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**AGREEMENT BETWEEN:**

Ocean Charter School  
12870 Panama Street  
Los Angeles, CA 90066

hereinafter Customer

**AND**

**Ontario Refrigeration Service, Inc.**  
6002 San Fernando Road  
Glendale, CA 91202

hereinafter Ontario

SERVICES AS DESCRIBED HEREIN WILL BE PROVIDED AT THE FOLLOWING LOCATION(S):

12870 Panama Street  
Los Angeles, CA 90066

The Service Program coverages, equipment inventory, and attached supplements constitute the rights and obligations of both Customer and Ontario. This agreement is subject to the Additional Agreement Terms and Conditions on the reverse side of this page.

**CUSTOMIZED SERVICE PROGRAM**

Agreement coverage will commence on \_\_\_\_\_.

The total Service Agreement price is \$ 13,180.00 per year. This agreement is payable \$ 3,295.00 per quarter in advance on the effective date of \_\_\_\_\_.

This proposal will become a binding Agreement only after acceptance by Customer and approval by the President of Ontario as evidenced by their signatures below. This agreement sets forth all of the terms and conditions binding upon the parties hereto; and no person has authority to make any claim, representation, promise or condition on behalf of Ontario which is not expressed herein. This annual Agreement shall continue in effect from year to year unless either party gives written notice to the other of intention not to renew thirty (30) days prior to any anniversary date.

**Customer**

**Ontario Refrigeration Service, Inc.**

CCL #315638

\_\_\_\_\_  
Signature (Authorized Representative)

\_\_\_\_\_  
Signature (Sales Associate) Michael Hill

**Approved for Contractor**

\_\_\_\_\_  
Name (Print/Type)

\_\_\_\_\_  
Signature **Phil Talleur**

**President**

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

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Under our **CUSTOMIZED SERVICE PROGRAM**, Ontario shall provide the Customer with a guaranteed performance based agreement entailing every aspect of professional preventive and predictive maintenance services. The program begins with a detailed equipment inventory by component. This inventory is entered into our computer data bank of maintenance tasking as recommended, at minimum, by the equipment manufacturer. This tasking is then supplemented by our own experience of equipment operation and service requirements in the state of California since 1958. The program is further customized with the Customer's individual application(s), operating run-time, and specific needs of the Customer's occupants. Included in the program for the attached Inventory of Equipment is the following:

**SYSTEM(S) OPERATIONAL ANALYSIS**

Travel and jobsite labor including vehicle and living expense necessary to test existing operation and performance characteristics of the equipment. Inspections in the form of non-destructive testing, vibration and noise monitoring, chemical analysis, and routine visual inspections will be performed to ensure that the system(s) are in proper operating condition and to identify any potential system(s) failures. As customized for your system(s), the following inspections typify these services as applicable:

**Visually Inspect the Following:**

- fan assemblies
- belts & sheaves
- motor mounts & vibration pads
- electrical connections & contactors
- heating & cooling coils
- filter media & racks
- sight glass condition
- bearings
- spray nozzles & pans
- ignitor & flame assembly
- heat exchangers
- compressor sections
- condensing sections
- heating sections
- humidifiers & strainers
- seals & packaging
- condensate drains & pans
- flame composition
- flue stack assembly

**Physically Check and/or Test the Following:**

- lubrication requirements
- oil sump, heaters & temperatures
- starter operation
- water flows
- motor operating conditions
- suction & discharge pressures
- flow switch operation
- control interlocks
- damper operation
- external interlocks
- motor voltage & amperages
- refrigerant charges
- system(s) leaks
- oil & fluid levels
- pressure & temperatures
- outside air intakes
- refrigerant pump down
- crankcase heaters

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**PREDICTIVE & PREVENTIVE MAINTENANCE**

Travel and jobsite labor including vehicle and living expenses essential to ensure efficient operating conditions an extended equipment life. Preventive Maintenance working in tandem with Predictive Maintenance is performed to detect early signs of deteriorating performance and to predict potential system(s) failures. These services diagnose and solve equipment problems often before they occur. Preventive Maintenance is performed on an ongoing basis and is scheduled with little or no equipment downtime with its primary objective aimed at system(s) durability, reliability, efficiency, and safety. As customized for your system(s), the following tasks typify these services as applicable:

**Calibration:**

- temperature controls
- operating & safety controls
- humidity & pressure controls
- transmitter & receiver gauges
- economizer controls

