

# **INSPECTION TERMS AND CONDITIONS**

## **Term**

The initial term of this Agreement shall commence on the Effective Date and continue for three (3) years thereafter (the "Initial Term"). At the conclusion of the Initial Term, this Agreement shall automatically extend for successive terms of three (3) years each unless either party gives written notice to the other party at least sixty (60) days prior to the end of the then-current term.

## **Payment**

Payments shall be due within ten (10) days from the date of invoice, with Valley Fire Protection Services LLC (Valley) having the right to render invoices on a progress basis for work completed through the date of each such invoice. Valley may increase service fees upon notice to Client to reflect increases in material and labor costs. Client agrees to pay all taxes, permits, and other charges levied or based on the service charges pursuant to this Agreement.

## **Termination**

Valley may terminate this Agreement immediately at its sole discretion upon the occurrence of any Event of Default (as hereinafter defined). Valley may also terminate this Agreement at any time in its sole discretion upon notice to Client, if Valley's performance of its obligations under this Agreement becomes impracticable due to obsolescence of equipment at Client's premises, unavailability of parts, or any other reason in Valley's reasonable judgment.

## **Default**

An Event of Default shall be 1) failure of the Client to pay any amount within thirty (30) days after the amount is due and payable, 2) abuse of the Fire Protection System or the Equipment, or 3) dissolution, termination, discontinuance, insolvency or business failure of Client. Upon the occurrence of an Event of Default, Valley may pursue one or more of the following remedies, 1) discontinue furnishing Services, 2) by written notice to Client declare the balance of unpaid amounts due and to become due under this Agreement to be immediately due and payable, provided that all past due amounts shall bear interest at the rate of 1 ½% per month, 3) receive immediate possession of any equipment for which Client has not paid, 4) proceed at law or equity to enforce performance by Client or recover damages for breach of this Agreement, and 5) recover all costs and expenses, including without limitation reasonable attorney's fees, in connection with enforcing this Agreement.

## **Limitation of Liability**

Client agrees that Valley shall be exempt from liability for any loss, damage or injury arising directly or indirectly from occurrences, or the consequences there from, which the equipment or service was designed to detect or avert. Should Valley be found liable for any loss, damage or injury arising from a failure of the equipment or service in any respect, Valley's liability shall be limited to an amount equal to the current year service fees. In no event shall Valley be liable for any damage, loss, injury, or any other claim arising from any servicing, alterations, or modifications of the Fire Protection System or any of its component parts by the client or any third party. Valley shall not be liable for indirect, incidental or consequential damages of any kind, including but not limited to damages arising from the use, loss of the use, performance, or failure of the Fire Protection System to perform.

## **General Provisions**

All work to be performed by Valley will be performed during normal working hours, as defined by Valley. Client shall promptly notify Valley of any malfunction in the Fire Protection System which comes to Client's attention. This agreement assumes the Fire Protection System is in operational and maintainable condition as of the Effective Date. Unless otherwise specified in this Agreement, any inspection provided under this Agreement does not include any maintenance, repairs, replacement of parts, nor does it include the correction of any deficiencies identified by Valley. Valley shall not be responsible for equipment failure occurring while Valley is in the process of inspection. This Agreement does not cover equipment, components or parts that are buried below grade, behind walls or other obstructions or electrical wiring.

## **Reports**

Inspection services shall be completed on Valley's then current Report form, which shall be given to Client, and, where applicable, Valley will submit a copy thereof to the local authority having jurisdiction. The Report and recommendations by Valley are only advisory in nature and are intended to assist Client in reducing the risk of loss to property by indicating obvious defects or impairments noted to the Fire Protection System inspected. They are not intended to imply that no other defects or conditions (such as bacteria known to cause Microbiologically Influenced Corrosion) exist. Final responsibility for the condition of the system(s) and equipment and components lies with the client.

## **Limited Warranty**

**VALLEY WARRANTS THAT ITS WORKMANSHIP AND MATERIAL FURNISHED UNDER THIS AGREEMENT WILL BE FREE FROM DEFECTS FOR A PERIOD OF NINETY (90) DAYS FROM THE DATE OF FURNISHING. EXCEPT AS EXPRESSLY SET FORTH HEREIN, VALLEY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE SERVICES PERFORMED OR THE EQUIPMENT, IF ANY, PROVIDED HEREUNDER.**

## **Indemnity/Insurance**

Client agrees to indemnify, hold harmless and defend Valley against any and all losses, damages, costs, and expenses including reasonable defense costs, arising from any and all claims for personal injury, death, property damage or economic loss, relating in any way to this Agreement, except to the extent arising out of Valley's sole negligence. Client shall name Valley as an additional insured on Client's general liability policies.

## **Force Majeure**

This Agreement expressly excludes, without limitation, liability for indirect, incidental or consequential damages of any kind arising by reason of negligence or misuse of equipment, vandalism, corrosion (including but not limited to micro-bacterially induced corrosion), power failure, failure due to non-Valley installation, parts, service, lightning, electrical storm, or other severe weather, water, accident, fire or acts of God. Valley shall not be responsible for delays or failure to render services due to causes beyond its control, including but not limited to material shortages, work stoppages, labor shortages, severe weather, fire or any other cause beyond the control of Valley.

## **One-Year Limitation on Actions; Choice of Law**

It is agreed that no suit, or cause of action or other proceeding shall be brought against either party more than one (1) year after the occurrence of the cause of action or one (1) year after the claim arises, whichever is shorter, whether known or unknown when the claim arises. The laws of Illinois shall govern the validity, enforceability, and interpretation of this Agreement.

## **Entire Agreement**

This Agreement supersedes all prior representations, understandings or agreements between the parties. No waiver, change, or modification of any terms or conditions of this Agreement shall be binding on Valley unless made in writing and signed by an Authorized Representative of Valley.

## **Owner Responsibility**

Owner shall provide a minimum of 40 degrees Fahrenheit temperature throughout all areas of the building where wet pipe fire sprinkler systems are provided. Any dry pipe valve and/or associated equipment (including low point drains) must be in a fully heated area at all times.