

JUSTIFICATION FOR NON-COMPETITIVE PROCUREMENT

COMPLETE THIS SECTION IF NEW CONTRACT

For contract(s) in this request, answer applicable questions in each of the 4 major subject areas below in accordance with the Instructions for Preparation of Non-Competitive Procurement Form on the reverse side.

Request that negotiations be conducted only with SIEMENS for the product and/or services described herein.
 (Name of Person or Firm)

This is a request for _____ (One-Time Contractor Requisition # 40695, copy attached) or Sole Source Term Agreement or _____ Delegate Agency (Check one). If Delegate Agency, this request is for "blanket approval" for all contracts within the

Maintenance and Repair of Siemens Equipment (Attach List) Pre-Assigned Specification No. _____
 (Program Name) Pre-Assigned Contract No. _____

COMPLETE THIS SECTION IF AMENDMENT OR MODIFICATION TO CONTRACT

Describe in detail the change in terms of dollars, time period, scope of services, etc., its relationship to the original contract and the specific reasons for the change. Indicate both the original and the adjusted contract amount and/or expiration date with this change, as applicable. Attach copy of all supporting documents. Request approval for a contract amendment or modification to the following:

Contract #: _____ Company or Agency Name: _____

Specification # 69851 Contract or Program Description: Maintenance & Repair of Siemens Equipment

Modification #: _____
 (Attach List, if multiple)

Sandra Duffin 312-744-7916 Sandra Duffin General Services 10/03/2008
 Originator Name Telephone Signature Department Date

Indicate **SEE ATTACHED** in each box below if additional space needed:

<input checked="" type="checkbox"/> PROCUREMENT HISTORY	See Attached	S.S.R.B. DATE <u>12/02/08</u> APPROVED <u>4-0</u> CONDITIONALLY APPROVED RETURN TO DEPT. DISAPPROVED
<input checked="" type="checkbox"/> ESTIMATED COST	See Attached	
<input checked="" type="checkbox"/> SCHEDULE REQUIREMENTS	See Attached	
<input type="checkbox"/> EXCLUSIVE OR UNIQUE CAPABILITY	See Attached	
<input type="checkbox"/> OTHER	See Attached	

APPROVED BY: [Signature] 11/7/08 [Signature] 12/02/08
 DEPARTMENT HEAD OR DESIGNEE DATE BOARD CHAIRPERSON DATE
[Signature] 12/15/08
 CHIEF PROCUREMENT OFFICER DATE OF APPROVAL

SOLE SOURCE REQUEST FOR FULL PREVENTIVE
MAINTENANCE AND REPAIRS OF SIEMENS LIFE
SAFETY AND HVAC EQUIPMENT

DEPARTMENT: GENERAL SERVICES

VALUE: \$2,000,000.00

TERM: 5 Years plus 2 Extension Options

INCLUDED: Checklist
Requisition
Sole Source Justification Form
Cost Proposal
MWBE Compliance Plan
Insurance Certificate
EDS
Vendor Proposal

PROCUREMENT HISTORY:

Siemens installed the Life Safety and HVAC equipment into the 911 Center in 1995 through a contract with the Public Building Commission (PBC). Siemens also installed the Life Safety and HVAC equipment into the 311 Center in 2001 through a PBC contract.

ESTIMATED COST:

Attached is a five year breakdown for a full maintenance platinum package which includes maintenance and repairs for the equipment located at the 911 and 311 Centers. Also included is hourly rates and material cost for the items not covered under the agreement or for work that may be required at additional facilities.

SCHEDULE REQUIRMENTS:

The requirements for both systems are included in the scope of service which is provided in detail by Siemens and included in this package. Our intent is to have a full maintenance contract for the 911 and 311 Centers. It will be part of our package that Siemens will upgrade our current equipment to meet today's standards. It is also our intent to have hourly labor rates in the contract that will allow Siemens personnel to work at any of our other facilities that has Siemens equipment on a time and material basis on an as needed basis.

EXCLUSIVE OR UNIQUE CAPABILITY:

Siemens wrote the code to operate these two systems and no other company can maintain or upgrade the current systems installed. Siemens software is protected by licensure that only allows authorized agents to acquire and utilize the Siemens software. The individual proprietary program that is generated by Siemens is protected as such, that without a specific daily rolling code, the software from one agent cannot be utilized or modified by another agent. (See attached letter from Siemens) To be sure that our life safety system is operating at optimum levels, Factory Trained Technicians must perform all tests, inspections and repair work associated with our Siemens system.

OTHER:

None

DPS PROJECT CHECKLIST

For DPS Use Only	
Date Received	_____
Date Returned	_____
Date Accepted	_____
CA/CN's Name	_____

IMPORTANT: PLEASE READ AND FOLLOW THE INSTRUCTIONS FOR COMPLETING THE PROJECT CHECKLIST AND CONTACT THE APPROPRIATE UNIT MANAGER IF YOU HAVE ANY FURTHER QUESTIONS. ALL INFORMATION SHOULD BE COMPLETED, ATTACH ALL REQUIRED MATERIALS AND SUBMIT FOR HANDLING TO THE DEPARTMENT OF PROCUREMENT SERVICES, ROOM 403, CITY HALL, 121 N. ASALLE STREET, CHICAGO, ILLINOIS 60602.

GENERAL INFORMATION:

Date: 11-3-08
REQ No.: 40695

Contact Person: Sandy Duffin
Tel: 744-7916 Fax: 744-2773 E-mail: GS00433@cityofchicago.org

Specification No.: (if known): 69841
PO No.: (if known):

Project Manager: Rich Enault
Tel: 742-4152 Fax: 744-6692 E-mail: @cityofchicago.org

Modification No.: (if known):

Previous PO No.: (if known):

Project Description: Sole Source Request for the Full Preventive Maint. of the Fire and Life Safety Siemens Equipment.

FUNDING:

- | | | | | | |
|----------|---------------------------------------|---------------------------------------|--|---------------------------------|--------------------------------|
| City: | <input type="checkbox"/> Corporate | <input type="checkbox"/> Bond | <input checked="" type="checkbox"/> Enterprise | <input type="checkbox"/> Grant* | <input type="checkbox"/> Other |
| State: | <input type="checkbox"/> IDOT/Transit | <input type="checkbox"/> IDOT/Highway | <input type="checkbox"/> FAA | <input type="checkbox"/> Grant* | <input type="checkbox"/> Other |
| Federal: | <input type="checkbox"/> FHWA | <input type="checkbox"/> FTA | | <input type="checkbox"/> Grant* | <input type="checkbox"/> Other |

LINE	FY	FUND	DEPT	ORGN	APPR	ACTV	OBJT	PROJECT	RPTG	\$ DOLLAR AMOUNT
	2008	0C16	38	2005	1673	0162				2000000
										Estimated Value \$2000000.00

*IF GRANT FUNDED, A COPY OF THE APPROVED GRANT AND APPLICATION ARE REQUIRED and any other Terms and Conditions that may apply.

SCOPE STATEMENT:

Attached is a Detailed Scope of Services and/or Specification

IMPORTANT: THIS IS A CRITICAL PORTION OF YOUR SUBMITTAL. IN ORDER FOR DPS TO ACCEPT YOUR SUBMITTAL YOU MUST COMPLETE THE SPECIFIC SCOPE REQUIREMENTS AS SET FORTH IN THE SUPPLEMENTAL CHECKLIST FOR THAT UNIT.

The following is a general description of what should be included in a Scope of Services or Specification:
A clear description of all anticipated services and products, including: time frame for completion, special qualifications of prospective vendors, special requirements or needs of the project, locations, anticipated participating user departments, citation of any applicable City ordinance or state/federal regulation or statute.

TYPE OF PROCUREMENT REQUESTED (check all that apply):

NEW REQUEST

- Blanket Agreement
- Standard Agreement
- Small Orders

MOD/AMENDMENT

- Time Extension
- Vendor Limit Increase
- Scope Change/Price Increase/Additional Line Item(s)
- Other (specify): Sole Source

FORMS: Requisition Special Approvals Non-Competitive Review Board (NCRB)

CONTRACT TERM: 5 years Requested Term (number of months): 60 months

DPS PROJECT CHECKLIST

PRE BID/SUBMITTAL REQUIREMENTS:

Requesting Pre Bid/Submittal Conference? Yes No Requesting Site Visit? Yes No

ARCHITECTURAL/ENGINEERING SUPPLEMENTAL CHECKLIST

Required Attachments: Scope of Services, including location, description of project, services required, deliverables, and other information as required

Risk Management

Will services be performed within 50 feet of CTA train or other railroad property? Yes No

Will services be performed on or near a waterway? Yes No

If applicable, Pre-Qualification Category No. Category Description:

For Pre-Qualification Program, attach list of suggested firms to be solicited

Other Agency Concurrence Required: None State Federal Other (fill in)

AVIATION CONSTRUCTION SUPPLEMENTAL CHECKLIST

DOA sign-off for final design documents: Yes No

Required Attachments:

Copy of Draft Contract Documents and Detailed Specifications.

Risk Management:

Current Insurance Requirements prepared/approved by Risk Management: Yes No

Will work be performed within 50 feet of CTA or ATS structure or property? Yes No

Will work be performed airside? Yes No

***NOTE:** Any non-construction Aviation request, complete the applicable section.

COMMODITIES SUPPLEMENTAL CHECKLIST

Required Attachments: Detailed Specifications (Scope of Services) including detailed description of the product, delivery location, user department contact, price escalation considerations, Bidder's qualification, contract term and extension options, Contractor's qualifications, citation of any applicable City/State/Federal statutes or regulations, citation of any applicable technical standards and Price Lists/Catalogs, technical drawings and other exhibits and attachments as appropriate.

If Modification request, please verify and provide the following:

Contractor's Name:

Contractor's Address:

Contractor's e-mail Address:

Contractor's Phone Number:

Contractor's Contact Person:

CONSTRUCTION SUPPLEMENTAL CHECKLIST

Required attachments:

Copy of Draft (80% Completion), Contract Documents and Detailed Specifications

Risk Management

Will services be performed within 50 feet of CTA train or other railroad property? Yes No

Will services be performed on or near a waterway? Yes No

DPS PROJECT CHECKLIST

VEHICLES/HEAVY EQUIPMENT SUPPLEMENTAL CHECKLIST

Required Attachments:

- Detailed Specifications including detailed description of the vehicle(s) or equipment, mounted equipment, if any, and options/accessories.
- Special Provisions (Delivery, Warranty, Manuals, Training, Additional Unit Purchase Options, Bid Submittal Information, etc.)
- Delivery Location(s)
- Technical Literature
- Drawings, if any
- Part Number List (Manufacturer; or Dealer; or Other Source:)
- Current Price List(s)/Catalog(s)
- Special Approval Form
- Exhibits and Attachments

If Modification request, please verify and provide the following:

Contractor's Name:

Contractor's Address:

Contractor's e-mail Address:

Contractor's Phone Number:

Contractor's Contact Person:

PROFESSIONAL SERVICES SUPPLEMENTAL CHECKLIST

- Detailed description of project listing obligations of each party.
 - The Schedule of Compensation
 - Deliverables
 - Request for individual contract services (if applicable)
 - The appropriate EPS form
 - ITSC (approved by BIS)
 - OBM (approved by Budget form/memo)
 - Grant document attached
- Attach any documentation indicating any previous purchase activity to assist in the procurement process

TELECOMMUNICATIONS AND UTILITIES SUPPLEMENTAL CHECKLIST

Required Attachments: Detailed Scope of Services/Specification which sets forth all of the anticipated services and products the user department wants provided, including time frame for completion, special qualifications of prospective vendors, special requirements or needs of the project, locations, anticipated participating user departments, citation of any applicable City ordinance or state/federal regulation or statute.

Has the project been reviewed by BIS? Yes No

Attach copy of BIS Recommendation; Reservation(s); or participate under current contract.

Does the project include software? Yes No

If yes, is signed ITSC form attached? Yes No

Does the location involve:

A public way? Yes No

Any concession in the City's facilities? Yes No

Is it anticipated City Council approval of the project or contract will be required? Yes No

DPS PROJECT CHECKLIST

WORK SERVICES/FACILITY MAINTENANCE SUPPLEMENTAL CHECKLIST

Required Attachments: Detailed Specifications (Scope of Services) including detailed description of the work, locations (with supporting detail), user department contacts, work hours/days, laborer/supervisor mix, compensation and price escalation considerations, Bidder's qualification, contract term and extension options, Contractor's qualifications, citation of any applicable City/State/Federal statutes or regulations, citation of any applicable technical standards and Price Lists/Catalogs, technical drawings and other exhibits and attachments as appropriate.

Risk Management:

Will services be performed within 50 feet (50') of CTA train or other railroad property? Yes No

Will services be performed on or near a waterway? Yes No

Will services require the handling of hazardous/bio-waste material? Yes No

Will services require the blocking of streets or sidewalks which may affect public safety? Yes No

If Modification or Amendment request, please verify and provide the following:

Contractor's Name:

Contractor's Address:

Contractor's e-mail Address:

Contractor's Phone Number:

Contractor's Contact Person:

SIEMENS

Valued Customer,

Please take a moment to consider the importance of your fire alarm system, and the safety it affords your building's occupants. The key to keeping your fire alarm system's life-saving features at peak performance is through continued maintenance with frequent tests and inspections.

