OFFER

The undersigned (the "Bidder") hereby offers this Bid (the "Offer") and certifies that Bidder has read, understands and agrees to fully comply with all terms and conditions as set forth in this Contract (as defined below), and any amendments thereto, together with all Specifications, Exhibits and other documents included as part of this Contract.

BY SIGNING THIS PAGE THE SUBMITTING BIDDER CERTIFIES THAT BIDDER HAS REVIEWED THIS CONTRACT AND ALL CORRESPONDING IFB TERMS AND CONDITIONS AND AGREES TO BE CONTRACTUALLY BOUND BY THEM.

Arizona Transaction (Sales) Privilege Tax License Number: 07-395250-Q Federal Employer Identification Number: Gen-Tech Contractor Name 7901 N. 70th Ave Address Glendale AZ 85303 City State Zip Code	For Clarification of this Bid contact: Name: Lela Burkey Telephone: 602-721-2032 Facsimile: Email: lburkey@gentechus.com Lela Burkey **Authorized Signature for Contractor** Lela Burkey Printed Name Outside Sales Title

ACCEPTANCE OF OFFER AND NOTICE OF AWARD (FOR TOWN OF FOUNTAIN HILLS USE ONLY)

Effective Date: 11/4/10 Contract No. C2011-115 Official File:

TOWN OF FOUNTAIN HILLS, an Arizona municipal corporation

Richard L. Davis, Town Manager

ATTEST:

Bevelyn J. Bender, Town Clerk

APPROVED AS TO FORM:

Andrew J. McGuire, Town Attorney

ARTICLE I - DEFINITIONS

For purposes of this Invitation for Bids, the following definitions shall apply:

"Bid" or "Offer" means a responsive bid or quotation submitted by a Bidder in response to this IFB.

"Bid Deadline" means the date and time set forth on the cover of this IFB for the Town Clerk to be in actual possession of the sealed Bids.

"Bid Opening" means the date and time set forth on the cover of this IFB for opening of sealed bids.

"Bidder" means any person or firm submitting a competitive Bid in response to this IFB.

"Days" means calendar days unless otherwise specified.

"Confidential Information" means that portion of a Bid, proposal, Offer, specification or protest that contains information that the person submitting the information believes should be withheld, provided (i) such person submits a written statement advising the Town of this fact at the time of the submission and (ii) the information shall be so identified wherever it appears.

"Contract" means, collectively, the (i) the Offer, (ii) Article I - Definitions, (iii) Article II – Bid Process; Bid Award, (iv) Article III - General Terms & Conditions, (v) Article IV – Special Conditions, if any, (vi) the Specifications, attached hereto as Exhibit A, (vii) the Price Sheet, attached hereto as Exhibit B, (viii) the Licenses; DBE/WBE Status Sheet, if any, attached hereto as Exhibit C, (ix) References, attached hereto as Exhibit D, (x) Acknowledgement of Addenda Received attached hereto as Exhibit E, (xi) the Notice of Award, (xii) the Notice to Proceed or Purchase Order(s), (xiii) any approved Change Order or Amendment, (xiv) the Contractor's Certificates of Insurance and a copy of the Declarations Page(s) of the insurance policies and (xv) Bid, Performance and Payment Bonds, if any.

"Contractor" means the individual, partnership, or corporation who has submitted a Bid in response to this IFB and who, as a result of the competitive bidding process, is awarded a contract for Materials or Services by the Town.

"Invitation for Bids" or "IFB" means this request by the Town for participation in the competitive bidding process according to all documents, including those attached or incorporated herein by reference, utilized for soliciting Bids for the Materials and/or Services in compliance with the Town's Procurement Code.

"Materials" means any personal property, including equipment, materials and supplies provided by the Contractor in conjunction with the Contract and shall include, in addition to materials incorporated in the Project, equipment and other material used and/or consumed in the performance of Services or Work.

"Multiple Award" means an award of an indefinite quantity contract for one or more similar products, commodities or services to more than one Bidder.

"Price" means the total expenditure for a defined quantity of a commodity or service.

"Procurement Agent" means the Town Manager or authorized designee.

"Procurement Code" means the Town of Fountain Hills Procurement Code, as amended from time to time.

"Procurement Representative" or "Department Representative" means a Town employee who has specifically been designated to act as a contact person to the Bidders and/or Contractor, and who is responsible for monitoring and overseeing the Contractor's performance under the Contract.

"Project" means the purpose and work described as set forth in Section 2.1 of this IFB.

"Services" means the furnishing of labor, time or effort by a Contractor, not involving the delivery of a specific end product other than reports which are merely incidental to the required performance and as further defined in the Contract. This term does not include "professional and technical services" as defined in the Procurement Code.

"Specification" means any description of the physical characteristics, functional characteristics, or the nature of a commodity, product, supply or services. The term may include a description of any requirements for inspecting, testing, or preparing a supply or service item for delivery.

"Subcontractor" means those persons or groups of persons having a direct contract with the Contractor to perform a portion of the Work and those who furnish Materials according to the plans and/or Specifications required by this Contract.

"Town" means the Town of Fountain Hills, an Arizona municipal corporation.

"Work" means all labor, materials and equipment incorporated or to be incorporated in the Project that are necessary to accomplish the services required by this Contract.

ARTICLE II – BID PROCESS; BID AWARD

2.1 Purpose/Scope of Work. The purpose of this IFB is to establish pricing and to secure a qualified vendor to provide: (A) one 80 kW Single Phase Generator Set & 600A Automatic Transfer Switch ("Generator #1) and (B) one 50kW 3 Phase Generator Set and 400A Automatic Transfer Switch ("Generator #2") (collectively, the "Materials") as more particularly described in the Specifications, attached hereto as Exhibit A.

2.2 Authority; Amendment of IFB. This IFB and resultant Contract is issued under the authority of the Town. No alteration hereof may be made without the express written approval of the Town in the form of an official IFB or Contract amendment. Any attempt to alter this IFB/Contract without such approval is subject to the legal and contractual remedies available to the Town including, but not limited to, Contract cancellation and suspension and/or debarment of the Bidder or Contractor.

2.3 Preparation/Submission of Bid. Bidders are invited to participate in the competitive bidding process for the Materials specified in this IFB. Bidders shall review their Bid submissions to ensure the following requirements are met.

A. Irregular/Non-responsive Bids. The Town will consider as "irregular" or "non-responsive" and may reject any Bid not prepared and submitted in accordance with the IFB and the Specifications, or any Bid lacking sufficient information to enable the Town to make a reasonable determination of compliance to the specifications outlined in the Specifications. Unauthorized exceptions, conditions, limitations, or provisions shall be cause for rejection. Bids may be deemed non-responsive at any time during the evaluation process if, in the sole opinion of the Town:

1. Bidder does not meet the minimum required skill, experience or requirements to perform the Work or provide the Services.

2. Bidder has a past record of failing to fully perform or fulfill contractual obligations.

3. Bidder cannot demonstrate financial stability.

4. Bid submission contains false, inaccurate or misleading statements that, in the opinion of the Town Manager or authorized designee, is intended to mislead the Town in its evaluation of the Bid.

C. Specification Minimums. Bidders are reminded that the Specifications stated in this IFB are the minimum levels required and that Bids submitted must be for products that meet or exceed the minimum level of all features specifically listed in this IFB. Bids offering less than the minimums specified are not responsive and should not be submitted. It shall be the Bidder's responsibility to carefully examine each item listed in the Specifications. Bidders shall provide complete manufacturers' descriptive literature regarding the Materials. Literature shall be sufficient in detail in order to allow full and fair evaluation of the Offer.

D. Required Submittal. Bidders shall provide **one** complete, fully executed **original** of this IFB, signed in ink by a person authorized to bind the Bidder, together with all completed, required attachments as specified below, to be considered a responsive Bid:

1. Offer
2. Price Sheet
3. Licenses; /DBE & MBE Status
4. References
5. Acknowledgement for each Addendum received, if any

E. Bidder Responsibilities. All Bidders shall (1) examine the entire Bid package, (2) seek clarification of any item or requirement that may not be clear, (3) check all responses for accuracy before submitting a Bid and (4) submit the entire, completed Bid package by the official Bid Deadline. Late Bids shall not be considered. Bids not submitted with an **original, signed** Offer page by a person authorized to bind the Bidder shall be considered non-responsive Bids. Negligence in preparing a Bid confers no right of withdrawal after the Bid Opening.

F. Sealed Bids. All Bids shall be sealed and clearly marked with the IFB title and number on the lower left hand corner of the mailing envelope. A return address must also appear on the outside of the sealed Bid.

G. Address. All Bids shall be directed to the following address: Town Clerk, 16705 East Avenue of the Fountains, Fountain Hills, Arizona, 85268, or hand-delivered to the Town Clerk's office.

H. Bid Forms. All Bids shall be on the forms provided in this IFB. It is permissible to copy these forms if required. Telegraphic (facsimile), electronic (email) or mailgram Bids will not be considered.

I. Modifications. Erasures, interlineations, or other modifications in the Bid shall be initialed in original ink by the authorized person signing the Bid.

J. Withdrawal. At any time prior to the specified Bid Opening, a Bidder (or designated representative) may amend or withdraw its Bid. Facsimile, electronic (email) or mailgram Bid amendments or withdrawals will not be considered. No Bid shall be altered, amended or withdrawn after the specified Bid Deadline unless otherwise permitted pursuant to the Town Procurement Code.

K. Prices. Bid prices shall be submitted on a per unit basis by line item, when applicable. In the event of a disparity between the unit price and extended price, the unit price shall prevail unless obviously in error.

2.4 Inquiries; Interpretation of Scope of Work; Specifications.

A. Inquiries. Any question related to the IFB, including any part of the Specifications, Scope of Work or other Contract documents, shall be directed to the Department Representative or Procurement Representative whose name appears on the cover page of this IFB. Questions shall be submitted in writing by the date indicated on the cover page of this IFB; the Town will not respond to any questions submitted later than the Final Date for Inquiries. The Bidder submitting such inquiry will be responsible for its prompt delivery to the Town. Any correspondence related to the IFB shall refer to the title and number, page and paragraph. However, the Bidder shall not place the IFB number and title on the outside of any envelope containing questions, because such an envelope may be identified as a sealed Bid and may not be opened until the Bid Opening. Any interpretations or corrections of the proposed Contract documents will be made only by addenda duly approved and issued by the Town. The Town will not be responsible for any other explanations or interpretations of the Contract documents.

