



Daikin Care Maintenance Agreement Inspection Agreement - Lake County Facilities

18 N. County Street
Waukegan, Illinois
United States, 60085

Proposal #: Q-00010615 Rev 1
1/19/2017

Prepared for:
Jeremiah Varco

Lake County Facility Operations

Prepared by:
Kimberlee Cotter
District Manager
Chicago Service Center

Email: kimberlee.cotter@daikinapplied.com



A Proven Partner

Our customers count on Daikin Applied to design and manufacture technologically advanced commercial HVAC systems that deliver the highest efficiency and solutions that extend the life their building systems.

Our Company

Daikin Applied is a wholly owned subsidiary of Daikin Industries, Ltd. the largest air conditioning manufacturer in the world. Product innovation is a hallmark at Daikin Applied. Customers rely on products like Magnitude® magnetic bearing chillers, Pathfinder® air cooled chillers, Rebel® rooftop units, SmartSource® water source heat pumps, and Modular Central Plants for exceptional efficiency, reliability, and sustainability.

Our Values

Quality and comfortable air is central to our lives – at work and at play. We strive to improve Indoor Environmental Air Quality in the buildings we serve. Quality people delivering quality products. From concept and design through production and delivery we are committed to making the products you receive a reliable component of your building system.

We continue to challenge ourselves to develop new technologies that minimize energy usages and maximize comfort. Across Daikin, we believe little efforts that individuals can make to protect the environment can add up to big things.

Locations

Daikin Applied has more than six million square feet of manufacturing facilities at 12 plants on three continents. We have locations with more than 5,000 dedicated employees around the world. All our manufacturing facilities in the United States are ISO 9001 certified. For more information, visit www.DaikinApplied.com.

The award-winning Daikin Applied Development Center, at our headquarters in Plymouth, Minnesota, is the world's most advanced facility for HVAC research and development. Every day our people work to develop HVAC technologies that reduce energy consumption and the carbon footprint of the buildings where they will be used.



Daikin Care Plan – Scope of Services

Thank you for selecting Daikin Applied service to care for your building's system. Our factory-trained service personnel have the knowledge and experience to deliver the best support available. Daikin Applied is pleased to offer the Daikin Care Plan proposal for your consideration.

Scope of Work

Provide annual inspections per the Equipment and Tasking Lists provided herein.

Site 1 = Lake County Administration Bldg – 18 N County Street

Site 2 = Public Defender's Office – 15 South County Street

Site 3 = Coroner's Office – 26 North Martin Luther King Jr Avenue

Site 4 = Lake County Courthouse – 18 N County Street

Site 5 = Babcox Jail – 20 S County Street

Site 6 = Court's Tower – Washington Street

Site 7 = Robert W Depke Juvenile Complex Center – 24647 North Milwaukee Avenue

Program Overview

The owner is requesting a preventive maintenance program which will provide routine inspection and maintenance of the covered equipment. Timely inspections can minimize or prevent unscheduled downtime by detecting deficiencies early. Scheduled factory recommended maintenance will ensure efficient operation and maximum equipment life. Repairs by trained technicians keep the equipment operating to specification.

Owner operator knowledge is a key component of any maintenance program. During equipment inspections, Daikin Applied recommends owner participation to help them learn proper equipment operation and early problem recognition that can minimize service outages and increase satisfaction.

Personnel

Daikin Applied will perform all services using factory-trained technicians who specialize in HVAC, refrigeration and electronic system maintenance and repair service.

Emergency Service Response

Emergency service is available on a 7-day, 24 hour basis. For scheduled service and repairs covered under this agreement and performed at the Customer's request outside of normal working hours, the Customer agrees to pay the difference between the prevailing standard billing rate and the prevailing overtime rate.

Equipment Repair

Daikin Applied will perform all services during its regular working hours unless otherwise specified. Any services requested or agreed to by Customer that are outside the Scope of Services will be performed by Daikin Applied at an additional cost. Daikin Applied will invoice such services at a special service and repair billing rate at Company's published labor rate for the service area.