SIEMENS fire alarm system software is protected by licensure that only allows authorized agents to acquire and utilize the SIEMENS software. The individual proprietary program that is generated by an agent (i.e. SIEMENS branch locations, distributors, etc.) is protected as such, that without a specific daily rolling code, the software from one agent cannot be utilized or modified by another agent.

In addition, a license is required to use our technician support hot line, to obtain service alerts from our factory for on-going, day-to-day troubleshooting and to purchase software. Only those who carry a license have access to software keys, programming capabilities, maintenance, etc.

To be sure that your life safety system is operating at optimum levels, Factory Trained Technicians must perform all tests, inspections and repair work associated with your SIEMENS system.

If we can help you with questions pertaining to additional services required, please contact our office at (847) 803-2700.

Sincerely,

SIEMENS Building Technologies

911 Call Center

SIEMENS installed this equipment in 1995 and has serviced and tested it since its inception.

311 Call Center

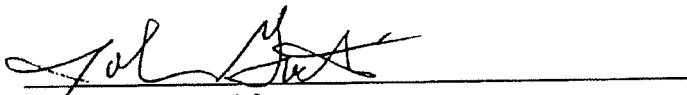
SIEMENS installed this equipment in 2001 and has serviced and tested it since its inception.

In relation to the 311 call center, this is a SIEMENS fire alarm system and all software rights are owned exclusively by SIEMENS. Please see the Proprietary Letter attached for further details.

In relation to the 911 call center, this was a fire alarm system installed by SIEMENS. We performed all programming and have all software for this system. We have also performed testing and maintenance on this system since the install and have replaced defective parts over the years as well. In addition to the install, we have an Apogee System that controls the Building Automation System in your building which is also proprietary. This system is interfaced with the fire alarm system at the 911 call center, and they are both compatible. It would benefit the customer to have SIEMENS perform all testing, maintenance and software related issues due to the reasons stated above.



Kevin Ingoldsby
Field Project Manager



John Goetschi
Account Engineer



Nicholas Agosto
Account Executive

**City of Chicago Services for 311/911 Buildings for Fire, Life Safety
and Building Automation and HVAC Controls**

Costs associated with Platinum Services for 311/911 Buildings

Year	Year 1	Year 2	Year 3	Year 4	Year 5
HVAC - 911	\$ 124,250.00	\$ 101,640.00	\$ 106,722.00	\$ 112,058.00	\$ 117,661.00
HVAC - 311	\$ 32,722.00	\$ 17,000.00	\$ 17,850.00	\$ 18,742.00	\$ 19,679.00
FIRE - 911	\$ 14,050.00	\$ 14,050.00	\$ 14,050.00	\$ 14,050.00	\$ 14,050.00
FIRE - 311	\$ 6,220.00	\$ 6,220.00	\$ 6,220.00	\$ 6,220.00	\$ 6,220.00
Total	\$177,242.00	\$138,910.00	\$144,842.00	\$151,070.00	\$157,610.00

Appendix A. Discounted Labor & Material Pricing City of Chicago

As a Service Agreement customer with an active contract, you will receive the benefit of a discount from our standard labor rates and material prices. Standard rates and preferred customer rates are documented below.

Siemens Building Technologies, Inc.

Rates effective from October 1, 2008 through December 31, 2009

Please note: Rates shown are for the period referenced above and are subject to change.

Standard Labor Rates:	Straight Time (M-F 7 AM to 5 PM) excl. Holidays	Regular Overtime (M-F 5 PM to 7 AM, & Sat) excl. Holidays	Sundays & Holidays
Automation Specialist	\$165.00	\$247.50	\$330.00
Fire Safety Specialist	\$150.00	\$225.00	\$300.00
Security Specialist	\$150.00	\$225.00	\$300.00
Engineer	\$175.00	\$262.50	\$350.00
Mechanic	\$155.00	\$232.50	\$310.00

Customers with an active Service Agreement will be eligible for the preferred customer labor rates listed below.

Preferred Customer Labor Rates:	Straight Time (M-F 7 AM to 5 PM) excl. Holidays	Regular Overtime (M-F 5 PM to 7 AM, & Sat) excl. Holidays	Sundays & Holidays
Automation Specialist	\$137.00	\$205.50	\$274.00
Fire Safety Specialist	\$125.00	\$187.50	\$250.00
Security Specialist	\$125.00	\$187.50	\$250.00
Engineer	\$155.00	\$232.50	\$310.00
Mechanic	\$140.00	\$210.00	\$280.00

Material Rates: Customers with an active Service Agreement will benefit from a discount percentage off the standard pricing for Siemens Building Technologies products. Customers without a Service Agreement will pay standard pricing for Siemens Building Technologies products.

Straight rate 7 a.m. – 5 p.m. Monday – Friday except Holidays.

Service for customers with a TSP involving travel to the customer site will incur a two hour minimum labor charge plus a flat \$50.00 Trip Charge.

Service for customers without a TSP involving travel to the customer site will incur a four hour minimum labor charge plus a flat \$50.00 Trip Charge.

On-line diagnostic and other remote services, as well as consulting services provided by phone, will be charged at the engineering rate with a one hour minimum.

Customers with a current TSP will receive a discount of 40% less 20% off list on standard catalog pricing for Siemens Building Technologies products except products listed in the catalog with the @ sign are limited to a 40% discount.

Customers without a current TSP will receive a discount of 30% off list on standard catalog pricing for Siemens Building Technologies products.

Fire alarm products from EST will be charged at list less 20% for our fire service TSP customers and list price for all other customers.

Appendix A.

Upgrades included in first year of contract:

- 2 Server PC's
- 3 PC's

- 5 -19" Monitors

- Necessary outside purchase software to run Siemens Apogee
- Siemens Apogee software to 3.91
- Apogee Gateway to Trane rooftop unit on 311.
- Update graphics to 3.91

- 4 MBC panels upgraded to Power Open Processor and new backplane.

All equipment will be covered with Labor and materials to keep system current with software and operational with hardware.

**CITY OF CHICAGO
 PURCHASE REQUISITION**

Copy (Department)

DELIVER TO: 038-2125 TRADES ENG 50 W WASHINGTON Chicago, IL 60601	REQUISITION: 40695 PAGE: 1 DEPARTMENT: 38 - DEPT OF GENERAL SERVICES PREPARER: Sandra A Duffin NEEDED: APPROVED: 10/30/2008
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REQUISITION DESCRIPTION

SOLE SOURCE REQUEST FOR THE FULL PREVENTIVE MAINTENANCE OF THE FIRE AND LIFE SAFETY SIEMENS EQUIPMENT AND THE SIEMENS HVAC EQUIPMENT AT 911 AND 311. ALSO INCLUDED IS REPAIRS OF SIEMENS EQUIPEMNT AT ALL OTHER CITY LOCATIONS FOR FIVE YEARS.
 SPECIFICATION NUMBER: 69841

COMMODITY INFORMATION

LINE	ITEM	QUANTITY	UOM	UNIT COST	TOTAL COST						
1	93817	#####	USD	0.00	0.00						
SOLE SOURCE REQUEST FOR SIEMENS EQUIPMENT											
SUGGESTED VENDOR:			REQUESTED BY: Sandra A Duffin								
DIST	BFY	FUND	COST CTR	APPR	ACCNT	ACTV	PROJECT	RPT CAT	GENRL	FUTR	Dist. Amt.
1	008	0C16	0382005	1673	220162	0000	16038301	000000	00000	0000	0.00
LINE TOTAL:											0.00
REQUISITION TOTAL:											0.00

Where a commodity is for a particular or unique use other than standard quality, grades, color, size or other characteristics, give details of how it will be and for what purpose. Requisitions prepared incorrectly will be returned to the using department.

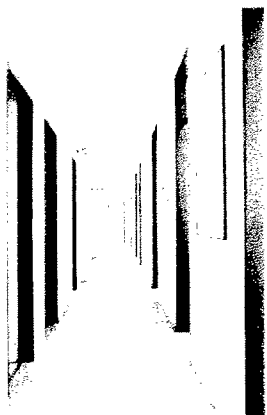
① ②

Advantage Services[®]

Performance Platinum Agreement for City of Chicago 911 Call Center

Proposal Date 7/7/08

SIEMENS



*This service agreement
has been specifically
developed to support your
unique facility*

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1 Overview

1.1 Executive Summary

You have made a significant investment in your facility and its complex technical systems that are critical to the profitability and productivity of your overall business. This proposed service solution, our Service Agreement, will proactively serve to protect that substantial investment through a program of planned service tasks by our trained technical staff.

1.2 Customer Objectives

Based on your unique facility requirements, a service program with Siemens Building Technologies will help you achieve your objectives by:

- Maintaining the safety of the occupants of your facility
 - Minimizing false alarms, building disruptions and operational cost
 - Improving responsiveness and minimizing equipment downtime
 - Protecting your system investment
 - Improving the skills of your staff
-

1.3 Current Situation

Per the customer's request, this five year proposal was put together for a Platinum agreement. Please refer to pages 4-6 for the full scope of what Platinum Service affords our customers. In, short this is a full- service agreement that covers all parts and labor plus test and inspection on an annual basis. With a one year agreement, the annual escalation rate is 5% upon renewal. A multi-year agreement prevents escalation and locks the initial annual rate in for the duration of the agreement. Basically what you pay your first year, will stay the same annually for all 5 years

1.4 Siemens Capabilities & Commitment to Our Customers

Siemens Building Technologies is the leading single-source provider of cost-effective facility performance solutions for the comfort, life safety, security, energy efficiency and operation of some of the most technically advanced buildings in the world. Siemens is pleased to offer this proposal for technical support services to your facility. For more than 150 years, Siemens has built a culture of long-term commitment to customers through innovation and technology. We are confident that we have the capabilities to meet your critical facility needs today and in the future, and we look forward to the opportunity to serve you.

2 Service Solution

2.1 FIRE ALARM & LIFE SAFETY SERVICES

2.1.1 Approach

Platinum Level

The Platinum Advantage Services plan is designed for customers who experience serious business interruptions if critical building systems fail. When emergencies occur, Siemens experts will be on site within four hours for critical components 24 hours a day every day. For non-emergency technical problems or for non-critical components, Siemens staff will be on site within eight hours 24x7. In addition to the peace of mind that comes from knowing equipment downtime is minimized, the Platinum plan also eliminates budget surprises. All repair and replacement parts and labor for equipment covered by the plan are included in the service contract. The service program begins with a technology audit by our highly trained professionals that pinpoints any existing problems with the system. Necessary software updates are another important aspect of keeping the system fully functional, and are provided as they are issued. Operator coaching by Siemens provides another layer of confidence by helping your staff identify, verify and resolve problems and concerns in performing tasks to keep systems running smoothly. During coaching sessions, we address sp

The result of the Platinum Advantage Services Plan is confidence in the operation of your critical building technology and the comfort, occupant safety and security of your facility. With the Platinum plan, Siemens offers unsurpassed commitment in fast and efficient repair services. No other plan offers greater support, faster on-site response time, more hours of coverage or a wider range of services.

Performance

For customers that need to maximize fire system performance while relieving staff of the majority of maintenance responsibility, the Advantage Services Performance package offers a higher caliber of service. Designed for customers requiring absolute confidence in fire system effectiveness, it provides you with the expertise of Siemens to perform system maintenance and service compliant with NFPA and local code guidelines. To meet your specific needs, the Performance package includes full test and inspect of your systems and may include sensitivity testing to ensure your systems are operating properly. This level of service will reduce false alarms and help minimize system downtime and costly repairs.

Advantage Services testing and inspection includes an annual testing of all covered fire systems by certified specialists using testing protocols specified by NFPA 72 guidelines as well as any local guidelines that are required for your facility. As an additional option, code compliant sensitivity testing is performed to ensure that the equipment is operating within the proper UL-specified range of sensitivity.

The equipment and coverage are listed as an attachment to this master agreement.

2.1.2 Benefits

Fire — Performance Gold

Implementation of this service agreement from Siemens Building Technologies provides the following benefits to your facility:

- Assures code compliant testing adhering to NFPA and local guidelines, with complete reporting
- Reduces false alarms and related costs, such as fines
- Maximizes high level of system performance and extends life of fire equipment
- Helps minimize system downtime and costly repairs and replacements
- On-site Siemens expert response 24x7 minimizes costly business interruptions
- No budget surprises for labor on covered equipment during hours of service
- User-friendly web access to service requests and service status
- Operator coaching supports employee performance

2.1.3 Customer Support Services

Annual System Configuration Audit & Report: We will verify and compare the system configuration to the existing records during the annual test and inspection. Any changes to the system are checked and documented.

Insurance Requirement Review: We will service the system and maintain records to meet the requirements of the insurance industry.

Life Safety Log Book: We will provide a life safety log book containing information and guidance on the management of the Life Safety System. All service records shall be recorded and kept within the log book. This log book shall serve as a reference for local authorities, insurance carriers, and Siemens technical personnel.

Written Report of All Services Performed: We will complete a service report for each visit detailing the purpose of the call and summarizing the work that was performed.

Software support/updates as issued: We will upgrade the software of microprocessor-based systems when issued to maintain the listing requirements of the authorities having jurisdiction.

Technology Audit: To ensure that your Fire Safety System meets your changing needs, Siemens will review your system, evaluating the current use of your Fire Safety System and what may have been changed or been modified in your daily facility operation that impacts the effectiveness of the system. Siemens will review applicable fire safety technologies, suggest possible new strategies or technologies that could be implemented to enhance your current system, and consider what changes, enhancements and/or upgrades should be made to facilitate your future plans. In addition, recommendations may be made about adding and/or modifying applications, sensors, points, panels and/or software where needed to improve building operation and performance. Once the review is completed, a written report of the findings and recommendations will be submitted during a scheduled meeting.