**Adjustment:**

- purge system(s)
- superheat
- damper & valve linkages
- unloaders
- belt tensions; replace annually
- fan RPMs
- chemical feed equipment
- gas pressure regulators
- combustion air ratios
- set points
- ignitor & flame rod assembly
- sump floats

**Alignment:**

- belt sheaves
- pulleys
- coil fins
- belt drives

**Vibration:**

- damper linkages
- fan bearings
- axial vane drives
- pumps
- motors

**Secure and Tighten:**

- motor terminals
- control terminals
- piping clamps
- line fittings
- mounting hardware
- electrical connections
- equipment panels
- motor mounts
- vibration pad nuts & bolts
- damper sections

**Cleaning:**

- control devices
- electrical contactors
- condenser coils (with water)
- evaporator coils (as required)
- fan blades & impellers
- pilot & burner orifices
- ignitors
- condensate pans
- tower basins
- sumps & floats
- baffles & fill
- nozzles & passages
- equipment areas
- burner orifices

**Painting and Surface Preparation:**

- as required, to help prevent corrosion and deterioration of exterior equipment surfaces.

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**PROGRAM ADMINISTRATION**

Ontario will be responsible to administer, monitor and update all aspects of the service provided under this agreement. A complete set of documents will be generated, including computerized maintenance task schedules, inventory records, and all other documentation required for establishing operating trends and further corrective measures. Detailed Service and/or Maintenance Reports will be left with Customer after every service visit. Ontario will act on the Customer's behalf to provide any documentation the EPA may require regarding compliance with the Clean Air Act.

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The following equipment/system(s) shall be covered as previously described under the Service Program.

Qty	Equipment/Component Description	Model	Manufacturer	Capacity HP/Ton/BTU	Location/ Unit ID
	Classrooms buildings				
14	Package unit	48LCL005A056	Carrier	4 ton	Roof
1	Package unit	48LCL004A05	Carrier	3 ton	Roof
3	VRF Condenser	PURY144YLMU	Mitsubishi	12 ton	Roof
1	Package unit	48LCD008A21	Carrier	7.5 ton	Roof
1	Package unit	48LCD007A21	Carrier	6 ton	Roof
1	Exhaust fan	USF413B	Greenheck	1/4 hp	Roof
1	Exhaust fan	CUBE1417X	Greenheck	1/4 hp	Roof
15	Fan coil	to be determined	Mitsubishi	2 ton	Interior
	MPR building				
3	Package unit	48LCD008A256	Carrier	7.5 ton	Roof
1	Package unit	48LCL004A25	Carrier	3 ton	Roof
1	Heat pump	24AHA448B	Carrier	4 ton	Roof
1	Air handler	to be determined	Carrier	4 ton	Interior
3	Ceiling Cassettes	to be determined	Mitsubishi	2 ton	Interior
	Administration building				
1	Package unit	48LCD008A2A	Carrier	7.5 ton	Roof
1	Package unit	50LC004A2	Carrier	3 ton	Roof
1	Package unit	48LC006A2	Carrier	5 ton	Roof
1	VRF Condenser	PURYP168	Mitsubishi	14 ton	Roof

This agreement is subject to the Additional Agreement Terms and Conditions on the reverse side of page one.

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The following equipment/system(s) shall be covered as previously described under the Service Program.

Qty	Equipment/Component Description	Model	Manufacturer	Capacity HP/Ton/BTU	Location/ Unit ID
1	Exhaust fan	CUBE1417X	Greenheck	1/4 hp	Roof
18	Ceiling cassettes *end of inventory*	to be determined	Mitsubishi	1 ton	Interior

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Ontario shall provide labor and material for the scheduling of filter and belt service as follows:

Equipment Description	Filter Media Type/ Belt	Qty	Filter Dimensions/ Belt Size	Inspections/ Changes Per Year
Classrooms building				
Package unit	MERV8 pleated	56	16x16x2	4
Package unit	MERV8 pleated	2	16x25x2	4
Package unit	MERV8 pleated	6	18x24x2	4
Package unit	MERV8 pleated	4	20x20x2	4
Fan coil	MERV8 pleated	2	20x24x2	4
Fan coil	MERV8 pleated	13	20x20x2	4
MPR building				
Package unit	MERV8 pleated	18	18x24x2	4
Package unit	MERV8 pleated	2	16x25x2	4
Air handler	MERV8 pleated	2	20x20x1	4
Administration building				
Package unit	MERV8 pleated	6	18x24x2	4
Package unit	MERV8 pleated	2	16x25x2	4
Package unit	MERV8 pleated	4	16x16x2	4
Classrooms building				
Package unit	BELT	1	AX56	1
Exhaust fan	BELT	2	A49	1
MPR building				
Package unit	BELT	3	AX56	1
Administration building				
Package unit	BELT	1	AX56	1
Package unit	BELT	2	AX38	1

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This is not an inspection proposal under which the equipment listed is merely inspected, oiled, and adjusted on a quarterly basis.

