency calls, as determined by your staff and G & R Controls will be incorporated into the next scheduled service call. The cost of this service is included in the contract price.

Emergency Online Response (if available): To provide faster response to emergency service requests and to reduce the cost and disruptions of downtime, we will respond online within **4 hours** of receiving notification for emergency service. We will furnish and install the necessary online service technology to enable us to dial into your HVAC control system remotely, through a dedicated telephone line provided by the facility. Emergencies will be determined by your staff and G & R Controls. The cost of this service is included in the contract price.

Repair & Replacement Services: To reduce the effects of unbudgeted repairs, we will repair or replace failed or worn components to maintain your system in peak operating condition. Components that are suspected of being faulty may be repaired or replaced in advance to minimize the occurrence of system interruptions. **Labor is included and materials are not included** as part of this service for the equipment shown in the List of Maintained Equipment, unless otherwise noted in the column marked R&R (Repair and Replacement) Coverage. **For certain limitations of maintenance or service obligations not included refer to the Terms and Conditions Article 7.**

Color Graphic Software: With the Software Upgrades option you will benefit from new features and enhancements that will improve building operations and extend the life of your Building Automation System investment. We will provide you with software and documentation upgrades to your existing APOGEE Insight software and include onsite training to familiarize you with the new features and their associated benefits. These upgrades deliver the benefits of Siemens Building Technologies' commitment to compatibility by design, a commitment unique in our industry.

The APOGEE Insight Building Automation software will be annually upgraded based on the Siemens Software release cycle. Customer is responsible for compatibility of workstation hardware (CPU tower, display and input peripherals) to maintain manufacturer warranty and/or satisfy Insight software minimum hardware requirements.

Triennial Software and Workstation Upgrade: The APOGEE Insight Building Automation software and the computer workstation hardware (CPU tower, display and input peripherals) will be upgraded once, based on the Siemens Software release cycle, within a three (3) year period to maintain manufacturer warranty and/or satisfy Insight software minimum hardware requirements. This option includes the Color Graphic Software Upgrade above, and requires a **triennial contract**.

MECHANICAL SERVICES

Equipment Maintenance

Operating Inspection: Through this service, we will help to assure your mechanical equipment continues to operate efficiently, safely and with little operating disruptions during the operating season. We will provide routine operating inspection(s) to check system performance in accordance with a program of standard routines as determined by our experience, the equipment manufacturer's published recommendations, equipment application, and location. This service will focus on equipment operation, fluid levels, operating and safety controls, and safe equipment operation. This service will be performed at the intervals noted in the List of Maintained Equipment.

Air Cooled Condenser Coil Cleaning: Through this service, we will improve airflow across condenser coils, and improve heat transfer. This service will extend the life of the compressors. Coil cleaning consists of cleaning the outside surface of the condensing unit coils to remove any airborne particles, dirt build-up by using a brush, high-pressure air, chemical with low pressure wash or chemical with high pressure wash at our discretion based on condition of outside environment and coil accessibility. This service will be performed at the intervals noted in the List of Maintained Equipment.

Refrigerant Analysis: We will perform refrigerant analysis and trend the refrigerant condition to identify contaminants and possible system malfunctions caused by the wear of moving parts; such as bearings and shafts. This predictive wear analysis provides early identification of problems prior to them becoming unplanned and costly. Based on the analysis results, we will make additional recommendations to you regarding the operation and maintenance of your chiller plant. Replacement refrigerant is outside the scope of this service. This service will be performed as needed on the equipment shown in the List of Maintained Equipment.

Emergency Onsite Response: To reduce the costs and disruptions of downtime when an unexpected problem does occur, we will provide emergency onsite response within **(1) one working day** upon your notification. Non-emergency calls, as determined by your staff and G & R Controls will be incorporated into the next scheduled service call. The cost of this service is included in the contract price.