2.1.4 Technical Support Services

Emergency Onsite Response. Monday through Sunday: Emergency Onsite Response will be provided to reduce the costs and disruptions of downtime when an unexpected problem does occur. Siemens will provide this service between scheduled service calls and respond within 4 hours for critical emergencies, or within 24 hours for non-emergency conditions, Monday through Sunday, 24 hours per day, including Holidays, upon receiving notification of an emergency. Critical emergencies, as determined by your staff and Siemens, are failures at a system or panel level that would result in the loss of the operation of an entire section of a building or place the facility at high risk. Non-emergency conditions, as determined by your staff and Siemens, are failures at an individual component level resulting in minimal impact to the overall operation of the facility. Non-emergency conditions, as determined by your staff and Siemens, may be incorporated into the next scheduled service call.

UL Listed Monitoring Service. As an additional option, we will coordinate and administer off-site monitoring of your fire alarm and life safety system via a UL Listed Central Station. We will also identify any potential problems that could result in high or unnecessary alarm incidents by analyzing the signal transmission history between your facility and the Central Station. Included with this proposal are the lists of codes to be monitored, specific response instructions, details of the services to be provided and the Protected Premises Monitoring Agreement. Also, through our secure web based system, you will be able to access alarm event history and manage the account information.

3 Service Implementation Plan

3.1 Fire Alarm & Life Safety Services On-site Response Time and Call Windows

Platinum	
Attribute	
Response time - onsite for critical components	4 hours - labor is covered within response time
Response time - onsite for non-emergency	8 hours - labor is covered within response time
Hours of Service	24 x 7 - labor is covered within response window
Response Window	24 x 7
Software Support and Updates	Yes, as issued
R&R Material	Included
R&R Labor	Included
Technology Audit	Included
Operator Coaching	Included

3.2 Labor Rates on Billable Fire Alarm Service Request

Normal SBT Hourly Labor Rate	<u>\$120.00</u>
Off-normal SBT Hourly Labor Rate	<u>\$178.00</u>
Holiday & Sunday Hourly Labor Rate	<u>\$235.00</u>

4 Equipment

4.1 Fire Alarm & Life Safety Equipment

	Device Counts	Inspection Frequency	R&R Labor Coverage	Service Material Coverage	Sensitivity Testing
Fire Alarm System					
Addressable Pull Stations	<u>61</u>	<u>100% Annually</u>	<u>24 X 7 Coverage</u>	<u>Included</u>	
Addressable Smoke Detectors	<u>167</u>	<u>100% Annually</u>	<u>24 X 7 Coverage</u>	<u>Included</u>	<u>Not Included</u>
Addressable Duct Detectors	<u>20</u>	<u>100% Annually</u>	<u>24 X 7 Coverage</u>	<u>Included</u>	<u>Not Included</u>
Addressable Heat Detectors	<u>7</u>	<u>100% Annually</u>	<u>24 X 7 Coverage</u>	<u>Included</u>	
Audio Visual Units	<u>88</u>	<u>100% Annually</u>	<u>24 X 7 Coverage</u>	<u>Included</u>	
Horn or Speaker Only Units	<u>18</u>	<u>100% Annually</u>	<u>24 X 7 Coverage</u>	<u>Included</u>	
Firemen's Jacks	<u>8</u>	<u>100% Annually</u>	<u>24 X 7 Coverage</u>	<u>Included</u>	
Water Flow Monitor Modules	<u>8</u>	<u>100% Annually</u>	<u>24 X 7 Coverage</u>	<u>Included</u>	
Tamper Switch Monitor Modules	<u>20</u>	<u>100% Annually</u>	<u>24 X 7 Coverage</u>	<u>Included</u>	
Landis & Gyr Fire Panel	<u>1</u>	<u>100% Annually</u>	<u>24 X 7 Coverage</u>	<u>Included</u>	
Viking Pre-Action Panel	<u>2</u>	<u>100% Annually</u>	<u>24 X 7 Coverage</u>	<u>Included</u>	
Voice Control Panel	<u>1</u>	<u>100% Annually</u>	<u>24 X 7 Coverage</u>	<u>Included</u>	
Monitoring Services					
Dialer Monitoring (32 zones)	<u>Not Included</u>				
Each Additional 32 Zones	<u>Not Included</u>				
Elevator Monitoring	<u>Not Included</u>				
Emergency Telephone	<u>Not Included</u>				

5 Siemens Building Technologies, Inc.

5.1 Signature Page and Investment

By and Between:

Siemens Building Technologies, Inc.
585 Slawin Court
Mount Prospect, Illinois 60056
Nicholas Agosto
(847) 493-7799

City of Chicago 911 Call Center
1411 W. Madison St.
Chicago, Illinois 60607
Rich Enault
(312) 742-4152

Siemens Building Technologies, Inc. shall provide the services as outlined in the attached proposal dated 7/7/08 and the attached terms and conditions.

Duration: This agreement shall remain in effect for an original term of 5 years beginning 7/15/08 and from year to year thereafter.

Investments:

Year 1	7/15/08	to	7/14/2009	\$14,050 annually	paid	\$14,050	annually
Year 2	7/15/2009	to	7/14/2010	\$14,050 annually	paid	\$14,050	annually
Year 3	7/15/2010	to	7/14/2011	\$14,050 annually	paid	\$14,050	annually
Year 4	7/15/2011	to	7/13/2012	\$14,050 annually	paid	\$14,050	annually
Year 5	7/14/2012	to	7/13/2013	\$14,050 annually	paid	\$14,050	annually

Prices quoted in this proposal are firm for 30 days.

Proposal accepted by:

Rich Enault
Title
City of Chicago 911 Call Center

Proposal submitted by:

Nicholas Agosto
Account Executive
Siemens Building Technologies, Inc.

Signature Date

Signature Date

PO#

Approved for Siemens Building Technologies, Inc. by:

Jon-Paul Anderson
Sales Manager

Signature Date

5.2 Master Terms and Conditions

SERVICE TERMS AND CONDITIONS WITH MONITORING (REV. 02/08)

Article 1: General

1.1 (a) This Agreement constitutes the entire, complete and exclusive agreement between the parties relating to the services ("Services") to be provided by SBT and supersedes and cancels all prior proposals, agreements and understandings, written or oral, relating to the subject matter of this Agreement. Neither party may assign the Agreement or any rights or obligations hereunder without the prior written consent of the other except that either party may assign this Agreement to its affiliates and SBT may grant a security interest in the Agreement, assign proceeds of the Agreement, and/or use subcontractors in performance of the Services. The terms and conditions of this Agreement shall not be modified or rescinded except in writing, with the prior approval of the Legal Departments of SBT and Customer and signed by duly authorized officers or managers of SBT and Customer.

(b) Nothing contained in this Agreement shall be construed to give any rights or benefits to anyone other than the Customer and SBT without the express written consent of both parties. All provisions of this Agreement allocating responsibility or liability between the parties shall survive the completion of the Services and termination of this Agreement.

1.2 This Agreement shall be governed by and enforced in accordance with the laws of the State of Illinois. Any litigation arising under this Agreement shall be brought in the State or Commonwealth in which the Services are provided to Customer. The parties waive any right to a jury trial on matters arising out of this Agreement.

1.3 After the expiration of the Initial Term, this Agreement shall automatically renew for successive one year periods beginning on the anniversary date of the Initial Term unless stated otherwise in the Agreement.

1.4 Either party may terminate or amend this Agreement at the end of the initial term or at the end of a renewal term by giving the other party at least sixty (60) days prior written notice of such amendments or intent not to renew.

1.5 If, during or within 90 days after the term of this Agreement, Customer engages any SBT employee who has performed work under this or any other agreement between Customer and SBT, Customer shall pay SBT an amount equal to the employee's latest annual salary.

Article 2: Covered Equipment

2.1 "Covered equipment" shall mean that equipment expressly identified as System Components in this Agreement. The Customer represents that at the commencement of this Agreement all Covered Equipment is in satisfactory working condition and complies with all applicable codes.

2.2 If the fire or life safety system comprised of the Covered Equipment does not comply with all applicable codes or if removal of any Covered Equipment from coverage would compromise or impair the integrity or the compliance with law of any system or Services, and Customer fails to take corrective action, then SBT may terminate this Agreement without further obligation and retain all monies received pursuant to this Agreement.

2.3 All testing and inspection of any Covered Equipment provided for in this Agreement will be performed at the time and place and in the manner deemed appropriate by SBT, in accordance with applicable law and the requirements of then current National Fire Protection Association ("NFPA") guidelines and other relevant standards. Customer is solely responsible for, and hereby indemnifies and holds SBT harmless from and against, any liability arising from Customer's specification of a testing schedule other than then current NFPA or other applicable standards or laws.

2.4 If the Covered Equipment is altered or moved by any person, including Customer, other than SBT or a person authorized by it, Customer shall immediately notify SBT in writing, and SBT reserves the right to perform a reacceptance test on, or, if necessary, a recommissioning of the system at Customer's expense. Reacceptance tests will be performed in accordance with then current NFPA or other applicable requirements, and charged on a time and materials basis.

Article 3: Services by SBT

3.1 SBT shall only perform the identified Services for and upon Covered Equipment.

3.2 SBT shall have no liability or obligation to continue providing Services in the event Customer fails to (a) authorize a reacceptance test or recommissioning that SBT reasonably deems necessary; (b) notify SBT of any modifications or changes to the Covered Equipment or unusual or materially changed operating conditions, hours of usage, system malfunctions or building alterations that may affect the Services; (c) provide the access to any site where Services are to be performed; or (d) operate, service or maintain the Covered Equipment in accordance with manufacturer's or supplier's instructions or this Agreement. After any of the aforesaid events SBT may terminate or suspend services under this Agreement immediately, upon giving notice to Customer.

3.3 Any repairs and replacements of Covered Equipment as may be expressly included in the Services are limited to restoring the proper working condition of such Covered Equipment. SBT will not be obligated to provide replacement Covered Equipment that represents significant capital improvement compared to the original. Exchanged or removed components

become the property of SBT, except Hazardous Materials, which under all circumstances remain the property and responsibility of Customer.

3.4 Unless agreed otherwise, Services do not include and SBT is not responsible for (a); (a) service or provision of consumable supplies, including but not limited to batteries and halon cylinder charging; (b) reinstallation or relocation of Covered Equipment; (c) painting or refinishing of Covered Equipment or surrounding surfaces; (d) changes to Services; (e) parts, accessories, attachments or other devices added to Covered Equipment but not furnished by SBT; (f) failure to continually provide suitable operating environment including, but not limited to, adequate space, ventilation, electrical power and protection from the elements; or (g) the removal or reinstallation of replacement valves, dampers, waterflow switches, venting or draining systems. SBT is not responsible for services performed on any Covered Equipment other than by SBT or its agents.

3.5 The Services shall be performed in a manner consistent with the degree of care and skill ordinarily exercised by persons performing the same or similar Services in the same locale under similar circumstances and conditions.

3.6 SBT shall perform the Services during its local, normal working hours, unless otherwise stated in this Agreement.

3.7 SBT is not required to conduct safety or other tests, install or maintain any devices or equipment or make modifications or upgrades to any equipment beyond the scope of this Agreement. Any request to change the scope or the nature of the Services must be in the form of a mutually agreed change order, effective only when executed by all parties hereto.

3.8 All reports and drawings specifically prepared for and deliverable to Customer pursuant to this Agreement ("Deliverables") shall become Customer's property upon full payment to SBT. SBT may retain file copies of such Deliverables. All other reports, notes, calculations, data, drawings, estimates, specifications, manuals, other documents and all computer programs, codes and computerized materials prepared by or for SBT are Instruments of SBT's work ("Instruments") and shall remain SBT's property. Siemens conveys no license to software unless otherwise expressly provided in this Agreement. All Deliverables and Instruments provided to Customer are for Permitted Users' use only for the purposes disclosed to SBT, and Customer shall not transfer them to others or use them or permit them to be used for any extension of the Services or any other purpose, without SBT's express written consent. Any reuse of Deliverables or Instruments for other projects or locations without the written consent of SBT, or use by any party other than Permitted Users, will be at Permitted Users' sole risk and without liability to SBT; and, in addition to any other rights SBT may have, Customer shall indemnify, defend and hold SBT harmless from any claims, losses or damages arising therefrom.

3.9 Customer acknowledges that SBT, in the normal conduct of its business, may use concepts, skills and know-how developed while performing other contracts. Customer acknowledges the benefit which may accrue to it though this practice, and accordingly agrees that anything in this Agreement notwithstanding Siemens may continue, without payment of a royalty, this practice of using concepts, skills and know-how developed while performing this Agreement.