This proposal includes a computerized preventative maintenance program under which Ontario technicians perform necessary maintenance on the equipment according to its age, size, and run-time in order to ensure proper system operation and efficiency. This results in fewer equipment failures, increased equipment life, and maximum energy savings.

The ceiling cassettes listed on the inventory of equipment page will receive preventative maintenance only one (1) time per year. All other equipment listed will receive quarterly preventative maintenance.

ORSI is an approved contractor for the LADWP AC Optimization Program. This program is conducted through LADWP and offers participants rebates, paid to the contractor, a one-time incentive to perform a comprehensive preventative maintenance service on qualifying units 10 ton and under. If approved through LADWP, ORSI will credit \$1,840.00 towards the first scheduled preventative maintenance of the annual agreement. Customer must complete the provided LADWP paperwork and receive approval prior to any credits. The credit will be issued in the first year, and one time only. Subsequent years will be invoiced as indicated on page one of this agreement with no additional credits.

## Additional Agreement Terms and Conditions

1. Ontario has agreed to service only the equipment listed in the Inventory of Equipment portion of this Agreement. If, upon initial inspection, Ontario determines repairs are required, an estimate will be prepared for Customer's approval. If Customer elects not to have repairs done, Ontario may, at its option, remove the unsatisfactory equipment from this Agreement and adjust the price accordingly or cancel this Agreement. As reasonably necessary to perform the service work, Customer shall provide Ontario access to all equipment and work areas and shall allow Ontario to start and stop any equipment. Customer shall also provide Ontario's personnel with all Material Safety Data Sheets (MSDS) applicable to Ontario's work and as required by OSHA's Hazard Communication Standard Regulations. All scheduled service shall be performed during Ontario's normal working hours.

2. Ontario warrants its workmanship to be free from defect for a period of thirty (30) days from the date said work is performed. If Ontario's workmanship proves to be defective within said thirty days, Ontario will repair or replace its work, at Ontario's option, and at no cost to Customer, provided, Customer has given Ontario written notice of said defect within 35 days of the date the defective work was originally performed. If any replacement item or materials should prove to be defective, Ontario shall assign to Customer the benefits of any manufacturer's warranty to the fullest extent any such warranty may be assigned by Ontario. Removal and replacement of any equipment or materials covered under a manufacturer's warranty will be at Customer's expense and at Ontario's then current rates.

3. Except as set forth in paragraph 2 of this Agreement, Ontario makes **NO WARRANTIES, EXPRESS OR IMPLIED**, concerning the work, labor, materials or equipment being provided by it under this Agreement, and hereby excludes and disclaims all express and implied warranties, including the implied warranties of merchantability and fitness for any particular purpose or use.

4. The price stated on page 1 is an annual price that will be billed to Customer in periodic installments. Said annual price reflects a cash discount of five percent that is contingent upon Customer's prompt payment of all invoices in check or cash. Customer agrees to pay all invoices within ten (10) days of the invoice date. If payment in full of each periodic installment is not received by Ontario within 15 days of the invoice date, Ontario may, at its option, accelerate the entire Agreement amount and declare the same all due and payable. All unpaid amounts shall accrue interest at the rate of 1.5% per month from the date of the invoice until paid in full. Ontario shall have the right to stop all work under this Agreement to the extent any invoice concerning the work described on page 1 has not been paid in full within thirty days of the invoice.

5. The annual Agreement price is subject to adjustment on each anniversary date of this Agreement to reflect increases in the cost of labor, materials, and related costs. Any extra work, including trouble or emergency calls made at Customer's request which indicate a condition not covered by this Agreement, will result in an extra charge to Customer at Ontario's prevailing rates for its time and material.