B. Addenda. It shall be the Bidder's responsibility to check for addenda issued to this IFB. Any addendum issued by the Town with respect to this IFB will be available at: Fountain Hills Town Hall, 16705 East Avenue of the Fountains, Fountain Hills, Arizona 85268

C. Approval of Substitutions. The materials, products, and equipment described in this Contract establish a standard or required function, dimension, appearance and quality to be met by any proposed substitution. No substitute will be considered unless written request for approval has been received by the Town or its representative at least ten days prior to the Bid Deadline. Each such request shall include the name of the material or equipment for which it is to be substituted and a complete description of the proposed substitute, including any drawings, performance and test data and any other information necessary for evaluation of the substitute. If a substitute is approved, the approval shall be by written addendum to the Contract. Contractor shall not rely upon approvals made in any other manner.

D. Use of Equals. When the Specifications for materials, articles, products and equipment include the phrase "or equal," Contractor may bid upon and use materials, articles, products and equipment which will perform equally the duties imposed by the general design. The Procurement Representative will have the final approval of all materials, articles, products and equipment proposed to be used as an "equal." No such "equal" shall be purchased or installed without prior written approval from the Procurement Representative. Approvals for "equals" before Bid Opening may be requested in writing to the Procurement Representative for approval. Requests must be received at least ten days prior to the Bid Deadline. The request shall state the name of the material, article, product or equipment for which the item is sought to be considered and equal and a complete description of the proposed equal including any drawings, performance and test data and any other information necessary for approval of the equal. All approvals of equals shall be issued in the form of written addendum to this Contract.

E. Proposal Quantities. It is expressly understood and agreed by the parties hereto that the quantities of the various classes of Materials to be furnished under this Contract, which have been estimated as stated in the Bidders' Offer, are only approximate and are to be used solely for the purpose of comparing, on a consistent basis, the Bidders' Offers for this Contract. The Contractor further agrees that the Town shall not be held responsible if any of the quantities shall be found to be incorrect and the Contractor will not make any claim for damages or for loss of profits because of a difference between the quantities of the various classes of Material as estimated and the Materials actually provided. If any error, omission or misstatement is found to occur in the estimated quantities, the same shall not (1) invalidate this Contract or the whole or any part of the Specifications in accordance herewith and for the prices herein agreed upon and fixed therefore, (2) excuse Contractor from any of the obligations or liabilities hereunder or (3) entitle Contractor to any damage or compensation except as may be provided in this Contract.

2.5 Prospective Bidders' Conference. A prospective bidders' conference may be held. If scheduled, the date and time of this conference will be indicated on the cover page of this IFB. This conference may be designated as mandatory or non-mandatory on the cover of this IFB. Bids shall not be accepted from Bidders who do not attend a mandatory prospective bidders' conference. Bidders are strongly encouraged to attend those prospective bidder's conferences designated as non-mandatory. The purpose of this conference will be to clarify the contents of this IFB in order to prevent any misunderstanding of the Town's requirements. Any doubt as to the requirements of this IFB or any apparent omission or discrepancy should be presented to the Town at this conference. The Town will then determine if any action is necessary and may issue a written amendment or addendum to the IFB. Oral statements or instructions will not constitute an amendment or addendum to this IFB.

2.6 New Materials. All Materials to be utilized by the Contractor and included in the Bid shall be new, unless otherwise stated in the Specifications.

2.7 Pricing. All Materials shall be provided at the prices as set forth in the Price Sheet attached as Exhibit B.

2.8 Payment; Discounts. Any Bid that requires payment in less than 30 calendar days shall not be considered. Payment discounts of 30 calendar days or less will be deducted from the Bid Price in determining the low Bid. However, the Town shall be entitled to take advantage of any payment discount offered, provided payment is made within the discount period. Payment discounts shall be indicated on Price Sheet.

2.9 Taxes. The Town is exempt from Federal Excise Tax, including the Federal Transportation Tax. Sales tax, if any, shall be indicated as a separate item. It is the sole responsibility of the Bidder to determine any applicable State tax rates and calculate the Bid accordingly. Failure to accurately tabulate and applicable taxes may result in a determination that a Bid is non-responsive. The Bidder shall not rely on, and shall independently verify, any tax information provided by the Town.

2.10 Federal Funding. It is the responsibility of the Bidder to verify with the Department Representative if federal wage rates other federal requirements apply to the Work (the "Federal Requirements"). It is also the responsibility of the Bidder to incorporate any necessary amounts in the Bid to accommodate for required federal record keeping, necessary pay structures or other matters related to the Federal Requirements.

2.11 Cost of Bid/Proposal Preparation. Bids submitted for consideration should be prepared simply and economically, providing adequate information in a straightforward and concise manner. The Town does not reimburse the cost of developing, presenting or providing any response to this solicitation; the Bidder is responsible for all costs incurred in responding to this IFB. All materials and documents submitted in response to this IFB become the property of the Town and will not be returned.

2.12 Public Record. All Bids shall become the property of the Town and shall become a matter of public record available for review subsequent to the award notification, in accordance with the Town's Procurement Code.

2.13 Confidential Information. If a Bidder believes that a Bid, Specification, Scope of Work, or protest contains information that should be withheld from the public record, a statement advising the Procurement Representative of this fact shall accompany the submission and the information shall be identified. The information identified by the Bidder as confidential shall not be disclosed until the Procurement Representative makes a written determination. The Procurement Representative shall review the statement and information and shall determine in writing whether the information shall be withheld. If the Procurement Representative determines to disclose the information, the Procurement Representative shall inform the Bidder in writing of such determination.

2.14 Vendor Licensing and Registration. Prior to the award of the Contract, the successful Bidder shall (A) be licensed with the Arizona Corporation Commission to do business in Arizona and (B) have a completed Request for Vendor Number on file with the Town Financial Services Department. The Bidder shall provide licensure information with the Bid. Corporations and partnerships shall be able to provide a Certificate of Good Standing from the Arizona Corporation Commission.

2.15 Certification. By submitting a Bid, the Bidder certifies:

A. No Collusion. The submission of the Bid did not involve collusion or other anti-competitive practices.

B. No Discrimination. It shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11456.

C. No Gratuity. It has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip favor or service to a Town employee, officer, agent or elected official in connection with the submitted Bid or a resultant Contract. In the event that the resultant Contract is cancelled pursuant to this provision, the Town shall be entitled, in addition to any other rights and remedies, to recover and withhold from the Contractor an amount equal to 150% of the gratuity.

D. Financial Stability. It is financially stable, solvent and has adequate cash reserves to meet all financial obligations including any potential costs resulting from an award of the Agreement.

E. No Signature/False Statement. Failure to sign the Bid, or signing it with a false statement, shall void the submitted Bid and any resulting Contract and the Bidder may be debarred from further bidding in the Town.

2.16 Award of Contract.

A. Multiple Award. The Town may, at its sole discretion, accept Bidder's Offer as part of a Multiple Award.

B. Line Item Option. Unless the Bidder's Offer states otherwise, or unless specifically provided within this Contract, the Town reserves the right to award by individual line item, by group of line items, or as a total, whichever is deemed most advantageous to the Town. The Town's flexibility with respect to the method of award also includes any items bid as alternates, which may be accepted or rejected, in whole or in part, at the Town's sole discretion.

C. Evaluation. The evaluation of this Bid will be based on, but not limited to, the following: (1) compliance with Specifications, (2) Price, including alternates, if any and (3) Bidder qualifications to provide the Materials.

D. Defects. Notwithstanding any other provision of this IFB, the Town expressly reserves the right to: (1) waive any immaterial defect or informality, (2) reject any or all Bids or portions thereof and (3) reissue an IFB.

E. Offer. A Bid is a binding offer to contract with the Town based upon the terms, conditions and specifications contained in this IFB and the Bidder's responsive Bid, unless any of the terms, conditions, or specifications is modified by a written addendum or contract amendment. Bids become binding Contracts when the Acceptance of Offer and Notice of Award is executed in writing by the Town. Bidder Offers shall be valid and irrevocable for 90 days after the Bid Opening.

F. Protests. Any Bidder may protest this IFB issued by the Town, the proposed award of a Contract, or the actual award of a Contract. All protests will be considered in accordance with the Town Procurement Code.

ARTICLE III – GENERAL TERMS AND CONDITIONS

3.1 Term. This Contract shall be effective from the date it is fully executed by the Town and remain in full force and effect for one year thereafter, unless terminated as otherwise provided herein.

3.2 Compensation. The Town shall pay the Contractor as set forth in the Price Sheet. The Contractor shall not commence any billable work or provide any Materials under this Contract until the Contractor receives an executed purchase order from the Town.

3.3 Payments. The Contractor will be paid on the basis of invoices submitted following acceptance of the Materials. All invoices shall document and itemize all Materials delivered and shall include the purchase order number authorizing the transaction to the Town Accounts Payable address indicated on the face of the purchase order, unless otherwise specified. All transportation charges must be prepaid by the Contractor. If invoice is subject to a cash discount, the discount period will be calculated from the date of receipt of the claim or the Materials, whichever is later.

3.4 Documents. All documents prepared and submitted to the Town pursuant to this Contract shall be the property of the Town.

3.5 Contractor Personnel. Contractor shall provide adequate, experienced personnel, capable of and devoted to the successful completion and delivery of services or Materials required pursuant to this Contract.

3.6 Deliveries. Time is of the essence for all orders placed under this Contract. Therefore delivery shall be made within **45** days of purchase order to:

Generator #1	**Fire Station 1** **16426 East Palisades Boulevard** **Fountain Hills, Arizona 85268**
Generator #2	**Fire Station 2** **16821 Saguaro Boulevard** **Fountain Hills, Arizona 85268**

Product documentation required by Section 3.15 shall be delivered to the Town upon delivery of the Materials. Delivery shall not be considered complete until the Town is in receipt of the manuals. Contractor shall retain title and control of all materials and Materials until they are delivered and the Town has accepted delivery. All risk of transportation and all related charges shall be the responsibility of the Contractor. All claims for visible or concealed damage shall be filed by the Contractor. The Town will notify the Contractor promptly of any damaged Materials and shall assist the Contractor in arranging for inspection. The Town reserves the right to cancel and reject the Materials upon default by Contractor in time, rate or manner of delivery. The Town also reserves the right to refuse shipments made in advance of any scheduled delivery date appearing on the purchase order.

3.7 Quantity. The quantity of Materials ordered must not be exceeded or reduced without the Town Procurement Representative's permission in writing except in conformity with acknowledged industry tolerances.

3.8 Specification changes. The Town shall have the right, by a written change order, to make changes in the Materials to be furnished by the Contractor. If such changes cause an increase or decrease in the

amount due under the purchase order, or in the time required for its performance, an acceptable adjustment shall be made and the purchase order shall be modified in writing accordingly. Any agreement for adjustment must be asserted in writing within ten days from when the change is ordered. Nothing in this Contract shall relieve the Contractor from proceeding without delay in the performance of the purchase order as changed.

