

mutually agreed between the parties as follows:

1.01 DEFINITIONS

A. **Agreement** means the binding legal contract between City and Vendor whereby City is obligated to buy specified goods and Vendor is obligated to sell and install same. The Agreement includes Vendor's Proposal dated December 6, 2015 (attached as Exhibit "A").

B. **City** means the City of Round Rock, Williamson and Travis Counties, Texas.

C. **Effective Date** means the date upon which the binding signatures of both parties to this Agreement are affixed.

D. **Force Majeure** means acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, orders of any kind from the government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, restraint of the government and the people, civil disturbances, explosions, or other causes not reasonably within the control of the party claiming such inability.

E. **Goods** mean the specified supplies, materials, commodities, or equipment.

F. **Services** mean work performed to meet a demand or effort by Vendor to comply with promised delivery dates, specifications, and technical assistance specified.

2.01 EFFECTIVE DATE, TERM, ALLOWABLE RENEWALS, PRICES FIRM

A. This Agreement shall be effective on the date this Agreement has been signed by each party hereto, and shall remain in full force and effect unless and until it expires by operation of the term indicated herein, or is terminated or extended as provided herein.

B. This Agreement shall terminate upon the purchase and installation of all goods and services as described in Exhibit "A."

C. Prices shall be firm for the duration of this Agreement. No separate line item charges shall be permitted for invoicing purposes, including but not limited to equipment rental, demurrage, costs associated with obtaining permits, or any other extraneous charges.

D. City reserves the right to review the relationship with Vendor at any time, and may elect to terminate this Agreement with or without cause or may elect to continue.

3.01 CONTRACT DOCUMENTS AND EXHIBITS

The goods and services which are the subject matter of this Agreement are described in Exhibit "A" and, together with this Agreement, comprise the Contract Documents. Any inconsistencies or conflicts in the contract documents shall be resolved by giving preference to the terms and conditions set forth in pages one (1) through ten (10) of this Agreement.

4.01 SCOPE OF WORK

Vendor shall satisfactorily provide all goods and complete all services described in Vendor's Proposal, Exhibit "A," attached hereto and incorporated herein.

This Agreement shall evidence the entire understanding and agreement between the parties and shall supersede any prior proposals, correspondence or discussions.

Vendor shall satisfactorily provide all deliverables and services described in Exhibit "A" within the contract term specified. A change in the Scope of Services must be negotiated and agreed to in all relevant details, and must be embodied in a valid Supplemental Agreement as described herein.

5.01 CONTRACT AMOUNT

In consideration for the deliverables and services related to the deliverables, the City agrees to pay Vendor **Two Hundred Seventy-One Thousand Six Hundred Thirty Dollars and no/100 Dollars (\$271,630.00)** for the goods and services set forth in Exhibit "A."

6.01 INVOICES

All invoices shall include, at a minimum, the following information:

- A. Name and address of Vendor;
- B. Purchase Order Number;
- C. Description and quantity of items received or services provided; and
- D. Delivery or performance dates.

7.01 NON-APPROPRIATION AND FISCAL FUNDING

This Agreement is a commitment of City's current revenues only. It is understood and agreed that City shall have the right to terminate this Agreement at the end of any City fiscal year if the governing body of City does not appropriate funds sufficient to purchase the services as determined by City's budget for the fiscal year in question. City may effect such termination by

giving Vendor a written notice of termination at the end of its then current fiscal year.

8.01 PROMPT PAYMENT POLICY

In accordance with Chapter 2251, V.T.C.A., Texas Government Code, payment to Vendor will be made within thirty (30) days of the day on which City receives the performance, supplies, materials, equipment, and/or deliverables, or within thirty (30) days of the day on which the performance of services was complete, or within thirty (30) days of the day on which City receives a correct invoice for the performance and/or deliverables or services, whichever is later. Vendor may charge interest on an overdue payment at the "rate in effect" on September 1 of the fiscal year in which the payment becomes overdue, in accordance with V.T.C.A., Texas Government Code, Section 2251.025(b); however, this Policy does not apply to payments made by City in the event:

- A. There is a bona fide dispute between City and Vendor, a contractor, subcontractor or supplier about the goods delivered or the service performed that cause the payment to be late; or
- B. The terms of a federal contract, grant, regulation, or statute prevent City from making a timely payment with federal funds; or
- C. There is a bona fide dispute between Vendor and a subcontractor or between a subcontractor and its supplier about the goods delivered or the service performed that causes the payment to be late; or
- D. Invoices are not mailed to City in strict accordance with instructions, if any, on the purchase order or the Agreement or other such contractual agreement.