Standard Inclusions:

The agreement includes travel to and from the site, preventative maintenance materials, and any trips to supply houses to procure materials. The customer will receive a written report for the inspection or services provided. For specific activities associated with the equipment covered under the agreement, reference the preventative maintenance activities section.

Standard Exclusions:

- All work to be performed during 'normal working hours'.
- Any and all recommended/required repairs to be quoted separately.

Equipment Schedule

Equipment Type	Qty	Site	Manufacturer/Model/Serial	Program	Annual	Operational	Start-up	Shut-down
Magnetic Bearing Centrifugal Chillers	2	Site 1, Site 1	Daikin WMC290 STNU110300144, Daikin WMC290 STNU110300159	Inspection	1	1	1	1
Reciprocating/Scroll Chillers - Air and Water Cooled	2	Site 2,	McQuay AGZ065 STNU081200073	Inspection	1	2		1
Reciprocating/Scroll Chillers - Air and Water Cooled	1	Site 3	Daikin WGZ060D STNU161100029	Inspection		2		1
Condensing Unit	1	Site 3	Daikin ACH060A T16K13635	Inspection		2		1
Computer Room Air Conditioning Units - (CRAC)	3	Site 4, Site 7, Site 7	Data Aire GFAU-04634 2015-3744-B_CRAC_B-2, Data Aire New TBD, Data Aire New TBD	Inspection		4		
Condensing Units	3	Site 4, Site 7, Site 7	Data Aire DARC1534 TBD Data Aire New TBD, Data Aire New TBD	Inspection		4		
Computer Room Air Conditioning Units - (CRAC)	2	Site 5	Data Aire GFAU-04634 2015-3742-B_CRAC_B-1, Data Aire New TBD	Inspection		3		
Condensing Units/Mini Splits	6	Site 5	Data Aire DARC1534 TBD, Data Aire New TBD, Daikin Mini Split Indoor New TBD, Daikin Mini Split Condensing New TBD, Daikin Mini Split Indoor New TBD, Daikin Mini Split Condensing New TBD,	Inspection		3		
Magnetic Bearing Centrifugal Chillers	3	Site 6	Daikin WME700S STNU170200123, Daikin WMC400DC STNU160700079, Daikin WMC400DC STNU160700080	Inspection		1		1
Computer Room Air Conditioning Units - (CRAC)	9	Site 6	Data Aire New TBD (9)	Inspection		2		



Equipment Schedule (Cont'd)

Equipment Type	Qty	Site	Manufacturer/Model/Serial	Program	Annual	Operational	Start-up	Shut-down
Condensing Units/Mini Splits	11	Site 6, Site 7, Site 7	Data Aire New TBD (9) Daikin Mini Split Indoor New TBD, Daikin Mini Split Condensing New TBD,	Inspection		2		
Air Handlers	1	Site 7	Daikin New TBD			3		

Pricing and Acceptance

Feel free to contact me if you have any questions or concerns regarding the information contained in this Daikin Care Maintenance Agreement. If you would like us to proceed with the solution presented above, sign the acceptance line below (including PO# if applicable) and return a copy so that we can begin to mobilize our efforts to complete services as quickly as possible. We appreciate the opportunity to provide you with this solution and look forward to working with you on this and servicing your needs in the future.

Emergency Coverage: Emergency coverage was waived but is available on a time and material basis.

Duration:

This agreement shall remain in effect for an initial term of 1 year(s) beginning on 12/1/2017 (the "Effective Date").

This proposal is valid for: 30 Days

Payment will be In Advance as follows: on the first day of each Year beginning on 12/1/2017 the (Effective Date) of this agreement, Daikin Applied will provide an invoice in the amount of \$38,000.00 and will be due upon receipt.

This Agreement is subject to Customer's acceptance of the attached Daikin Applied Terms and Conditions.



Investment Amount and Billing Terms:

Total investment for Daikin Care Plan - Maintenance Agreement is:

\$38,000.00 Thirty Two Thousand, One Hundred Twelve dollars and no cents

***Price does not include applicable sales tax**

Year	Amount
Year 1 (2017/2018)	\$33,200.00 add Eddy Current \$4,800

Pricing and acceptance are based upon the Terms and Conditions which are attached.

