



Kenton County School District | It's about ALL kids.

Issue Paper

DATE:

9-26-24

AGENDA ITEM (ACTION ITEM):

Consider/Approve the extension agreement with Hobart Services for the equipment (cold side) and refrigeration (hot side) preventative maintenance inspections and servicing at each KCSD kitchen.

APPLICABLE BOARD POLICY:

Fiscal Management 04.32 AP.1

HISTORY/BACKGROUND:

In October 2021, Hobart was awarded the bid for the equipment and refrigeration preventative maintenance and servicing at each KCSD kitchen. A stipulation was built in for two renewals. Instead of rebidding at this time, an extension was requested that begins in October 2024 and ends when the district fiscal year ends. This will allow the future bids to coincide with the district fiscal year.

FISCAL/BUDGETARY IMPACT:

The total cost of the agreement extension will be \$82,151.10, plus additional repairs as needed at the contracted rate, to be funded by Student Nutrition.

RECOMMENDATION:


Approval for the extension agreement with Hobart for the equipment and refrigeration preventative maintenance and servicing at each KCSD kitchen from October 2024 through June 2024.

CONTACT PERSON:

Jennifer M Notton

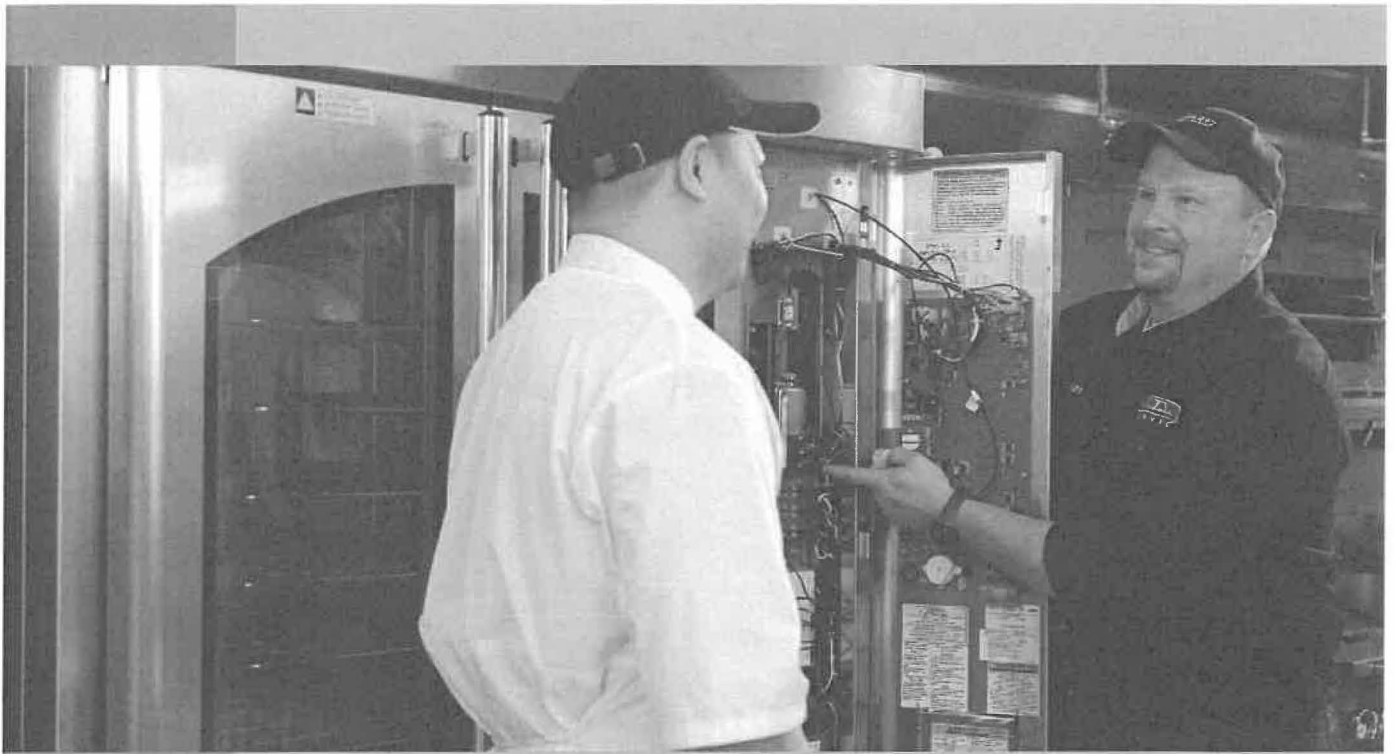

Principal/Administrator


District Administrator

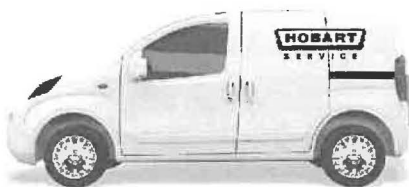

Superintendent

Use this form to submit your request to the Superintendent for items to be added to the Board Meeting Agenda.

Principal—complete, print, sign and send to your Director. Director—if approved, sign and put in the Superintendent's mailbox.



Hobart Service Agreement



888-4HOBART | hobartservice.com



HOBART SERVICE AGREEMENT

Hobart's performance of the Services as set forth in this Service Contract are expressly limited to and are conditioned upon Hobart's Terms and Conditions set forth at www.hobartservice.com/servicetermsandconditions (the "Terms"). Any additional or different terms proposed by Customer are hereby rejected (including sign-in logs, online click-through or pop-up agreements, or standard or pre-printed terms or conditions).