Repair & Replacement Services: To reduce the effects of unbudgeted repairs, and to maintain your mechanical system in peak operating condition, we will repair or replace failed or worn moving parts (such as; bearings, motor rotors, motor stators, seals, gears, burners, controls and switches). Non-moving parts such as boiler tubes, shells, refrigerant/water tubes, non-manufactured or produced products, environmentally hazardous materials and/or refractory replacement are not included. Components that are suspected of being faulty may be repaired or replaced in advance to minimize the occurrence of system interruptions. **Labor and materials are not included** as part of this service for the equipment shown in the List of Maintained Equipment, unless otherwise noted in the column marked R&R (Repair & Replacement) Coverage. **For certain limitations of maintenance or service obligations not included refer to the Terms and Conditions Article 7.**

HYDRONIC SERVICES

Boiler | Burner | Pumps | Maintenance

Annual Inspection: We will perform scheduled annual preventive maintenance in accordance with a program of standard routines as determined by our experience, equipment application, and equipment operating hours that are recommended by each equipment manufacturer and location. This service is designed to optimize the reliability and efficiency of the equipment, and provide you with possible indications of excessive wear and damage to your systems before a catastrophic failure occurs during the next operating season. Depending on our findings, we may also provide recommendations for additional service(s) that will better enhance equipment performance. This service will be performed at the intervals noted in the List of Maintained Equipment.

Combustion Analysis & Adjustment: We will utilize electronic flue gas analysis to perform combustion analysis whereby we adjust the burner controls and linkages as required for efficiency and pollution control. If existing equipment cannot meet current pollution requirements, we will make recommendations for system improvements. This service will be performed at the intervals noted in the List of Maintained Equipment.

Water Circulating Pumps: We will check hot water circulating pumps and lubricate as required. Couplers will be inspected for wear and alignment issues and we will bring any concerns in this regard to the owner's attention. This service will be performed at the intervals noted in the List of Maintained Equipment.

Emergency Onsite Response: To reduce the costs and disruptions of downtime when an unexpected problem does occur, we will provide emergency onsite response within **(1) one working day** upon your notification. Non-emergency calls, as determined by your staff and G & R Controls will be incorporated into the next scheduled service call. The cost of this service is included in the contract price.

Repair & Replacement Services: To reduce the effects of unbudgeted repairs, we will repair or replace failed or worn components to maintain your system in peak operating condition. Components that are suspected of being faulty may be repaired or replaced in advance to minimize the occurrence of system interruptions. **Labor and materials are not included** as part of this service for the equipment shown in the List of Maintained Equipment, unless otherwise noted in the column marked R&R (Repair & Replacement) Coverage. **For certain limitations of maintenance or service obligations not included refer to the Terms and Conditions Article 7.**

List of Maintained Equipment

| Qty | Equipment | Manufacturer | Services Per Year | ¹ Coverage See Code Key |
|-------|---------------------------|--------------|-------------------|---------------------------------------|
| 1-Lot | DDC Controls | Siemens | 2 | C |
| 1 | Energy Recovery Unit | Conserv | 1 | D |
| 3 | Make Up Air Units | AAON | 1 | D |
| 5 | Roof Top Units | AAON | 1 | D |
| 1 | Air Handling Unit | McQuay | 1 | D |
| 4 | Water to Water Heat Pumps | FHP | 1 | D |
| 4 | Circulating Pumps | Armstrong | 1 | D |
| 1-Lot | ² Filters | AAF | 4 | |
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¹ Coverage Code Key:

A = Labor and Materials Included

B = Preventive Maintenance, Repair Labor, and Materials Included

C = Preventive Maintenance, Repair Labor Included – Materials Not Included

D = Preventive Maintenance Included – Repair Labor and Materials Not Included

E = Materials Included – Labor Not Include

² Filters will be provided for the equipment listed above as well as all terminal equipment not listed (ex: Heat Pumps)

Signature Page

By and Between:

G & R Controls, Inc.
4909 North Lewis Avenue
Sioux Falls, SD 57104
(605) 336-3788
(605) 336-0269 fax

Elkton School District 05-3
508 Buffalo Street
Elkton, SD 57026

G & R Controls shall provide these services at the intervals shown on the List of Maintained Equipment.