3.9 F.O.B. Unless otherwise agreed to in writing, signed by the Town Manager or designee, all delivery terms are FOB Destination and are to be prepaid. All other freight charges are to be prepaid and charged on the invoice. If a cash discount is not permitted on freight charges, then specific notation of this must be shown on the invoice.

3.10 Packing. No extra charges shall be made for packaging or packing material unless authority is expressly incorporated in this Contract. Contractor shall be responsible for safe packing which must conform to the requirement of carrier's tariffs. All shipments must carry the correct quantity, product identification, purchase order number, receiving address and product department plainly marked on all packages. Cars or trucks must be loaded to minimum weight requirements to assure lowest rate unless otherwise specified or shipper will be charged with excess freight that the Town is required to pay.

3.11 Performance Warranty. All Materials supplied under this Specification shall be fully guaranteed by the Contractor for a minimum period of two years from the date of acceptance by the Town (or such longer period as may be provided under warranties for vehicles). Any defects in design, workmanship or materials that would result in non-compliance with Contract Specifications shall be fully corrected by the Contractor (including parts and labor) without cost to the Town. Contractor further agrees to execute any special guarantees as provided by the Contract or by law. Contactor shall require similar guarantees from all of its vendors or its subcontractors. Contractor shall include a complete and exclusive statement of the product warranty.

3.12 Price Warranty. Contractor shall give the Town the benefit of any price reductions before actual time of shipment, except that should the Procurement Representative of the Town permit shipment to be made prior to specified shipping date that the Town shall have advantage of any price reduction before specified shipping date.

3.13 Inspection; Acceptance. All Materials are subject to final inspection and acceptance by the Town. Materials failing to conform to the Specifications of this Contract will be held at Contractor's risk and may be returned to the Contractor. If so returned, all costs are the responsibility of the Contractor. Upon discovery of a non-conforming material or services, the Town may elect to do any or all of the following by written notice to the Contractor: (A) waive the non-conformance; (B) stop the work immediately; or (C) bring material or service into compliance and withhold the cost of same from any payments due to the Contractor.

3.14 Waiver. Waiver by the Town of a condition in any shipment shall not be considered a waiver of (1) any other terms of this Contract or (2) that condition for subsequent shipments.

3.15 Product Documentation. Two copies of books, manuals or CD's when possible, shall accompany each unit and provide complete and comprehensive information on all Materials, components and accessories, as supplied to comply with the Specifications. If changes, modifications, additions or alterations of any kind are made on the Materials, the Contractor shall provide blueprints, line drawings and descriptive text sufficient to allow one of average skill in general mechanics to diagnose, repair and maintain the Materials and all components. On Materials assembled from manufactured components, parts manuals shall show the manufacturer of each part and all cross-referencing between the Contractor and the manufacturers. The Town shall have the right to reproduce any equipment/product documentation for Town educational purposes only.

3.16 Product Discontinuance. In the event that a product or model is discontinued by the manufacturer, the Town at its sole discretion may allow the Contractor to provide a substitute for the

discontinued item. The Contractor shall request permission to substitute a new product or model and provide the following: (A) a formal announcement from the manufacturer that the product or model has been discontinued, (B) documentation from the manufacturer that names the replacement product or model, (C) documentation that provides clear and convincing evidence that the replacement meets or exceeds all specifications required by the original solicitation, (D) documentation that provides clear and convincing evidence that the replacement will be compatible with all the functions or uses of the discontinued product or model and (E) documentation confirming that the price for the replacement is the same as or less than the discontinued product or model.

3.17 No Replacement of Defective Tender. Every tender of Materials shall fully comply with all provisions of the Contract. If a tender is made which does not fully conform, this shall constitute a breach of the Contract as a whole.

3.18 Shipment Under Reservation Prohibited. Contractor is not authorized to ship Materials under reservation and no tender of a bill of lading will operate as a tender of the materials.

3.19 Liens. All Materials shall be free of all liens and, if the Town requests, a formal release of all liens shall be delivered to the Town.

3.20 Right to Assurance. Whenever one party to this Contract in good faith has reason to question the other party's intent to perform it may demand that the other party give a written assurance of its intent to perform. In the event that a demand is made and no written assurance is given within five days, the demanding party may treat this failure as an anticipatory repudiation of the Contract.

3.21 Records and Audit Rights. Contractor's and its Subcontractor's books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Contract, including the papers of any Contractor and its Subcontractors' employees who perform any work or services pursuant to this Contract to ensure that the Contractor and its Subcontractor are complying with the warranty under Section 3.22 below (all the foregoing hereinafter referred to as "Records"), shall be open to inspection and subject to audit and/or reproduction during normal working hours by the Town, to the extent necessary to adequately permit (1) evaluation and verification of any invoices, payments or claims based on Contractor's and its Subcontractor's actual costs (including direct and indirect costs and overhead allocations) incurred, or units expended directly in the performance of work under this Contract and (2) evaluation of the Contractor's and its Subcontractor's compliance with the Arizona employer sanctions laws referenced in Section 3.22 below. To the extent necessary for the Town to audit Records as set forth in this subsection, Contractor and its Subcontractors hereby waive any rights to keep such Records confidential. For the purpose of evaluating or verifying such actual or claimed costs or units expended, the Town shall have access to said Records from the effective date of this Contract for the duration of the work and until three years after the date of final payment by the Town to Contractor pursuant to this Contract its Subcontractor facilities, and shall be provided adequate and appropriate workspace, in order to conduct audits in compliance with the provisions of this Section. The Town shall give Contractor or its Subcontractors reasonable advance notice of intended audits. Contractor shall require its Subcontractors to comply with the provisions of this Section by insertion of the requirements hereof in any subcontract pursuant to this Contract.

3.22 E-verify Requirements. To the extent applicable under ARIZ. REV. STAT. § 41-4401, the Contractor and its Subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and compliance with the E-verify requirements under ARIZ. REV. STAT.§ 23-214(A). Contractor's or its Subcontractor's failure to comply with such warranty shall be deemed a material breach of this Contract and may result in the termination of this Contract by the Town.

3.23 Scrutinized Business Operations. Pursuant to ARIZ. REV. STAT. §§ 35-391.06 and 35-393.06, the Contractor certifies that it does not have a scrutinized business operation in Sudan or Iran. For the purpose

of this Section the term "scrutinized business operations" shall have the meanings set forth in ARIZ. REV. STAT. § 35-391 or and 35-393, as applicable. If the Town determines that the Contractor submitted a false certification, the Town may impose remedies as provided by law including terminating this Contract pursuant to Section 3.31 below.

3.24 Right to Inspect Plant. The Town may, at reasonable times, inspect the part of the plant or place of business of the Contractor or Subcontractor that is related to the performance of this Contract.

3.25 Patents and Copyrights. All services, information, computer program elements, reports and other deliverables, which may be patented or copyrighted and created under this Contract are the property of the Town and shall not be used or released by the Contractor or any other person except with the prior written permission of the Town.

3.26 Advertising. Contractor shall not advertise or publish information concerning this Contract without prior, written consent of the Town.

3.27 Licenses; Materials. Contractor shall maintain in current status all federal, state and local licenses and permits required for the operation of the business conducted by the Contractor. The Town has no obligation to provide Contractor, its employees or subcontractors any business registrations or licenses required to perform the specific services set forth in this Contract. The Town has no obligation to provide tools, equipment or material to Contractor.

3.28 Indemnification. To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the Town and each council member, officer, employee or agent thereof (the Town and any such person being herein called an "Indemnified Party"), for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever ("Claims"), insofar as such Claims (or actions in respect thereof) relate to, arise out of, or are caused by or based upon the negligent acts, intentional misconduct, errors, mistakes or omissions, in connection with the work or services of the Contractor, its officers, employees, agents, or any tier of subcontractor in the performance of this Contract. The amount and type of insurance coverage requirements set forth below will in no way be construed as limiting the scope of the indemnity in this Section.

3.29 Insurance.

A. General.

1. Insurer Qualifications. Without limiting any obligations or liabilities of Contractor, Contractor shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies duly licensed by the State of Arizona with an AM Best, Inc. rating of A- or above with policies and forms satisfactory to the Town. Failure to maintain insurance as specified herein may result in termination of this Contract at the Town's option.

2. No Representation of Coverage Adequacy. By requiring insurance herein, the Town does not represent that coverage and limits will be adequate to protect Contractor. The Town reserves the right to review any and all of the insurance policies and/or endorsements cited in this Contract but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Contract or failure to identify any insurance deficiency shall not relieve Contractor from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Contract.

3. Additional Insured. [INTENTIONALLY OMITTED]

4. Coverage Term. All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Contract are satisfactorily performed, completed and formally accepted by the Town, unless specified otherwise in this Contract.

5. Primary Insurance. Contractor's insurance shall be primary insurance with respect to performance of this Contract and in the protection of the Town as an Additional Insured.

6. Waiver. All policies, except for Professional Liability, including Workers' Compensation insurance, shall contain a waiver of rights of recovery (subrogation) against the Town, its agents, representatives, officials, officers and employees for any claims arising out of the work or services of Contractor. Contractor shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

7. Policy Deductibles and/or Self-Insured Retentions. The policies set forth in these requirements may provide coverage that contains deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be applicable with respect to the policy limits provided to the Town. Contractor shall be solely responsible for any such deductible or self-insured retention amount.

8. Use of Subcontractors. If any work under this Contract is subcontracted in any way, Contractor shall execute written agreement with Subcontractor containing the indemnification provisions set forth in this subsection and insurance requirements set forth herein protecting the Town and Contractor. Contractor shall be responsible for executing the agreement with Subcontractor and obtaining certificates of insurance verifying the insurance requirements.