Package Purchased

HOBART MAINTENANCE INSPECTIONS

All equipment hot side and cold side will have Semi Annual maintenance inspections Fall and Spring

Effective Date of Service Contract: 10/1/2024

End Date of this Service Contract: 6/30/2025

Automatic Renewal: No

Total Number of inspections per year: Two per school

Total Contract Price (subject to certain exclusions and limitations as set forth in the Terms): Price Annual \$82,151.10 Semi Annual \$41,075.55

Equipment subject to the list on Service Products Agreement.

PO#: _____ (if required)

Tax Exempt: Yes Please include a copy of the tax exemption certificate.

Customer Legal Name/Bill to Address: KENTON COUNTY BOARD OF EDUCATION/Attn: Accounts Payable/1055 Eaton Dr/Fort Wright, KY 41017-9655

Invoice Account: 1109946

Accepted By:

Name: _____ Title: _____ Date: _____

Hobart Service, ITW Food Equipment Group, LLC

Name: _____ Title: _____ Date: _____

Even if not signed by Customer, this Service Contract and the Terms shall be deemed accepted upon Hobart's commencement of Service(s). Hobart reserves the right to modify the terms herein and prices and terminate this Service Contract at any time.

Commercial Terms – Hobart Maintenance Inspection

For any equipment with the coverage type of “Hobart Maintenance Inspection,” the following terms shall apply. Capitalized terms not defined in this Section are defined in the Hobart Service & Installation Terms and Conditions listed in this Service Agreement, and such definitions shall apply.

Services Included in Hobart Maintenance Inspection:

1. *Maintenance Inspection.* During the Term, Hobart will perform the number of Maintenance Inspection Calls listed herein. A Maintenance Inspection Call is a Call that identifies potential service problems on a unit prior to occurrence. A Checklist may be supplied and does not include any repair service.

Optional Services: The following Services are available at additional cost. If the Service Agreement does not list these optional services as selected by the Customer, they are not included in this Service Agreement.

1. *Additional inspections as agreed upon by the parties from time to time.*

Excluded Service: The following are not included in this Service Contract and Hobart shall have no obligation to provide. Should Customer request and Hobart choose to provide such services, Customer shall pay Hobart based on Hobart’s standard Time and Material Rates in effect at the time of such Call for all labor and Parts (including travel time) provided during such Call:

1. *All Calls other than a Maintenance Inspection Call.*
2. *Parts replacement.* No replacement labor or Parts are included in this Service.
3. *Asset Tagging .* Data capturing that provides additional identification of each unit covered by the Agreement that provides the Customer with accurate and detailed data regarding equipment inventory.
4. *Third Party Service .* Should Customer allow a third party to provide service (other than general tasks) on covered equipment, Hobart, in its sole discretion, may elect to remove such covered equipment that was repaired by an unauthorized third party from the Agreement.
5. *Calibrations and/or adjustments to properly functioning equipment, which alter temperature or product appearance requested by Customer.*
6. *Feature upgrades including firmware or software upgrades or changes to label format or graphics.*
7. *Customer network related issues for Hobart connected devices. Loaner equipment is not included, but may be provided by the local Hobart Service Office at additional cost subject to availability.*
8. *All welding services*
9. *Replacement of booster tanks and heat exchangers*
10. *Customer locations further than 100 miles from the closest Service Office*

11. Taxes, tolls, and permits applicable to Service and Parts

12. Water Quality Related Damages. Calls resulting from damage due to improper water conditions, improper unit cleaning, failure of customer to provide proper water quality to the equipment as required by equipment manufacturer specifications, and/or failure of Customer to maintain proper water treatment equipment.

Location/Equipment List

Fall Inspections					
Name	Contract #	Serial #	Inspection Month	Contract Reference	2024-2025
BEECHGROVE Elementary - Kenton County	C472206-003	GEN1522	Oct/Nov	Hot Side	\$ 941.42
BEECHGROVE Elementary - Kenton County	C472665-003	GEN1518	Oct/Nov	Cold Side	\$ 1,106.31
Caywood Elementary - Kenton County	C472207-003	GEN1523	Oct/Nov	Hot Side	\$ 1,153.24
Caywood Elementary - Kenton County	C472666-003	GEN1511	Oct/Nov	Cold Side	\$ 958.45
Dixie Heights High School - Kenton County	C472213-003	GEN1510	Oct/Nov	Hot Side	\$ 1,412.13
Dixie Heights High School - Kenton County	C472667-003	GEN1519	Oct/Nov	Cold Side	\$ 1,168.60
Ft Wright Elementary - Kenton County	C472208-003	GEN1530	Oct/Nov	Hot Side	\$ 875.50
Ft Wright Elementary - Kenton County	C472670-003	GEN1538	Oct/Nov	Cold Side	\$ 1,044.63
Kenton Elementary - Kenton County	C472197-003	GEN2136	Oct/Nov	Hot Side	\$ 941.42
Kenton Elementary - Kenton County	C472656-003	GEN1527	Oct/Nov	Cold Side	\$ 935.54
Piner Elementary - Kenton County	C472198-003	GEN2315	Oct/Nov	Hot Side	\$ 538.69
Piner Elementary - Kenton County	C472657-003	GEN1528	Oct/Nov	Cold Side	\$ 935.54
Rc Hinsdale Elementary - Kenton County	C472209-003	GEN1524	Oct/Nov	Hot Side	\$ 941.42
Rc Hinsdale Elementary - Kenton County	C472668-003	GEN1521	Oct/Nov	Cold Side	\$ 1,076.80
RIVER RIDGE ELEMENTARY - Kenton County	C472210-003	GEN1529	Oct/Nov	Hot Side	\$ 873.44