9.01 GRATUITIES AND BRIBES

City may, by written notice to Vendor, cancel this Agreement without liability to Vendor if it is determined by City that gratuities or bribes in the form of entertainment, gifts, or otherwise were offered or given by Vendor or its agents or representatives to any City officer, employee or elected representative with respect to the performance of this Agreement. In addition, Vendor may be subject to penalties stated in Title 8 of the Texas Penal Code.

10.01 TAXES

City is exempt from Federal Excise and State Sales Tax; therefore, tax shall not be included in Vendor's charges.

11.01 ORDERS PLACED WITH ALTERNATE SERVICES PROVIDERS

If Vendor cannot provide the goods as specified, City reserves the right and option to obtain the products from another supplier or suppliers.

12.01 CITY'S REPRESENTATIVE

City hereby designates the following representative authorized to act in its behalf with regard to this Agreement:

Pete Dominguez
Facilities Manager
General Services Department
212 Commerce Cove
Round Rock, Texas 78664
(512) 341-3144

13.01 INSURANCE

Vendor shall meet all City of Round Rock Insurance Requirements as set forth at: http://www.roundrocktexas.gov/wp-content/uploads/2014/12/corr_insurance_07.201112.pdf.

14.01 RIGHT TO ASSURANCE

Whenever either party to this Agreement, in good faith, has reason to question the other party's intent to perform hereunder, then demand may be made to the other party for written assurance of the intent to perform. In the event that no written assurance is given within the reasonable time specified when demand is made, then and in that event the demanding party may treat such failure as an anticipatory repudiation of this Agreement.

15.01 DEFAULT

If Vendor abandons or defaults under this Agreement and is a cause of City purchasing the specified goods elsewhere, Vendor agrees that it may be charged the difference in cost, if any, and that it will not be considered in the re-advertisement of the service and that it may not be considered in future bids for the same type of work unless the scope of work is significantly changed.

Vendor shall be declared in default of this Agreement if it does any of the following:

- A. Fails to fully, timely and faithfully perform any of its material obligations under this Agreement;

- B. Fails to provide adequate assurance of performance under the "Right to Assurance" section herein; or
- C. Becomes insolvent or seeks relief under the bankruptcy laws of the United States.

16.01 TERMINATION AND SUSPENSION

A. City has the right to terminate this Agreement, in whole or in part, for convenience and without cause, at any time upon thirty (30) days' written notice to Vendor.

B. In the event of any default by Vendor, City has the right to terminate this Agreement for cause, upon ten (10) days' written notice to Vendor.

C. Vendor has the right to terminate this Agreement only for cause, that being in the event of a material and substantial breach by City, or by mutual agreement to terminate evidenced in writing by and between the parties.

D. In the event City terminates under subsections (A) or (B) of this section, the following shall apply: Upon City's delivery of the referenced notice to Vendor, Vendor shall discontinue all services in connection with the performance of this Agreement and shall proceed to cancel promptly all existing orders and contracts insofar as such orders and contracts are chargeable to this Agreement. Within thirty (30) days after such notice of termination, Vendor shall submit a statement showing in detail the goods and/or services satisfactorily performed under this Agreement to the date of termination. City shall then pay Vendor that portion of the charges, if undisputed. The parties agree that Vendor is not entitled to compensation for services it would have performed under the remaining term of the Agreement except as provided herein.

17.01 INDEMNIFICATION

Vendor shall defend (at the option of City), indemnify, and hold City, its successors, assigns, officers, employees and elected officials harmless from and against all suits, actions, legal proceedings, claims, demands, damages, costs, expenses, attorney's fees, and any and all other costs or fees arising out of, or incident to, concerning or resulting from the fault of Vendor, or Vendor's agents, employees or subcontractors, in the performance of Vendor's obligations under this Agreement, no matter how, or to whom, such loss may occur. Nothing herein shall be deemed to limit the rights of City or Vendor (including, but not limited to the right to seek contribution) against any third party who may be liable for an indemnified claim.