9. Evidence of Insurance. Prior to commencing any work or services under this Contract, Contractor will provide the Town with suitable evidence of insurance in the form of certificates of insurance and a copy of the declaration page(s) of the insurance policies as required by this Contract, issued by Contractor's insurance insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverages, conditions and limits of coverage specified in this Contract and that such coverage and provisions are in full force and effect. Confidential information such as the policy premium may be redacted from the declaration page(s) of each insurance policy, provided that such redactions do not alter any of the information required by this Contract. The Town shall reasonably rely upon the certificates of insurance and declaration page(s) of the insurance policies as evidence of coverage but such acceptance and reliance shall not waive or alter in any way the insurance requirements or obligations of this Contract. In the event any insurance policy required by this Contract is written on a "claims made" basis, coverage shall extend for two years past completion of the Services and the Town's acceptance of the Contractor's work or services and as evidenced by annual certificates of insurance. If any of the policies required by this Contract expire during the life of this Contract, it shall be Contractor's responsibility to forward renewal certificates and declaration page(s) to the Town 30 days prior to the expiration date. All certificates of insurance and declarations required by this Contract shall be identified by referencing this Contract. A $25.00 administrative fee shall be assessed for all certificates or declarations received without a reference to this Contract. Additionally, certificates of insurance and declaration page(s) of the insurance policies submitted without referencing a contract number will be subject to rejection and may be returned or discarded. Certificates of insurance and declaration page(s) shall specifically include the following provisions:

a. The Town, its agents, representatives, officers, directors, officials and employees are Additional Insureds as follows:

(i) Commercial General Liability - Under Insurance Services Office, Inc., ("ISO") Form CG 20 10 03 97 or equivalent.

(ii) Auto Liability - Under ISO Form CA 20 48 or equivalent.

(iii) Excess Liability - Follow Form to underlying insurance.

b. Contractor's insurance shall be primary insurance as respects performance of the Contract.

c. All policies, except for Professional Liability, including Workers' Compensation, waive rights of recovery (subrogation) against Town, its agents, representatives, officers, officials and employees for any claims arising out of Work or Services performed by Contractor under this Contract.

d. A 30-day advance notice cancellation provision. If ACORD certificate of insurance form is used, the phrases in the cancellation provision "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted.

B. Required Insurance Coverage.

1. Commercial General Liability. Contractor shall maintain "occurrence" form Commercial General Liability insurance with an unimpaired limit of not less than $1,000,000 for each occurrence, $2,000,000 Products and Completed Operations Annual Aggregate and a $2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as ISO policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insured's clause. To the fullest extent allowed by law, for claims arising out of the performance of this Contract, the Town, its agents, representatives, officers, officials and employees shall be cited as an Additional Insured under ISO, Commercial General Liability Additional Insured Endorsement form CG 20 10 03 97, or equivalent, which shall read "Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you." If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

2. Vehicle Liability. Contractor shall maintain Business Automobile Liability insurance with a limit of $1,000,000 each occurrence on Contractor's owned, hired and non-owned vehicles assigned to or used in the performance of the Contractor's work or services under this Contract. Coverage will be at least as broad as ISO coverage code "1" "any auto" policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of the performance of this Contract, the Town, its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured under ISO Business Auto policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

3. Professional Liability. [INTENTIONALLY OMITTED]

4. Workers' Compensation Insurance. Contractor shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction

over Contractor's employees engaged in the performance of work or services under this Contract and shall also maintain Employers Liability Insurance of not less than $500,000 for each accident, $500,000 disease for each employee and $1,000,000 disease policy limit.

C. Cancellation and Expiration Notice. Insurance required herein shall not expire, be canceled, or materially changed without 30 days' prior written notice to the Town.

3.30 Applicable Law; Venue. In the performance of this Contract, Contractor shall abide by and conform to any and all laws of the United States, State of Arizona and Town of Fountain Hills, including but not limited to, federal and state executive orders providing for equal employment and procurement opportunities, the Federal Occupational Safety and Health Act and any other federal or state laws applicable to this Contract. This Contract shall be governed by the laws of the State of Arizona and suit pertaining to this Contract may be brought only in courts in Maricopa County, Arizona.

3.31 Termination; Cancellation.

A. For Town's Convenience. This Contract is for the convenience of the Town and, as such, may be terminated without cause after receipt by Contractor of written notice by the Town. Upon termination for convenience, Contractor shall be paid for all undisputed services performed to the termination date.

B. For Cause. This Contract may be terminated by either party upon 30 days' written notice should the other party fail to substantially perform in accordance with this Contract's terms, through no fault of the party initiating the termination. In the event of such termination for cause, payment shall be made by the Town to the Contractor for the undisputed portion of its fee due as of the termination date.

C. Due to Work Stoppage. This Contract may be terminated by the Town upon 30 days' written notice to Contractor in the event that the services are permanently abandoned. In the event of such termination due to work stoppage, payment shall be made by the Town to the Contractor for the undisputed portion of its fee due as of the termination date.

D. Conflict of Interest. This Contract is subject to the provisions of ARIZ. REV. STAT. § 38-511. The Town may cancel this Contract without penalty or further obligations by the Town or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating this Contract on behalf of the Town or any of its departments or agencies is, at any time while the Contract or any extension of the Contract is in effect, an employee of any other party to the Contract in any capacity or a Contractor to any other party of the Contract with respect to the subject matter of the Contract.

E. Gratuities. The Town may, by written notice to the Contractor, cancel this Contract if it is found by the Town that gratuities, in the form of economic opportunity, future employment, entertainment, gifts or otherwise, were offered or given by the Contractor or any agent or representative of the Contractor to any officer, agent or employee of the Town for the purpose of securing this Contract. In the event this Contract is cancelled by the Town pursuant to this provision, the Town shall be entitled, in addition to any other rights and remedies, to recover or withhold from the Contractor an amount equal to 150% of the gratuity.

3.32 Miscellaneous.

A. Independent Contractor. The Contractor acknowledges and agrees that all Materials provided under this Contract are being provided as an independent contractor, not as an employee or agent of the Town. Contractor, its employees and subcontractors are not entitled to workers' compensation benefits from the Town. The Town does not have the authority to supervise or control the actual work of Contractor, its employees or subcontractors. Contractor is neither prohibited from entering into other contracts nor prohibited

from practicing its profession elsewhere. Town and Contractor do not intend to nor will they combine business operations under this Contract.

B. Laws and Regulations. The Contractor shall keep fully informed and shall at all times during the performance of its duties under this Contract ensure that it and any person for whom the Contractor is responsible remains in compliance with all rules, regulations, ordinances, statutes or laws affecting the services, including the following: (1) existing and future Town and County ordinances and regulations, (2) existing and future state and federal laws, (3) existing and future Occupational Safety and Health Administration ("OSHA") standards and (4) Arizona employer sanctions provisions.

C. Amendments. This Contract may be modified only by a written amendment signed by persons duly authorized to enter into contracts on behalf of the Town and the Contractor.

D. Provisions Required by Law. Each and every provision of law and any clause required by law to be in the Contract will be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, the Contract will promptly be physically amended to make such insertion or correction.

E. Severability. The provisions of this Contract are severable to the extent that any provision or application held to be invalid by a Court of competent jurisdiction shall not affect any other provision or application of the Contract which may remain in effect without the invalid provision or application.

F. Relationship of the Parties. It is clearly understood that each party will act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Contractor is advised that taxes or Social Security payments will not be withheld from any Town payments issued hereunder and Contractor agrees to be fully and solely responsible for the payment of such taxes or any other tax applicable to this Contract.

G. Entire Agreement; Interpretation; Parol Evidence. This Contract represents the entire agreement of the parties with respect to its subject matter, and all previous agreements, whether oral or written, entered into prior to this Contract are hereby revoked and superseded by this Contract. No representations, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein, or in any other contemporaneous written agreement executed for the purposes of carrying out the provisions of this Contract. This Contract shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of, or against the party drafting the Contract. The parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of, and entry into this Contract.

H. Assignment. No right or interest in this Contract shall be assigned by Contractor without prior, written permission of the Town signed by the Town Manager and no delegation of any duty of Contractor shall be made without prior, written permission of the Town signed by the Town Manager. Any attempted assignment or delegation by Contractor in violation of this provision shall be a breach of this Contract by Contractor.

I. Subcontracts. No subcontract shall be entered into by the Contractor with any other party to furnish any of the material or services specified herein without the prior written approval of the Town. The Contractor is responsible for performance under this Contract whether or not subcontractors are used.

J. Rights and Remedies. No provision in this Contract shall be construed, expressly or by implication, as waiver by the Town of any existing or future right and/or remedy available by law in the event of any claim of default or breach of this Contract. The failure of the Town to insist upon the strict performance of any term or condition of this Contract or to exercise or delay the exercise of any right or remedy provided in this

Contract, or by law, or the Town's acceptance of and payment for services, shall not release the Contractor from any responsibilities or obligations imposed by this Contract or by law, and shall not be deemed a waiver of any right of the Town to insist upon the strict performance of this Contract.

K. Attorneys' Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Contract or on account of any breach or default hereof, the prevailing party shall be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, determined by the court sitting without a jury, which shall be deemed to have accrued on the commencement of such action and shall be enforced whether or not such action is prosecuted through judgment.

L. Offset.

1. Offset for Damages. In addition to all other remedies at law or equity, the Town may offset from any money due to the Contractor any amounts Contractor owes to the Town for damages resulting from breach or deficiencies in performance or breach of any obligation under this Contract.

2. Offset for Delinquent Fees or Taxes. The Town may offset from any money due to the Contractor any amounts Contractor owes to the Town for delinquent fees, transaction privilege taxes and property taxes, including any interest or penalties.

M. Notices and Requests. Any notice or other communication required or permitted to be given under this Contract shall be in writing and shall be deemed to have been duly given if (1) delivered to the party at the address set forth below, (2) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below, (3) given to a recognized and reputable overnight delivery service, to the address set forth below or (4) delivered by facsimile transmission to the number set forth below:

If to the Town:
Town of Fountain Hills
16705 East Avenue of the Fountains
Fountain Hills, Arizona 85268
Facsimile: 480-837-3145
Attn: Richard L. Davis, Town Manager

With copy to:
GUST ROSENFELD, P.L.C.
One East Washington Street, Suite 1600
Phoenix, Arizona 85004-2553
Facsimile: 602-254-4878
Attn: Andrew J. McGuire, Esq.

If to Contractor:
Arizona Generator Technologies
dba Gen-Tec
7901 N. 70th Ave., Glendale, AZ 85303
Facsimile: 623-937-0408
Attn: 623-937-1719

or at such other address, and to the attention of such other person or officer, as any party may designate in writing by notice duly given pursuant to this section. Notices shall be deemed received (1) when delivered to the party, (2) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage, (3) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day, or (4) when received by facsimile transmission during the normal business hours of the recipient. If a copy of a notice is also given to a party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and refer to the date

on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

N. Confidentiality of Records. The Contractor shall establish and maintain procedures and controls that are acceptable to the Town for the purpose of ensuring that information contained in its records or obtained from the Town or from others in carrying out its obligations under this Contract shall not be used or disclosed by it, its agents, officers, or employees, except as required to perform Contractor's duties under this Contract. Persons requesting such information should be referred to the Town. Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Contractor as needed for the performance of duties under this Contract.