RIVER RIDGE ELEMENTARY - Kenton County	C472669- 003	GEN1532	Oct/Nov	Cold Side	\$ 1,262.81
Ryland Heights Elementary - Kenton County	C472199- 003	GEN1489	Oct/Nov	Hot Side	\$ 1,076.35
Ryland Heights Elementary - Kenton County	C472658- 003	GEN1534	Oct/Nov	Cold Side	\$ 935.54
Scott High School - Kenton County	C472204- 003	GEN1545	Oct/Nov	Hot Side	\$ 1,897.67
Scott High School - Kenton County	C472659- 003	GEN1505	Oct/Nov	Cold Side	\$ 1,178.13
SIMON KENTON HIGH SCHOOL - Kenton County	C472205- 003	GEN1546	Oct/Nov	Hot Side	\$ 1,412.13
SIMON KENTON HIGH SCHOOL - Kenton County	C472660- 003	GEN1514	Oct/Nov	Cold Side	\$ 1,153.72
Summit View Elementary - Kenton County	C472211- 003	GEN1531	Oct/Nov	Hot Side	\$ 2,802.35
Summit View Elementary - Kenton County	C472671- 003	GEN1537	Oct/Nov	Cold Side	\$ 1,099.17
Taylor Mill Elementary - Kenton County	C472200- 003	GEN1540	Oct/Nov	Hot Side	\$ 1,163.93
Taylor Mill Elementary - Kenton County	C472661- 003	GEN1506	Oct/Nov	Cold Side	\$ 1,044.63
Turkey Foot Middle School - Kenton County	C472212- 003	GEN1525	Oct/Nov	Hot Side	\$ 2,392.28
Turkey Foot Middle School - Kenton County	C472672- 003	GEN1539	Oct/Nov	Cold Side	\$ 1,059.51
TWENHOFLE MIDDLE SCHOOL - Kenton County	C472202- 003	GEN1541	Oct/Nov	Hot Side	\$ 1,482.56
TWENHOFLE MIDDLE SCHOOL - Kenton County	C472662- 003	GEN1512	Oct/Nov	Cold Side	\$ 1,401.65

Whites Tower Elementary - Kenton County	C472201-003	GEN1542	Oct/Nov	Hot Side	\$ 1,567.09
Whites Tower Elementary - Kenton County	C472663-003	GEN1516	Oct/Nov	Cold Side	\$ 935.54
Woodland Middle School- Kenton County	C472203-003	GEN1543	Oct/Nov	Hot Side	\$ 1,317.27
Woodland Middle School- Kenton County	C472664-003	GEN1517	Oct/Nov	Cold Side	\$ 990.09
Sub total					\$ 41,075.55
Spring Inspections					
Name	Contract #	Serial #	Inspection Month	Contract Reference	
BEECHGROVE Elementary - Kenton County	C472206-003	GEN1522	March	Hot Side	\$941.42
BEECHGROVE Elementary - Kenton County	C472665-003	GEN1518	March	Cold Side	\$1,106.31
Caywood Elementary - Kenton County	C472207-003	GEN1523	March	Hot Side	\$1,153.24
Caywood Elementary - Kenton County	C472666-003	GEN1511	March	Cold Side	\$958.45
Dixie Heights High School - Kenton County	C472213-003	GEN1510	March	Hot Side	\$1,412.13
Dixie Heights High School - Kenton County	C472667-003	GEN1519	March	Cold Side	\$1,168.60
Ft Wright Elementary - Kenton County	C472208-003	GEN1530	March	Hot Side	\$875.50
Ft Wright Elementary - Kenton County	C472670-003	GEN1538	March	Cold Side	\$1,044.63
Kenton Elementary - Kenton County	C472197-003	GEN2136	March	Hot Side	\$941.42
Kenton Elementary - Kenton County	C472656-003	GEN1527	March	Cold Side	\$935.54
Piner Elementary - Kenton County	C472198-003	GEN2315	March	Hot Side	\$538.69
Piner Elementary - Kenton County	C472657-003	GEN1528	March	Cold Side	\$935.54

Rc Hinsdale Elementary - Kenton County	C472209- 003	GEN1524	March	Hot Side	\$941.42
Rc Hinsdale Elementary - Kenton County	C472668- 003	GEN1521	March	Cold Side	\$1,076.80
RIVER RIDGE ELEMENTARY - Kenton County	C472210- 003	GEN1529	March	Hot Side	\$873.44
RIVER RIDGE ELEMENTARY - Kenton County	C472669- 003	GEN1532	March	Cold Side	\$1,262.81
Ryland Heights Elementary - Kenton County	C472199- 003	GEN1489	March	Hot Side	\$1,076.35
Ryland Heights Elementary - Kenton County	C472658- 003	GEN1534	March	Cold Side	\$935.54
Scott High School - Kenton County	C472204- 003	GEN1545	March	Hot Side	\$1,897.67
Scott High School - Kenton County	C472659- 003	GEN1505	March	Cold Side	\$1,178.13
SIMON KENTON HIGH SCHOOL - Kenton County	C472205- 003	GEN1546	March	Hot Side	\$1,412.13
SIMON KENTON HIGH SCHOOL - Kenton County	C472660- 003	GEN1514	March	Cold Side	\$1,153.72
Summit View Elementary - Kenton County	C472211- 003	GEN1531	March	Hot Side	\$2,802.35
Summit View Elementary - Kenton County	C472671- 003	GEN1537	March	Cold Side	\$1,099.17
Taylor Mill Elementary - Kenton County	C472200- 003	GEN1540	March	Hot Side	\$1,163.93
Taylor Mill Elementary - Kenton County	C472661- 003	GEN1506	March	Cold Side	\$1,044.63
Turkey Foot Middle School - Kenton County	C472212- 003	GEN1525	March	Hot Side	\$2,392.28