Jeremiah Varco
Lake County Facility Operations

Site Address:
Multiple – see Scope of Work

Accepted by:

Approved by:

(Print Full Legal Name of Customer)

(Print Full Legal Name of Daikin Applied Representative)

(Signature)

(Signature)

(Title)

(Title)

Date:

Date:

Proposal #: Q-00010615

Note: This Agreement is subject to final approval by Daikin Applied.



Inspection Agreement

1. Daikin Applied agrees to:

- a) Furnish its Inspection Service during normal working hours, unless otherwise specified on page 1 herein, on the Equipment, in accordance with the Assured Maintenance Agreement Service Program(s) at the price stated herein and subject to the terms and conditions set forth herein.
- b) Provide a written report to the Customer about the condition of the Equipment and any recommendations for necessary repairs or enhancements to maintain capacity, reliability, and efficiency.
- c) Instruct the person(s) responsible for Equipment operation and familiarize them with normal operation.

2. Customer agrees to:

- a) Designate a representative in its employ to receive instructions in the operation of the Equipment. Such representative shall have authority to carry out recommendations received from Daikin Applied in conjunction with the performance of this Agreement.
- b) Allow Daikin Applied to start and stop the Equipment in order to perform services specified in this Agreement.
- c) Operate the Equipment in accordance with Daikin Applied instruction and to notify Daikin Applied promptly of any change in the usual operating conditions.
- d) Provide reasonable means of access to the Equipment and building.
- e) Employ only Daikin Applied personnel or persons authorized by Daikin Applied to perform all work on the Equipment, except for operation of same.

3. It is understood that, except to the extent otherwise provided in the Assured Maintenance Agreement Equipment Schedule, the services and maintenance provided for herein includes only those items listed herein. It does not, for example, include any of the following:

- a) Normal daily and weekend functions of stopping/starting the Equipment covered hereunder.
- b) The maintenance of space conditions or system performance.
- c) The changing or cleaning of air filters.
- d) Piping or ductwork.
- e) Damage due to freezing weather.
- f) Water treatment.
- g) Corrosion or erosion damage to water and/or air side of Equipment (for example, but not limited to the following: tube bundles, heat exchangers, structural supports, and coils.)
- h) Disconnect switches, fuses and circuit breakers.
- i) Portable recorders
- j) Complementary equipment (for example, but not limited to the following: cabinets, fixtures, water boxes, water supply lines and drain lines, and painting for appearance).
- k) Boiler shell, tubes, and refractory material.
- l) Replacement of complete unit.
- m) Any items of equipment that are recommended or required by Insurance Companies, Government, State, Municipal or other authorities.



Activities Section & Tasking List

Presented below are the tasks to be performed by type of equipment covered in the equipment schedule. **Note:** asterisk * indicates the specific task will be performed only if applicable to the specific piece of equipment.

Magnetic Bearing Centrifugal Chillers

Annual Inspection:

- Check in with facility maintenance manager to discuss any operating issues or deficiencies.
- Check unit for proper operation, interlocks, controls, and excessive noise or vibration.
- Tighten all starter, motor, and control connections.
- Visually inspect condition of starter contacts and overloads for wear, pitting, and any signs of overheating.
- Check thermal flow switches.
- Test for refrigerant leaks including relief valve piping outlets.
- Inspect water piping and valves for leakage; check condition of unit and pipe insulation.
- Check areas for proper dielectric grease on applicable terminals. *
- Check vane control operation.
- Check Electronic Expansion Valve operation.
- MicroTech E check, log, last fault analysis, and analyze performance.
- Complete operating log of temperatures, pressures, voltages, amperages, and review all readings. Include chiller starts and run times. *
- Inspect vibration eliminators and pads. *
- Blow down strainer and clean screen.
- Check control operation for tower fans and bypass valve. *
- Review operating procedures with chiller operator.
- Review services performed and report any uncorrected deficiencies to facility maintenance manager.