Duration: This agreement shall remain in effect for an original term of **1 Year** beginning **March 1, 2016** and from term to term thereafter. Either party may cancel at the end of a term by giving written notice of cancellation 30 days prior to the end of a term.

| | | |
|--|--------------------|-------------------|
| Option 1: HVAC Control Services - Automation | \$ <u>3,381.00</u> | _____ |
| | | Initial to Accept |
| Option 2: Triennial Software/Workstation Upgrade | \$ <u>1,275.00</u> | _____ |
| | | Initial to Accept |
| Option 3: Mechanical HVAC Services | \$ <u>2,296.00</u> | _____ |
| | | Initial to Accept |
| Option 4: Hydronic Services | \$ <u>684.00</u> | _____ |
| | | Initial to Accept |
| Option 5: Filter Services (Materials) | \$ <u>3,240.00</u> | _____ |
| | | Initial to Accept |
| Option 6: Filter Services (Labor) | \$ <u>5,420.00</u> | _____ |
| | | Initial to Accept |
| Total of base contract and accepted options | \$ _____ | |

The total amount for this agreement will be billed in advance: ___ Annually ___ Semi-Annually ___ Quarterly

Additional mechanical services beyond the scope of this Agreement will be provided at a 20% discount from current published labor rates. Prices quoted in this proposal do not include applicable taxes and are firm for 30 days.

Proposal accepted by:

Brian Jandahl
Superintendent
Elkton School District 05-3

Proposal submitted by:

Paul Doohen
Sales Engineer
G & R Controls, Inc

Signature Date

Signature Date

The following terms and conditions are attached to and form an integral part of G & R Controls' Preventive Maintenance Agreement ("Proposal"). The portions of such Proposal relating to "Scope of Work" or any "Proposed Solution" (in either case, referred to herein as the "Proposed Solution"), together with these terms and conditions, are collectively referred to as the "Preventive Maintenance Agreement (PMA)".

Article 1: General

1.1 a) The PMA, when accepted in writing by the Customer and approved by an authorized representative of G & R CONTROLS shall constitute the entire, complete and exclusive agreement between the parties relating to a technical support program ("Services") for the equipment and software identified in the List of Equipment or the Service Coverage Report attached to the PMA ("Equipment") and shall supersede and cancel all prior agreements and understandings, written or oral, relating to the subject matter of the PMA. The PMA and any rights or obligations hereunder may not be assigned by either party without the advance written consent of the other.

1.1 (b) The terms and conditions of this PMA shall not be modified or rescinded except in writing, signed by an authorized representative of G & R CONTROLS and Customer. G & R CONTROLS' performance under this PMA is expressly conditioned on Customer's assenting to all of the terms of this PMA, notwithstanding any different or additional terms contained in any writing at any time submitted or to be submitted to G & R CONTROLS by Customer relating to this subject matter.

1.1 c) The terms and conditions set forth herein shall supersede, govern and control any conflicting terms of the Proposed Solution or the Proposal.

1.2 This PMA shall automatically renew for successive one (1) year periods beginning on the anniversary date of the original term as set forth in the Proposal, unless stated otherwise in the PMA.

1.3 This PMA shall be governed by and enforced in accordance with the laws of the State in which the contract applies. The parties shall endeavor to resolve all claims or disputes arising under this PMA by mediation which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Mediation Procedures in effect on the date of the PMA.

1.4 The Services are outlined in the attached PMA's Proposed Solution provisions, incorporated by reference herein, and shall be performed on the Equipment during G & R CONTROLS' normal working hours, Monday through Friday inclusive, excluding holidays, unless otherwise set forth herein.

1.5 Customer will at all times designate a contact person with authority to make decisions for Customer regarding the Services. Customer will provide G & R CONTROLS with information sufficient to contact such person in an emergency. If such representative cannot be reached, any request for Service received from a person located at Customer's premises will be deemed authorized by Customer, and G & R CONTROLS will, in its discretion, act accordingly.

1.6 G & R CONTROLS will be permitted to control and/or operate all Equipment necessary to perform the Services.

1.7 G & R CONTROLS will not be required to conduct safety or other tests, install new devices or equipment or make modifications to any Equipment beyond the Proposed Solution set forth in this PMA. Any Customer request to change the Proposed Solution or the nature of the Services must be in the form of a mutually agreed change order, effective only when executed by all parties hereto.

1.8 If the Equipment is altered or moved by Customer, or any person not authorized by G & R Controls, Customer shall immediately notify G & R CONTROLS in writing, and G & R CONTROLS reserves the right to perform a reacceptance test on, or if necessary, a recommissioning of the system at Customer's expense.