O. Conflicting Terms. In the event of a conflict between the IFB, the Contractor's response to the IFB, the Specifications, the Price Sheet and this Contract, the terms of this Contract shall govern.

P. Non-Exclusive Contract. This Contract is entered into with the understanding and agreement that it is for the sole convenience of the Town of Fountain Hills. The Town reserves the right to obtain like goods and services from another source when necessary.

Q. Cooperative Purchasing. This Contract shall be for the use of the Town. In addition, specific eligible political subdivisions and nonprofit educational or public health institutions may also participate, at their discretion and with the agreement of the awarded Contract. In order to participate in this Contract, a political subdivision or nonprofit educational or public health institution must agree to the terms and conditions in the solicitation and the Contractor must be in agreement with the cooperative transaction. Any orders placed to the successful Contractor will be placed by the specific agencies participating in this purchase. Payment for purchases made under this Contract will be the sole responsibility of each participating agency. The Town shall not be responsible for any disputes arising out of transactions made by others.

EXHIBIT A
TO
INVITATION FOR BID NO. 111001

[Specifications]

See following pages.

SPECIFICATIONS
DIESEL FUELED STANDBY GENERATORS

Specifications - Generator #1

Packaged generator set rated 80kW standby, Single Phase, 120/240V, 60Hz, and 1.0 Power Factor
Must be EPA Certified
Must be made in USA
Must be UL Listed
Must be built to NEMA, ASTM, and NFPA Standards
Elastomeric vibration isolation between engine/generator and mounting rails
Pad type vibration isolation pads for field installation under mounting rails
Four cycle, water cooled diesel fueled engine
Jacket water heater, 1500W, 240VAC
12V DC electric starting with battery charging alternator
Gel Cell 12V battery
12V DC automatic battery charger, 10A, 120V AC with:

1. DC ammeter
2. DC voltmeter
3. Automatic equalizer system
4. Fused AC input and DC output

Programmable automatic start/stop engine control and monitoring system with:

1. AC voltage
2. DC amperage
3. Kilowatts
4. Power Factor
5. Reactive power (kVAR)
6. Oil pressure
7. Water temperature
8. Water level
9. Fuel pressure
10. Engine speed
11. Battery voltage
12. Alternator frequency
13. Current Time and Date
14. Transfer switch status
15. Service reminders
16. Trending
17. Fault history (alarm log)

Built in PLC for special applications
Audible alarm for fault condition
Emergency Stop Pushbutton
Programmable engine control and monitoring module including:

Manual off, auto switch
Four LED's to indicate:

1. Not in Auto
2. Alarm Active
3. Generator Running
4. Generator Ready

Communications via RS232, RS485 or optional modem
Shutdowns with indications for:

1. Overvoltage
2. Over-speed
3. Low oil pressure
4. High coolant temperature
5. Low coolant level

Specifications - Generator #1

Programmable weekly exerciser
Digital voltage regulator
Isochronous governor controller
Waterproof electrical connectors
Remote annunciator panel
Mainline circuit breaker installed-600A, UL listed
Level 1 sound attenuated weather protective enclosure
Exhaust silencer with SS flex connector and rain cap-installed
Minimum 28 hour run time sub base fuel tank with:

1. UL142 listed-double wall construction
2. Emergency vent
3. Fuel Level gauge
4. Leak detection alarm
5. Low fuel level alarm
6. 1/2" NPT fuel supply and return connections
7. 2" NPT fuel fill with cap
8. 4" NPT for emergency vent
9. 3/8" NPT drain (plugged)
10. Electrical stub-up area

Automatic Transfer Switch rated and equipped as follows:

1. 600A 2 Pole, Single Phase, 120/240V, 60Hz
2. Nema 3R enclosure with hinged door and key-locking handle
3. Single coil design, electrically operated and mechanically held
4. Weekly exerciser 7 day programmable
5. SPDT auxiliary contacts - One normal source, one emergency source
6. Silver plated or silver alloy main contacts
7. Conformal coating on all printed circuit boards
8. Switch position indicating lights - Normal, Emergency, and Standby Operating
9. Three position switch - Fast Test, Auto, and Normal Test
10. Lugged for:
    a. Switch Terminal = 2 x 1/0 to 500 MCM
    b. Neutral Bar = 6 x #6 to 500 MCM or 1 x #6 to 350 MCM
    c. Ground Lug = 1 x #6 to 350 MCM
11. WC Rating:
    42 Kaic, circuit breaker rated 750 Amps Max
    200 Kaic, Class L or T current limiting fuses, rated 800 Amps Max

CPU microprocessor logic control with in-phase monitor:

Adjustable utility Voltage dropout, pickup and line interrupt
Engine minimum run - adjustable
Engine warm-up - adjustable
Return to utility - adjustable
Engine Cool-down - adjustable
Standby voltage - adjustable
Standby frequency - adjustable
Time delay neutral - adjustable
Transfer on exercise - On/Off Switch
Warm-up timer bypass - On/Off Switch
Time delay neutral bypass - On/Off Switch
In-phase Monitor - On/Off Switch

Specifications - Generator #1

Door mounted control switches
UL 1008 listed and CSA certified
Two (2) sets operation, maintenance, repair, and parts manuals
UL2200 Certification on Generator Set
Startup services and testing after installation
Onsite operation and maintenance training
Two (2) year/2000 hour factory warranty

Notes and Clarifications: Unless otherwise stated

1. Delivery, unloading, setting unit on existing pad will be provided by winning bidder.
2. Initial fill of diesel will be provided by The Town of Fountain Hills.
3. Terms: Net 30 from delivery date.

Specifications – Generator #2

Packaged generator set rated 50kW standby, 3 Phase, 120/208V, 60Hz, and 1.0 Power Factor
Must be EPA Certified
Must be made in USA
Must be UL Listed
Must be built to NEMA, ASTM, and NFPA Standards
Elastomeric vibration isolation between engine/generator and mounting rails
Pad type vibration isolation pads for field installation under mounting rails
Four cycle, water cooled diesel fueled engine
Jacket water heater, 1500W, 240VAC
12V DC electric starting with battery charging alternator
Gel Cell 12V battery
12V DC automatic battery charger, 10A, 120V AC with:

1. DC ammeter
2. DC voltmeter
3. Automatic equalizer system
4. Fused AC input and DC output

Programmable automatic start/stop engine control and monitoring system with:
Two 4 line x 20 displays to monitor and display

1. AC voltage
2. DC amperage
3. Kilowatts
4. Power Factor
5. Reactive power (kVAR)
6. Oil pressure
7. Water temperature
8. Water level
9. Fuel pressure
10. Engine speed
11. Battery voltage
12. Alternator frequency
13. Current Time and Date
14. Transfer switch status
15. Service reminders
16. Trending
17. Fault history (alarm log)

Built in PLC for special applications
Audible alarm for fault condition
Emergency Stop Pushbutton
Programmable engine control and monitoring module including:

Manual off, auto switch
Four LED's to indicate:

1. Not in Auto
2. Alarm Active
3. Generator Running
4. Generator Ready

Communications via RS232, RS485 or optional modem
Shutdowns with indications for:

1. Overvoltage
2. Over-speed
3. Low oil pressure
4. High coolant temperature
5. Low coolant level

Programmable weekly exerciser

Specifications – Generator #2

Digital voltage regulator
Isochronous governor controller
Waterproof electrical connectors
Remote annunciator panel
Mainline circuit breaker installed-400A, UL listed
Level 1 sound attenuated weather protective enclosure
Exhaust silencer with SS flex connector and rain cap-installed
Minimum 28 hour run time sub base fuel tank with:

1. UL142 listed-double wall construction
2. Emergency vent
3. Fuel Level gauge
4. Leak detection alarm
5. Low fuel level alarm
6. 1/2" NPT fuel supply and return connections
7. 2" NPT fuel fill with cap
8. 4" NPT for emergency vent
9. 3/8" NPT drain (plugged)
10. Electrical stub-up area

Automatic Transfer Switch rated and equipped as follows:

1. 400A 3 Pole, 3 Phase, 120/240V, 60Hz
2. Nema 3R enclosure with hinged door and key-locking handle
3. Single coil design, electrically operated and mechanically held
4. Weekly exerciser 7 day programmable
5. SPDT auxiliary contacts - One normal source, one emergency source
6. Silver plated or silver alloy main contacts
7. Conformal coating on all printed circuit boards
8. Switch position indicating lights - Normal, Emergency, and Standby Operating
9. Three position switch - Fast Test, Auto, and Normal Test
10. Lugged for:
    a. Switch Terminal = 3 x 1/0 to 250 MCM
    b. Neutral Bar = 4 x #1 to 600 MCM or 2 x 1/0 to 250 MCM
    c. Ground Lug = 1 x #6 to 350 MCM
11. WC Rating:
    35 Kaic, circuit breaker rated 600 Amps Max
    200 Kaic, Class J or T current limiting fuses, rated 600 Amps Max

CPU microprocessor logic control with in-phase monitor:

Adjustable utility Voltage dropout, pickup and line interrupt
Engine minimum run - adjustable
Engine warm-up - adjustable
Return to utility - adjustable
Engine Cool-down - adjustable
Standby voltage - adjustable
Standby frequency - adjustable
Time delay neutral - adjustable
Transfer on exercise - On/Off Switch
Warm-up timer bypass - On/Off Switch
Time delay neutral bypass - On/Off Switch
In-phase Monitor - On/Off Switch

Door mounted control switches

Specifications – Generator #2

UL 1008 listed and CSA certified
Two (2) sets operation, maintenance, repair, and parts manuals
UL2200 Certification on Generator Set
Startup services and testing after installation
Onsite operation and maintenance training
Two (2) year/2000 hour factory warranty

Notes and Clarifications: Unless otherwise stated

1. Delivery, unloading, setting unit on existing pad will be provided by winning bidder.
2. Initial fill of diesel will be provided by The Town of Fountain Hills.
3. Terms: Net 30 from delivery date.

EXHIBIT B
TO
INVITATION FOR BID NO. 111001

[Price Sheet]

See following page.

PRICE SHEET
DIESEL FUELED STANDBY GENERATORS

Item	Description of material and/or services	Quantity	Unit	Unit Price	Extended Price
1	Generator #1		Each		25,459.00
	Crane / offloading				665.00
2	Generator #2		Each		21,154.00
	Crane / offloading				665.00
	Subtotal:				$47,943.00
	Tax Rate 9.5 % Taxes:				$4,554.58
	Total:				$52,497.58

1333193.2

LICENSE; DBE/WBE STATUS
DIESEL FUELED STANDBY GENERATORS

Attach a copy of your Business License to your bid submittal.