18.01 COMPLIANCE WITH LAWS, CHARTER AND ORDINANCES

A. Vendor, its agents, employees and subcontractors shall use best efforts to comply with all applicable federal and state laws, the Charter and Ordinances of the City of Round Rock,

as amended, and with all applicable rules and regulations promulgated by local, state and national boards, bureaus and agencies.

B. Services Provider acknowledges and understands that City has adopted a Storm Water Management Program (SWMP) and an Illicit Discharge Ordinance, Sections 14-139 through 14-152 of the City's Code of Ordinances, to manage the quality of the discharges from its Municipal Separate Storm Sewer System (MS4) and to be in compliance with the requirements of the Texas Commission on Environmental Quality (TCEQ) and the Texas Pollutant Discharge Elimination System (TPDES). The Services Provider agrees to perform all operations on City-owned facilities in compliance with the City's Illicit Discharge Ordinance to minimize the release of pollutants into the MS4. The Services Provider agrees to comply with the City's stormwater control measures, good housekeeping practices and any facility specific stormwater management operating procedures specific to a certain City facility. In addition, the Services Provider agrees to comply with any applicable TCEQ Total Maximum Daily Load (TMDL) Requirements and/or I-Plan requirements.

19.01 ASSIGNMENT AND DELEGATION

The parties each hereby bind themselves, their successors, assigns and legal representatives to each other with respect to the terms of this Agreement. Neither party shall assign, sublet or transfer any interest in this Agreement without prior written authorization of the other party.

20.01 NOTICES

All notices and other communications in connection with this Agreement shall be in writing and shall be considered given as follows:

1. When delivered personally to the recipient's address as stated in this Agreement;
or
2. Three (3) days after being deposited in the United States mail, with postage prepaid to the recipient's address as stated in this Agreement.

Notice to Vendor:

Carrier Corporation
715 Discovery Boulevard, Suite 313
Cedar Park, Texas 78613

Notice to City:

City Manager
221 East Main Street
Round Rock, TX 78664

AND TO: Stephan L. Sheets, City Attorney
309 East Main Street
Round Rock, TX 78664

Nothing contained herein shall be construed to restrict the transmission of routine communications between representatives of City and Vendor.

21.01 APPLICABLE LAW; ENFORCEMENT AND VENUE

This Agreement shall be enforceable in Round Rock, Texas, and if legal action is necessary by either party with respect to the enforcement of any or all of the terms or conditions herein, exclusive venue for same shall lie in Williamson County, Texas. This Agreement shall be governed by and construed in accordance with the laws and court decisions of the State of Texas.

22.01 EXCLUSIVE AGREEMENT

This document, and all appended documents, constitutes the entire Agreement between Vendor and City. This Agreement may only be amended or supplemented by mutual agreement of the parties hereto in writing, duly authorized by action of the City Manager or City Council.

23.01 DISPUTE RESOLUTION

City and Vendor hereby expressly agree that no claims or disputes between the parties arising out of or relating to this Agreement or a breach thereof shall be decided by any arbitration proceeding, including without limitation, any proceeding under the Federal Arbitration Act (9 USC Section 1-14) or any applicable state arbitration statute.

24.01 SEVERABILITY

The invalidity, illegality, or unenforceability of any provision of this Agreement or the occurrence of any event rendering any portion or provision of this Agreement void shall in no way affect the validity or enforceability of any other portion or provision of this Agreement. Any void provision shall be deemed severed from this Agreement, and the balance of this Agreement shall be construed and enforced as if this Agreement did not contain the particular portion or provision held to be void. The parties further agree to amend this Agreement to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this section shall not prevent this entire Agreement from being void should a provision which is of the essence of this Agreement be determined void.

25.01 MISCELLANEOUS PROVISIONS

Standard of Care. Vendor represents that it employs trained, experienced and competent persons to perform all of the services, responsibilities and duties specified herein and that such services, responsibilities and duties shall be performed in a manner according to generally accepted industry practices.

Time is of the Essence. Vendor understands and agrees that time is of the essence and that any failure of Vendor to fulfill obligations for each portion of this Agreement within the agreed timeframes will constitute a material breach of this Agreement. Vendor shall be fully responsible for its delays or for failures to use best efforts in accordance with the terms of this Agreement. Where damage is caused to City due to Vendor's failure to perform in these circumstances, City may pursue any remedy available without waiver of any of City's additional legal rights or remedies.