3.10 The Customer represents that all Equipment is in satisfactory working condition. Except as set forth below, by the later of the first forty-five (45) days of this Agreement, the first scheduled operational inspection, or the first seasonal start-up, SBT will have inspected all the Equipment. However, SBT may extend the testing and inspection period for portions of Equipment relating to Fire Alarm and Life Safety systems, provided that during the course of the year following execution of this Agreement the entire system will be tested and inspected as set forth in NFPA 72, or as otherwise may be required pursuant to the law of the applicable jurisdiction. Testing and inspection will not be deemed to be complete until all of such Equipment has been so tested and inspected. If SBT determines as a result of such inspection and/or testing that the Equipment is in need of repair or replacement, the Customer will be so notified and shall take corrective action within thirty (30) days, or such Equipment shall be automatically removed from coverage hereunder. SBT will not be liable or responsible for the continued testing, maintenance, repair, replacement or operating capabilities of any portion of the Equipment until it has been inspected and/or tested and has been, if necessary, restored to an acceptable initial condition at Customer's sole expense. Any services provided by SBT in the course of such restoration will be separately charged, on a time and materials basis, and not included in fees paid hereunder. If individual items of Equipment cannot, in SBT's sole determination, be properly repaired or replaced due to age, obsolescence, lack of availability of refrigerant gas, halon gas, necessary parts, materials, compatibility or otherwise, or as a result of excessive wear or deterioration, SBT may, within ten (10) days of such inspection, give written notice that it is withdrawing such items from coverage under this Agreement and adjust the amounts to be paid hereunder accordingly.

3.11 If the removal of Equipment from coverage would compromise or impair the integrity or compliance with law of any Fire Alarm and Life Safety system, then SBT will provide a written statement thereof for execution by Customer. Customer's failure to execute such a statement within ten (10) days will void this Agreement and release SBT from any further obligations hereunder.

Article 4: Responsibilities of Customer

4.1 Customer, without cost to SBT, shall:

- (a) Designate a contact person with authority to make decisions for Customer regarding the Services and provide SBT with information sufficient to contact such person in an emergency. If such representative cannot be reached, any request for work received from a person located at Customer's site will be deemed authorized by Customer, and SBT will, in its reasonable discretion, act accordingly;
- (b) Provide or arrange without cost all reasonable provisions, means and access for SBT to any site and the equipment where Services are to be performed;
- (c) Permit SBT to control and/or operate all controls, systems, apparatus, equipment and machinery necessary to perform the Services;
- (d) Furnish SBT with all available information pertinent to the Services;
- (e) Obtain and furnish to SBT all approvals, permits and consents from government authorities and others as may be required for performance of the Services except for those SBT has expressly agreed in writing to obtain;
- (f) Maintain the Services site in a safe condition; notify SBT promptly of any site conditions requiring special care; and provide SBT with any available documents describing the quantity, nature, location and extent of such conditions;
- (g) Comply with all laws and provide any notices required to be given to any government authorities in connection with the Services, except such notices SBT has expressly agreed in this Agreement to give;
- (h) Provide SBT with Material Safety Data Sheets (MSDS) conforming to OSHA requirements related to all Hazardous Materials at the site which may impact the Services;
- (i) Furnish to SBT any contingency plans related to the site;
- (j) Furnish the specified operating environment, including without limitation, suitable, clean, stable, properly conditioned electrical power and other utilities; and
- (k) Maintain all Covered Equipment in good working order in compliance with all applicable laws and service, repair and replace all Covered Equipment as necessary.
- (l) Perform inspections and tests as indicated in the Life Safety System Logbook and record same in the Life Safety System logbook.

4.2 Customer acknowledges that the technical and pricing information herein is proprietary to SBT and agrees not to disclose or otherwise make it available to others.

4.3 Customer acknowledges that it is now and shall be at all times in control of the Services site. SBT shall not have any responsibility, duty or authority to direct, supervise or oversee any employees or contractors of Customer or their work or to provide the means, methods or sequence of their work or to stop their work. SBT's work and/or presence at a site shall not relieve others of their responsibility to Customer or to others. Except as expressly provided herein, SBT is not responsible for the adequacy of the health, safety or security programs or precautions related to Customer's or its other contractors' activities or operations; the work of any other person or entity; or Customer's site conditions. SBT is not responsible for inspecting, observing, reporting or correcting health or safety conditions or deficiencies of Customer or others at Customer's site. So as not to discourage SBT from voluntarily addressing such issues, in the event SBT does make observations, reports, suggestions or otherwise regarding such issues, SBT shall not be liable or responsible for same.

4.4 Except as expressly stated in this Agreement, Customer is solely responsible for any removal, replacement or refinishing of the building structure or finishes that may be required to perform or gain access to the Services.

4.5 Customer alone shall act to protect life and property from the time a partial or full system failure occurs until SBT notifies Customer that such system is operational or the emergency has been cleared. Customer's actions shall include all appropriate interim safety precautions (such as a manual "fire watch"). SBT shall have no obligation to provide guards, fire watch personnel, or other services following a system failure, except Services as are specifically provided for in this Agreement.

4.6 Customer shall not attach to the system or Covered Equipment any device that interferes with the Services or the proper operation of the system or Covered Equipment.

Article 5: Compensation

5.1 Annual Fee(s) shall be adjusted for each year after the final year of the Initial Term pursuant to the agreed Price Adjustment hereto and incorporated herein. Unless otherwise agreed in writing, this Agreement is not cancelable and the annual fee is not refundable except as provided herein.

5.2 Payments to be made under this Agreement will provide for, and be in consideration of, only Services specifically included under the Proposed Solution. All other Services, including but not limited to the following, shall be separately billed or surcharged on a time and materials basis: (a) emergency Services performed at Customer's request, if inspection does not reveal any deficiency covered by this Agreement; (b) Services performed other than during SBT's normal working hours; and (c) Service performed on equipment not covered by

this Agreement.

5.3 SBT shall invoice Customer as provided in this Agreement, or if not expressly provided, then on an annual basis prior to the Start Date and annually thereafter on the anniversary of such Start Date. Invoices are due and payable net cash upon receipt unless Customer has applied and been approved for credit with SBT, in which case the invoice is payable within 30 calendar days of receipt by Customer or as otherwise set forth in this Agreement. If any payment is not received when due, SBT may deem Customer to be in breach hereof and may enforce any remedies available to it hereunder or at law, including without limitation, acceleration of payments and suspension or termination of Services at any time and without notice, and shall be entitled to compensation for Services previously performed and costs reasonably incurred in connection with the suspension or termination. Any amount not paid within 30 calendar days of invoice receipt shall accrue interest from the date due, until paid, at the rate of 12% per annum. Customer shall reimburse SBT's costs and expenses (including reasonable attorneys' and witnesses' fees) incurred for collection under this Agreement. If Customer disputes any portion or all of an invoice, it shall notify SBT in writing of the amount in dispute and the reason for its disagreement within 21 days of receipt of the invoice. The undisputed portion shall be paid when due, and interest on any unpaid portion shall accrue as aforesaid, from the date due until paid, to the extent that such amounts are finally determined to be payable to SBT.

5.4 Except to the extent expressly agreed in this Agreement, SBT's fees do not include any taxes, excises, fees, duties, permits or other government charges related to the Services. Customer shall pay such amounts or reimburse SBT for any amounts it pays. If Customer claims a tax exemption or direct payment permit, it shall provide SBT with a valid exemption certificate or permit and indemnify, defend and hold SBT harmless from any taxes, costs and penalties arising out of same.

5.5 Unless agreed otherwise, the pricing for each year after the Initial Term of the Agreement and each year of each renewal of the Agreement shall be determined as the immediate prior year price plus a price escalator based upon the U.S. Department of Labor, Bureau of Labor Statistics Urban Consumer Price Index-All Urban Consumers U.S. All Items, 1982-1984=100 ("CPI-U"). In addition, each renewal term pricing shall be adjusted for any additions or deletions to Services selected for the renewal term. The price escalator shall be the latest semi-annual CPI-U identified above published prior to each annual anniversary. This escalator shall be applicable to each annual term, whether a renewal term or an annual term after the first year of the Initial Term.

Article 6: Changes; Delays; Excused Performance

6.1 As the Services are performed, conditions may change or circumstances outside SBT's reasonable control (such as changes of law) may develop which require SBT to expend additional costs, effort or time to complete the Services, in which case SBT shall notify Customer and an equitable adjustment made to the compensation and time for performance. In the event conditions or circumstances require Services to be suspended or terminated, SBT shall be compensated for Services performed and for costs reasonable incurred in connection with the suspension or termination.

6.2 SBT shall not be responsible for loss, delay, injury, damage or failure of performance that may be caused by circumstances beyond its control, including but not limited to acts or omissions by Customer or its employees, agents or contractors, Acts of God, war, civil commotion, acts or omissions of government authorities, fire, theft, corrosion, flood, water damage, lightning, freeze-ups, strikes, lockouts, differences with workmen, riots, explosions, quarantine restrictions, delays in transportation, or shortage of vehicles, fuel, labor or materials. In the event of any such circumstances, SBT shall be excused from performance of the Services and the time for performance shall be extended by a period equal to the time lost plus a reasonable recovery period and the compensation equitably adjusted to compensate for additional costs SBT incurs due to such circumstances.

Article 7: Warrant; Allocation of Risk

7.1 Labor for all Services under this Agreement is warranted for 90 days after the work is performed.

7.2 EXCEPT SUCH OBLIGATIONS EXPRESSLY STATED IN THIS AGREEMENT, SBT EXPRESSLY EXCLUDES AND DISCLAIMS ALL OTHER WARRANTIES, STATUTORY, EXPRESS, OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. SBT MAKES NO WARRANTY, EXPRESS OR IMPLIED, THAT ANY SERVICES PROVIDED HEREUNDER WILL PREVENT ANY LOSS, OR WILL IN ALL CASES PROVIDE THE PROTECTION FOR WHICH IT IS PERFORMED OR INTENDED. THE EXPRESS WARRANTIES AND REPRESENTATIONS SET FORTH IN THIS AGREEMENT MAY ONLY BE MODIFIED OR SUPPLEMENTED IN A WRITING SIGNED BY AN OFFICER OF SBT.

7.3 Customer hereby, for it and any parties claiming under it, releases and discharges SBT from any liability arising out of all hazards covered by

Customer's insurance, and all claims against SBT arising out of such hazards, including any right of subrogation by Customer's insurance carrier, are hereby waived by Customer.

7.4 Anything herein notwithstanding, in no event shall SBT be responsible under this Agreement for incidental, consequential, punitive, exemplary or special damages, including without limitation lost profits, loss of use and/or lost business opportunities, whether arising in warranty, late or non-delivery of any Services, tort, contract or strict liability, and regardless of whether either party has been advised of the possibility of such damages and, in any event, SBT's aggregate liability for any and all claims, losses or expenses (including attorneys fees) arising out of this Agreement, or out of any Services furnished under this Agreement, whether based in contract, negligence, strict liability, agency, warranty, trespass, indemnity or any other theory of liability, shall be limited, as liquidated damages, to the greater of \$1,000 or 10% of the total compensation received by SBT from Customer under this Agreement. SBT reserves the right to control the defense and settlement of any claim for which SBT has an obligation to indemnify hereunder. The parties acknowledge that the price which SBT has agreed to perform its Services and obligations under this Agreement is calculated based upon the foregoing limitations of liability, and that SBT has expressly relied on, and would not have entered into this Agreement but for such limitations of liability.

7.5 It is understood and agreed by and between the parties that SBT is not an insurer and this Agreement is not intended to be an insurance policy or a substitute for an insurance policy. Insurance, if any, shall be obtained by Customer. Fees are based solely upon the value of the Services, and are unrelated to the value of Customer's property or the property of others on Customer's premises.

Article 8: Limitations of Maintenance or Service Obligations

8.1 SBT will not be responsible for the maintenance, repair or replacement of, or Services necessitated by reason of: (a) non-maintainable, non-replaceable or obsolete parts of the Equipment, including but not limited to ductwork, shell and tubes, heat exchangers, coils, unit cabinets, casings, refractory material, electrical wiring, water and pneumatic piping, structural supports, cooling tower fill, sumps and basins, etc. unless otherwise specifically stated herein; or (b) negligence, abuse, misuse, improper or inadequate repairs or modifications, improper operation, lack of operator maintenance or skill, failure to comply with manufacturer's operating and environmental requirements, Acts of God, or other reasons beyond its control. SBT assumes no responsibility for any service performed on any Equipment other than by SBT or its agents.

8.2 SBT shall not be responsible for loss, delay, injury or damage that may be caused by circumstances beyond its control, including but not restricted to acts or omissions by Customer or its employees or agents, Acts of God, war, civil commotion, acts of government, fire, theft, corrosion, flood, water damage, lightning, freeze-ups, computer viruses, program or system hackers, strikes, lockouts, differences with workmen, riots, explosions, quarantine restrictions, delays in transportation, or shortage of vehicles, fuel, labor or materials.

8.3 SBT is not responsible for repairs, replacements or services to Equipment due to corrosion, erosion, improper or inadequate water treatment by others, electrolytic or chemical action, or reasons beyond its reasonable control.

8.4 SBT shall not be responsible for the removal or reinstallation of replacement valves, dampers, waterflow and tamper switches, airflow stations, and any other permanently mounted integral pipe or air duct component. Additionally, SBT shall not be responsible for any venting or draining of systems.

Article 9: Hazardous Materials Provisions

9.1 The Services does not include directly or indirectly performing or arranging for the detection, monitoring, handling, storage, removal, transportation, disposal or treatment of Oil or Hazardous Materials. Except as disclosed pursuant to this Article, Customer represents that, to its best knowledge, there is no asbestos or any other hazardous or toxic materials, as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the regulations promulgated thereunder, and other applicable federal, state or local law ("*Hazardous Materials*"), present at Customer's Sites where the Services are performed. SBT will notify Customer immediately if it discovers or suspects the presence of any Hazardous Material. All Services have been priced and agreed to by SBT in reliance on Customer's representations as set forth in this Article. The presence of Hazardous Materials constitutes a change in this Agreement whose terms must be agreed upon by SBT before its obligations hereunder shall continue.