1.9 After any of the following events, G & R CONTROLS will have no liability or obligation under this PMA, whether relating to the testing, inspection, maintenance or operation of any Equipment, and may terminate or suspend services under this PMA immediately upon giving notice to Customer: Customer fails to (a) authorize a reacceptance test or recommissioning that G & R CONTROLS deems necessary; (b) notify G & R CONTROLS of any modifications or changes to the Equipment per Section 1.8; (c) notify G & R CONTROLS of any conditions, malfunctions or changes per Section 6.2; or (d) provide the access required by Section 6.3.

Article 2: Equipment Testing, Inspection and Maintenance

2.1 The Customer represents that all Equipment is in satisfactory working condition. By the latter of the first thirty (30) days of this PMA or the first

scheduled inspection, G & R CONTROLS will have inspected all the Equipment.

2.2 If G & R CONTROLS determines as a result of such inspection that any Equipment is in need of repair or replacement, the Customer will be so notified and shall take corrective action within thirty (30) days, or such Equipment shall be automatically removed from coverage hereunder.

G & R CONTROLS will not be liable or responsible for the continued testing, maintenance, repair, replacement or operating capabilities of any portion of the Equipment until it has been restored to an acceptable condition at Customer's sole expense. Any services provided by G & R CONTROLS in the course of such restoration will be separately charged, on a time and materials basis, and not included in fees paid hereunder. If individual items of Equipment cannot, in G & R CONTROLS' sole determination, be properly repaired or replaced due to age, obsolescence, lack of availability of refrigerant gas, halon gas, necessary parts, materials, compatibility or otherwise, or as a result of excessive wear or deterioration, G & R CONTROLS may, within ten (10) days of such inspection, give written notice that it is withdrawing such items from coverage under this PMA and adjust the amounts to be paid hereunder accordingly.

2.3 If the Proposed Solution provides for maintenance, any repairs and replacements of Equipment are limited to restoring the proper working condition of such Equipment. G & R CONTROLS will not be obligated to provide replacement Equipment that represents significant capital improvement compared to the original. Exchanged components become the property of G & R CONTROLS, except Hazardous Materials. Hazardous Materials will under all circumstances remain the property and responsibility of Customer.

Article 3: Charges, Fees and Invoices

3.1 Payments to be made under this PMA will provide for, and be in consideration of, only Services specifically included under the Proposed Solution. All other Services, including but not limited to the following, shall be separately billed or surcharged on a time and materials basis: (a) emergency Services performed at Customer's request, if inspection does not reveal any deficiency covered by this PMA; (b) Services performed other than during G & R CONTROLS' normal working hours; and (c) Service performed on equipment not covered by this PMA.

3.2 Invoices are due upon receipt or otherwise as may be set forth therein. If any payment is not received within sixty (60) days, invoice will be considered past due. If invoice is past due, G & R CONTROLS may deem Customer to be in breach hereof and may enforce any remedies available to it hereunder or at law, including without limitation suspension or termination of Services and acceleration of payments. Any amount not paid within sixty (60) days of the date due shall accrue interest from the date due, until paid, at the rate of eighteen percent (18%) per annum.

3.3 Customer is responsible for paying any present or future sales, use, occupancy, excise or other federal, provincial, or local tax due or owing as a result of this PMA.

Article 4: Allocation of Risk

4.1 (a) Until one year from either the date hereof or the date the Equipment is installed, whichever date occurs first, all equipment provided and installed by G & R CONTROLS will be free of defects in material and workmanship arising from normal use and service.

4.1 (b) Labor for all Services under this PMA is warranted for 90 days after the work is performed.

4.2 (a) The limited warranties set forth in Section 4.1 will be void as to, and shall not apply to, any Equipment (i) repaired, altered or improperly installed by any person other than G & R CONTROLS or its authorized representative; (ii) subjected to unreasonable or improper use or storage, used beyond rated conditions, operated other than per G & R CONTROLS' or the manufacturer's instructions, or otherwise subjected to improper maintenance, negligence or accident; (iii) damaged because of any use of the Equipment after Customer has, or should have, knowledge of any defect in the Equipment; or (iv) not provided and installed by G & R CONTROLS.