Force Majeure. Neither City nor Vendor shall be deemed in violation of this Agreement if it is prevented from performing any of its obligations hereunder by reasons for which it is not responsible as defined herein. However, notice of such impediment or delay in performance must be timely given and all reasonable efforts undertaken to mitigate its effects.

Multiple Counterparts. This Agreement may be executed in multiple counterparts, any one of which shall be considered an original of this document; and all of which, when taken together, shall constitute one and the same instrument.

[Signatures appear on the following page.]

IN WITNESS WHEREOF, City and Vendor have executed this Agreement on the dates indicated.

City of Round Rock, Texas

By: _____
Printed Name: _____
Title: _____
Date Signed: _____

Carrier Corporation

By: Steve Shelton
Printed Name: Steve Shelton
Title: Bus Mgr
Date Signed: 12-14-15

Attest:

By: _____
Sara L. White, City Clerk

For City, Approved as to Form:

By: _____
Stephan L. Sheets, City Attorney





Address 715 Discovery Blvd, Suite 313
Cedar Park, Texas, 78613
Phone (512) 364-6322
Fax (860) 660-8748
E-mail melissa.m.gill@carrier.utc.com

Contact Name Rolando Rodriguez
Account Name CITY OF ROUND ROCK
Phone (512) 837-7100
Site Address 301 W Bagdad Ave
Round Rock, TX, 786645271
Estimate Date 12/6/2015
Quote Number 00197135

Job Description City of Round Rock Municipal Court HVAC Project, BuyBoard Contract #461-14

Scope of Work: HVAC and Controls Replacement

HVAC Equipment:

- Replace (6) roof top units.
 - We will replace (4) Trane units and (2) Lennox units with new Carrier units to include the following: (1) 50HCCE09, (1) 50HCCE11, (3) 50A3G027, and (1) 50A3G030.
 - Please see the attached submittal for complete details.
- Proposal includes all overtime labor for HVAC RTU replacement.
- Removal and disposal of the existing units, use of a crane, curb adaptors, reconnection to the existing copper drain line, installation and startup of the new units.
- Please note the 50HCs have a 4 week production time and the 50A' have a 6 week production time.
- The equipment has a one year warranty.
- Pricing is based on replacing all the equipment at the same time.

HVAC Controls:

Network & Software:

- Upgrade Existing City of Round Rock WC 5.5 to WebCTRL 6.1 BAS Software including alarming, trending, and scheduling.
- Energy Reports Version 2.5
- LGR 25 Router/Gateway
- City of Round Rock will provide the workstation/PC

Labor:

- Design hardware engineering package
- Software engineering database, programming, & Graphics. **Graphics of the roof equipment locations will be included-PDF or CAD drawing to be provided by the City of Round Rock.**
- Project Management
- Installation & Termination
- Start-up and Checkout

Mechanical Equipment Control and Monitoring:

- Four (4) VAV RTU Systems (RTU 1.1, 1.2, 2.1, 2.2)
 1. **Controls per the Points List described below.**
 - Supply Fan Start/Stop
 - Supply Fan Speed
 - DX Cooling and Discharge Temperature
 - Supply Duct Static Pressure
 - Building Static Pressure (Common Building Pressure)
 - Modulating Outside Air Damper

EXHIBIT "A"

Mechanical Equipment Control and Monitoring: Four (4) VAV RTU Systems Continued

2. Monitoring per the Points List described below.

- Supply Fan Status with Amperage
- Condenser Fan 1 & 2 Status with Amperage (Fan VFD is Internally Controlled)
- Compressor 1 and 2 Status with Amperage
- Compressor Enable Status Option
- High Pressure Refrigerant
- Low Pressure Refrigerant
- Mixed Air Temperature
- Supply Air Temperature
- High Static Pressure
- Filter Differential Pressure
- Return Air CO2
- High Level Drain Pan

Optional Monitoring Points:

- Mixed Air Humidity
- Supply Air Humidity
- Outside Air Flow

3. Furnish and Install the following new devices for each RTU:

- Provide Module SE6166 for each RTU.
- Supply Fan Current Transducer
- Compressor Status - Current Transducer (2 Compressors per unit/2 stages per compressor)
- Duct Static Pressure Sensor
- Mixed Air Temperature Averaging Sensor
- Supply Air Temperature Sensor
- Space Differential Pressure Sensor (Common Building Pressure)
- P51 Refrigerant Pressure Sensor for High Pressure and Low Pressure (2 Per Unit)
- Modulating Outside Air Actuator & Modulating Exhaust Air Actuator
- Outside Air Temperature/Humidity Sensor
- High Static Pressure Limit
- Return air CO2 Sensor
- Airflow Monitoring Flow Station (Outside Air)
- High Level Drain Pan Float Switch

Options: With Options added-Provide ME812U and Expander

- Mixed Air Humidity Sensor
- Supply Air Humidity
- Outside Air Flow Sensor

- **Two (2) RTU Systems (RTU 1.3, 2.3)**

4. Controls per the Points List described below.

- Supply Fan Start/Stop
- DX Cooling
- Electric Heating
- Building Static Pressure (Common Building Pressure)
- Modulating Outside Air Damper

5. Monitoring per the Points List described below.

- Supply Fan Status with Amperage
- Compressor 1 and 2 Status with Amperage
- Compressor Enable Status Option
- High Pressure Refrigerant
- Low Pressure Refrigerant
- Supply Air Temperature
- Filter Differential Pressure
- Return Air CO2
- High Level Drain Pan

EXHIBIT "A"

Mechanical Equipment Control and Monitoring: Two (2) RTU Systems Continued

6. Furnish and Install the following new devices for each RTU:

- Provide Module SE6104 for each RTU.
- Supply Fan Current Transducer
- Compressor Status - Current Transducer (2 Compressors per unit/2 stages per compressor)
- Supply Air Temperature Sensor
- P51 Refrigerant Pressure Sensor for High Pressure and Low Pressure (2 Per Unit)
- Modulating Outside Air Actuator
- Outside Air Temperature/Humidity Sensor
- Return air CO2 Sensor
- High Level Drain Pan Float Switch

Fan Powered Boxes (FPB)

1. Remove the existing KMC VAV Control Board and replace with an ALC Module ZN341V+ for each FPB.
2. Furnish and Install the following new devices for each FPB:
3. Duct Temperature Sensor
4. Room Temperature Sensor with Set-Point Adjustment and Override
5. Fire Alarm Shutdown-Connect to existing F/A relay.
6. ALC assumes that the FPB units have velocity pressure probes and good operating conditions for airflow readings.

VAV Boxes

1. Replace the existing KMC VAV Control Board with ALC Module ZN141V+ for each VAV Box. Field Mount each ALC module.
2. Furnish and Install the following new devices for each VAV Box:
 - Room Temperature Sensor with Set-Point Adjustment and Override
 - Common AHU Discharge Air Temperature
3. ALC assumes that the VAV Boxes have velocity pressure probes and good operating conditions for airflow readings.

Power Metering Monitoring

1. Provide Power Meter with Bacnet Energy Communication Board for the Main Feed to the Building
2. Provide a M220NX Module
3. Incorporate all metering devices to Energy Reports (i.e., RTU fan motor Usage, Compressors, etc.)

Exclusions / Clarifications

This quote does not include the waste disposal and labor performed outside normal business hours unless otherwise noted. In addition, the quoted price does not include any sales, excise, or similar taxes, any that apply will be added at cost.

Excluded from this proposal:

- Trenching for the burial of conduit and wire
- Furnishing, mounting and wiring of duct mounted smoke detectors
- Wiring 120 volts and above such as power to control panels
- Motor Starters, Disconnect Switches & Variable Frequency Drives (VFD's) unless specified on equipment submittal
- Thermometers & Gauges
- New drain lines
- Cutting, patching & painting and any building penetrations
- Manual volume dampers, fire dampers, fire and smoke dampers or their installation
- Demolition of existing controls
- Dedicated broad band access service
- Bonds
- Sales or Applicable Tax

Clarifications to this proposal:

- Except in cases of gross negligence or willful misconduct, in no event shall Subcontractor be held liable for any consequential damages.
- Retainage is estimated based upon the retainage amount shown to be withheld by the owner in the contract documents. Should we be required to accept retainage in a greater amount than the owner contract documents pricing contained herein is subject to change.
- Submittals will be issued from 4 to 6 weeks after Automated Logic has received a full set of plans, specifications and an approved set of equipment submittals
- Unless otherwise indicated, prices quoted are subject to cancellation or escalation if this proposal is not accepted within 60 days.