9.2 Customer is solely responsible for testing, abating, encapsulating, removing, remedying or neutralizing such Hazardous Materials, and for the costs thereof. Customer is responsible for the proper disposal of all Hazardous Materials and Oil that at any time are present at the Services site in accordance with all applicable federal, state, and local laws, regulations, and ordinances. Even if change order has been entered into pursuant to this Article, SBT shall have the right to stop the Services until the site is free from Hazardous Materials. In such event, SBT shall receive an equitable extension of time to complete the Services, and compensation for delays caused by Hazardous Materials remediation. In no event shall SBT be required or construed to take title, ownership or responsibility for such Oil or Hazardous Materials. Customer

shall sign any required waste manifests in conformance with all government regulations, listing Customer as the generator of the waste.

9.3 Customer warrants that, prior to the execution of this Agreement, it shall notify SBT in writing of any and all Hazardous Materials which to Customer's best knowledge are present, potentially present or likely to become present at the Services site and shall provide a copy of any site safety policies, including but not limited to lock-out and tag procedures, chemical hygiene plan, MSDSS or other items required to be disclosed or maintained by federal, state, or local laws, regulations or ordinances.

9.4 Customer shall indemnify, defend and hold SBT harmless from and against any damages, losses, costs, liabilities or expenses (including attorneys' fees) arising out of any Oil or Hazardous Materials or from Customer's breach of, or failure to perform its obligations under this Article.

Article 10: Import / Export Indemnity

10.1 Customer acknowledges that SBT is required to comply with applicable export laws and regulations relating to the sale, exportation, transfer, assignment, disposal and usage of the *Covered Equipment or Services* provided under the Contract, including any export license requirements. Customer agrees that such *Covered Equipment or Services* shall not at any time directly or indirectly be used, exported, sold, transferred, assigned or otherwise disposed of in a manner which will result in non-compliance with such applicable export laws and regulations. It shall be a condition of the continuing performance by SBT of its obligations hereunder that compliance with such export laws and regulations be maintained at all times. CUSTOMER AGREES TO INDEMNIFY AND HOLD SBT HARMLESS FROM ANY AND ALL COSTS, LIABILITIES, PENALTIES, SANCTIONS AND FINES RELATED TO NON-COMPLIANCE WITH APPLICABLE EXPORT LAWS AND REGULATIONS.

Article 11: Small Business Concern

11.1 SBT shall adhere to FAR 52.219-8 regarding the "Utilization of Small Business Concerns", as part of its Commercial Small Business Subcontracting Agreement with the federal government. SBT's policy is to offer small business concerns, including small disadvantaged businesses, women owned small-businesses, HUBZone small businesses, veteran owned small businesses and service disabled veteran owned small businesses, the "maximum practical opportunity" to participate in performing contracts let by any commercial entity, local government or federal agency, including subcontracts for subsystems, assemblies, components, and related services for major systems.

Article 12: Monitoring Service Terms and Conditions

12.1 "*Monitoring Services*" means that portion, if any, of the Services expressly described as Monitoring or Notification Services and relating to offsite central station monitoring services expressly agreed to be provided by SBT to Customer. "*Monitored Site*" means the Customer site for which Monitoring Services are to be provided.

12.2 SBT's response to receipt of signals from the alarm system and signaling initiation devices (collectively "System") shall be in accordance with SBT's Standard Operating Procedures and with this Agreement. SBT reserves the right, in its sole judgment, to first investigate the cause of such signals by either telephoning Customer at Customer's designated telephone number(s), or dispatching a representative to Customer's premises to determine whether an emergency condition exists, warranting transmission of the signal(s) to the Police, Fire Department, and/or Customer designated representative.

12.3 SBT will perform the Services expressly described in this Agreement. The Services performed by SBT shall be conducted in a manner consistent with the degree of care and skill ordinarily exercised by reputable companies performing the same or similar Services in the same locale acting under similar circumstances and conditions.

12.4 SBT is not required to conduct safety or other tests, install or maintain devices or equipment or make modifications to the System except as provided in the written SBT Proposal. Any Customer request to change the Scope or the nature of the Services must be in the form of a mutually agreed change order, effective only when executed by all parties hereto.

12.5 Customer, without cost to SBT, shall, at its sole expense:

- (a) Furnish SBT with a written list of names, titles, and contact phone numbers of all persons authorized to enter the Monitored Site after business hours and provide SBT with written updates of any change prior to close of business at the Monitored Site on the day of such change;
- (b) Furnish SBT with a written list of names, titles, and contact phone numbers of persons to be notified in the event a System signal is received and provide SBT with written updates of any change prior to close of business at the Monitored Site on the day of such change;
- (c) Furnish SBT written notice of any changes in the System or any applicable bureau or authority having jurisdiction for same;
- (d) Notify SBT of any alterations, remodeling, or any stock, fixture or structural changes, and to perform and bear the cost of changes in the System required as a result of such changes;

(e) Operate, maintain, repair, service, and/or assure the proper operation of the System and any other property (including but not limited to any refinishing arising from same), equipment, system or device to which the System may be attached or connected in accordance with all manufacturers' and installers' recommendations unless expressly provides for SBT to perform same;

(f) Protect the System from tampering, vandalism, disturbance, damage, misuse, abuse, removal or other actions which may interfere with the proper operation of the System;

(g) Carefully and properly test and set the System immediately prior to closing the Monitored Site, understanding particularly that the sensitivity and area of coverage of space protection devices may change, that SBT is unable to detect such changes, and that "walk tests" in the area of such coverage are necessary to assure that adequate sensitivity is maintained;

(h) Turn off or remove from the Monitored Site anything which does or may interfere with the effectiveness of the System; and

(i) Furnish telephone or network service connecting the Monitored Site to SBT monitoring facilities.

12.6 Customer understands that calls made to SBT in connection with signals or access to the Monitored Site may be recorded by SBT. Customer, for itself, its agents, and employees consents to such recording.

12.7 Customer shall use reasonable efforts to prevent false alarms. In the event of any false alarm (not caused by the negligence or willful misconduct of SBT), taxes, fees or other charges of any police or fire department, or any other governmental body. Customer agrees to pay SBT to reprogram the system if necessary to comply with any area code, telephone numbering or other changes Customer shall directly pay or, to the extent paid by SBT, reimburse SBT, for any false alarm fine, penalty or fee assessed against SBT by any governmental or municipal agency as a result of such false alarms and, in addition, pay a processing fee of ten percent of each invoice that SBT submits to the customer for such false alarms.

12.8 Customer acknowledges that it is now and shall at all times remain in control of the Monitored Site. Except as expressly provided herein, SBT shall not be responsible for the adequacy of the security, safety or health programs or precautions related to Customer's activities or operations, Customer's other contractors, the work of any other person or entity, or the Monitored Site's conditions. SBT is not responsible for inspecting, observing, reporting or correcting security, safety or health conditions or deficiencies of Customer or others at the Monitored Site. So as not to discourage SBT from voluntarily addressing security, safety or health issues at the Monitored Site, in the event SBT does address such issues by making observations, reports, suggestions or otherwise, SBT shall not be liable or responsible on account thereof.

12.9 SBT reserves the right to terminate the Monitoring Services at any time after seven (7) days written notice, upon the happening of any of the following: (a) Customer does not follow proper operation or maintenance procedures or does not use the System properly; (b) Customer fails to comply with any of the terms of this Agreement. In addition, SBT shall have the right to terminate the Monitoring Services immediately if: (a) SBT is unable either to secure or to retain the wire connections or privileges necessary for the transmission of signals between the Monitored Site, SBT's monitoring facility and the municipal fire or police department; or (b) the monitoring facility, connecting wires, or systems within SBT's premises are destroyed by fire or other catastrophe, or so substantially damaged that it is impractical to continue service. The Monitoring Services may be terminated immediately by Customer if the Monitored Site is destroyed or so damaged as to be unusable for its pre-damage use provided that it pays any unpaid balance of the charges accrued hereunder for Services rendered prior to the effective date of termination.

12.10 In the event of termination of the Monitoring Services for any reason, Customer authorizes SBT to make the necessary arrangements with the telephone company to disconnect the telephone service between the Monitored Site and the monitoring facility and to remove any mode of communication and/or communication interface devices, such as modems, dialers, digital communicators, which are and remain the property of SBT.

12.11 It is understood and agreed by and between the parties that SBT is not an insurer and this Agreement is not intended to be an insurance policy or a substitute for an insurance policy. Insurance, if any, covering personal injury and property loss or damage on any Customer's premises shall be obtained by Customer. Customer agrees to proceed exclusively against your insurer to recover any damages SBT shall not in any event be responsible under this Agreement for incidental, consequential, punitive, exemplary or special damages, including without limitation lost profits and/or lost business opportunities, whether arising in warranty, late or non-delivery of any Work, tort, contract or strict liability, and regardless of whether any party has been advised of the possibility of such damages. Customer waives and releases any rights of recovery against SBT that it may have hereunder and agrees

that SBT shall not be liable for any form of loss, damage, claim or expense, irrespective of origin, whether directly or indirectly caused by performance or non-performance of obligations imposed by this Agreement or by negligent acts or omissions of SBT, its agents or employees.

12.12 Customer hereby authorizes and directs SBT, as its agent, to direct the local police department having jurisdiction, to detain and cause the arrest of every person found in and about the Monitored Site without authorization as evidenced by the list of authorized persons provided by Customer and to hold every such person until released by a representative of Customer designated for this purpose; in all such cases the Customer agrees to indemnify, defend and hold SBT and its employees or agents harmless against all liability, costs, damages or expense in consequence of such arrest and detention.

12.13 From the nature of the Monitoring Services, it is impractical and extremely difficult to fix the actual damages, if any, which may proximately result from the failure of SBT to perform any of its obligations hereunder, or the failure of the System to properly operate. If SBT is found liable for loss or damage due to a failure on the part of SBT, in any respect, its liability related to Monitoring Services shall be limited in the aggregate for the term of the Agreement to the sum of Two Thousand Five Hundred (\$2500.00) Dollars as liquidated damages. Such limit of liability is not a penalty and this limited liability shall be complete and exclusive. The provisions of this paragraph shall apply in the event loss or damage, irrespective of cause or origin, results directly or indirectly from the performance or nonperformance of the obligations set forth by this Agreement or from negligence, active or otherwise, of SBT it's agents or employees. The parties acknowledge that the price which SBT has agreed to perform the Monitoring Services and obligations is calculated based upon the foregoing limitations of liability, and that SBT has expressly relied on, and would not have entered into this Agreement but for such limitations of liability.

12.14 In the event Monitoring Services are purchased through another business or person, from or through a referral from another business or person, Customer agrees that such business or person acts solely as an independent contractor. Such business or person shall not have any responsibility or liability to Customer for the performance or nonperformance of the Monitoring Services provided by SBT under this Agreement. Without limiting the above, Customer agrees that the liability of such other business or person is, in any event, limited in accordance with the provisions of this Agreement.

12.15 Customer is solely responsible for the life and safety of all persons in the Monitored Site, and for protecting against losses to its own property or the property of others in the Monitored Site. Customer agrees to indemnify, defend and hold harmless SBT from any and all such claims and lawsuits including the payment of all damages, expenses, costs, and attorney fees incurred by SBT, its employees and agents, from and against all claims, lawsuits and losses, by persons not a party to this Agreement, against SBT for failure of the System, SBT equipment or Monitoring Services in any respect, whether due or alleged to be due to malfunction or non-function of the System, or by the negligence, active or passive, of SBT. SBT does not represent or warrant that the Work will not be compromised, interrupted or circumvented; that the Work will prevent any loss from any cause; or that the Work will in all cases provide the protection for which it is performed, installed or intended (collectively "Protections"). Customer acknowledges and agrees that it assumes all risk of loss or damage to its facilities and sites including the contents thereon, and that SBT has neither made representations or warranties, nor has Customer relied on any representation or warranties, express or implied regarding said Protections. **SBT EXPRESSLY EXCLUDES AND DISCLAIMS ALL WARRANTIES, STATUTORY, EXPRESS, OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. SBT MAKES NO WARRANTY, EXPRESS OR IMPLIED, THAT ANY EQUIPMENT OR SERVICES PROVIDED HEREUNDER WILL PREVENT ANY LOSS, OR WILL IN ALL CASES PROVIDE THE PROTECTION FOR WHICH IT IS INSTALLED OR INTENDED. THE EXPRESS EXCLUSION OF WARRANTIES SET FORTH IN THIS AGREEMENT.**

12.15 Customer hereby, for it and any parties claiming under it, releases and discharges SBT from any liability arising out of all hazards covered by Customer's insurance, and all claims against SBT arising out of such hazards, including any right of subrogation by Customer's insurance carrier, are hereby waived by Customer, and Customer shall promptly so notify its insurance carrier.