* Business License must be either a Town of Fountain Hills Privilege Tax Business License or an Arizona Transaction Tax (sales) Privilege Tax License

Has your firm been certified by any jurisdiction in Arizona as a minority or woman owned business enterprise? Yes_____, No___V_____.

If yes, please provide details and documentation of the certification.

ARIZONA DEPARTMENT OF REVENUE
LICENSE & REGISTRATION SECTION
1600 WEST MONROE
PHOENIX, ARIZONA 85007-2650

DISPLAYED IN A
CONSPICUOUS PLACE

TRANSACTION PRIVILEGE TAX LICENSE

—NOT TRANSFERABLE—

THIS LICENSE CAN NOT BE TRANSFERRED FROM ONE PERSON TO ANOTHER NOR CAN IT BE TRANSFERRED FROM ONE PLACE TO ANOTHER. STATUTES REQUIRE LICENSEES TO NOTIFY THE DEPARTMENT OF REVENUE IF BUSINESS IS DISCONTINUED, CHANGE IN NAME OF BUSINESS, CHANGE IN TRADE NAME, CHANGE IN LOCATION, CHANGE IN MAILING ADDRESS OR IF THERE IS A CHANGE IN OWNERSHIP.

THE BELOW NAMED LICENSEE IS HEREBY LICENSED TO CONDUCT BUSINESS, IN THE NAME OF THE LICENSEE NAMED AND THE ADDRESS SHOWN. UPON THE CONDITION THAT HE SHALL PAY THE TAX ACCRUING TO THE ARIZONA DEPARTMENT OF REVENUE UNDER PROVISIONS OF ARS TITLE 42, CHAPTER 5, ARTICLE 1.

ISSUED TO

07-375250-0

ALL communications and Reports MUST REFER to this LICENSE NO.

ARIZONA GENERATOR TECHNOLOGY INC
C/O ARIZONA GENERATOR TECHNOLOGY INC
8425 N. 31ST DR
PHOENIX, AZ 85051

17 BUSINESS CODE

06/10/90 **EFFECTIVE DATE**

(DBA) ARIZONA GENERATOR TECHNOLOGY INC
8425 N. 31ST DR
PHOENIX, AZ 85051

06/08/90 **PRINT DATE**

DOR 87026 (1/88)

EXHIBIT D
TO
INVITATION FOR BID NO. 111001

[References]

See following page.

REFERENCES
DIESEL FUELED STANDBY GENERATORS

Provide the following information for three (3) clients for whom Bidder has provided materials or services of similar size and scope with the past (36) months. These references will be checked, so make sure all information is accurate and current. Failure to provide three (3) accurate or suitable references may result in disqualification.

1. Company: Gaylor Electric
Address: 330 S. River Dr.
City/State/Zip Code: Tempe AZ 85281
Contact: Roger White
Telephone Number: 602-252-0737
Date of Contract Initiation: August 12, 2009

Project Description: (Include Final Costs) Midwestern University Dental

2. Company: AJP Electric
Address: 11250 N. Cave Creek Rd
City/State/Zip Code: Phx, AZ 85020
Contact: Jeff Thompson
Telephone Number: 602-944-5477
Date of Contract Initiation: 12/16/2009

Project Description: (Include Final Costs) Mesa Fire Station #215

3. Company: Interstates Construction Services
Address: 3048 N. Cessna
City/State/Zip Code: Casa Grande, AZ 85122
Contact:
Telephone Number: 520-413-7811
Date of Contract Initiation: 7/09/2010

Project Description: (Include Final Costs) Casa Grande Fire Station #504

1333193.2

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 10/26/2010

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Lovitt & Touche' Inc - Phoenix
P. O. Box 64985
Phoenix AZ 85082

CONTACT NAME: Lenore Marshall
PHONE (A/C, No, Ext): 602-956-2250 FAX (A/C, No): 602-956-2258
E-MAIL ADDRESS: lmarshall@lovitt-touche.com
PRODUCER CUSTOMER ID #: GENTE-1

INSURED
Arizona Generator Technology, Inc. d.b.a.
GEN-TECH; GEN-TECH of Nevada; KPTP09, LLC
7901 N. 70th Avenue
Glendale AZ 85303

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: VALLEY FORGE INSURANCE CO	20508
INSURER B: CONTINENTAL CASUALTY COMPANY	20443
INSURER C: NATIONAL FIRE INS CO	20893
INSURER D:	
INSURER E:	
INSURER F:	

COVERAGES CERTIFICATE NUMBER: 83681792 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY	Y	Y	C4026288679	9/1/2010	9/1/2011	EACH OCCURRENCE	$1,000,000
	X COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence)	$100,000
	CLAIMS-MADE X OCCUR						MED EXP (Any one person)	$5,000
							PERSONAL & ADV INJURY	$1,000,000
							GENERAL AGGREGATE	$2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: POLICY X PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$2,000,000
								$
C	AUTOMOBILE LIABILITY	Y		C4026288696	9/1/2010	9/1/2011	COMBINED SINGLE LIMIT (Ea accident)	$1,000,000
	X ANY AUTO						BODILY INJURY (Per person)	$
	ALL OWNED AUTOS						BODILY INJURY (Per accident)	$
	SCHEDULED AUTOS						PROPERTY DAMAGE (Per accident)	$
	X HIRED AUTOS						GarageKeepers	$
	X NON-OWNED AUTOS						Max Limit	$300,000
	X GarageKeepers							
B	X UMBRELLA LIAB X OCCUR			4026288682	9/1/2010	9/1/2011	EACH OCCURRENCE	$5,000,000
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	$5,000,000
	DEDUCTIBLE							$
	X RETENTION $10,000							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						WC STATU-TORY LIMITS / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N	N/A					E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$
B	Leased/Rented Contractors Equipment from Others			4026139396	9/1/2010	9/1/2011	Limit Deductible	$500,000 $5,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Certificate Holder is an Additional Insured as respects General Liability if required in a written contract per G140331B and Auto Liability per CA2048 02/99. Primary and Non-contributory language applies. Waiver of Subrogation applies to General Liability if required in a written contract per CG2404 05/09. Additional insured; Town of Fountain Hills. RE any and all projects

CERTIFICATE HOLDER

Town of Fountain Hills
16705 E. Avenue of the Fountains
Fountain Hills AZ 85268

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Moni La Lande

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SCF Premier
At work for you

SCF Premier Insurance Company

Certificate of Insurance

Certificate Mailed To:

TOWN OF FOUNTAIN HILLS
16705 E. AVENUE OF THE FOUNTAINS
FOUNTAIN HILLS AZ 85268

Name of Insured:

Arizona Generator Technology
Inc/Gen-Tech
7901 N 70th Ave
Glendale AZ 85303

Date Issued:	10/27/2010
Certificate Number:	482
Policy Number:	P10564
Origin Date:	06/27/1990
Expiration Date:	06/01/2011
Liability Limits:	1000/1000/1000
	(000 Omitted)

Proof of Coverage
Description of Operations

ELEC APPAR-INSTAL/REPAIR, MACHINERY DEALERS-NOC-STORE OR YARD

Job Number: **Location:**

Will be renewed for the next policy period unless we are otherwise directed by our policyholder.

This Certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend or alter the coverage afforded by the policy listed hereon. This is to certify a workers' compensation policy has been issued to the insured listed hereon and is in force for the period referenced.

Certificate Issued To:

Town of Fountain Hills
16705 E. Avenue of the Fountains
Fountain Hills AZ 85268

Authorized Representative

Mood, Paul

From: Lela Burkey [lburkey@gentechus.com]
Sent: Wednesday, October 27, 2010 2:02 PM
To: Mood, Paul
Subject: RE: You have a Fax

Contract #2211-115

Arizona Generator Technologies
dBa Gen-Tech
7901 N. 70th Ave.
Glendale, Az 853030
Ph: (623) 937-1719
Fx: (623) 937-0408

-----Original Message-----
From: Mood, Paul [mailto:PMood@fh.az.gov]
Sent: Wednesday, October 27, 2010 1:51 PM
To: Lela Burkey
Subject: RE: You have a Fax

What name/address/fax should I put on page 15 of the contract for Gen-Tech contact information?

-----Original Message-----
From: Lela Burkey [mailto:lburkey@gentechus.com]
Sent: Wednesday, October 27, 2010 1:44 PM
To: Mood, Paul
Subject: RE: You have a Fax

Sounds good! Thank you and I appreciate your patience!

-----Original Message-----
From: Mood, Paul [mailto:PMood@fh.az.gov]
Sent: Wednesday, October 27, 2010 1:43 PM
To: Lela Burkey
Subject: RE: You have a Fax

I think that is it. I am putting the contract together to try to still get it on the 11/4 council agenda and will let you know if I need anything else.

-----Original Message-----
From: Lela Burkey [mailto:lburkey@gentechus.com]
Sent: Wednesday, October 27, 2010 1:42 PM
To: Mood, Paul
Subject: FW: You have a Fax

Paul,
Please let me know what else you are needing so I can get you taken care of today.

Lela Burkey
Gen-Tech
Power Generation Specialists
Cell: (602) 721-2032
E-mail: lburkey@gentechus.com

-----Original Message-----
From: AZFAX@gentechus.com [mailto:AZFAX@gentechus.com]
Sent: Wednesday, October 27, 2010 11:42 AM
To: Lela Burkey
Subject: You have a Fax

Reply to: AZFAX@gentechus.com <AZFAX@gentechus.com> Device Name: Gen-Tech Device Model: MX-3501N
Location: Not Set

File Format: PDF MMR(G4)
Resolution: 200dpi x 200dpi

Attached file is scanned image in PDF format.
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Policy Number C 4026288679

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE (OPTIONAL)

Name of Additional Insured Person(s) Or Organizations
(As required by written contract/agreement per Paragraph A. below.)

Location(s) of Covered Operations
(As per the written contract/agreement, provided the location is within the "coverage territory" of this Coverage Part.)

(Coverage under this endorsement is not affected by an entry or lack of entry in the Schedule above.)

A. **Section II - Who Is An Insured** is amended to include as an additional insured any person(s) or organization(s), including any person or organization shown in the Schedule above, whom you are required to add as an additional insured on this Coverage Part under a written contract or written agreement, provided:

   a. The written contract or written agreement was executed prior to:

      1. The "bodily injury" or "property damage"; or

      2. The offense that caused the "personal and advertising injury"

      for which the additional insured seeks coverage under this Coverage Part; and

   b. The written contract or written agreement pertains to your ongoing operations or "your work" for the additional insured(s).