6. It is understood and agreed that Ontario has **NO** responsibility for performing, completing or paying for any of the following items:

a. Moving, modifying, or altering the building structure in any manner in order to carry out its obligations under this Agreement;

b. Identifying, abating, handling, encapsulating or removing any hazardous substance or material, except any refrigerant specially identified on page 1 for removal by Ontario;

c. Indemnifying Customer from any liability or damage related to Ontario's work, except for such liability or damage caused by the sole negligence of willful misconduct of Ontario or its employees that is not limited or waived under paragraph 8;

d. All taxes or other governmental charges relating to the Services, transfer, use, ownership, servicing or possession of any equipment relating to or covered by this Agreement.

e. Loss or damage resulting from unavailability of equipment, component parts, or materials, regardless of reason, lack of access to the premises, inadequate system design, vandalism, negligence of Customer or its agents or employees, or the requirements of governmental, regulatory, or insurance agencies;

f. Repair or replacement of items normally not maintainable such as main power service, electrical conduit and wiring, heat exchangers, cabinets, storage tanks, tube bundles, duct work, piping, coils, boiler shell, and structural supports.

g. Design of the system, obsolescence, safety tests directed or required by any agency, company, person or organization, removal

and reinstallation of valve bodies and dampers, repair or replacement necessitated by freezing weather, inadequate electrical power or failure, burned out main or branch fuses, low water pressure, selection of domestic hot water temperatures, or other causes beyond Ontario's control.

7. To the fullest extent permitted by law, Customer shall indemnify, defend and hold harmless Ontario and its agents and employees from and against all claims, damages, losses, and expenses, of every nature, including but not limited to attorney's fees, arising from or in any way related to the work, labor, equipment and materials being provided by Ontario under this Agreement, except that Customer shall not have any obligation to indemnify Ontario from such claims, damages, losses, and/or expenses that are attributable to the sole negligence of willful misconduct of Ontario or its employees.

8. In the event of any breach of contract by Ontario or damage or loss attributable to the tortious conduct of Ontario or one or more of its agents or employees, or any damage or loss for which Ontario might be held strictly liable, Ontario's liability for such damage or loss shall be limited to the dollar amount of this Agreement. Customer further agrees that Ontario does not have any liability to Customer, or Customer's agents, employees, tenants, lessees, or invitees, for any loss of use, loss of profit, delay damages, increased operating or maintenance costs, or any other special or consequential damages resulting from Ontario's performance of, or failure to perform, its obligations under this Agreement, all such damages being hereby waived and released by Customer. Customer also agrees that Ontario is not responsible for any loss or compensatory damages of Customer, or increased cost(s) for Ontario to perform this Agreement, where any such loss, damage or increased cost is attributable to Acts of God or other circumstances not reasonably foreseeable by the parties at the time they entered into this Agreement.

9. In the event of legal action or arbitration proceedings to enforce the terms of this Agreement, or any provisions herein, the successful and prevailing party shall be entitled to recover its reasonable attorney's fees and expert witness fees and expenses, in addition to any other relief to which that party may be entitled, at law or in equity. Any legal action or arbitration proceeding concerning any rights and liabilities relating to, or arising from, this Agreement or the work being performed under this Agreement, with the exception of any legal action for collection of amounts due, must be filed within one (1) year of the date of the event giving rise to any such claim under this Agreement.

10. The parties agree to resort to binding arbitration for the resolution of any claim either party may have against the other where the total value of either party's claim against the other, exclusive of interest, attorney's fees, and arbitration fees and costs, is less than \$75,000. Any arbitration under this agreement shall be conducted before the American Arbitration Association in accordance with its Fast Track Procedures in effect on the date this Agreement is signed. Under no circumstances shall any arbitrator have authority to issue any award in excess of \$75,000, exclusive of interest, attorney's fees, and arbitration fees and costs. All claims of either party in excess of \$75,000 shall be resolved through litigation within a court of competent jurisdiction in the county in which the work is performed.

11. Customer acknowledges that Ontario's employees are valuable assets to Ontario and Customer agrees that it will not hire any employee of Ontario for a period of 180 days after completion of the work described in this Agreement. In the event of a breach of this provision by Customer, Customer shall pay to Ontario the salary Ontario paid to that employee during the twelve months preceding Customer's breach of this provision, plus all expenses paid by Ontario to train that employee during the preceding two year period.

12. Any notice that is required to be given under this Agreement must be in writing and sent via certified or registered mail to the address set forth on the first page of this Agreement for the party intended to receive notice.

13. This document represents the entire agreement between Ontario and Customer and supersedes any prior or contemporaneous oral and written communications or agreements. This Agreement can only be modified in a writing that is signed by both parties. Any purchase order or other document hereafter issued by Customer shall only be for purposes of identification and/or billing and shall not serve to modify this Agreement in any respect.