Quinn Group

EXHIBIT 2-A



MAINTENANCE AGREEMENT

CSA & SUPPORT SERVICES (800) 789-9774 Customer # :440820E

Agreement # : 3313AB

OCT 2 2 2009

DATE: 10/21/2009
PARTIES: First Party:
Second Party:

QUINN COMPANY, a California corporation, dba QUINN POWER SYSTEM POWMI hereinafter referred to as "QUINN"; and Monterey Penninsula Water 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. <u>The Equipment.</u> Owner now owns the following described engines and related equipment:

Caterpillar 3306ATAAC, 250kW, SN 09NR04306

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

2. <u>Term.</u> Starting from: 10/21/2009

This agreement is continuous until cancelled or non-renewed and shall commence on the date first written above and shall continue until the end of the coverage term as stated above 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.

3. <u>The Services.</u> 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 ("CSA PM LEVEL DESCRIPTIONS"). Additional PM coverage may be added anytime at customer's request.

GUARANTEE	ED PERFORMANCE	FREQUENCY	ANNUAL FEE
PM Level 1 - Multi P	oint Inspection	ə (1) visit per year.	\$466.00
PM Level 2 - Annual		e (1) visit per year.	\$979.00

PM Load Bank 2 hours test duration One (1) visit per year \$1,050.00

FACTORY RECOMMENDED SERVICES PM 3 Cooling System Service

FREQUENCY One (1) service every three (3) years. SERVICE FEE \$2,237.00

The following part(s) shall be replace for the above scope of work Engine Oil, Oil Filter(s), Fuel Filter(s), Air Filter(s)

Engine Coolant, Hose(s), Belt(s), Thermostat(s), Gasket(s), Sealant, Hose Clamp(s), Radiator Cap, and Misc. Parts

CONT.

4.

Fee. During the term of this Agreement, owner shall pay Quinn:

Total fee excluding optional LOADBANK TEST: Total fee including optional LOADBANK TEST:

\$3.682.00 \$4,732.00 I Accept [

] initial | Accept [

] initial

Customer # : 440820E

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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. 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. At each twelve (12) month interval after the date on this document a 3% to 5% increase may be effective. 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.

This Maintenance Agreement includes travel and mileage charges to and from the job site during normal business hours. Weekend and Off-Hours requests will incur additional Labor Charges according to Exhibit "B"

5.

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.

6.

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.

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 written above.

QUINN COMPANY, a California corporation dba QUINN POWER SYSTEMS

BY: Lee Dao

TITLE: CSA Technical Quoter

10/21/2009 Date:

Owner: Monterey Penninsula Water District

BY:	
TITLE:	
PO #:	
Date:	-

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	CSA PM LEVEL DESCRIPTIONS
GUINN CAT	CSA & SUPPORT SERVICES (800) 789-9774
POWER SYSTEMS	(562-463-7150 Fax Customer # : 440820E
	EXHIBIT "A" Agreement # : 3313AB
PM Level 1 Multi Point Inspection <coverel< td=""><td></td></coverel<>	
* Comprehensive detailed inspection of units is performed.	 Connect resistive or inductive load bank as applicable to generator. Run Test with requested load for 2, 4, or 8 hours interval
 Check/Adjust all fluid levels and pressures for correct operation. Check and inspect air cleaner restriction gauge and air filter element. 	* Record readings and recommendations.
* Check primary source fuel tank for water with water finding paste.	* Disconnect load bank from unit.
* Check Day tank, Fuel tank, Fuel line fittings for leaks.	* Return unit back to original mode of operation.
 Check Cooling System hoses, caps, clamps for brittleness, leaks, cracks, 	* Submit report to customer.
and weakness.	PM Megohmmeter Generator Electrical Winding Test * This test should be performed as part of periodic maintenance in order to
 Check ir voltages, charging rates, fluids, and specific gravities / ICV's. Engine cranking Batteries will be tested under start up load for voltage drop. 	detect the deterioration of the winding insulation.
* Block Heater elements and inlet/outlet t-stats are checked for proper	* Perform megohmmeter test on generator winding and measure winding
output and operation.	insulation resistance.
* Engine Fan Drive and Belts are inspected and adjusted for proper tension	* Submit report to customer.
and condition.	PM ATS Automatic Transfer Switch Service * De-energize the transfer switch, when possible.
 Check Turbo Charger rotation / end play if so equipped. Check generator brushes for proper tension/setting as equipped. 	* Clean unit of dust and dirt accumulations.
* Check and document Control Panel instruments for proper operation	* Clean open-type relays of dust/grease or oil.
and values.	* Visually inspect unit for signs of arching, burning, hot spots, charring,
* Grease bearings, fan shafts, linkages, and equipment fittings as required.	or other damages.
 Hot oil sample taken and submitted for analysis. Test safety alarms and contacts. 	 Inspect for loose, broken or badly worn parts. Check terminal lugs and trip units for tightness / signs of overheating.
 rest sarety atarms and contacts. * Run unit under load for up to 30 minutes when authorized by site. 	* Check main current carrying contacts for arching, pitting, and discoloration.
* Submit report to customer.	Clean main contacts if needed, check and re-tighten if needed.
PM Level 2 Annual Service-Major w/ Multi Point Inspection < COVEREL	
* All items from PM Level 1 are performed, PLUS	* Check and adjust relay finger contacts if needed.
 Change crankcase oil, oil filter(s), air filter(s), fuel filter(s), water separator(s) and coolant filter(s) as equipped. 	 Lubricate all components for proper operation as needed. Check plug connections, if equipped.
* Draw system coolant sample for analysis.	* Check door closure, locking bars and handle mechanism for proper operation.
5	* Check exercise timer if equipped.
* Submit report to customer.	* Perform transfer test of ATS under load when authorized by site personnel.
PM Level 3 Cooling System Service <covered< td=""><td>) * Check all components/timers for proper operation and sequencing. * Check main power connections for heat build-up with infra-red gun or provide</td></covered<>) * Check all components/timers for proper operation and sequencing. * Check main power connections for heat build-up with infra-red gun or provide
Drain, contain and dispose of waste coolant. Flush cooling system with fresh water.	PM Infra-Red scan.
* Replace all coolant hoses and clamps (upgrade block heater hoses to	* Timers reset to customer specifications and placed in automatic mode.
steel braided as recommended).	* Return unit back to original mode of operation.
* Replaced the radiator pressure cap(s)	* Submit report to customer.
 Replaced the engine thermostat(s) and associated gasket(s). Replaced the engine fan belt(s) and alternator drive belt(s). 	PM Battery Battery Replacement • Engine cranking batteries are removed and replaced.
 Refill system with proper amount of glycol antifreeze and conditioners. 	* Engine cranking batteries will be tested under start up load for voltage drop.
* Rod and clean oil cooler or heat exchanger as equipped (if required).	* ir disposal is provided.
* Test run unit to operating temperature, under load when authorized by	* Test run unit without load.
site personnel.	* Return unit back to original mode of operation.
 * Return unit back to original mode of operation. * Submit report to customer. 	* Submit report to customer. PM IR Infra-Red Thermography Inspection
PM Level 4 Minor Inspection	* Problems can develop when electrical components generate excessive heat
* Perform general walk around inspection of unit.	due to deterioration, loose connections, or overloads. An Infra-Red inspection
* Fluid levels are spot checked for correct operating range.	is recommended to be performed on all of the following areas: generator output
 Inspect air filter element. Fuel tank/ongine fuel line fittings are inspected for looks and tighten as required. 	connections, cables, bus, and generator breakers, while system is energized. Inspection consist of:
 Fuel tank/engine fuel line fittings are inspected for leaks and tighten as required. Coolant hoses inspected for brittleness, leaks, cracks, and weakness. 	* Set-up of Thermo graphic Imaging Infra-Red camera.
* Engine cranking batteries will be tested under start up load for voltage drop.	* Conduct infre-red scanning inspection.
* Jacket water heater element and inlet/outlet t-stats are checked for	* High resolution photographs will accompany recommendations for corrective
proper operation.	action or repair, and will assist overall as a critical part of any complete
 Engine drive belts inspected for proper tension and condition. Control panel instruments checked for proper operation. 	predictive or conditional based maintenance program. * Submit report to customer after technical review has been completed.
* Unit is run for 10 minutes, under no load.	PM SWG Switchgear Service
* Return unit back to original mode of operation.	* Services include manufacturer recommended equipment service & inspection
* Submit report to customer.	on single standby loads and multi-unit paralleling systems.
DM Mouth Connector line Product	* Submit report to customer.
PM Hourly Service per Unit Run Hours * PM Service level is based upon unit run hours as opposed calendar schedule	PM UPS UPS Service
and is typically reserved for operation and maintenance agreements.	 Services include manufacturer recommended equipment service & inspection for ir and rotary type systems
51 - 57 - 57 - 57 - 57 - 57 - 57 - 57 -	* Performance will be based upon the specific manufacturer scopes of work
PM PG Point Guard Monitoring	and whether or not the equipment is energized or de-energized.
* Point Guard monitors various inputs and outputs of unit operation and functionality.	* All services are performed only as unit is equipped and as our technician is
* Identifies and alerts authorized personnel of potential problems by fault	authorized.
notification via text or e-mail by cellular, satellite, or land-line applications.	* Submit report to customer.