EXHIBIT "A"

Total Quoted Price for HVAC and Controls Replacement (Excluding Applicable Tax) : \$271,630.00

Total Price for HVAC Scope of Work: \$160,727.00

- Price Per Unit Breakdown:
 - 50HCCE09: \$14,383.74
 - 50HCCE11: \$15,208.29
 - 50A3G027: \$32,263.94 (Price Per Unit- 3 Units Total)
 - 50A3G030: \$34,343.14

Total Price for Controls Scope of Work : \$100,731.00

Optional Monitoring Points (Included in Total Above): \$10,172.00

- Price Breakout:
 - VAV RTU: \$35,554.00
 - CV RTU: \$5,612.00
 - VAV per Unit: \$1,315.00 (x16 VAV units = \$21,040)
 - FPB Boxes per Unit: \$ 1,375.00 (x24 FPB units = \$33,000)
 - Power Metering: \$2,350.00
 - Optional Monitoring Points per Unit (Mixed Air Humidity, Outside Airflow)Total: \$2,493.00 (x4 = \$9,972.00)
 - *Replace SE6166 module with ME812U and MEX48U- if optional points above are accepted, we must change the module to a larger module and expander.*

This proposal is valid for 90 days from the date of proposal. Carrier's terms and conditions will govern in lieu of any other terms and conditions contained in any resulting Purchase, Order, Contract, Agreement, etc. Carrier would like to thank you for the continuing opportunity to be of service.

Sincerely,

Melissa Gill

Carrier Commercial Service

Title

Customer Acceptance (signature)

Date

Purchase Order

Regulated by The Texas Department of Licensing and Regulation, P.O. Box 12157, Austin, Texas 78711, 1-800-803-9202,
512-463-6599, www.license.state.tx.us, License # TACLA59534C
The attached Terms & Conditions file shall govern.

EXHIBIT "A"

CARRIER CORPORATION

TERMS AND CONDITIONS OF SALE – EQUIPMENT AND/OR SERVICE

1. **PAYMENT AND TAXES-** Payment shall be made net 30 days from date of invoice. Carrier reserves the right to require cash payment or other alternative method of payment prior to shipment or completion of work if Carrier determines, in its sole discretion, that Customer or Customer's assignee's financial condition at any time does not justify continuance of the net 30 days payment term. In addition to the price, the Customer shall also pay Carrier any taxes or government charges arising from this Agreement. If the Customer claims that any such taxes or government charges do not apply to the transactions governed by this Agreement, Customer shall provide Carrier with acceptable tax exemption certificates or other applicable documents.

2. **EXTRAS-** Equipment, parts or labor in addition to those specified in this Agreement will be provided upon receipt of Customer's written authorization and paid for as an extra and subject to the terms of this Agreement.

3. **RETURNS-** No items will be accepted for return without prior written authorization. Returned goods may be subject to a restocking charge. Special order and non-stock items cannot be returned.

4. **SHIPMENT-** All shipments shall be F.O.B. shipping point, freight prepaid and allowed to the job site. Shipment dates quoted are approximate. Carrier does not guarantee a particular date for shipment or delivery.

5. **PARTIAL SHIPMENT-** Carrier shall have the right to ship any portion of the equipment included in this Agreement and invoice Customer for such partial shipment.

6. **DELAYS-** Carrier shall not be liable for delays in manufacturing, shipping or delivery by causes beyond the control and without the fault or negligence of Carrier, including but not restricted to acts of God, acts of a public enemy, acts of government, acts of terrorism, fires, floods, epidemics, quarantine restrictions, freight embargoes, supplier delays, strikes, or labor difficulties (collectively "Force Majeure Events"). Carrier agrees to notify Customer in writing as soon as practicable of the causes of such delay. In the event that any materials or equipment to be provided by Carrier under this Agreement become permanently unavailable as a result of a Force Majeure Event, Carrier shall be excused from furnishing such materials or equipment.

