

## Contractual Structures *Operations and Maintenance Agreement*

The Operations and Maintenance Agreement defines the operations and maintenance services that Peregrine has agreed to perform with respect to the leased equipment and facilities. These services are usually defined based on specific equipment components and the frequency in which the maintenance and operations services are performed. Services range from daily visual inspections to annual preventive maintenance tasks.

The Operations and Maintenance Agreement's term is usually tied directly to the lease term. Compensation for these services is paid on a monthly basis and certain performance incentives and penalties can be included. Other basic terms and conditions of this agreement include: equipment warranties, indemnities and limitations of liability, insurance requirements, unwind and termination remedies, assignment rights, dispute resolutions, and confidentiality language.