Turkey Foot Middle School - Kenton County	C472672-003	GEN1539	March	Cold Side	\$1,059.51
TWENHOFLE MIDDLE SCHOOL - Kenton County	C472202-003	GEN1541	March	Hot Side	\$1,482.56
TWENHOFLE MIDDLE SCHOOL - Kenton County	C472662-003	GEN1512	March	Cold Side	\$1,401.65
Whites Tower Elementary - Kenton County	C472201-003	GEN1542	March	Hot Side	\$1,567.09
Whites Tower Elementary - Kenton County	C472663-003	GEN1516	March	Cold Side	\$935.54
Woodland Middle School- Kenton County	C472203-003	GEN1543	March	Hot Side	\$1,317.27
Woodland Middle School- Kenton County	C472664-003	GEN1517	March	Cold Side	\$990.09
Sub Total					\$41,075.55
TOTAL					\$ 82,151.10

Service Plans Terms and Conditions of Sale

1. **Services.** See Section 2 below for certain defined terms. During the Term, Hobart Service will perform repair, maintenance, and/or inspection services (as applicable based on the Coverage Type) on the Equipment during the Coverage Time based on calls received from Customer, in accordance with the Call types and response times specified below. Each Coverage Type includes solely the features and services (and is subject to all of the listed limitations and conditions below) marked as “included” in the below graphic. Any “optional” feature, as designated in the below graphic, is available at additional cost to the Customer, and if the Service Contract does not list any such optional services as selected by the Customer, no such optional feature is included in this Service Contract.

- a. **Response Time Levels.** Hobart Service will target to achieve 80% compliance to the following Response Time Levels by Call type in the aggregate throughout the Term:
 - i. **Emergency Call:** Hobart Service will respond with a phone call, email or other form of communication within 30 minutes and dispatch a Hobart Service technician to arrive on Site within the applicable time specified in the image above for “Emergency Response Time”.
 - ii. **Non-Emergency Call:** Hobart Service will respond with a phone call, email or other form of communication within 30 minutes and dispatch a Hobart Service

technician to arrive on Site within the applicable time specified in the image above for "Standard Response Time".

- b. Outside Coverage Time: For Coverage Types with limited Coverage Time, Hobart Service will respond to all calls received outside of the Coverage Time during the following Coverage Time, as provided in the Response Time Levels, and the Response Time Levels will apply from the start of the Coverage Time following such call.
- c. Erroneous Calls: If Customer identifies or describes a Call as an Emergency Call and Hobart Service responds within the emergency Response Time, and upon arriving on Site finds that it should have been a Non-Emergency Call, each such Call will be charged at Hobart Rates.
- d. Parts. For Coverage Types with Parts & Freight included, Parts (other than Excluded Parts and Expendable Parts) necessary for repair services on a Call are included in the Services at no additional charge (subject in all cases to the availability of such Parts). For Coverage Types that do not include Parts & Freight, all Parts are available at Hobart Rates (and, for the avoidance of doubt, are not included in the Services).
- e. Expendable Parts: Expendable Parts are not included in the Services but they are available for purchase at the Hobart Rates, provided that Expendable Parts are included (in addition to labor for installation) at no additional charge for the Hobart Prosurance Coverage Type and when optionally selected in the Commercial Terms. If Customer purchases any Expendable Parts from Hobart Service at the Hobart Rates, labor necessary to install such Parts is included at no charge, however.
- f. Expedited Parts. All Parts (whether ordered at Hobart Rates or provided hereunder with the Services) not available on the applicable Hobart Service truck will ship from Hobart Service's warehouse with standard shipping (typically 3-5 business days until Customer receives such Part, though any shipping delays beyond that are not Hobart Service's responsibility), provided that when Expedited Parts is optionally included in a Service Contract (and for the Hobart Prosurance Coverage Type), next-day air shipment of such Parts on Emergency Calls is included at no additional charge (note that Parts necessary for Non-Emergency Calls will always ship with standard shipping).
- g. Water Quality Related Damages. Calls resulting from damage due to improper water conditions, improper unit cleaning, failure of Customer to provide proper water quality to the equipment as required by equipment manufacturer specifications, and/or failure of Customer to maintain proper water treatment equipment are excluded from all Coverage Types (and thus will be charged to Customer at the Hobart Rates), unless optionally added to a Hobart Prosurance plan.
- h. Accidental Damages. Calls resulting from physical damage by operators (including accidental damage and damage resulting from misuse, abuse or intentional conduct) are excluded from all Coverage Types (and thus will be charged to Customer at the Hobart Rates), unless optionally added to a Hobart Prosurance plan.
- i. Asset Tagging. When this is optionally included, Hobart Service will identify each unit of Equipment and provide the Customer with equipment inventory and details.
- j. Excluded Services: Hobart Service shall have no obligation to provide any services not included in the applicable Coverage Type or otherwise excluded by the terms of this Service Contract. Should Customer request any such services, and should Hobart Service choose agree to provide such services (or, with respect to "Erroneous Calls", automatically upon Hobart Service completing such Call), Customer shall pay Hobart Service at the Hobart Rates.
- k. Maintenance Inspections. Maintenance Inspection Calls are excluded from each Coverage Type (except as specified on the graphic above for Hobart Prosurance), but such Services can be optionally added to a Service Contract for certain Equipment. When added Hobart Service will perform the selected number of Maintenance Inspection Calls. A checklist may be supplied by

Hobart Service. No Maintenance Inspection Call shall include any repair service, replacement parts or other services unless otherwise provided by another Coverage Type applicable to the Equipment. Additional Maintenance Inspection Calls may be added to the Service Contract upon the mutual written agreement of the parties. If Customer requires Maintenance Inspection Calls to be completed outside of Business Hours, additional charges will apply.