Operational Inspection:

- Check in with facility maintenance manager to discuss any operating issues or deficiencies.
- Check unit for proper operation, interlocks, controls, and excessive noise or vibration.
- Visually inspect condition of starter contacts and overloads for wear, pitting, and any signs of overheating.
- Review owner's log for trends..
- Visually inspect units, piping, and accessories for any signs refrigerant leakage.
- Inspect water piping and valves for leakage; check condition of unit and pipe insulation.
- Visually inspect power panels and control panel.
- Complete operating log of temperatures, pressures, voltages, amperages, and review all readings. Include chiller starts and run times. *
- MicroTech E check, log, last fault analysis, and analyze performance.
- Review compressor event and fault logs.
- Review operating procedures with chiller operator.
- Review services performed and report any uncorrected deficiencies to facility maintenance manager.



Tube Services - (Condenser/Evaporator):

- Brush clean tubes.
- All required heads and piping to be removed and reinstalled by Daikin Applied.
- Eddy Current Testing – Year 1 at Site 1 only (Admin Bldg, 18 N County St) evaporator and condenser included.

Reciprocating/Scroll Chillers - Air and Water Cooled

Annual Inspection:

- Check in with facility maintenance manager to discuss any operating issues or deficiencies.
- Check unit for proper operation, interlocks, controls, and excessive noise or vibration.
- Tighten all starter, motor, and control connections.
- Visually inspect condition of starter contacts and overloads for wear, pitting, and any signs of overheating.
- Meg compressor motor and record readings.
- Check operation of crankcase heater. *
- Check evaporator shell heaters and controls for freeze protection. *
- Check condition, operation, and proper liquid/air levels in expansion tank. *
- Inspect condition of motor, fan wheel. * (bent blades, debris, proper rotation and airflow)
- Check and Lubricate motor and fan bearings, screws, and motor mounts.
- Visually inspect coils for damage, obstructions, and cleanliness.
- Visually inspect unit piping and accessories for any signs of oil or refrigerant leakage.
- Check relief valve(s) for leakage.
- Check operation of refrigerant cycle, pump-down cycle, controls, refrigerant charge and oil level. *
- Test differential oil pressure switch for proper setting. *
- Check operation of compressor(s).
- Inspect water piping and valves for leakage; check condition of unit and pipe insulation.
- Visually inspect units, piping, and accessories for any signs of oil or refrigerant leakage.
- Check operating and safety controls.
- Review all microprocessor, thermostats, and/or diagnostic control codes. *
- Check flow switch devices and external pump interlocks for proper operation.
- Check condition of thermometers, and gauges. Compare with operating controls.
- Check sight glass(es) for flashing / moisture and/or oil presence. *
- Check evaporator and condenser flow rates, temperatures, interlocks, and safeties. *
- Complete operating log of temperatures, pressures, voltages, amperages, and review all readings. Include chiller starts and run times. *
- Review services performed and report any uncorrected deficiencies to facility maintenance manager.



Operational Inspection:

- Check in with facility maintenance manager to discuss any operating issues or deficiencies.
- Check unit for proper operation, interlocks, controls, and excessive noise or vibration.
- Visually inspect condition of starter contacts and overloads for wear, pitting, and any signs of overheating.
- Inspect condition of motor, fan wheel. * (bent blades, debris, proper rotation and airflow)
- Check operation of lubrication system and crankcase heater.
- Visually inspect unit piping and accessories for any signs of oil or refrigerant leakage.
- Visually inspect coils for damage, obstructions, and cleanliness.
- Check evaporator and condenser flow rates. *
- Check operating and safety controls.
- Review all microprocessor diagnostic codes. *
- Check condition of thermometers, and gauges. Compare with operating controls.
- Check sight glass(es) for flashing / moisture and/or oil presence. *
- Complete operating log of temperatures, pressures, voltages, amperages, and review all readings. Include chiller starts and run times. *
- Review services performed and report any uncorrected deficiencies to facility maintenance manager.