(b) Any claim under the limited warranty granted above must be made in writing to G & R CONTROLS within thirty (30) days after discovery of the claimed defect, unless discovered directly by G & R CONTROLS. Such limited warranty only extends to Customer and not to any subsequent owner of the Equipment. Customer's sole and exclusive remedy for any Equipment or Services not conforming with this limited warranty is limited to, at G & R CONTROLS' option, (i) repair or replacement of defective components of covered Equipment, or (ii) reperformance of the defective portion of the Services, or (iii) to the extent previously paid, the issuance of a credit or refund for the original purchase price of such defective component or portion of the Equipment or Services.

c) G & R CONTROLS shall not be required to repair or replace more than the component(s) of the Equipment actually found to be defective. G & R CONTROLS' warranty liability for repaired or replaced Equipment shall not exceed the original warranty period. G & R CONTROLS assigns to Customer, without recourse, any and all assignable warranties available from any manufacturer, supplier, or subcontractor of such Equipment.

4.3 THE EXPRESS LIMITED WARRANTIES PROVIDED ABOVE ARE IN LIEU OF AND EXCLUDE ALL OTHER WARRANTIES, STATUTORY, EXPRESS, OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WHICH ARE HEREBY EXPRESSLY DISCLAIMED. G & R CONTROLS MAKES NO WARRANTY, EXPRESS OR IMPLIED, THAT ANY EQUIPMENT PROVIDED HEREUNDER WILL PREVENT ANY LOSS, OR WILL IN ALL CASES PROVIDE THE PROTECTION FOR WHICH IT IS INSTALLED OR INTENDED. THE LIMITED EXPRESS WARRANTIES AND REPRESENTATIONS SET FORTH IN THIS PMA MAY ONLY BE MODIFIED OR SUPPLEMENTED IN A WRITING SIGNED BY A DULY AUTHORIZED REPRESENTATIVE OF G & R CONTROLS.

4.4 G & R CONTROLS will indemnify Customer from and against losses, claims, expenses and damages (including reasonable attorney's fees) for personal injury or physical damage to property, but not loss of use of the property resulting from such damage or from damage to any work performed hereunder. Such indemnification shall be solely to the extent caused by or arising directly from G & R CONTROLS' or its employees', consultants' or agents' negligent acts or omissions or willful misconduct in connection with its performance of Services hereunder. G & R CONTROLS' obligations under this indemnity provision shall not extend to claims, losses, expenses and/or damages arising out of, or in any way attributable to the negligence of Customer or its agents, consultants or employees. G & R CONTROLS shall in no event be responsible under this PMA for incidental, consequential, punitive, exemplary or special damages, including without limitation lost profits and/or lost business opportunities, whether arising in warranty, late or non-delivery of any Equipment or Services, tort, contract or strict liability, and regardless of whether G & R CONTROLS has been advised of the possibility of such damages. G & R CONTROLS reserves the right to control the defense and settlement of any claim for which G & R CONTROLS has an obligation to indemnify hereunder. The parties acknowledge that the price for which G & R CONTROLS has agreed to perform its Services and obligations under this PMA has been calculated based upon the foregoing limitations of liability, and that G & R CONTROLS has expressly relied on, and would not have entered into this PMA but for, such limitations of liability.

Article 5: Environmental

5.1 Except as disclosed pursuant to Section 5.3, Customer represents that there is no asbestos or any other hazardous or toxic materials, as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the regulations promulgated there under, and other applicable federal, state or local law ("Hazardous Materials"), present at Customer's locations where Services are performed. G & R CONTROLS will notify Customer immediately if it discovers or suspects the presence of any Hazardous Material. All Services have been priced and agreed to by G & R CONTROLS in reliance on Customer's representations as set forth in this Section 5.1. The presence of Hazardous Materials constitutes a change in the Proposed Solution equivalent to a change order whose terms must be agreed to by G & R CONTROLS before its obligations hereunder will continue.