- l. Proactive Maintenance Calls. Proactive Maintenance Calls are excluded from each Coverage Type (except as specified on the graphic above for Hobart Prosurance), but such Services can be optionally added to a Service Contract for certain Equipment. When added, during the Term, Hobart Service will perform the selected number of Proactive Maintenance Calls, and Expendable Parts (but no other Parts), and the labor necessary for the installation thereof, are included at no additional charge. Additional Proactive Maintenance Calls may be added to the Service Contract upon the mutual written agreement of the parties. If Customer requires Proactive Maintenance Calls to be completed outside of Business Hours, additional charges will apply.
- m. Whole Kitchen Option. When the Service Contract includes the optional "Whole Kitchen" coverage, the Service Contract shall cover, and the Services shall apply to, all food service equipment at the Site (including future like-for-like changes, upgrades and/or replacements of such food service equipment from time to time), regardless of what equipment is listed in the "Equipment List" of the Service Contract, excluding only the equipment (and/or equipment type) listed in the Service Contract as excluded from the "Whole Kitchen" coverage.

2. **Certain Definitions.** In the event of a conflict of terms, the following order of precedence will apply: (a) Commercial Terms; (b) terms agreed to in a writing executed by an authorized senior officer of Hobart Service; (c) these T&Cs. The following terms are defined as follows:

- a. "Branch Office": the Hobart Service local to the applicable Site,
- b. "Business Day": Monday through Friday, excluding holidays observed by Hobart Service.
- c. "Business Hours": Monday through Friday, 8am to 5pm local time (based on the Site), excluding holidays observed by Hobart Service.
- d. "Call": a Site visit by Hobart Service during which Hobart Service services a single piece of Equipment. Hobart Service may complete a Call in one or more trips. Should Services be performed on multiple pieces of Equipment within the same visit, the Services performed on each piece of Equipment will be considered separate Calls.
- e. "Commercial Terms": as defined on the first page of the Service Contract.
- f. "Coverage Time": Monday through Friday, 8am to 5pm local time (based on the Site), excluding holidays observed by Hobart Service, provided that where "24/7 Emergency Coverage" applies (based on its optional inclusion in the Commercial Terms or its automatic inclusion per Section 1 above), "Coverage Time" means Monday through Sunday, 24-hours a day (including holidays).
- g. "Coverage Type": the service plan identified in the Commercial Terms under the "Coverage Type" column for each piece of Equipment.
- h. "Customer": the customer listed in the Commercial Terms of the Service Contract.
- i. "Emergency Call": Call on a single piece of Equipment that, as determined by Hobart Service in its sole discretion, (i) cannot be reasonably used for its intended function or (ii) poses an unreasonable health-related risk due to the Equipment's failure to function properly.
- j. "Equipment": the specific equipment covered by this Service Contract, as described in the "Unit Information" in the Commercial Terms.
- k. "Excluded Parts": (A) attachments and accessories such as bowls, adapters, bowl trucks, attachment shelves, agitators (beaters, whips, dough hooks, etc.), splash covers and extension rings; (B) fryer tanks, boiler and booster water tanks (unless covered by manufacturer's

warranty); (C) condenser or evaporator coils, ice machine plates, refrigeration or HVAC motors 1hp or greater or compressors 1hp or greater, Flight Type dish machine conveyor assembly, refrigeration gases >24 lbs, heat exchangers; and (D) wireless DPAC network assembly. Excluded Parts are available for purchase at Hobart Service's standard material rates. Hobart Service will only install genuine OEM replacement parts

- l. "Expendable Parts": (A) plastic flight links, curtains, blades, slicer knives, sharpening devices, pulley wipes, shredder plates, fryer baskets, customer removable seals, door gaskets; and (B) consumable components or ordinary wear items including but not limited to; rinse arm strainers, final rinse nozzles, filters (including water filters), wash arm end caps, lower arm bushing, rollers, retaining rings, wash arm plugs, dish-limit rubber bumper, lamps, dish racks
- m. "Hobart Rates": (a) for services, Hobart Service's then current national rates for labor, travel, mileage, and fees and (b) for parts, Hobart Service's list price for such parts in effect when such parts are used by Hobart Service or shipped to Customer.
- n. "Hobart Service": Hobart Service, a division of ITW Food Equipment Group LLC.
- o. "Maintenance Inspection Call": Call that aims to identify potential service problem(s) on Equipment prior to occurrence.
- p. "Non-Emergency Call": Call on a single piece of Equipment that is operational and in need of repair but does not meet the criteria of an Emergency Call, in Hobart Service's sole discretion.
- q. "Parts": the repair, replacement and/or spare parts provided by Hobart Service under this Service Contract.
- r. "Proactive Maintenance Call": a scheduled maintenance Call to identify potential service problems, replace essential parts, as coordinated and agreed upon by both parties in writing. Each Proactive Maintenance Call includes only the work described on the Proactive Maintenance Checklist maintained by Hobart Service and does not include any repair service or other replacement parts.
- s. "Service Contract": the Hobart Service Agreement contract accepted by Customer that links to these T&Cs and includes these T&Cs entirely, which are fully incorporated by reference.
- t. "Services": the services provided by Hobart Service under this Service Contract as specified in Section 1 above with respect to the Coverage Type selected for each piece of Equipment. For the avoidance of doubt, for Service Contracts with multiple Coverage Types, each Coverage Type shall only apply to the specific Equipment to which such Coverage Type applies based on the Commercial Terms.
- u. "Site": the physical location where the Equipment is located, as specified in the Commercial Terms of the Service Contract.
- v. "T&Cs": these service plans terms and conditions of sale.