Article 13: Alarm Monitoring and/ or Notification Service

7.1 SBT may provide alarm monitoring and/or notification services to Customer under this Agreement. Customer acknowledges and agrees that in

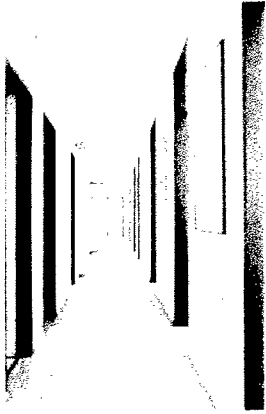
the event an alarm is received at SBT's monitoring center, SBT will attempt to contact Customer or any representative provided to SBT on Customer's Emergency contact list by telephone/ two way voice to confirm the alarm is not false. In the event SBT fails to contact Customer or its representative, SBT will attempt to notify the police department or fire department. Customer agrees that SBT shall have no liability pertaining to any two way voice communications or internet video recordings or their publication. SBT shall not be liable for any damages or alarm signal failures due to communication disruptions to telephone lines, cell phones, internet connections, radio frequency, internet, any other transmission modes, including but not limited to DSL, Cable, ADSL, VOIP. SBT shall have no responsibility or liability for interruptions of service or any resulting consequence.

Advantage Services[®]

Performance Platinum Agreement for City of Chicago 311 Call Center

Proposal Date 7/7/08

SIEMENS



*This service agreement
has been specifically
developed to support your
unique facility.*

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1 Overview

1.1 Executive Summary

You have made a significant investment in your facility and its complex technical systems that are critical to the profitability and productivity of your overall business. This proposed service solution, our Service Agreement, will proactively serve to protect that substantial investment through a program of planned service tasks by our trained technical staff.

1.2 Customer Objectives

Based on your unique facility requirements, a service program with Siemens Building Technologies will help you achieve your objectives by:

- Maintaining the safety of the occupants of your facility
 - Minimizing false alarms, building disruptions and operational cost
 - Improving responsiveness and minimizing equipment downtime
 - Protecting your system investment
 - Improving the skills of your staff
-

1.3 Current Situation

Per the customer's request, this five year proposal was put together for a Platinum agreement. Please refer to pages 4-6 for the full scope of what Platinum Service affords our customers. In short, this is a full- service agreement that covers all parts and labor plus test and inspection on an annual basis. With a one year agreement, the annual escalation rate is 5% upon renewal. A multi-year agreement prevents escalation and locks the initial annual rate in for the duration of the agreement. Basically what you pay your first year, will stay the same annually for all 5 years.

1.4 Siemens Capabilities & Commitment to Our Customers

Siemens Building Technologies is the leading single-source provider of cost-effective facility performance solutions for the comfort, life safety, security, energy efficiency and operation of some of the most technically advanced buildings in the world. Siemens is pleased to offer this proposal for technical support services to your facility. For more than 150 years, Siemens has built a culture of long-term commitment to customers through innovation and technology. We are confident that we have the capabilities to meet your critical facility needs today and in the future, and we look forward to the opportunity to serve you.

2 Service Solution

2.1 FIRE ALARM & LIFE SAFETY SERVICES

2.1.1 Approach

Platinum Level

The Platinum Advantage Services plan is designed for customers who experience serious business interruptions if critical building systems fail. When emergencies occur, Siemens experts will be on site within four hours for critical components 24 hours a day every day. For non-emergency technical problems or for non-critical components, Siemens staff will be on site within eight hours 24x7. In addition to the peace of mind that comes from knowing equipment downtime is minimized, the Platinum plan also eliminates budget surprises. All repair and replacement parts and labor for equipment covered by the plan are included in the service contract. The service program begins with a technology audit by our highly trained professionals that pinpoints any existing problems with the system. Necessary software updates are another important aspect of keeping the system fully functional, and are provided as they are issued. Operator coaching by Siemens provides another layer of confidence by helping your staff identify, verify and resolve problems and concerns in performing tasks to keep systems running smoothly. During coaching sessions, we address sp

The result of the Platinum Advantage Services Plan is confidence in the operation of your critical building technology and the comfort, occupant safety and security of your facility. With the Platinum plan, Siemens offers unsurpassed commitment in fast and efficient repair services. No other plan offers greater support, faster on-site response time, more hours of coverage or a wider range of services.

Performance

For customers that need to maximize fire system performance while relieving staff of the majority of maintenance responsibility, the Advantage Services Performance package offers a higher caliber of service. Designed for customers requiring absolute confidence in fire system effectiveness, it provides you with the expertise of Siemens to perform system maintenance and service compliant with NFPA and local code guidelines. To meet your specific needs, the Performance package includes full test and inspect of your systems and may include sensitivity testing to ensure your systems are operating properly. This level of service will reduce false alarms and help minimize system downtime and costly repairs.

Advantage Services testing and inspection includes an annual testing of all covered fire systems by certified specialists using testing protocols specified by NFPA 72 guidelines as well as any local guidelines that are required for your facility. As an additional option, code compliant sensitivity testing is performed to ensure that the equipment is operating within the proper UL-specified range of sensitivity.

The equipment and coverage are listed as an attachment to this master agreement.

2.1.2 Benefits

Fire — Performance Gold

Implementation of this service agreement from Siemens Building Technologies provides the following benefits to your facility:

- Assures code compliant testing adhering to NFPA and local guidelines, with complete reporting
- Reduces false alarms and related costs, such as fines
- Maximizes high level of system performance and extends life of fire equipment
- Helps minimize system downtime and costly repairs and replacements
- On-site Siemens expert response 24x7 minimizes costly business interruptions
- No budget surprises for labor on covered equipment during hours of service
- User-friendly web access to service requests and service status
- Operator coaching supports employee performance

2.1.3 Customer Support Services

Annual System Configuration Audit & Report: We will verify and compare the system configuration to the existing records during the annual test and inspection. Any changes to the system are checked and documented.

Insurance Requirement Review: We will service the system and maintain records to meet the requirements of the insurance industry.

Life Safety Log Book: We will provide a life safety log book containing information and guidance on the management of the Life Safety System. All service records shall be recorded and kept within the log book. This log book shall serve as a reference for local authorities, insurance carriers, and Siemens technical personnel.

Written Report of All Services Performed: We will complete a service report for each visit detailing the purpose of the call and summarizing the work that was performed.

Software support/updates as issued: We will upgrade the software of microprocessor-based systems when issued to maintain the listing requirements of the authorities having jurisdiction.

Technology Audit: To ensure that your Fire Safety System meets your changing needs, Siemens will review your system, evaluating the current use of your Fire Safety System and what may have been changed or been modified in your daily facility operation that impacts the effectiveness of the system. Siemens will review applicable fire safety technologies, suggest possible new strategies or technologies that could be implemented to enhance your current system, and consider what changes, enhancements and/or upgrades should be made to facilitate your future plans. In addition, recommendations may be made about adding and/or modifying applications, sensors, points, panels and/or software where needed to improve building operation and performance. Once the review is completed, a written report of the findings and recommendations will be submitted during a scheduled meeting.

2.1.4 Technical Support Services

Emergency Onsite Response. Monday through Sunday: Emergency Onsite Response will be provided to reduce the costs and disruptions of downtime when an unexpected problem does occur. Siemens will provide this service between scheduled service calls and respond within 4 hours for critical emergencies, or within 24 hours for non-emergency conditions, Monday through Sunday, 24 hours per day, including Holidays, upon receiving notification of an emergency. Critical emergencies, as determined by your staff and Siemens, are failures at a system or panel level that would result in the loss of the operation of an entire section of a building or place the facility at high risk. Non-emergency conditions, as determined by your staff and Siemens, are failures at an individual component level resulting in minimal impact to the overall operation of the facility. Non-emergency conditions, as determined by your staff and Siemens, may be incorporated into the next scheduled service call.

UL Listed Monitoring Service. As an additional option, we will coordinate and administer off-site monitoring of your fire alarm and life safety system via a UL Listed Central Station. We will also identify any potential problems that could result in high or unnecessary alarm incidents by analyzing the signal transmission history between your facility and the Central Station. Included with this proposal are the lists of codes to be monitored, specific response instructions, details of the services to be provided and the Protected Premises Monitoring Agreement. Also, through our secure web based system, you will be able to access alarm event history and manage the account information.

3 Service Implementation Plan

3.1 Fire Alarm & Life Safety Services On-site Response Time and Call Windows

	Platinum
Attribute	
Response time - onsite for critical components	4 hours - labor is covered within response time
Response time - onsite for non-emergency	8 hours - labor is covered within response time
Hours of Service	24 x 7 - labor is covered within response window
Response Window	24 x 7
Software Support and Updates	Yes, as issued
R&R Material	Included
R&R Labor	Included
Technology Audit	Included
Operator Coaching	Included

3.2 Labor Rates on Billable Fire Alarm Service Request

Normal SBT Hourly Labor Rate	<u>\$120.00</u>
Off-normal SBT Hourly Labor Rate	<u>\$178.00</u>
Holiday & Sunday Hourly Labor Rate	<u>\$235.00</u>

4 Equipment

4.1 Fire Alarm & Life Safety Equipment

	Device Counts	Inspection Frequency	R&R Labor Coverage	Service Material Coverage	Sensitivity Testing
Fire Alarm System					
Siemens MXL Alarm Panel	<u>1</u>	<u>100% Annually</u>	<u>24 X 7 Coverage</u>	<u>Included</u>	
Remote Annunciators	<u>1</u>	<u>100% Annually</u>	<u>24 X 7 Coverage</u>	<u>Included</u>	
Addressable Pull Stations	<u>10</u>	<u>100% Annually</u>	<u>24 X 7 Coverage</u>	<u>Included</u>	
Addressable Smoke Detectors	<u>116</u>	<u>100% Annually</u>	<u>24 X 7 Coverage</u>	<u>Included</u>	<u>Not Included</u>
Addressable Duct Detectors	<u>6</u>	<u>100% Annually</u>	<u>24 X 7 Coverage</u>	<u>Included</u>	<u>Not Included</u>
Addressable Heat Detectors	<u>3</u>	<u>100% Annually</u>	<u>24 X 7 Coverage</u>	<u>Included</u>	
Audio Visual Units	<u>45</u>	<u>100% Annually</u>	<u>24 X 7 Coverage</u>	<u>Included</u>	
Horn or Speaker Only Units	<u>38</u>	<u>100% Annually</u>	<u>24 X 7 Coverage</u>	<u>Included</u>	
Water Flow Monitor Modules	<u>2</u>	<u>100% Annually</u>	<u>24 X 7 Coverage</u>	<u>Included</u>	
Tamper Switch Monitor Modules	<u>4</u>	<u>100% Annually</u>	<u>24 X 7 Coverage</u>	<u>Included</u>	
 Monitoring Services					
Dialer Monitoring (32 zones)	<u>Not Included</u>				
Each Additional 32 Zones	<u>Not Included</u>				
Elevator Monitoring	<u>Not Included</u>				
Emergency Telephone	<u>Not Included</u>				

5 Siemens Building Technologies, Inc.

5.1 Signature Page and Investment

By and Between:

Siemens Building Technologies, Inc.
585 Slawin Court
Mount Prospect, Illinois 60056
Nicholas Agosto
(847) 493-7799

City of Chicago 311 Call Center
2111 W. Lexington St.
Chicago, Illinois 60612
Rich Enault
(312) 742-4152

Siemens Building Technologies, Inc. shall provide the services as outlined in the attached proposal dated 7/7/08 and the attached terms and conditions.

Duration: This agreement shall remain in effect for an original term of 5 years beginning 7/15/08 and from year to year thereafter.

Investments:

Year 1	7/15/08	to	7/14/2009	\$6,220 annually	paid	\$6,220	annually
Year 2	7/15/2009	to	7/14/2010	\$6,220 annually	paid	\$6,220	annually
Year 3	7/15/2010	to	7/14/2011	\$6,220 annually	paid	\$6,220	annually
Year 4	7/15/2011	to	7/13/2012	\$6,220 annually	paid	\$6,220	annually
Year 5	7/14/2012	to	7/13/2013	\$6,220 annually	paid	\$6,220	annually

Prices quoted in this proposal are firm for 30 days.

Proposal accepted by:

Rich Enault
Title
City of Chicago 311 Call Center

Proposal submitted by:

Nicholas Agosto
Account Executive
Siemens Building Technologies, Inc.

Signature Date

Signature Date

PO#

Approved for Siemens Building Technologies, Inc. by:

Jon-Paul Anderson
Sales Manager

Signature Date

5.2 Master Terms and Conditions

SERVICE TERMS AND CONDITIONS WITH MONITORING (REV. 02/08)

Article 1: General

1.1 (a) This Agreement constitutes the entire, complete and exclusive agreement between the parties relating to the services ("Services") to be provided by SBT and supersedes and cancels all prior proposals, agreements and understandings, written or oral, relating to the subject matter of this Agreement. Neither party may assign the Agreement or any rights or obligations hereunder without the prior written consent of the other except that either party may assign this Agreement to its affiliates and SBT may grant a security interest in the Agreement; assign proceeds of the Agreement; and/or use subcontractors in performance of the Services. The terms and conditions of this Agreement shall not be modified or rescinded except in writing, with the prior approval of the Legal Departments of SBT and Customer and signed by duly authorized officers or managers of SBT and Customer.

(b) Nothing contained in this Agreement shall be construed to give any rights or benefits to anyone other than the Customer and SBT without the express written consent of both parties. All provisions of this Agreement allocating responsibility or liability between the parties shall survive the completion of the Services and termination of this Agreement.

1.2 This Agreement shall be governed by and enforced in accordance with the laws of the State of Illinois. Any litigation arising under this Agreement shall be brought in the State or Commonwealth in which the Services are provided to Customer. The parties waive any right to a jury trial on matters arising out of this Agreement.

1.3 After the expiration of the Initial Term, this Agreement shall automatically renew for successive one year periods beginning on the anniversary date of the Initial Term unless stated otherwise in the Agreement.