7. **WARRANTY-** Carrier warrants that all equipment manufactured by Carrier Corporation and all Carrier equipment, parts or components supplied hereunder will be free from defects in material and workmanship. Carrier shall at its option repair or replace, F.O.B. point of sale, any equipment, part or component sold by Carrier and determined to be defective within one (1) year from the date of initial operation or eighteen (18) months from date of shipment, whichever is earlier. Carrier does not warrant products not manufactured by Carrier Corporation, but it does pass on to Customer any transferrable manufacturer warranties for those products. Carrier warrants that all service provided by Carrier hereunder shall be performed in a workmanlike manner. In the event any such service is determined to be defective within ninety (90) days of completion of that service, Carrier shall at its option re-perform or issue a credit for such service. Carrier's obligation to repair or replace any defective equipment, parts or components during the warranty period shall be Customer's exclusive remedy. Carrier shall not be responsible for labor charges for removal or reinstallation of defective equipment, parts or components, for charges for transportation, handling and shipping or refrigerant loss, or for repairs or replacement of such equipment, parts or components, required as a consequence of faulty installation, misapplication, vandalism, abuse, exposure to chemicals, improper servicing, unauthorized alteration or improper operation by persons other than Carrier.

THIS WARRANTY IS GIVEN IN LIEU OF ALL OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

8. **WORKING HOURS-** All services performed under this Agreement including major repairs, are to be provided during Carrier's normal working hours unless otherwise agreed.

9. **ADDITIONAL SERVICE-** Services or parts requested by Customer in addition to those specified in this Agreement will be provided upon receipt of Customer's written authorization and invoiced at Carrier's prevailing labor rates and parts charges. Additional services or parts shall be supplied under the terms of this Agreement.

10. **CUSTOMER RESPONSIBILITIES (Service Contracts only) -** Customer shall:

- Provide safe and reasonable equipment access and a safe work environment.
- Permit access to Customer's site, and use of building services including but not limited to: water, elevators, receiving dock facilities, electrical service and local telephone service.
- Keep areas adjacent to equipment free of extraneous material, move any stock, fixtures, walls or partitions that may be necessary to perform the specified service.
- Promptly notify Carrier of any unusual operating conditions.
- Upon agreement of a timely mutual schedule, allow Carrier to stop and start equipment necessary to perform service.
- Provide adequate water treatment.
- Provide the daily routine equipment operation (if not part of this Agreement) including availability of routine equipment log readings.
- Where Carrier's remote monitoring service is provided, provide and maintain a telephone line with long distance direct dial and answer capability.
- Operate the equipment properly and in accordance with instructions.

- Promptly address any issues that arise related to mold, fungi, mildew or bacterial
- Identify and label any asbestos containing material that may be present. The customer will provide, in writing, prior to the start of a job, a signed statement regarding the absence or presence of asbestos for any job where the building or the equipment to be serviced is older than 1981. Should this document state that no asbestos is present, the customer will also provide in writing the method used to determine the absence of asbestos.

11. EXCLUSIONS— Carrier is not responsible for items not normally subject to mechanical maintenance including but not limited to: duct work, casings, cabinets, fixtures, structural supports, grillage, water piping, steam piping, drain piping, cooling tower fill, boiler tubes, boiler refractory, disconnect switches and circuit breakers. Carrier is not responsible for repairs, replacements, alterations, additions, adjustments, repairs by others, unscheduled calls or emergency calls, any of which may be necessitated by negligent operation, abuse, misuse, prior improper maintenance, vandalism, obsolescence, building system design, damage due to freezing weather, chemical/electrochemical attack, corrosion, erosion, deterioration due to unusual wear and tear, any damage related to the presence of mold, fungi, mildew, or bacteria, damage caused by power reductions or failures or any other cause beyond Carrier's control. Carrier shall not be required to perform tests, install any items of equipment or make modifications that may be recommended or directed by insurance companies, government, state, municipal or other authority. However, in the event any such recommendations occur, Carrier, at its option, may submit a proposal for Customer's consideration in addition to this Agreement. Carrier shall not be required to repair or replace equipment that has not been properly maintained.

12. EQUIPMENT CONDITION & RECOMMENDED SERVICE (Service Contracts only) – Upon the initial scheduled operating and/or initial annual stop inspection, should Carrier determine the need for repairs or replacement, Carrier will provide Customer in writing an 'equipment condition' report including recommendations for corrections and the price for repairs in addition to this Agreement.