3. **Pricing & Payment.** Prices are in U.S. dollars. All payments are due within 30 days of the invoice date with approved terms (and COD if no credit terms have been offered by Hobart Service in writing). Hobart Service may withhold Services and Parts if Customer has any past-due invoices. For Service Contracts with an annual price under \$1,000, Customers are required to pay in full via the Annual Payment plan. Customer is limited to \$25,000 annually in credit card payments in the aggregate, and all other payments must be made by ACH, wire or check. If this Service Contract automatically renews, the fees for any renewal term will be those contained in the "Renewal Invoice" provided to Customer by Hobart Service. Overdue invoices will incur interest at the rate of 1.5% per month or, if lower, the maximum rate allowed by law. Customer shall reimburse Hobart Service for all expenses, fees and/or costs (including attorney's fees) incurred by Hobart Service while attempting to collect any overdue balances.

4. **Additional Charges.** Unless otherwise set forth in the Commercial Terms, additional charges apply to (i) Services at Customer locations further than 50 miles from the closest Branch Office, (ii) Services performed at Customer's request outside of the Coverage Time, (iii) installation, inspections and proactive maintenance Services, (iv) sales taxes, tolls, and permits applicable specifically to the Site and/or Customer, and (v) any other Services not included in the Commercial Terms which Hobart Service performs for Customer. In all such instances, Customer shall pay for all services and parts provided at the Hobart Rates. For Services that require use of specialized forms of transportation other than by conventional motor vehicles, and for which the Customer is notified of in advance, Customer shall reimburse Hobart Service for all transportation, food, and lodging expenses incurred. All building permits required for performance of the Services are the responsibility of the Customer.

5. **Quotation.** Before Customer accepts this Service Contract, pricing contained herein is merely a quotation, which is valid for 30 days from receipt. Quotations are subject to change or withdrawal without prior notice. Quotations are subject to approval of Customer's credit.

6. **Site Survey.** Hobart Service may conduct a Site survey, which is intended to identify problems which can be readily identified through visual inspection. However, Customer is solely responsible for the state of the Site (including electrical and plumbing lines). During a survey, Hobart Service is under no obligation to excavate or move any equipment, or otherwise disassemble or remove any component or accessory. Should problems be identified during the survey or during performance of Services, Customer shall remedy such problems at its own cost before Hobart Service continues performing any Services.

7. **Term; Cancellation.** The term of this Service Contract begins on the "Effective Date of Service Contract" specified in the Commercial Terms and continues until the "End Date of Service Contract" specified in the Commercial Terms (the "Term"). The Service Contract shall automatically renew for additional one-year terms unless (i) Customer opts out of the automatic renewal option on the date it enters into a Service Contract by having the "Automatic Renewal" option changed to "no" in the Commercial Terms or (ii) Customer or Hobart Service provides written notice of non-renewal at least 90 days' in advance of renewal. Hobart Service or Customer may terminate this Service Contract for convenience at any time with 30 days prior written notice. If the Customer terminates for convenience, Customer shall pay Hobart Service an amount equal to the greater of (a) the pro-rated Service Contract price through the date of termination and (b) the value of any Parts and Services received (at standard Hobart Rates) through the date of termination, not to exceed the original Service Contract price. Hobart Service may immediately terminate this Service Contract for cause if Customer becomes past-due on any invoice.

8. **Parts.** Hobart Service may provide new or reconditioned Parts. Replaced parts and assemblies become property of Hobart Service upon removal. For Parts installed by Hobart Service, title and risk of loss transfers to Customer upon installation. For Parts shipped to Customer, title and risk of loss passes to Customer upon receipt by the carrier. Should Customer request expedited freight, Hobart Service will expedite the Parts at Customer's cost. Concealed damage and shorted shipments must be reported to Hobart Service's Parts Department within 5 days of delivery. Hobart Service will only install genuine OEM replacement parts. Hobart Service will not install parts provided by Customer that were not purchased from Hobart Service.

9. **Returns.** Customer may only return Parts with Hobart Service's written authorization, in Hobart Service's sole discretion. Return requests must include the item and invoice number and reason for return. Customer will be responsible for any applicable restocking fees. No return requests will be accepted for any custom orders or after 90 days from the date of invoice. All returned Parts must be unused, in saleable condition, and in the original packaging. Except to the extent prohibited by law, Customer is responsible for shipping return Parts to Hobart Service's designated location. Hobart Service will issue a credit or a refund at its election after the returned Part has been received and inspected. Failure to comply with this section will result in any return credit being withheld or reduced accordingly in Hobart Service's discretion. The following items are not eligible for return: non-stock parts, hazardous materials with a shelf life, electronic boards or electronic components that have been opened, commercial standard items (e.g., nuts, bolts, screws), and multiple quantity items if less than the original quantity is returned.

10. **Indemnity.** Hobart Service agrees to indemnify Customer, its directors, officers, and employees from third-party claims, damages and expenses (including reasonable attorneys' fees) to the extent those losses were directly caused by (i) the gross negligence or willful misconduct of Hobart Service or its employees, (ii) Hobart Service's failure to comply with applicable laws, or (iii) Hobart's infringement of any third-party intellectual property rights. Notwithstanding the foregoing, Hobart Service shall have no duties under this Section where the Services or Parts have been modified by any party other than Hobart Service. Hobart Service does not indemnify Customer for any claims, damages or expenses (or legal expenses) to the extent caused by Customer's (or its agent's or employees' or any third party's) fault. The above obligations are contingent upon (i) Customer supplying Hobart Service written notice of such claim immediately after the Customer has notice of such claim, (ii) Customer diligently cooperating with Hobart Service in the defense and settlement of such claim; and (iii) Customer allowing Hobart Service the full right to defend and settle such claim.