Condensing Units

Pre-Cooling (Spring)- Seasonal Inspection:

- Check in with facility maintenance manager to discuss any operating issues or deficiencies.
- Check unit for proper operation, interlocks, controls, and excessive noise or vibration.
- Tighten all starter, motor, and control connections.
- Visually inspect condition of starter contacts and overloads for wear, pitting, and any signs of overheating.
- Meg compressor motor and record readings.
- Inspect air filters and/or media. Replace or clean if part of the service agreement. *
- Visually inspect coils for damage, obstructions, and cleanliness.
- Inspect water piping and valves for leakage; check condition of unit and pipe insulation.
- Clean evaporator drain pan and condensate trap. *
- Check condensate pump operation. *
- Check ductwork for condensation and air leaks at the unit. *
- Check belts for condition, proper tension, and alignment. Adjust tension if required. Replace if part of the service agreement. *
- Inspect condition of motor, fan wheel, blowers and blower pulleys. * (bent blades, debris, proper rotation and airflow)
- Check and Lubricate motor and fan bearings, screws, and motor mounts.
- Check vibration isolation pads and springs. *
- Check unit controls, thermostat, economizer, valves, dampers, louvers, linkage, and shutters. Lubricate all pivot points. *



Pre-Cooling (Spring)- Seasonal Inspection (Cont'd):

- Check inlet guide vanes and discharge dampers for proper setup and operation. Lubricate per manufactures recommendations. *
- Check operation of refrigerant cycle, reversing valve, pump-down cycle, controls, refrigerant charge and oil level. *
- Complete operating log of temperatures, pressures, voltages, amperages, and review all readings.
- Check motor operating voltage and amperages.
- Check compressor operation.
- Check operation of crankcase heater. *
- Check operation of low ambient control devices. *
- Check operation of unit control module. *
- Review all microprocessor diagnostic codes. *
- Start unit and check operating and safety controls.
- Check superheat and sub-cooling and adjust.
- Check sight glass(es) for flashing / moisture and/or oil presence. *
- Review services performed and report any uncorrected deficiencies to facility maintenance manager.

Operational Inspection:

- Check in with facility maintenance manager to discuss any operating issues or deficiencies.
- Check unit for proper operation, interlocks, controls, and excessive noise or vibration.
- Visually inspect condition of starter contacts and overloads for wear, pitting, and any signs of overheating.
- Inspect air filters and/or media. Replace or clean if part of the service agreement. *
- Inspect evaporator drain pan and condensate trap for cleanliness. *
- Check condensate pump operation. *
- Inspect condition of motor, fan wheel, blowers and blower pulleys. * (bent blades, debris, proper rotation and airflow)
- Check belts for condition, proper tension, and alignment. Adjust tension if required. Replace if part of the service agreement. *
- Inspect, clean and/or lubricate all mechanical moving components, bearings, and couplings as needed.
- Inspect chilled water piping and valves for leakage; check condition of unit and pipe insulation.
- Visually inspect coils for damage, obstructions, and cleanliness.
- Check compressor operation. Check oil level in compressor. *
- Check operation of crankcase heater. *
- Check operation of low ambient control devices. *
- Review all microprocessor diagnostic codes. *
- Start unit and check operating and safety controls.
- Check superheat and sub-cooling and adjust.
- Check sight glass(es) for flashing / moisture and/or oil presence. *
- Complete operating log of temperatures, pressures, voltages, amperages, and review all readings.



Computer Room Air Conditioning Units - (CRAC)

Operational Inspection:

- Check in with facility maintenance manager to discuss any operating issues or deficiencies.
- Check unit for proper operation, interlocks, controls, and excessive noise or vibration.
- Visually inspect condition of starter contacts and overloads for wear, pitting, and any signs of overheating.
- Inspect air filters and/or media. Replace or clean if part of the service agreement. *
- Visually inspect coils for damage, obstructions, and cleanliness.
- Clean and blowout water coil strainers.
- Inspect dry cooler. *
- Inspect water pump(s). *
- Inspect evaporator drain pan and condensate trap for cleanliness. *
- Check condition of ductwork flexible connections.
- Check condensate pump operation. *
- Inspect humidifier. *
- Inspect condition of motor, fan wheel, blowers and blower pulleys. * (bent blades, debris, proper rotation and airflow)
- Check belts for condition, proper tension, and alignment. Adjust tension if required. Replace if part of the service agreement. *
- Check and Lubricate motor and fan bearings, screws, and motor mounts.
- Visually inspect units, piping, and accessories for any signs of oil or refrigerant leakage.
- Check compressor operation. Check oil level in compressor. *
- Check operation of crankcase heater. *
- Check operation of low ambient control devices. *
- Review all microprocessor diagnostic codes. *
- Start unit and check operating and safety controls.
- Check sight glass(es) for flashing / moisture and/or oil presence. *
- Complete operating log of temperatures, pressures, voltages, amperages, and review all readings.
- Review services performed and report any uncorrected deficiencies to facility maintenance manager.



Air Handlers & Make-up Air Units

Operational Inspection:

- Check in with facility maintenance manager to discuss any operating issues or deficiencies.
- Check unit for proper operation, interlocks, controls, and excessive noise or vibration.
- Visually inspect condition of starter contacts and overloads for wear, pitting, and any signs of overheating.
- Inspect air filters and/or media. Replace or clean if part of the service agreement. *
- Visually inspect coils, piping, valves and ductwork for damage, leaks, obstructions, and cleanliness.
- Inspect duct flexible connection condition. *
- Inspect evaporator drain pan and condensate trap for cleanliness. *
- Check condensate pump operation. *
- Check belts for condition, proper tension, and alignment. Adjust tension if required. Replace if part of the service agreement. *
- Inspect condition of motor, fan wheel, blowers and blower pulleys. * (bent blades, debris, proper rotation and airflow)
- Check and Lubricate motor and fan bearings, screws, and motor mounts.
- Check all inlet vane(s) operation clean and lubricate as needed.
- Inspect, clean and/or lubricate all mechanical moving components, bearings, and couplings as needed.
- Verify chemical feed tank volumes for water treatment.
- Log operating and electrical data.
- Visually inspect cabinets.