B. The insurance provided to the additional insured is limited as follows:

   1. The person or organization is an additional insured only with respect to liability for "bodily injury," "property damage," or "personal and advertising injury" caused in whole or in part by:

      a. Your acts or omissions; or

      b. The acts or omissions of those acting on your behalf

      in the performance of your ongoing operations for the additional insured(s) or

      c. "Your work" that is included in the "products-completed operations hazard" and performed for the additional insured, but only if this Coverage Part provides such coverage, and only if the written contract or written agreement requires you to provide the additional insured such coverage.

   2. However, we will not provide the additional insured any broader coverage or any higher limit of insurance than the least of those:

      a. Required by the written contract or written agreement;

      b. Described in **B.1.** above; or

      c. Afforded to you under this policy.

   3. This insurance is excess of all other insurance available to the additional insured, whether primary, excess, contingent or on any other basis, unless the written contract or agreement requires this insurance to be primary. In that event, this insurance will be primary relative to insurance which covers the additional insured as a named insured. We will not require contribution from such insurance if the written contract or written agreement also requires that this insurance be non-contributory. But with respect to all other insurance under which the additional insured

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qualifies as an insured or additional insured, this insurance will be excess.

4. The insurance provided to the additional insured terminates when your operations for the additional insured are complete. But if the written contract or written agreement specifies a date until which this insurance must apply, then this insurance terminates:

   a. On the date specified in the written contract or written agreement; or

   b. When this policy expires or is cancelled,

   whichever occurs first.

C. With respect to the insurance afforded to the additional insured, the following additional exclusions apply.

   This insurance does not apply to:

   1. "Bodily injury," "property damage," or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering, or surveying services, including:

      a. The preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; and

      b. Supervisory, inspection, architectural or engineering activities.

   2. "Bodily injury," "property damage," or "personal and advertising injury" arising out of any premises or work for which the additional insured is specifically listed as an additional insured on another endorsement attached to this Coverage Part.

D. **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS** is amended as follows:

   1. The **Duties In The Event of Occurrence, Offense, Claim or Suit** condition is amended to add the following additional conditions applicable to the additional insured:

      An additional insured under this endorsement will as soon as practicable:

      (1) Give us written notice of an "occurrence" or an offense which may result in a claim or "suit" under this insurance, and of any claim or "suit" that does result;

      (2) Tender the defense and indemnity of any claim or "suit" to any other insurer or self insurer whose policy or program applies to a loss we cover under this Coverage Part;

      (3) Except as provided in Paragraph B.3 of this endorsement, agree to make available any other insurance the additional insured has for a loss we cover under this Coverage Part; and

      (4) Send us copies of all legal papers received, and otherwise cooperate with us in the investigation, defense, or settlement of the claim or "suit."

      We have no duty to defend or indemnify an additional insured under this endorsement until we receive from the additional insured written notice of a claim or "suit."

   2. With respect only to the insurance provided by this endorsement, the first sentence of Paragraph **4.a.** of the Other Insurance Condition is deleted and replaced with the following:

      4. Other Insurance

      a. Primary Insurance

      This insurance is primary and non-contributory except when rendered excess by this endorsement, or when Paragraph **b.** below applies.

E. The provisions of the written contract or written agreement do not in any way broaden or amend this Coverage Part.

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WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Person Or Organization:
See G-56015-B (ed 11-91)
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph **8. Transfer Of Rights Of Recovery Against Others To Us** of **Section IV – Conditions:**

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard." This waiver applies only to the person or organization shown in the Schedule above.

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POLICY NUMBER	INSURED NAME AND ADDRESS
C 4026288679	ARIZONA GENERATOR TECHNOLOGY 7901 NORTH 70TH AVE GLENDALE, AZ 85303-1300

POLICY CHANGES
WAIVER OF SUBROGATION

This Change Endorsement changes the Policy. Please read it carefully. This Change Endorsement is a part of your Policy and takes effect on the effective date of your Policy, unless another effective date is shown.

CG 24 04 SCHEDULE

Name of Person or Organization:

Any person or organization with whom you have agreed in writing in a contract or agreement to waive any right of recovery against such person or organization, but only if the contract or agreement:

1. Is in effect or becomes effective during the term of this policy; and
2. Was executed prior to loss.

Thomas F. Molaney
Chairman of the Board

Jonathan Kenton
Secretary

G-56015-B (ED. 11/91)

Policy Number C 4026288679

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GENERAL LIABILITY EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Coverage afforded under this extension of coverage endorsement does not apply to any person or organization covered as an additional insured on any other endorsement now or hereafter attached to this Coverage Part.

1. ADDITIONAL INSURED – BLANKET VENDORS

WHO IS AN INSURED (Section II) is amended to include as an additional insured any person or organization (referred to below as vendor) with whom you agreed, because of a written contract or agreement to provide insurance, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business, subject to the following additional exclusions:

1. The insurance afforded the vendor does not apply to:

   a. "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;

   b. Any express warranty unauthorized by you;

   c. Any physical or chemical change in the product made intentionally by the vendor;

   d. Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

   e. Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

   f. Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

   g. Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

   h. "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omission or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

      (1) The exceptions contained in Subparagraphs **d.** or **f.**; or

      (2) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

2. This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

3. This provision **1.** does not apply to any vendor included as an insured by an endorsement issued by us and made a part of this Coverage Part.

4. This provision **1.** does not apply if "bodily injury" or "property damage" included within the "products-completed operations hazard" is excluded either by the provisions of the Coverage Part or by endorsement.

2. MISCELLANEOUS ADDITIONAL INSUREDS

WHO IS AN INSURED (Section II) is amended to include as an insured any person or organization (called additional insured) described in paragraphs **2.a.** through **2.g.** below whom you are required to add as an additional insured on this policy under a written contract or agreement but the written contract or agreement must be:

1. Currently in effect or becoming effective during the term of this policy; and

2. Executed prior to the "bodily injury," "property damage" or "personal injury and advertising injury," but

Only the following persons or organizations are additional insureds under this endorsement and

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coverage provided to such additional insureds is limited as provided herein:

a. **State or Political Subdivisions**

A state or political subdivision subject to the following provisions:

(1) This insurance applies only with respect to the following hazards for which the state or political subdivision has issued a permit in connection with premises you own, rent, or control and to which this insurance applies:

(a) The existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoistaway openings, sidewalk vaults, street banners, or decorations and similar exposures; or

(b) The construction, erection, or removal of elevators; or

(2) This insurance applies only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

This insurance does not apply to "bodily injury," "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality.

b. **Controlling Interest**

Any persons or organizations with a controlling interest in you but only with respect to their liability arising out of:

(1) Their financial control of you; or

(2) Premises they own, maintain or control while you lease or occupy these premises.

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for such additional insured.

c. **Managers or Lessors of Premises**

A manager or lessor of premises but only with respect to liability arising out of the ownership, maintenance or use of that specific part of the premises leased to you and subject to the following additional exclusions:

This insurance does not apply to:

(1) Any "occurrence" which takes place after you cease to be a tenant in that premises; or

(2) Structural alterations, new construction or demolition operations performed by or on behalf of such additional insured.

d. **Mortgagee, Assignee or Receiver**

A mortgagee, assignee or receiver but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of a premises by you.

This insurance does not apply to structural alterations, new construction or demolition operations performed by or for such additional insured.

e. **Owners/Other Interests – Land is Leased**

An owner or other interest from whom land has been leased by you but only with respect to liability arising out of the ownership, maintenance or use of that specific part of the land leased to you and subject to the following additional exclusions:

This insurance does not apply to:

(1) Any "occurrence" which takes place after you cease to lease that land; or

(2) Structural alterations, new construction or demolition operations performed by or on behalf of such additional insured.

f. **Co-owner of Insured Premises**

A co-owner of a premises co-owned by you and covered under this insurance but only with respect to the co-owners liability as co-owner of such premises.

g. **Lessor of Equipment**

Any person or organization from whom you lease equipment. Such person or organization are insureds only with respect to their liability arising out of the maintenance, operation or use by you of equipment leased to you by such person or organization. A person's or organization's status as an insured under this endorsement ends when their written contract or agreement with you for such leased equipment ends.

With respect to the insurance afforded these additional insureds, the following additional exclusions apply:

This insurance does not apply:

(1) To any "occurrence" which takes place after the equipment lease expires; or

(2) To "bodily injury," "property damage," or "personal and advertising injury" arising out of the sole negligence of such additional insured.

Any insurance provided to an additional insured designated under paragraphs **a.** through **g.** above does not apply to "bodily injury" or "property damage" included within the "products-completed operations hazard."

As respects the coverage provided under this endorsement, Paragraph **4.b. SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS** is deleted and replaced with the following:

4. Other Insurance

b. Excess Insurance

This insurance is excess over:

Any other insurance naming the additional insured as an insured whether primary, excess, contingent or on any other basis unless a written contract or agreement specifically requires that this insurance be either primary or primary and noncontributing. Where required by written contract or agreement, we will consider any other insurance maintained by the additional insured for injury or damage covered by this endorsement to be excess and noncontributing with this insurance.

3. NEWLY FORMED OR ACQUIRED ORGANIZATIONS

Paragraph **3.a.** of **Section II – Who Is An Insured** is deleted and replaced by the following:

Coverage under this provision is afforded only until the end of the policy period or the next anniversary of this policy's effective date after you acquire or form the organization, whichever is earlier.

4. JOINT VENTURES / PARTNERSHIP / LIMITED LIABILITY COMPANY COVERAGE

A. The following is added to **Section II – Who Is An Insured:**

4. You are an insured when you had an interest in a joint venture, partnership or limited liability company which terminated or ended prior to or during this policy period but only to the extent of your interest in such joint venture, partnership or limited liability company. This coverage does not apply:

a. Prior to the termination date of any joint venture, partnership or limited liability company; or

b. If there is other valid and collectible insurance purchased specifically to insure the partnership, joint venture or limited liability company.

B. The last paragraph of **Section II – Who Is An Insured** is deleted and replaced by the following:

Except as provided in **4.** above, no person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

5. PARTNERSHIP OR JOINT VENTURES

Paragraph **1.b.** of **Section II – Who Is An Insured** is deleted and replaced by the following:

b. A partnership (including a limited liability partnership) or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.

6. EMPLOYEES AS INSUREDS – HEALTH CARE SERVICES

For other than a physician, paragraph **2.a(1)(d)** of **Section II – Who Is An Insured** does not apply with respect to professional health care services provided in the course of employment by you.