11. **Insurance.** Hobart Service carries the following insurance: i) worker's compensation meeting statutory requirements, ii) employer's liability with limits of \$1,000,000 per accident/ per disease, per employee/ per disease, policy limits, iii) commercial general liability including products and completed operations of \$2,000,000 per occurrence, \$4,000,000 aggregate, \$4,000,000 products and completed operations aggregate with Customer as an additional insured per form U GL 11 75 D CW or replacement thereof, iv) commercial auto liability with combined single limits of \$1,000,000 per accident for owned, hired and non-owned vehicles. Hobart Service will provide evidence of insurance upon request of Customer. Hobart Service may self-insure any coverage.

12. **Warranty.**

- a. Hobart Service warrants to Customer that (i) it will perform the Services in a timely, competent and professional manner and in accordance with industry standards, (ii) during the Warranty Period, the Services shall conform to any specifications included in the Commercial Terms, (iii) the Parts shall be free of any liens, and (iv) during the Warranty Period, the Parts shall be free of material defects in workmanship and material.
- b. "Warranty Period" means (i) with respect to Services defects, 24 hours from completion of the Services, and (ii) with respect to Parts defects, (x) other than in connection with Equipment installation, 90 days from original Part installation if installed by Hobart Service or from shipment if such Part is not installed by Hobart Service and (y) in connection with Equipment

installation, 30 days from completion of the installation Services. Delays in Equipment startup shall not extend any Warranty Period.

- c. For new Equipment (excluding Parts): New equipment purchases are subject to separate terms and conditions as provided by the original equipment manufacturer. Hobart Service is not responsible for any claims related to the new equipment itself.
- d. The above warranties (the "Warranty") apply directly to Customer and may not be assigned. Customer's exclusive remedy, and Hobart Service's sole obligation, for a breach of the Warranty is for Hobart Service, at its option, to re-perform defective Services, repair or replace defective Parts, or credit Customer's account for such defective Services or Parts. Hobart Service's obligations herein are contingent upon (i) Customer making any warranty claim during the Warranty Period, (ii) such claim including detailed explanation of any alleged deficiencies, (iii) Hobart Service being given a reasonable opportunity to investigate all claims; and (iv) Hobart Service's examination of such Parts or Services confirming the alleged deficiencies and that the deficiencies were not caused by accident, misuse, neglect, improper installation (other than by Hobart Service), unauthorized alteration or repair, or improper testing by Customer or a third party. EXCEPT AS SET FORTH ABOVE, HOBART SERVICE MAKES NO WARRANTY OR REPRESENTATION OF ANY KIND, EXPRESS OR IMPLIED (INCLUDING NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE).

13. **Exclusions.** Unless otherwise specified in a Service Contract, the following is not included in the scope of coverage and will be subject to additional charges at Hobart Rates: any repair costs (including labor, parts and travel expense) required due to (i) damage by fire, water, burglary, accident, abuse, intentional acts of destruction, acts of God, or acts of terrorism, (ii) Customer's failure to operate or maintain Equipment in conformity with Hobart Service's and the manufacturer's recommended operating and maintenance instructions, (iii) Customer's inappropriate or improper use, or the inappropriate or improper use by any third party, and/or (iv) the relocation, adjustment, repair, maintenance or service of the Equipment by any Customer personnel or any third party without Hobart Service's supervision or prior written consent. Hobart Service shall have no obligation to provide Service or Parts under this Service Contract for any Equipment that is damaged due to any of the above causes until such Equipment is repaired by Hobart Service and paid for by Customer at Hobart Rates. In addition, the following are not included and will be subject to additional charges: (a) Customer requested calibrations and/or adjustments to alter temperature or product appearance; (b) consumable items, such as paper supplies, filters, printing materials, and dishwashing and sanitizing compounds; (c) water related issues; (d) feature upgrades, including firmware, software, label format, or graphics; (e) welding services; (f) wireless DPAC network assembly; and (g) Customer network related issues for connected devices. Loaner equipment is not included but may be provided by local Branch Offices at additional cost based on availability. Repair, but not replacement, of fryer tanks, boiler and booster tanks and heat exchangers that are subject to ITW/Hobart/Traulsen original manufacturer equipment is covered. Additionally, notwithstanding anything to the contrary contained herein or any Service Contract, Hobart Service reserves the right to refuse to provide replacement parts for or provide any Services with respect to any Equipment, or parts or components for Equipment, that is beyond its standard or recommended useful life (as determined by Hobart Service) (such date, the "End of Life"). Hobart Service is not responsible for any losses, claims, damages or expenses related to Customer's continued use of any Equipment, parts and/or components after its End of Life. Once a piece of

Equipment has been designated as End of Life by Hobart Service, the fee for such Equipment will be prorated for the actual days elapsed until the date of such designation, and any amount prepaid by Customer shall be refunded by Hobart Service, provided that if the value of any Parts and Services applied to such Equipment (at standard Hobart Rates) through the date of termination exceed the prorated amount, Customer shall pay the actual value of such Parts and Services, not to exceed the original contract price. If Customer notifies Hobart Service in writing that a certain piece of Equipment has been replaced or is no longer in use, the fee for such Equipment will be prorated for the actual days elapsed until the date on which Hobart receives such notification, and any amount prepaid by Customer shall be refunded by Hobart Service, provided that if the value of any Parts and Services applied to such Equipment (at standard Hobart Rates) through the date of termination exceed the prorated amount, Customer shall pay the actual value of such Parts and Services, not to exceed the original contract price.

