



PREVENTATIVE MAINTENANCE AGREEMENT

STEWART & STEVENSON LLC. (hereinafter "S&S") agrees to provide to Panola County (hereinafter "Customer") and Customer agrees to accept and pay for parts and services necessary for the periodic inspection and repair of the equipment described in Exhibit "A" attached hereto (the "Equipment") in accordance with the following terms and conditions

1. **Term:** This agreement shall be for the term of one (1) years, unless earlier terminated as provided herein below, and shall automatically renew at prices then in effect for successive terms of one (1) year commencing on the last day of the preceding term unless written notice of termination is received by either party at least thirty (30) days prior to the end of the initial term or any subsequent term.

2. **Payment:** Customer agrees to pay S&S an annual amount of \$5347.00, plus applicable state and local taxes, payable in (check one) one lump sum, semi-annual installments of \$, or quarterly installments of \$, plus taxes. Each installment will be due and payable upon receipt of invoice by Customer, with said invoices being sent by S&S upon completion of each periodic inspection called for herein.

3. Inspection and Repairs:

3.1 **Services Included.** S&S, during normal business hours, shall periodically inspect the Equipment (check one) one (1), two (2), or four (4) times per year for the duration of this Agreement. Said inspections shall be limited to the following:

(a) **Engine Lubrication System:** Visually check for leaks. Change lube oil and filters every 12 months or 150 operating hours whichever occurs first.

(b) **Engine Air Cleaners:** Visually inspect.

(c) **Ignition System:** Replace spark plugs as needed. Check magneto Set timing, if needed.

(d) **Governor:** Check and set speed, sensitivity and oil level

(e) **Engine Cooling System:** Check general condition. Check antifreeze and add, if needed. Check coolant level. Pressure test system Add additives to antifreeze once a year as needed. Check belts and hoses.

(f) **Engine Electric System:** Hydrometer test battery. Clean and lubricate battery posts and cables. Check alternator belts. Check battery charger for proper operation.

(g) **Engine Fuel System:** Visually check for leaks. Check all visible connections and flexible hoses. Adjust carburetor Change fuel filters once a year with oil change or as needed. Clean fuel strainers. Check for water in day fuel tank and main fuel tank.

(h) **Engine exhaust System.** Visually check for leaks or corrosion. Check condensation trap and muffler condition.

(i) **AC Generator:** Visually inspect generator condition. Check slip rings and commutator for wear. Check lubrication of rear generator bearing.

(j) **Engine Driven Flood or Fire Pump:** Visually inspect pump and check packing gland.

(k) **Miscellaneous:** Check all instruments for proper operation. Check timers and relays for proper operation. Check all connections for tightness. Check safety circuits, shutdowns and alarm systems.

(l) **Operation.** Run engine unloaded. At Customer's request and in his presence, transfer load to generator set and make adjustments if needed

(m) Take oil sample and have tested by an analysis company

(n) 2-hour annual load bank test, resistive load bank, per NFPA 110

3.2 Parts included:

(a) In connection with the performance of the foregoing inspections, S&S agrees to furnish at its expense the following parts and supplies:

Engine crankcase oil, engine oil filter elements, spark plugs, fuel filter elements, antifreeze

(b) Except as specifically set forth in paragraph 3.2(a), Customer shall pay for all parts and supplies in connection with the periodic inspections or the operation of the Equipment. Customer shall pay for all parts and supplies, including those described in paragraph 3.2(a), which are needed to repair damages caused by abuse, theft, improper operation, acts of third persons, forces of nature or alteration of the Equipment.

4. **Additional Repairs:** Any repairs requested by Customer between periodic inspections will be provided at S&S's then current rates for parts, labor and travel expenses from S&S's location to jobsite.

5. **Reports:** Upon completion of each periodic inspection and/or additional repair S&S shall report its findings and recommendations to the Customer in substantially the form attached hereto as Exhibit "B." S&S shall have no liability for any failure to recommend repairs or modifications to the Equipment.

6. **Warranties and Indemnity:**

6.1 S&S warrants that it will promptly redo any work under this Agreement that, within ninety (90) days after such work was originally performed, exhibits any defect in workmanship. The liability of S&S under this provision is limited to the reperformance of such work and the cost of any repairs to the Equipment arising from defective work. S&S makes no warranty regarding and assumes no liability for any defects in materials or workmanship relating to goods and materials used with or incorporated in the Equipment and expressly disclaims any implied warranty or merchantability or fitness for purpose relating to any such goods or materials.

6.2 S&S agrees to indemnify and hold Customer harmless of and from any and all losses, damages, claims or causes of action, including costs and attorneys' fees arising out of or in any way connected with

(a) injuries to or death of any employee or employees of S&S, its subcontractors or its independent contractors or for any damage whatsoever to the property of S&S, its subcontractors or its independent contractors or any of the employees of S&S, its subcontractors or independent contractors sustained at, around or in connection with the work; or

(b) claims by any third party to the extent based upon the negligent act or omission of S&S, its employees, its subcontractors or independent contractors or the employees of its subcontractors or independent contractors.