DAIKIN APPLIED AMERICAS INC. TERMS & CONDITIONS

1. This Standard Service Proposal or Maintenance Agreement (hereinafter sometimes referenced as "Agreement"), upon acceptance by the Customer, is made solely on the terms and conditions hereof, notwithstanding any additional or conflicting conditions that may be contained in any purchase order or other form of Customer, all of which additional or conflicting terms and conditions are hereby rejected by Daikin Applied. Further, you acknowledge and agree that any purchase order issued by you in accordance with this Agreement will only establish payment authority for your internal accounting purposes. Any such purchase order will not be considered by us to be a counteroffer, amendment, modification, or other revision to the terms of this agreement. No waiver, alteration or modification of the terms and conditions herein shall be valid unless made in writing and signed by an authorized representative of Daikin Applied.
2. This Maintenance Agreement or Standard Service Proposal is subject to acceptance by the Customer within 30 days from date show on the quote, unless specified otherwise. Prices quoted are for services, labor, and material as specified in this Proposal. If acceptance of this Maintenance Agreement or Standard Service Proposal is delayed or modified, prices are subject to adjustment.
3. Terms of payment are subject at all times to prior approval of Daikin Applied's credit department. Terms of payment are net due upon receipt of invoice unless previously otherwise agreed in writing. Should payment become more than 30 days delinquent, Daikin Applied may stop all work under this Agreement or terminate this Agreement with five (5) days written notice to Customer. Daikin Applied reserves the right to add to any account outstanding more than 30 days interest at 1 ½% per month or the highest rate allowed by law. In the event of default in payment, Customer agrees to pay all costs of collection incurred by Daikin Applied including, but not limited to, collection agency fees, attorney fees and court costs. Additional services may be performed upon request at a price to be determined, subject to these Terms and Conditions.
4. In the event that Daikin Applied determines, during the first thirty (30) days of any Maintenance Agreement or upon seasonal start-up (discovery period) that any equipment covered under this Agreement in need of repair and/or replacement, Daikin Applied shall inform Customer of the equipment condition and remedy. Daikin Applied shall not be responsible for the present or future repair and/or replacement or operability of any specific equipment; until such time as the equipment is brought up to an acceptable condition or the Customer removes the unacceptable system(s), component(s), or part(s) from this contract.
5. Any Maintenance Agreement price is subject to adjustment once each calendar year, effective on the anniversary date, for changes in labor, subcontractor and material costs. The customer shall receive forty-five (45) days prior written notice of such adjustment unless specifically excluded otherwise in writing.
6. A Maintenance Agreement may be terminated: (i) by either party upon the anniversary date hereof; provided however, that written notice of such termination must be given to the non-terminating party at least thirty (30) days prior to the anniversary date; (ii) by Daikin Applied upon five (5) days prior written notice to Customer, in the event that any sums or monies due or payable pursuant to this Agreement are not paid when due or in the event that additions, alterations, repairs or adjustments are made to the system or equipment without Daikin Applied's prior approval; (iii) by either party, in the event that the other party commits any other material breach of this Agreement and such breach remains uncured for ten (10) business days, after written notice thereof. If a Maintenance Agreement is terminated for any reason, other than a material breach by Daikin Applied, Customer shall pay, in addition to all sums currently due and owing, the entire remaining balance due for the term of the Maintenance Agreement, or an amount equal to time and materials expended for the year, whichever is less. Notices required hereunder shall be sent via Certified U.S. Mail, Return Receipt Requested and provided that such notice is postmarked by the required date, such notice shall be deemed properly given.
7. Unless Customer provides appropriate documentation of tax exemption, Customer shall pay Daikin Applied, in addition to the contract price, the amount of all excise, sales, use, privilege, occupation or other similar taxes imposed by the United States Government or any other National, State or Local Government, which Daikin Applied is required to pay in connection with the services or materials furnished hereunder. Customer shall promptly pay invoices within 30 days of receipt. Should payment become more than 30 days delinquent, Daikin Applied may stop all work under this Agreement or terminate this Agreement as provided in the next paragraph.
8. Any and all costs, fees and expenses arising from or incurred in anticipation of any federal, state, county, local or administrative statute, law, rule, regulation or ordinance (collectively "Governmental Regulations") directly or indirectly requiring that refrigerant other than the type of refrigerant currently being utilized in connection with the equipment subject to this Agreement be used, shall be borne solely by Customer. In this regard, Daikin Applied shall not be required to bear any expense in connection with the modification, removal, replacement or disposal of any refrigerant in response to any Governmental Regulation designed to reduce or eliminate the alleged environmental hazards associated with the refrigerant.
9. The contract price stated herein is predicated on the fact that all work will be done during regular working hours of regular working days unless otherwise specified. If for any reason Customer requests that work be performed other than during regular working hours or outside the scope of services specified hereunder, Customer agrees to pay Daikin Applied any additional charges arising from such additional services, including but not limited to premium pay, special freight or other fees or costs associated therewith.
10. Customer shall be responsible for all costs, expenses, damages, fines, penalties, claims and liabilities associated with or incurred in connection with any hazardous materials or substances, including but not limited to asbestos, upon, beneath, about or inside Customer's equipment or property. Title to, ownership of, and legal responsibility and liability for any and all such hazardous materials or substances, shall at all times remain with Customer. Customer shall be responsible for the removal, handling and



disposal of all hazardous materials and substances in accordance with all applicable Governmental Regulations. Customer shall defend, indemnify, reimburse and hold harmless Daikin Applied and its officers, directors, agents, and employees from and against any and all claims, damages, costs, expenses, liabilities, actions, suits, fines and penalties (including without limitation, attorneys' fees and expenses) suffered or incurred by any such indemnified parties, based upon, arising out of or in any way relating to exposure to, handling of, or fees and expenses) suffered or incurred by any such indemnified parties, based upon, arising out of or in any way relating to exposure to, handling of, or disposal of any hazardous materials or substances, including but not limited to asbestos, in connection with the services performed hereunder. Daikin Applied shall have the right to suspend its work at no penalty to Daikin Applied until such products or materials and the resultant hazards are removed. The time for completion of the work shall be extended to the extent caused by the suspension and the contract price equitably adjusted. Daikin Applied reserves the right to engage others in a subcontractor status to perform the work hereunder.