In the event Carrier recommends certain services (that are not included herein or upon initial inspection) and if Customer does not elect to have such services properly performed in a timely fashion, Carrier shall not be responsible for any equipment or control failures, operability or any long-term damage that may result. Carrier at its option will either continue to maintain equipment and/or controls to the best of its ability, without any responsibility, or remove such equipment from this Agreement, adjusting the price accordingly.

13. PROPRIETARY RIGHTS (Service Contracts only)- During the term of this Agreement and in combination with certain services, Carrier may elect to install, attach to Customer equipment, or provide portable devices (hardware and/or software) that shall remain the personal proprietary property of Carrier. No devices installed, attached to real property or portable device(s) shall become a fixture of the Customer locations. Customer shall not acquire any interest, title or equity in any hardware, software, processes, and other intellectual or proprietary rights to devices that are used in connection with providing service on Customer equipment.

14. WAIVER OF DAMAGES- Under no circumstances shall Carrier be liable for any incidental, special or consequential damages, including loss of revenue, loss of use of equipment or facilities, or economic damages based on strict liability or negligence.

15. LIMITATION OF LIABILITY- Carrier's maximum liability for any reason (except for personal injuries) arising from this Agreement shall not exceed the value of the Agreement.

16. CANCELLATION- Customer may cancel this Agreement only with Carrier's prior written consent, and upon payment of reasonable cancellation charges. Such charges shall take into account costs and expenses incurred, and purchases or contract commitments made by Carrier and all other losses due to the cancellation including a reasonable profit.

17. CUSTOMER TERMINATION FOR CARRIER NON-PERFORMANCE – Customer shall have the right to terminate this Agreement for Carrier's non-performance provided Carrier fails to cure such non-performance within 30 days after having been given prior written notice of the non-performance. Upon early termination or expiration of this Agreement, Carrier shall have free access to enter Customer locations to disconnect and remove any Carrier personal proprietary property or devices as well as remove any and all Carrier-owned parts, tools and personal property. Additionally, Customer agrees to pay Carrier for all incurred but unamortized service costs performed by Carrier including overheads and a reasonable profit.

18. CARRIER TERMINATION – Carrier reserves the right to discontinue its service any time payments have not been made as agreed or if alterations, additions or repairs are made to equipment during the term of this Agreement by others without prior agreement between Customer and Carrier.

19. CLAIMS- Any suits arising from the performance or nonperformance of this Agreement, whether based upon contract, negligence, and strict liability or otherwise, shall be brought within one (1) year from the date the claim arose.

20. GOVERNMENT PROCUREMENTS- The components, equipment and services provided by Carrier are "commercial items" as defined in Section 2.101 of the Federal Acquisition Regulations ("FAR"), and the prices of such components, equipment and services are based on Carrier's commercial pricing policies and practices (which do not consider any special requirements of U.S. Government cost principles, FAR Part 31, or any similar procurement regulations). As such, Carrier will not agree to provide or certify cost or pricing data, nor will Carrier agree to comply with the Cost Accounting Standards (CAS). In addition, no federal government procurement regulations, such as FARs or DFARs, shall apply to this Agreement except those regulations expressly accepted in writing by Carrier.

21. HAZARDOUS MATERIALS- Carrier is not responsible for the identification, detection, abatement, encapsulating or removal of asbestos, products or materials containing asbestos, similar hazardous substances, or mold, fungi, mildew, or bacteria. If Carrier encounters any asbestos or other hazardous material while performing this Agreement, Carrier may suspend its work and remove its employees from the project, until such material and any hazards associated with it are abated. The time for Carrier's performance shall be extended accordingly, and Carrier shall be compensated for the delay.

22. WASTE DISPOSAL - Customer is wholly responsible for the removal and proper disposal of waste oil, refrigerant and any other material generated during the term of this Agreement.

23. SUPERSEDURE, ASSIGNMENT and MODIFICATION- This Agreement contains the complete and exclusive statement of the agreement between the parties and supersedes all previous or contemporaneous, oral or written, statements. Customer may assign this Agreement only with Carrier's prior written consent. No modification to this Agreement shall be binding unless in writing and signed by both parties.

24. CUSTOMER CONSENT - Customer consents and agrees that Carrier may, from time to time, publicize Carrier related projects with Customer, including the value of such projects, in all forms and media for advertising, trade, and any other lawful purposes.

25. FOR WORK BEING PERFORMED IN CALIFORNIA: Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.