S&S expressly represents and agrees that the indemnification provided for in clause (a) above is intended to and shall indemnify the Customer against the consequences of the Customer's and its employees' own negligence or strict liability in tort unless such negligence or strict liability in tort is the sole producing cause of such injuries, death or property damage.

6.3 Customer agrees to indemnify and hold S&S harmless of and from any and all losses, damages, claims or causes of action, including costs and attorneys' fees arising out of or in any way connected with

(a) injuries to or death of any employee or employees of the Customer, its contractors other than S&S or any damage whatsoever to the property of the Customer, its contractors other than S&S or any of the employees of the Customer or its contractors other than S&S regardless of whether such are based in whole or in part on contract, negligence or strict liability in tort; provided, however, that the Customer shall have no obligation to indemnify S&S from any loss of or damage to the Equipment arising solely from the negligent act or omission of S&S or from a breach of the Agreement by S&S; or

(b) claims by any third party to the extent based upon the negligent act or omission of Customer, its employees, its subcontractors or independent contractors or the employees of its subcontractors or independent contractors.

Customer expressly represents and agrees that, except as set forth in the proviso, the indemnification provided for in clause (a) above is intended to and shall indemnify S&S against the consequences of S&S's and its employees' own negligence or strict liability in tort unless such negligence or strict liability in tort is the sole producing cause of such injuries, death or property damage.

7. **Limitation of Liability:** S&S'S LIABILITY UNDER THIS AGREEMENT, IF ANY, SHALL BE LIMITED TO THE ANNUAL CONTRACT AMOUNT FIRST PRINTED ABOVE. IN NO EVENT SHALL S&S BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL OR EXEMPLARY DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, DOWN TIME, DAMAGES AS PROVIDED BY THE TEXAS DECEPTIVE TRADE PRACTICES-CONSUMER PROTECTION ACT, OR OTHERWISE.

8. Miscellaneous:

8.1 Governing Law: The parties agree that this Agreement has been executed and shall be construed in accordance with the laws of the state in which the S&S branch indicated below is located. Any legal action regarding this Agreement or the obligation of either party shall be brought in courts sitting in the county or parish in which such branch is located or in Harris County, Texas to the exclusion of all other jurisdictions or venues, the parties hereto agreeing that this Agreement is performable in whole or in part in such jurisdiction and venue.

8.2 Force Majeure: The performance by S&S of its obligations under this Agreement shall be subject to floods, strikes or other labor disputes, fires, accidents, wars, delays of carriers, restraints of governments or any other cause beyond the reasonable control of S&S.

8.3 Entire Agreement: This Agreement constitutes the entire understanding between the parties and supersedes all prior and simultaneous agreements, representations or understandings relating to the same subject matter. The terms hereof may not be amended or supplemented except by a writing signed by both parties. S&S has not authorized any person to make changes or additions to or deletions from this Agreement.

8.4 Waiver: Failure to enforce any provision of this Agreement shall not be deemed a waiver of any provision hereof. Any waiver of any provision hereof shall not constitute a waiver of any other provision or a continuing waiver.

8.5 Assignment: This Agreement may be assigned by S&S to any wholly-owned subsidiary of S&S or to any person who acquires substantially all of the assets of the S&S branch indicated below and any such assignment shall relieve S&S of any liability hereunder. This Agreement shall be assigned by Customer to any person who acquires the Equipment but such assignment shall not relieve Customer of its obligations hereunder. This Agreement may not otherwise be assigned by either party.

8.6 Notices: All notices required herein shall be made in writing sent Certified Mail, Return Receipt Requested to the following address.

8.7 Year 2000 Compliance: This Agreement, and the obligations, inspections and repairs contemplated hereunder do not relate to, cover, encompass, or address in any way or fashion matters relating to the phenomenon commonly referred to as the "Year 2000 Problem" or the "Millennium Bug," including, without limitation, the ability of the Equipment to properly recognize, address, use, or process date/time data from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations.

To: Stewart & Stevenson LLC
At: 4935 Whitehurst Drive
Longview, TX 75601

To: Panola County
(Customer)
At: 110 South Sycamore
Carthage, TX

IN WITNESS WHEREOF, S&S and Customer have caused this Agreement to be executed this 12 day of October, 2016.

STEWART & STEVENSON SERVICES LLC

By: _____
(Signature)
Its: _____
(Title)
Panola County
(Customer)
By: Lee Ann Jones
(Signature)
Its: Co. Judge
(Title)

EXHIBIT A

THE EQUIPMENT

1. 900KW MTU Onsite Energy
2. 75kW
3. 150kW