11. Customer agrees to provide Daikin Applied personnel with the usual required utilities (water, electricity, compressed air, etc.) and special tools and equipment normally used for such services unless restricted specifically in the quote. Customer agrees to ensure that sufficient service access space is provided. Daikin Applied shall not be held liable for failure or damage to any equipment caused by power interruptions, single phasing, phase reversal, low voltage, or other deficiencies beyond the control of Daikin Applied.
12. This agreement does not include responsibility for design of the system (unless specifically included), obsolescence, electrical power failures, low voltage, burned-out main or branch fuses, low water pressure, vandalism, misuse or abuse of the system(s) by others (including the Customer), negligence of the system by others (including the Customer), failure of the Customer to properly operate the system(s), or other causes beyond the control of Daikin Applied.
13. In the event that Daikin Applied is required to make any repairs and/or replacements or emergency calls occasioned by the improper operation of the equipment covered hereby, or any cause beyond Daikin Applied's control, Customer shall pay Daikin Applied for the charges incurred in making such repairs and/or replacements or emergency calls in accordance with the current established Daikin Applied rates for performing such services.
14. Daikin Applied shall not in any event be liable for failure to perform or for delay in performance due to fire, flood, strike or other labor difficulty, act of God, act of any Governmental Authority or of Customer, riot, war, embargo, fuel or energy shortage, wrecks or delay in transportation, inability to obtain necessary labor, materials, or equipment from usual sources, or due to any cause beyond its reasonable control. In the event of delay in performance due to any such cause, the date of delivery or time of completion will be extended by a period of time reasonably necessary to overcome the effect of such delay. If the materials or equipment included in this Proposal become temporarily or permanently unavailable for reasons beyond the control of Daikin Applied, Daikin Applied shall be excused from furnishing said materials or equipment and be reimbursed for the difference between cost of materials or equipment unavailable and the cost of an available reasonable substitute.
15. Daikin Applied shall not in any event be liable to the Customer or to third parties for any incidental, consequential, indirect or special damages, including but not limited to, loss of production, loss of use or loss of profits or revenue arising from any cause whatsoever including, but not limited to any delay, act, error or omission of Daikin Applied. In no event will Daikin Applied's liability for direct or compensatory damages exceed the payment received by Daikin Applied from customer under the instant agreement.
16. Daikin Applied extends the manufacturer's warranties on all parts and materials and warrants labor to meet industry standards for a period of thirty (30) days from the date performed, unless a longer duration is expressly stated elsewhere in this Agreement. Daikin Applied expressly limits its warranty on Customer's Equipment to cover only that portion of Equipment which had specific Services done by Daikin Applied. These warranties do not extend to any Equipment or service which has been repaired by others, abused, altered, or misused, or which has not been properly maintained. THESE WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THOSE OF MERCHANTABILITY AND FITNESS FOR SPECIFIC PURPOSE, WHICH ARE HEREBY SPECIFICALLY DISCLAIMED.
17. Each of us agrees that we are responsible for any injury, loss, or damage caused by any negligence or deliberate misconduct of our employees or employees of our subcontractors. If any of our employees or those of our subcontractors, cause any injury, loss or damage in connection with performing their duties under this agreement, the responsible party will pay for all costs, damages, and expenses, which arise. Each of us agrees to defend and hold harmless the other party, its officers, directors and employees, from and against all claims, damages, losses and expenses, including but not limited to attorney's fees and court costs, arising out of or resulting from the performance of work hereunder, to the extent that such claim, damage, loss, or expense is caused by an active or passive act or omission of the indemnifying party or anyone directly or indirectly employed by that party, or anyone for whose acts that party may be liable.
18. This Agreement shall be binding upon and inure to the benefit of each party's respective successors, assigns and affiliates. This Agreement is governed by and construed in accordance with the laws of the State of Minnesota.