CSA LABOR RATES & CONTACTS INFO

CSA & SUPPORT SERVICES (800) 789-9774 (562-463-7150 Fax EXHIBIT "B"

Customer # : 440820E Agreement # : 3313AB

EMERGENCY NUMBERS AND LABOR CHARGES

SALINAS BRANCH 1300 Abbott Street, Salinas, CA 93901

Quinn Power Systems will provide "On Call" emergency service 24 hours per day,

7 days a week with a response of 4 hours or less.

For regular or emergency service, please call the following numbers:	
During normal working hours (7:30am to 4:00pm Monday – Friday) call:	
CSA Customer Service (non-emergency)	(800) 789-9774
CSA Service ManagerLarry Alberg	(831) 775-3408
CSA Service CoordinatorJoanna Gonzales	(831) 775-3413
After hours, Saturdays, Sundays and holidays, call	(831) 758-8461

ADDITIONAL CSA LABOR RATES ARE AS FOLLOWS:

<u>Standard rate:</u> (7:30am to 4:00pm Monday through Friday excluding Holidays)	\$106.00per hour – Shop\$106.00per hour – Field
<u>Overtime rate</u> : (after 4:00pm and Saturdays/holidays)	\$159.00 per hour – Shop \$159.00 per hour – Field
<u>Premium time</u> : (over 12 hours per day and Sunday)	\$212.00 per hour – Shop \$212.00 per hour – Field
Travel (truck charges)	\$2.50 per mile plus Travel Time

All call outs requested OFF normal business hours; Monday through Friday, Saturdays, Sundays, and Holidays will be required to pay an hourly minimum of four (4) hours according to the prevailing billable rates within Exhibit "B". The above discounted labor rates will remain in effect until annual addendum review or upon termination of this agreement as covered in paragraph 2 under the general agreement terms.

EFFECTIVE JUNE 05, 2008

	CSA	Equipme	ent Inso	ection C	heck	list
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	a 93662.	Ornand 63030	Salinas 93601	Santa Maria 93464	(Lancaster)	3353-4
	898-4040	(\$965) 486-2171	(001)768-8461	(905) 925-9811	(661)723-4	6330
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GUINN CAT					REVENTIVE MAINTENANCE SCHEDULE CSA & SUPPORT SERVICES (800) 789-9774 Customer # : 440820E Agreement # : 3313AB			
Customer: Address:	Monterey Pennin P.O.Box 85 MONTEREY	sula Water D	istrict CA 93942			Date: 10/ Phone No. 831 Fax No. 831	-649-4866	
Attention:	Corey Hamilton ve Maintenance Service	and Inspection	s on the Following					
			PM LEVEL I PM LEVEL 2	ΙΟΑΠΒΑΝΚ	PM LEVEL 3		TOTAL	
Engine Description Caterpillar 3306AT, 71: Monterey, Ca	AAC, SN 09NR04306	LABOR: EST. PARTS:	\$431.00 \$643.00 \$35.00 \$336.00	\$1,050,00	\$1,517.00 \$720.00		\$4,732.00	