7. SUPPLEMENTARY PAYMENTS

A. Under **Section I – Supplementary Payments – Coverages A and B,** Paragraph **1.b.,** the limit of $250 shown for the cost of bail bonds is replaced by $2,500:

B. In Paragraph **1.d.,** the limit of $250 shown for daily loss of earnings is replaced by $1,000.

8. MEDICAL PAYMENTS

A. Paragraph **7. Medical Expense Limit,** of **Section III – Limits of Insurance** is deleted and replaced by the following:

7. Subject to **5.** above (the Each Occurrence Limit), the Medical Expense Limit is the most we will pay under **Section – I – Coverage C** for all medical expenses because of "bodily injury" sustained by any one person. The Medical Expense Limit is the greater of:

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(1) $15,000; or

(2) The amount shown in the Declarations for Medical Expense Limit.

B. This provision **8. (Medical Payments)** does not apply if **Section I – Coverage C Medical Payments** is excluded either by the provisions of the Coverage Part or by endorsement.

C. Paragraph **1.a.(3)(2)** of **Section I – Coverage C – Medical Payments,** is replaced by the following:

The expenses are incurred and reported to us within three years of the date of the accident; and

9. NON-OWNED WATERCRAFT

Under **Section I – Coverage A – Bodily Injury and Property Damage,** Exclusion **2.g.,** subparagraph **(2)** is deleted and replaced by the following.

(2) A watercraft you do not own that is:

(a) Less than 55 feet long; and

(b) Not being used to carry persons or property for a charge.

10. NON-OWNED AIRCRAFT

Exclusion **2.g.** of **Section I – Coverage A – Bodily Injury and Property Damage,** does not apply to an aircraft you do not own, provided that:

1. The pilot in command holds a currently effective certificate issued by the duly constituted authority of the United States of America or Canada, designating that person as a commercial or airline transport pilot;

2. It is rented with a trained, paid crew; and

3. It does not transport persons or cargo for a charge.

11. LEGAL LIABILITY – DAMAGE TO PREMISES

A. Under **Section I – Coverage A – Bodily Injury and Property Damage 2. Exclusions,** Exclusion **j.** is replaced by the following.

"Property damage" to:

(1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;

(2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;

(3) Property loaned to you;

(4) Personal property in the care, custody or control of the insured;

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph **(2)** of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs **(1), (3)** and **(4)** of this exclusion do not apply to "property damage" (other than damage by fire) to premises:

(1) rented to you;

(2) temporarily occupied by you with the permission of the owner, or

(3) to the contents of premises rented to you for a period of 7 or fewer consecutive days.

A separate limit of insurance applies to Damage To Premises Rented To You as described in **Section III – Limits Of Insurance.**

Paragraphs **(3), (4), (5)** and **(6)** of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph **(6)** of this exclusion does not apply to "property damage" included in the "products-completed operations hazard."

B. Under **Section I – Coverage A – Bodily Injury and Property Damage** the last paragraph of **2. Exclusions** is deleted and replaced by the following.

Exclusions **c.** through **n.** do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner or to the contents of premises rented to you for a period of 7 or fewer consecutive days.

A separate limit of insurance applies to this coverage as described in **Section III – Limits Of Insurance.**

C. Paragraph **6. Damage To Premises Rented To You Limit** of **Section III – Limits Of Insurance** is replaced by the following:

6. Subject to **5.** above, (the Each Occurrence Limit), the Damage To Premises Rented To You Limit is the most we will pay under **Section – I – Coverage A** for damages because of "property damage" to any one premises while rented to you or temporarily occupied by you with the permission of the owner, including contents of such premises rented to you for a period of 7 or fewer consecutive days. The Damage To Premises Rented To You Limit is the greater of:

a. $200,000; or

b. The Damage To Premises Rented To You Limit shown in the Declarations.

D. Paragraph **4.b.(1)(b)** of **Section IV – Commercial General Liability Conditions** is deleted and replaced by the following:

(b) That is property insurance for premises rented to you or temporarily occupied by you with the permission of the owner; or

E. This provision **11. (LEGAL LIABILITY – DAMAGE TO PREMISES)** does not apply if Damage To Premises Rented To You Liability under **Section I – Coverage A** is excluded either by the provisions of the Coverage Part or by endorsement.

12. BROAD KNOWLEDGE OF OCCURRENCE

The following is added to paragraph **2.** of **Section IV – Commercial General Liability Conditions – Duties In The Event of Occurrence, Offense, Claim or Suit:**

You must give us or our authorized representative notice of an "occurrence," offense, claim, or "suit" only when the "occurrence," offense, claim or "suit" is known to :

(1) You, if you are an individual;

(2) A partner, if you are a partnership;

(3) An executive officer or the employee designated by you to give such notice, if you are a corporation; or

(4) A manager, if you are a limited liability company.

13. NOTICE OF OCCURRENCE

The following is added to paragraph **2.** of **Section IV – Commercial General Liability Conditions – Duties In The Event of Occurrence, Offense Claim or Suit:**

Your rights under this Coverage Part will not be prejudiced if you fail to give us notice of an "occurrence," offense, claim or "suit" and that failure is solely due to your reasonable belief that the "bodily injury" or "property damage" is not covered under this Coverage Part. However, you shall give written notice of this "occurrence," offense, claim or "suit" to us as soon as you are aware that this insurance may apply to such "occurrence," offense claim or "suit."

14. UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS

Based on our reliance on your representations as to existing hazards, if unintentionally you should fail to disclose all such hazards at the inception date of your policy, we will not deny coverage under this Coverage Part because of such failure.

15. EXPANDED PERSONAL AND ADVERTISING INJURY

A. The following is added to **Section V – Definitions,** the definition of "personal and advertising injury":

h. Discrimination or humiliation that results in injury to the feelings or reputation of a natural person, but only if such discrimination or humiliation is:

(1) Not done intentionally by or at the direction of:

(a) The insured; or

(b) Any "executive officer," director, stockholder, partner, member or manager (if you are a limited liability company) of the insured; and

(2) Not directly or indirectly related to the employment, prospective employment, past employment or termination of employment of any person or persons by any insured.

B. Exclusions of **Section I – Coverage B –Personal and Advertising Injury Liability** is amended to include the following:

p. Discrimination Relating To Room, Dwelling or Premises

Caused by discrimination directly or indirectly related to the sale, rental, lease or sub-lease or prospective sale, rental, lease or sub-lease of any room, dwelling or premises by or at the direction of any insured.

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q. **Fines Or Penalties**

Fines or penalties levied or imposed by a governmental entity because of discrimination.

C. This provision **15. (EXPANDED PERSONAL AND ADVERTISING INJURY COVERAGE)** does not apply to discrimination or humiliation committed in the states of New York or Ohio. Also, **EXPANDED PERSONAL AND ADVERTISING INJURY COVERAGE** does not apply to policies issued in the states of New York or Ohio.

D. This provision **15. (EXPANDED PERSONAL AND ADVERTISING INJURY COVERAGE)** does not apply if **Section I – Coverage B – Personal And Advertising Injury Liability** is excluded either by the provisions of the Coverage Part or by endorsement.

16. BODILY INJURY

Section V – Definitions, the definition of "bodily injury" is changed to read:

"Bodily injury" means bodily injury, sickness or disease sustained by a person, including death, humiliation, shock, mental anguish or mental injury by that person at any time which results as a consequence of the bodily injury, sickness or disease.

17. EXPECTED OR INTENDED INJURY

Exclusion **a.** of **Section I – Coverage A – Bodily Injury and Property Damage Liability** is replaced by the following:

a. "Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

18. LIBERALIZATION CLAUSE

If we adopt a change in our forms or rules which would broaden coverage under this endorsement without an additional premium charge, your policy will automatically provide the additional coverages as of the date the revision is effective in your state.

19. PROPERTY DAMAGE – ELEVATORS

With respect to Exclusions of **Section I – Coverage A,** paragraphs **(3), (4) and (6)** of Exclusion **j.** and Exclusion **k.** do not apply to the use of elevators.

The insurance afforded by this provision **19.** is excess over any valid and collectible property insurance (including any deductible) available to the insured, and the Other Insurance Condition is changed accordingly.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED CONSTRUCTION PROJECT(S) GENERAL AGGREGATE LIMIT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Designated Construction Project(s):
Each of your construction projects located away from premises owned by or rented to you
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section I – Coverage **A**, and for all medical expenses caused by accidents under Section I – Coverage **C**, which can be attributed only to ongoing operations at a single designated construction project shown in the Schedule above:

1. A separate Designated Construction Project General Aggregate Limit applies to each designated construction project, and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations.
2. The Designated Construction Project General Aggregate Limit is the most we will pay for the sum of all damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard," and for medical expenses under Coverage **C** regardless of the number of:
   a. Insureds;
   b. Claims made or "suits" brought; or
   c. Persons or organizations making claims or bringing "suits."
3. Any payments made under Coverage **A** for damages or under Coverage **C** for medical expenses shall reduce the Designated Construction Project General Aggregate Limit for that designated construction project. Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other Designated Construction Project General Aggregate Limit for any other designated construction project shown in the Schedule above.
4. The limits shown in the Declarations for Each Occurrence, Damage To Premises Rented To You and Medical Expense continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Designated Construction Project General Aggregate Limit.

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B. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section I – Coverage A, and for all medical expenses caused by accidents under Section I – Coverage C, which cannot be attributed only to ongoing operations at a single designated construction project shown in the Schedule above:

1. Any payments made under Coverage A for damages or under Coverage C for medical expenses shall reduce the amount available under the General Aggregate Limit or the Products-completed Operations Aggregate Limit, whichever is applicable; and
2. Such payments shall not reduce any Designated Construction Project General Aggregate Limit.

C. When coverage for liability arising out of the "products-completed operations hazard" is provided, any payments for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard" will reduce the Products-completed Operations Aggregate Limit, and not reduce the General Aggregate Limit nor the Designated Construction Project General Aggregate Limit.

D. If the applicable designated construction project has been abandoned, delayed, or abandoned and then restarted, or if the authorized contracting parties deviate from plans, blueprints, designs, specifications or timetables, the project will still be deemed to be the same construction project.

E. The provisions of Section III – Limits Of Insurance not otherwise modified by this endorsement shall continue to apply as stipulated.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED INSURED

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

This endorsement identifies person(s) or organization(s) who are "insureds" under the Who Is An Insured Provision of the Coverage Form. This endorsement does not alter coverage provided in the Coverage Form

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement Effective: 09/01/2010	Countersigned By:
Named Insured: Arizona Generator Technology, Inc. d.b.a. Gen-Tech	(Authorized Representative)

SCHEDULE

Name of Person(s) or Organization(s):
"Any person or organization which is required to be named as a result of a written contract or agreement with You."

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to the endorsement.)

Each person or organization shown in the Schedule is an "insured" for Liability Coverage, but only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured Provision contained in **Section II** of the Coverage Form.

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