14. **Confidentiality.** Each party may obtain information that is of a proprietary or confidential nature of the other ("Confidential Information"). The recipient ("Recipient") shall maintain the confidentiality of all Confidential Information of the provider ("Provider"). Recipient shall not disclose Provider's Confidential Information except to its employees, affiliates or agents to the extent necessary for the performance of this Service Contract. Such employees, affiliates and agents must be bound to a duty of confidentiality and non-use substantially similar to the one contained herein. Recipient shall be responsible for any breach by its employees, affiliates and agents. Each party further agrees not to use any of Provider's Confidential Information other than in connection with the performance of this Service Contract. "Confidential Information" does not include any information that: (a) is or becomes generally available to the general public (other than through breach of this section); (b) was known to Recipient prior to its receipt from Provider; (c) Recipient obtained from an independent third party who Recipient reasonably believes does not have an obligation of confidentiality to Provider; (d) is independently developed by Recipient without reference to the Confidential Information of Provider; or (e) is required to be disclosed pursuant to court order or other similar legal or governmental process. Upon Provider's written request, Recipient shall destroy or return all Confidential Information and any copies thereof, except for digital copies that cannot be readily deleted and which are automatic back-up or archival server copies which shall be deleted in Recipient's ordinary course of business, provided such digital copies shall remain subject to the terms herein until such destruction occurs. The parties agree that, in addition to any other relief allowed under this Service Contract, by law or in equity, the Provider may seek injunctive relief in any court of competent jurisdiction for any breach of this section. The obligations of confidentiality and non-use contained herein will survive the Term for a period of 5 years.

15. **Customer Responsibilities.** For any on-Site Service, Customer shall (a) prepare the Site for the Services (and if the Site is not so prepared, Hobart Service may charge Customer for any delay and/or travel time at the Hobart Rates; and if, in Hobart Service's opinion, performance of Services would pose a safety risk, Hobart Service may refuse, without any liability, to provide Services and suspend Services or vacate all personnel from any Site and Customer shall be responsible for payment of the cost of any delay and/or travel time at Hobart Rates); (b) provide Hobart Service with at least 30 days' written notice of any rules, laws and/or requirements applicable to the Services, including any required permits and licenses, that are applicable to Customer's local jurisdiction; (c) provide at least 1 business day notice of cancellation of any Call (and if no such notice is provided, Customer is responsible for any costs incurred by Hobart Service caused by such cancellation); and (d) remain liable for all damages or injuries caused by or contributed to by the negligent acts or willful misconduct of Customer, its employees, agents, invitees, and representatives that may occur on the site and indemnify Hobart Service for the same.

16. **Limitation of Liability.** NEITHER PARTY WILL BE LIABLE FOR INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, OR FOR DOWN TIME, LOST PROFITS OR COMMERCIAL LOSSES, WHETHER OR NOT BASED UPON A PARTY'S NEGLIGENCE OR BREACH OF WARRANTY OR STRICT LIABILITY IN TORT OR ANY OTHER CAUSE OF ACTION. IN NO EVENT WILL EITHER PARTY'S LIABILITY UNDER THESE CONTRACT TERMS OR IN CONNECTION WITH THE SALE OF PARTS OR SERVICES EXCEED THE PURCHASE PRICE OF THE SPECIFIC PARTS OR SERVICES AS TO WHICH THE CLAIM IS MADE.

17. **Hobart Service Personnel.** Customer will not solicit or hire, directly or indirectly, any of Hobart Service's employees that interacted with Customer while Hobart Service provides Services and/or Parts and for a period of 12 months after the conclusion of such Services. A Hobart Service employee's response to a general advertisement not specifically targeting employees of Hobart Service shall not be deemed a violation of this Section.

18. **Miscellaneous.** (a) Additional terms from the local Branch Office may also apply to the Service Contract, and if applicable will be provided by the local Branch Office prior to sale. (b) Except for payment obligations, neither party will be responsible for failure to perform in a timely manner under the Service Contract when such failure results from events beyond its reasonable control (each an "Event of Force Majeure"), including acts of God, acts of war, blockades, pandemic, labor disputes and Part shortages. For each Event of Force Majeure, the affected party's time for performance will extend for such time as reasonably necessary to enable that party to perform. (c) Nothing in the Service Contract or the course of dealing of the parties may be construed to create a partnership, joint venture, or agency or as authorizing either party to obligate the other in any manner. (d) The Service Contract may not be assigned or transferred by Customer without Hobart Service's prior written consent. (e) Any dispute related to the Service Contract will be governed by and construed according to the laws of the state of Illinois and litigated exclusively in the state or federal courts of the state of Illinois. The parties hereto expressly release and waive any and all rights to a jury trial. The parties agree that the UN CISG will not apply to the Service Contract. In any action concerning any provision of this Service Contract, the prevailing party is entitled, in addition to the relief granted, to a reasonable sum for their reasonable and documented attorneys' fees incurred, provided that if each party prevails in part, such fees will be allocated in the manner as the court determines to be equitable in view of the relative merits and amounts of the parties' claims. (f) If any provision herein is held to be unlawful or unenforceable, the remaining provisions herein will remain in effect. (g) The Service Contract constitutes the entire agreement between the parties and any of their affiliates with respect to the Services and Parts covered by the Service Contract, and supersedes any prior agreements, understandings, representations and quotations with respect thereto.

19. **Additional Services.** Any services performed by Hobart Service in addition to, or separate from, the Services covered by this Service Contract (for example, any time and material service performed, or parts sold, by Hobart Service, and including all "Excluded Services") shall be governed exclusively by Hobart Service's Service Repair (Time & Material) Terms and Conditions of Sale, available at <https://www.hobartservice.com/terms>, which are incorporated by reference herein, and which Customer agrees to for the performance of all such services.