1.4 Either party may terminate or amend this Agreement at the end of the initial term or at the end of a renewal term by giving the other party at least sixty (60) days prior written notice of such amendments or intent not to renew.

1.5 If, during or within 90 days after the term of this Agreement, Customer engages any SBT employee who has performed work under this or any other agreement between Customer and SBT, Customer shall pay SBT an amount equal to the employee's latest annual salary.

Article 2: Covered Equipment

2.1 "Covered equipment" shall mean that equipment expressly identified as System Components in this Agreement. The Customer represents that at the commencement of this Agreement all Covered Equipment is in satisfactory working condition and complies with all applicable codes.

2.2 If the fire or life safety system comprised of the Covered Equipment does not comply with all applicable codes or if removal of any Covered Equipment from coverage would compromise or impair the integrity or the compliance with law of any system or Services, and Customer fails to take corrective action, then SBT may terminate this Agreement without further obligation and retain all monies received pursuant to this Agreement.

2.3 All testing and inspection of any Covered Equipment provided for in this Agreement will be performed at the time and place and in the manner deemed appropriate by SBT, in accordance with applicable law and the requirements of then current National Fire Protection Association ("NFPA") guidelines and other relevant standards. Customer is solely responsible for, and hereby indemnifies and holds SBT harmless from and against, any liability arising from Customer's specification of a testing schedule other than then current NFPA or other applicable standards or laws.

2.4 If the Covered Equipment is altered or moved by any person, including Customer, other than SBT or a person authorized by it, Customer shall immediately notify SBT in writing, and SBT reserves the right to perform a reacceptance test on, or, if necessary, a recommissioning of the system at Customer's expense. Reacceptance tests will be performed in accordance with then current NFPA or other applicable requirements, and charged on a time and materials basis.

Article 3: Services by SBT

3.1 SBT shall only perform the identified Services for and upon Covered Equipment.

3.2 SBT shall have no liability or obligation to continue providing Services in the event Customer fails to (a) authorize a reacceptance test or recommissioning that SBT reasonably deems necessary; (b) notify SBT of any modifications or changes to the Covered Equipment or unusual or materially changed operating conditions, hours of usage, system malfunctions or building alterations that may affect the Services; (c) provide the access to any site where Services are to be performed; or (d) operate, service or maintain the Covered Equipment in accordance with manufacturer's or supplier's instructions or this Agreement. After any of the aforesaid events SBT may terminate or suspend services under this Agreement immediately, upon giving notice to Customer.

3.3 Any repairs and replacements of Covered Equipment as may be expressly included in the Services are limited to restoring the proper working condition of such Covered Equipment. SBT will not be obligated to provide replacement Covered Equipment that represents significant capital improvement compared to the original. Exchanged or removed components

become the property of SBT, except Hazardous Materials, which under all circumstances remain the property and responsibility of Customer.

3.4 Unless agreed otherwise, Services do not include and SBT is not responsible for (a); (a) service or provision of consumable supplies, including but not limited to batteries and halon cylinder charging; (b) reinstallation or relocation of Covered Equipment; (c) painting or refinishing of Covered Equipment or surrounding surfaces; (d) changes to Services; (e) parts, accessories, attachments or other devices added to Covered Equipment but not furnished by SBT; (f) failure to continually provide suitable operating environment including, but not limited to, adequate space, ventilation, electrical power and protection from the elements; or (g) the removal or reinstallation of replacement valves, dampers, waterflow switches, venting or draining systems. SBT is not responsible for services performed on any Covered Equipment other than by SBT or its agents.

3.5 The Services shall be performed in a manner consistent with the degree of care and skill ordinarily exercised by persons performing the same or similar Services in the same locale under similar circumstances and conditions.

3.6 SBT shall perform the Services during its local, normal working hours, unless otherwise stated in this Agreement.

3.7 SBT is not required to conduct safety or other tests, install or maintain any devices or equipment or make modifications or upgrades to any equipment beyond the scope of this Agreement. Any request to change the scope or the nature of the Services must be in the form of a mutually agreed change order, effective only when executed by all parties hereto.

3.8 All reports and drawings specifically prepared for and deliverable to Customer pursuant to this Agreement ("Deliverables") shall become Customer's property upon full payment to SBT. SBT may retain file copies of such Deliverables. All other reports, notes, calculations, data, drawings, estimates, specifications, manuals, other documents and all computer programs, codes and computerized materials prepared by or for SBT are instruments of SBT's work ("Instruments") and shall remain SBT's property. Siemens conveys no license to software unless otherwise expressly provided in this Agreement. All Deliverables and Instruments provided to Customer are for Permitted Users' use only for the purposes disclosed to SBT, and Customer shall not transfer them to others or use them or permit them to be used for any extension of the Services or any other purpose, without SBT's express written consent. Any reuse of Deliverables or Instruments for other projects or locations without the written consent of SBT, or use by any party other than Permitted Users, will be at Permitted Users' sole risk and without liability to SBT; and, in addition to any other rights SBT may have, Customer shall indemnify, defend and hold SBT harmless from any claims, losses or damages arising therefrom.

3.9 Customer acknowledges that SBT, in the normal conduct of its business, may use concepts, skills and know-how developed while performing other contracts. Customer acknowledges the benefit which may accrue to it though this practice, and accordingly agrees that anything in this Agreement notwithstanding Siemens may continue, without payment of a royalty, this practice of using concepts, skills and know-how developed while performing this Agreement.

3.10 The Customer represents that all Equipment is in satisfactory working condition. Except as set forth below, by the later of the first forty-five (45) days of this Agreement, the first scheduled operational inspection, or the first seasonal start-up, SBT will have inspected all the Equipment. However, SBT may extend the testing and inspection period for portions of Equipment relating to Fire Alarm and Life Safety systems, provided that during the course of the year following execution of this Agreement the entire system will be tested and inspected as set forth in NFPA 72, or as otherwise may be required pursuant to the law of the applicable jurisdiction. Testing and inspection will not be deemed to be complete until all of such Equipment has been so tested and inspected. If SBT determines as a result of such inspection and/or testing that the Equipment is in need of repair or replacement, the Customer will be so notified and shall take corrective action within thirty (30) days, or such Equipment shall be automatically removed from coverage hereunder. SBT will not be liable or responsible for the continued testing, maintenance, repair, replacement or operating capabilities of any portion of the Equipment until it has been inspected and/or tested and has been, if necessary, restored to an acceptable initial condition at Customer's sole expense. Any services provided by SBT in the course of such restoration will be separately charged, on a time and materials basis, and not included in fees paid hereunder. If individual items of Equipment cannot, in SBT's sole determination, be properly repaired or replaced due to age, obsolescence, lack of availability of refrigerant gas, halon gas, necessary parts, materials, compatibility or otherwise, or as a result of excessive wear or deterioration, SBT may, within ten (10) days of such inspection, give written notice that it is withdrawing such items from coverage under this Agreement and adjust the amounts to be paid hereunder accordingly.

3.11 If the removal of Equipment from coverage would compromise or impair the integrity or compliance with law of any Fire Alarm and Life Safety system, then SBT will provide a written statement thereof for execution by Customer. Customer's failure to execute such a statement within ten (10) days will void this Agreement and release SBT from any further obligations hereunder.

Article 4: Responsibilities of Customer

4.1 Customer, without cost to SBT, shall:

- (a) Designate a contact person with authority to make decisions for Customer regarding the Services and provide SBT with information sufficient to contact such person in an emergency. If such representative cannot be reached, any request for work received from a person located at Customer's site will be deemed authorized by Customer, and SBT will, in its reasonable discretion, act accordingly;
- (b) Provide or arrange without cost all reasonable provisions, means and access for SBT to any site and the equipment where Services are to be performed;
- (c) Permit SBT to control and/or operate all controls, systems, apparatus, equipment and machinery necessary to perform the Services;
- (d) Furnish SBT with all available information pertinent to the Services;
- (e) Obtain and furnish to SBT all approvals, permits and consents from government authorities and others as may be required for performance of the Services except for those SBT has expressly agreed in writing to obtain;
- (f) Maintain the Services site in a safe condition; notify SBT promptly of any site conditions requiring special care; and provide SBT with any available documents describing the quantity, nature, location and extent of such conditions;
- (g) Comply with all laws and provide any notices required to be given to any government authorities in connection with the Services, except such notices SBT has expressly agreed in this Agreement to give;
- (h) Provide SBT with Material Safety Data Sheets (MSDS) conforming to OSHA requirements related to all Hazardous Materials at the site which may impact the Services;
- (i) Furnish to SBT any contingency plans related to the site;
- (j) Furnish the specified operating environment, including without limitation, suitable, clean, stable, properly conditioned electrical power and other utilities; and
- (k) Maintain all Covered Equipment in good working order in compliance with all applicable laws and service, repair and replace all Covered Equipment as necessary;
- (l) Perform inspections and tests as indicated in the Life Safety System Logbook and record same in the Life Safety System logbook.

4.2 Customer acknowledges that the technical and pricing information herein is proprietary to SBT and agrees not to disclose or otherwise make it available to others.

4.3 Customer acknowledges that it is now and shall be at all times in control of the Services site. SBT shall not have any responsibility, duty or authority to direct, supervise or oversee any employees or contractors of Customer or their work or to provide the means, methods or sequence of their work or to stop their work. SBT's work and/or presence at a site shall not relieve others of their responsibility to Customer or to others. Except as expressly provided herein, SBT is not responsible for the adequacy of the health, safety or security programs or precautions related to Customer's or its other contractors' activities or operations; the work of any other person or entity; or Customer's site conditions. SBT is not responsible for inspecting, observing, reporting or correcting health or safety conditions or deficiencies of Customer or others at Customer's site. So as not to discourage SBT from voluntarily addressing such issues, in the event SBT does make observations, reports, suggestions or otherwise regarding such issues, SBT shall not be liable or responsible for same.

4.4 Except as expressly stated in this Agreement, Customer is solely responsible for any removal, replacement or refinishing of the building structure or finishes that may be required to perform or gain access to the Services.

4.5 Customer alone shall act to protect life and property from the time a partial or full system failure occurs until SBT notifies Customer that such system is operational or the emergency has been cleared. Customer's actions shall include all appropriate interim safety precautions (such as a manual "fire watch"). SBT shall have no obligation to provide guards, fire watch personnel, or other services following a system failure, except Services as are specifically provided for in this Agreement.

4.6 Customer shall not attach to the system or Covered Equipment any device that interferes with the Services or the proper operation of the system or Covered Equipment.

Article 5: Compensation

5.1 Annual Fee(s) shall be adjusted for each year after the final year of the Initial Term pursuant to the agreed Price Adjustment hereto and incorporated herein. Unless otherwise agreed in writing, this Agreement is not cancelable and the annual fee is not refundable except as provided herein.

5.2 Payments to be made under this Agreement will provide for, and be in consideration of, only Services specifically included under the Proposed Solution. All other Services, including but not limited to the following, shall be separately billed or surcharged on a time and materials basis: (a) emergency Services performed at Customer's request, if inspection does not reveal any deficiency covered by this Agreement; (b) Services performed other than during SBT's normal working hours; and (c) Service performed on equipment not covered by

this Agreement.

5.3 SBT shall invoice Customer as provided in this Agreement, or if not expressly provided, then on an annual basis prior to the Start Date and annually thereafter on the anniversary of such Start Date. Invoices are due and payable net cash upon receipt unless Customer has applied and been approved for credit with SBT, in which case the invoice is payable within 30 calendar days of receipt by Customer or as otherwise set forth in this Agreement. If any payment is not received when due, SBT may deem Customer to be in breach hereof and may enforce any remedies available to it hereunder or at law, including without limitation, acceleration of payments and suspension or termination of Services at any time and without notice, and shall be entitled to compensation for Services previously performed and costs reasonably incurred in connection with the suspension or termination. Any amount not paid within 30 calendar days of invoice receipt shall accrue interest from the date due, until paid, at the rate of 12% per annum. Customer shall reimburse SBT's costs and expenses (including reasonable attorneys' and witnesses' fees) incurred for collection under this Agreement. If Customer disputes any portion or all of an invoice, it shall notify SBT in writing of the amount in dispute and the reason for its disagreement within 21 days of receipt of the invoice. The undisputed portion shall be paid when due, and interest on any unpaid portion shall accrue as aforesaid, from the date due until paid, to the extent that such amounts are finally determined to be payable to SBT.

5.4 Except to the extent expressly agreed in this Agreement, SBT's fees do not include any taxes, excises, fees, duties, permits or other government charges related to the Services. Customer shall pay such amounts or reimburse SBT for any amounts it pays. If Customer claims a tax exemption or direct payment permit, it shall provide SBT with a valid exemption certificate or permit and indemnify, defend and hold SBT harmless from any taxes, costs and penalties arising out of same.

5.5 Unless agreed otherwise, the pricing for each year after the Initial Term of the Agreement and each year of each renewal of the Agreement shall be determined as the immediate prior year price plus a price escalator based upon the U.S. Department of Labor, Bureau of Labor Statistics Urban Consumer Price Index-All Urban Consumers U.S. All items, 1982-1984=100 ("CPI-U"). In addition, each renewal term pricing shall be adjusted for any additions or deletions to Services selected for the renewal term. The price escalator shall be the latest semi-annual CPI-U identified above published prior to each annual anniversary. This escalator shall be applicable to each annual term, whether a renewal term or an annual term after the first year of the Initial Term.