5.2 Customer shall be solely responsible for testing, abating, encapsulating, removing, remedying or neutralizing such Hazardous Materials, and for the costs thereof. Even if an appropriate change order has been entered into pursuant to Section 5.1 above, G & R CONTROLS will continue to have the right to stop providing Services until the job site is free from Hazardous Materials. In such event, G & R CONTROLS will receive an equitable extension of time to complete its Services, and compensation for delays caused by Hazardous Materials remediation.

5.3 Customer warrants that, prior to the execution of the PMA, it has notified G & R CONTROLS in writing of any and all Hazardous Materials present, potentially present or likely to become present at Customer's locations and has provided a copy of any jobsite safety policies, including but not limited to lock-out and tag procedures, laboratory procedures, chemical hygiene plan, material safety data sheets, and other items covered or required to be disclosed or maintained by federal, state, or local laws, regulations or ordinances.

5.4 Customer hereby indemnifies and holds harmless G & R CONTROLS from and against any damages, losses, costs, liabilities or expenses arising from Customer's breach of, or failure to perform its obligations under, Sections 5.1, 5.2 or 5.3 above.

Article 6: Customer Responsibilities

6.1 Customer will operate and maintain all Equipment in accordance with applicable manufacturer's specifications, including those set forth in the manufacturer's operating manuals or instructions, as well as all requirements of applicable law or of authorities having jurisdiction. Such Equipment shall be operated only in the specified operating environment, which shall be supplied by Customer, including without limitation: (a) suitable electrical service, including clean, stable, properly conditioned power, to all Equipment; (b) telephone or network lines, capacity and connectivity as required by such Equipment; and (c) heat, light, air conditioning or other environmental controls, and other utilities in accordance with the specifications for the Equipment. Failure to maintain the operating environment will terminate immediately any maintenance obligations G & R CONTROLS may have hereunder.

6.2 Customer will promptly notify G & R CONTROLS of any unusual operating conditions, system malfunctions or building changes that may affect the Equipment or any Services.

6.3 Customer will provide G & R CONTROLS with reasonable means of access to the Equipment and shall make any necessary provisions to reach the Equipment and peripheral devices. Customer will be solely responsible for any removal, replacement or refinishing of the building structure or finishes that may be required to gain access to such Equipment.

6.4 Customer shall properly dispose of all ballasts, mercury bulb thermostats, used oil, contaminated filters, contaminated absorbents, refrigerant and any other Hazardous Materials that at any time are present at Customer's premises, in accordance with all applicable federal, state, and local laws, regulations, and ordinances. At no time and under no circumstances will G & R CONTROLS be responsible for any such removal or disposal and Customer hereby indemnifies and holds G & R CONTROLS harmless from and against any liability or claim arising there from.

Article 7: Limitations of Maintenance or Service Obligations

7.1 G & R CONTROLS will not be responsible for the maintenance, repair or replacement of, or Services for Equipment necessitated by reason of: (a) non-maintainable, non-replaceable, or obsolete parts of the Equipment, including but not limited to ductwork, shell and tubes, heat exchangers, coils, unit cabinets, casings, refractory material, electrical wiring, water and pneumatic piping, structural supports, cooling tower fill, slats and basins, etc. unless otherwise specifically stated herein; or (b) negligence, abuse, misuse, improper or inadequate repairs or modifications, improper operation, lack of operator maintenance or skill, failure to comply with manufacturer's operating and environmental requirements, Acts of God, or other reasons beyond its control. G & R CONTROLS assumes no responsibility for any service performed on any Equipment other than by G & R CONTROLS or its agents.

7.2 G & R CONTROLS shall not be responsible for loss, delay, injury or damage that may be caused by circumstances beyond its control, including but not restricted to acts or omissions by Customer or its employees or agents, Acts of God, war, civil commotion, acts of government, fire, theft, corrosion, water damage, freeze-ups, strikes, and lockouts.

7.3 G & R CONTROLS is not responsible for repairs, replacements or services to Equipment due to corrosion, erosion, improper or inadequate water treatment by others, electrolytic action, chemical action or other reasons beyond its reasonable control.

7.4 G & R CONTROLS shall not be responsible for the removal or reinstallation of replacement valves, dampers, water flow and tamper switches required from pipes and duct work including any venting or draining systems.

Note: There is the possibility of inflationary increases yearly with a maximum of 5%.