Article 6: Changes; Delays; Excused Performance

6.1 As the Services are performed, conditions may change or circumstances outside SBT's reasonable control (such as changes of law) may develop which require SBT to expend additional costs, effort or time to complete the Services, in which case SBT shall notify Customer and an equitable adjustment made to the compensation and time for performance. In the event conditions or circumstances require Services to be suspended or terminated, SBT shall be compensated for Services performed and for costs reasonable incurred in connection with the suspension or termination.

6.2 SBT shall not be responsible for loss, delay, injury, damage or failure of performance that may be caused by circumstances beyond its control, including but not limited to acts or omissions by Customer or its employees, agents or contractors, Acts of God, war, civil commotion, acts or omissions of government authorities, fire, theft, corrosion, flood, water damage, lightning, freeze-ups, strikes, lockouts, differences with workmen, riots, explosions, quarantine restrictions, delays in transportation, or shortage of vehicles, fuel, labor or materials. In the event of any such circumstances, SBT shall be excused from performance of the Services and the time for performance shall be extended by a period equal to the time lost plus a reasonable recovery period and the compensation equitably adjusted to compensate for additional costs SBT incurs due to such circumstances.

Article 7: Warrant; Allocation of Risk

7.1 Labor for all Services under this Agreement is warranted for 90 days after the labor

work is performed.

7.2 EXCEPT SUCH OBLIGATIONS EXPRESSLY STATED IN THIS AGREEMENT, SBT EXPRESSLY EXCLUDES AND DISCLAIMS ALL OTHER WARRANTIES, STATUTORY, EXPRESS, OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. SBT MAKES NO WARRANTY, EXPRESS OR IMPLIED, THAT ANY SERVICES PROVIDED HEREUNDER WILL PREVENT ANY LOSS, OR WILL IN ALL CASES PROVIDE THE PROTECTION FOR WHICH IT IS PERFORMED OR INTENDED. THE EXPRESS WARRANTIES AND REPRESENTATIONS SET FORTH IN THIS AGREEMENT MAY ONLY BE MODIFIED OR SUPPLEMENTED IN A WRITING SIGNED BY AN OFFICER OF SBT.

7.3 Customer hereby, for it and any parties claiming under it, releases and discharges SBT from any liability arising out of all hazards covered by

Customer's insurance, and all claims against SBT arising out of such hazards, including any right of subrogation by Customer's insurance carrier, are hereby waived by Customer.

7.4 Anything herein notwithstanding, in no event shall SBT be responsible under this Agreement for incidental, consequential, punitive, exemplary or special damages, including without limitation lost profits, loss of use and/or lost business opportunities, whether arising in warranty, late or non-delivery of any Services, tort, contract or strict liability, and regardless of whether either party has been advised of the possibility of such damages and, in any event, SBT's aggregate liability for any and all claims, losses or expenses (including attorneys fees) arising out of this Agreement, or out of any Services furnished under this Agreement, whether based in contract, negligence, strict liability, agency, warranty, trespass, indemnity or any other theory of liability, shall be limited, as liquidated damages, to the greater of \$1,000 or 10% of the total compensation received by SBT from Customer under this Agreement. SBT reserves the right to control the defense and settlement of any claim for which SBT has an obligation to indemnify hereunder. The parties acknowledge that the price which SBT has agreed to perform its Services and obligations under this Agreement is calculated based upon the foregoing limitations of liability, and that SBT has expressly relied on, and would not have entered into this Agreement but for such limitations of liability.

7.5 It is understood and agreed by and between the parties that SBT is not an insurer and this Agreement is not intended to be an insurance policy or a substitute for an insurance policy. Insurance, if any, shall be obtained by Customer. Fees are based solely upon the value of the Services, and are unrelated to the value of Customer's property or the property of others on Customer's premises.

Article 8: Limitations of Maintenance or Service Obligations

8.1 SBT will not be responsible for the maintenance, repair or replacement of, or Services necessitated by reason of: (a) non-maintainable, non-replaceable or obsolete parts of the Equipment, including but not limited to ductwork, shell and tubes, heat exchangers, coils, unit cabinets, casings, refractory material, electrical wiring, water and pneumatic piping, structural supports, cooling tower fill, slats and basins, etc. unless otherwise specifically stated herein; or (b) negligence, abuse, misuse, improper or inadequate repairs or modifications, improper operation, lack of operator maintenance or skill, failure to comply with manufacturer's operating and environmental requirements, Acts of God, or other reasons beyond its control. SBT assumes no responsibility for any service performed on any Equipment other than by SBT or its agents.

8.2 SBT shall not be responsible for loss, delay, injury or damage that may be caused by circumstances beyond its control, including but not restricted to acts or omissions by Customer or its employees or agents, Acts of God, war, civil commotion, acts of government, fire, theft, corrosion, flood, water damage, lightning, freeze-ups, computer viruses, program or system hackers, strikes, lockouts, differences with workmen, riots, explosions, quarantine restrictions, delays in transportation, or shortage of vehicles, fuel, labor or materials.

8.3 SBT is not responsible for repairs, replacements or services to Equipment due to corrosion, erosion, improper or inadequate water treatment by others, electrolytic or chemical action, or reasons beyond its reasonable control.

8.4 SBT shall not be responsible for the removal or reinstallation of replacement valves, dampers, waterflow and tamper switches, airflow stations, and any other permanently mounted integral pipe or air duct component. Additionally, SBT shall not be responsible for any venting or draining of systems.

Article 9: Hazardous Materials Provisions

9.1 The Services does not include directly or indirectly performing or arranging for the detection, monitoring, handling, storage, removal, transportation, disposal or treatment of Oil or Hazardous Materials. Except as disclosed pursuant to this Article, Customer represents that, to its best knowledge, there is no asbestos or any other hazardous or toxic materials, as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the regulations promulgated thereunder, and other applicable federal, state or local law ("*Hazardous Materials*"), present at Customer's Sites where the Services are performed. SBT will notify Customer immediately if it discovers or suspects the presence of any Hazardous Material. All Services have been priced and agreed to by SBT in reliance on Customer's representations as set forth in this Article. The presence of Hazardous Materials constitutes a change in this Agreement whose terms must be agreed upon by SBT before its obligations hereunder shall continue.

9.2 Customer is solely responsible for testing, abating, encapsulating, removing, remedying or neutralizing such Hazardous Materials, and for the costs thereof. Customer is responsible for the proper disposal of all Hazardous Materials and Oil that at any time are present at the Services site in accordance with all applicable federal, state, and local laws, regulations, and ordinances. Even if change order has been entered into pursuant to this Article, SBT shall have the right to stop the Services until the site is free from Hazardous Materials. In such event, SBT shall receive an equitable extension of time to complete the Services, and compensation for delays caused by Hazardous Materials remediation. In no event shall SBT be required or construed to take title, ownership or responsibility for such Oil or Hazardous Materials. Customer

shall sign any required waste manifests in conformance with all government regulations, listing Customer as the generator of the waste.

9.3 Customer warrants that, prior to the execution of this Agreement, it shall notify SBT in writing of any and all Hazardous Materials which to Customer's best knowledge are present, potentially present or likely to become present at the Services site and shall provide a copy of any site safety policies, including but not limited to lock-out and tag procedures, chemical hygiene plan, MSDSs or other items required to be disclosed or maintained by federal, state, or local laws, regulations or ordinances.

9.4 Customer shall indemnify, defend and hold SBT harmless from and against any damages, losses, costs, liabilities or expenses (including attorneys' fees) arising out of any Oil or Hazardous Materials or from Customer's breach of, or failure to perform its obligations under this Article.

Article 10: Import / Export Indemnity

10.1 Customer acknowledges that SBT is required to comply with applicable export laws and regulations relating to the sale, exportation, transfer, assignment, disposal and usage of the *Covered Equipment or Services* provided under the Contract, including any export license requirements. Customer agrees that such *Covered Equipment or Services* shall not at any time directly or indirectly be used, exported, sold, transferred, assigned or otherwise disposed of in a manner which will result in non-compliance with such applicable export laws and regulations. It shall be a condition of the continuing performance by SBT of its obligations hereunder that compliance with such export laws and regulations be maintained at all times. CUSTOMER AGREES TO INDEMNIFY AND HOLD SBT HARMLESS FROM ANY AND ALL COSTS, LIABILITIES, PENALTIES, SANCTIONS AND FINES RELATED TO NON-COMPLIANCE WITH APPLICABLE EXPORT LAWS AND REGULATIONS.

Article 11: Small Business Concern

11.1 SBT shall adhere to FAR 52.219-8 regarding the "Utilization of Small Business Concerns", as part of its Commercial Small Business Subcontracting Agreement with the federal government. SBT's policy is to offer small business concerns, including small disadvantaged businesses, women owned small-businesses, HUBZone small businesses, veteran owned small businesses and service disabled veteran owned small businesses, the "maximum practical opportunity" to participate in performing contracts let by any commercial entity, local government or federal agency, including subcontracts for subsystems, assemblies, components, and related services for major systems.

Article 12: Monitoring Service Terms and Conditions

12.1 "*Monitoring Services*" means that portion, if any, of the Services expressly described as Monitoring or Notification Services and relating to offsite central station monitoring services expressly agreed to be provided by SBT to Customer. "*Monitored Site*" means the Customer site for which Monitoring Services are to be provided.

12.2 SBT's response to receipt of signals from the alarm system and signaling initiation devices (collectively "*System*") shall be in accordance with SBT's Standard Operating Procedures and with this Agreement. SBT reserves the right, in its sole judgment, to first investigate the cause of such signals by either telephoning Customer at Customer's designated telephone number(s), or dispatching a representative to Customer's premises to determine whether an emergency condition exists, warranting transmission of the signal(s) to the Police, Fire Department, and/or Customer designated representative.

12.3 SBT will perform the Services expressly described in this Agreement. The Services performed by SBT shall be conducted in a manner consistent with the degree of care and skill ordinarily exercised by reputable companies performing the same or similar Services in the same locale acting under similar circumstances and conditions.

12.4 SBT is not required to conduct safety or other tests, install or maintain devices or equipment or make modifications to the System except as provided in the written SBT Proposal. Any Customer request to change the Scope or the nature of the Services must be in the form of a mutually agreed change order, effective only when executed by all parties hereto.

12.5 Customer, without cost to SBT, shall, at its sole expense:

- (a) Furnish SBT with a written list of names, titles, and contact phone numbers of all persons authorized to enter the Monitored Site after business hours and provide SBT with written updates of any change prior to close of business at the Monitored Site on the day of such change;
- (b) Furnish SBT with a written list of names, titles, and contact phone numbers of persons to be notified in the event a System signal is received and provide SBT with written updates of any change prior to close of business at the Monitored Site on the day of such change;
- (c) Furnish SBT written notice of any changes in the System or any applicable bureau or authority having jurisdiction for same;
- (d) Notify SBT of any alterations, remodeling, or any stock, fixture or structural changes, and to perform and bear the cost of changes in the System required as a result of such changes;

(e) Operate, maintain, repair, service, and/or assure the proper operation of the System and any other property (including but not limited to any refinishing arising from same), equipment, system or device to which the System may be attached or connected in accordance with all manufacturers' and installers' recommendations unless expressly provides for SBT to perform same;

(f) Protect the System from tampering, vandalism, disturbance, damage, misuse, abuse, removal or other actions which may interfere with the proper operation of the System;

(g) Carefully and properly test and set the System immediately prior to closing the Monitored Site, understanding particularly that the sensitivity and area of coverage of space protection devices may change, that SBT is unable to detect such changes, and that "walk tests" in the area of such coverage are necessary to assure that adequate sensitivity is maintained;

(h) Turn off or remove from the Monitored Site anything which does or may interfere with the effectiveness of the System; and

(i) Furnish telephone or network service connecting the Monitored Site to SBT monitoring facilities.

12.6 Customer understands that calls made to SBT in connection with signals or access to the Monitored Site may be recorded by SBT. Customer, for itself, its agents, and employees consents to such recording.

12.7 Customer shall use reasonable efforts to prevent false alarms. In the event of any false alarm (not caused by the negligence or willful misconduct of SBT), taxes, fees or other charges of any police or fire department, or any other governmental body. Customer agrees to pay SBT to reprogram the system if necessary to comply with any area code, telephone numbering or other changes Customer shall directly pay or, to the extent paid by SBT, reimburse SBT, for any false alarm fine, penalty or fee assessed against SBT by any governmental or municipal agency as a result of such false alarms and, in addition, pay a processing fee of ten percent of each invoice that SBT submits to the customer for such false alarms.

12.8 Customer acknowledges that it is now and shall at all times remain in control of the Monitored Site. Except as expressly provided herein, SBT shall not be responsible for the adequacy of the security, safety or health programs or precautions related to Customer's activities or operations, Customer's other contractors, the work of any other person or entity, or the Monitored Site's conditions. SBT is not responsible for inspecting, observing, reporting or correcting security, safety or health conditions or deficiencies of Customer or others at the Monitored Site. So as not to discourage SBT from voluntarily addressing security, safety or health issues at the Monitored Site, in the event SBT does address such issues by making observations, reports, suggestions or otherwise, SBT shall not be liable or responsible on account thereof.

12.9 SBT reserves the right to terminate the Monitoring Services at any time after seven (7) days written notice, upon the happening of any of the following: (a) Customer does not follow proper operation or maintenance procedures or does not use the System properly; (b) Customer fails to comply with any of the terms of this Agreement. In addition, SBT shall have the right to terminate the Monitoring Services immediately if: (a) SBT is unable either to secure or to retain the wire connections or privileges necessary for the transmission of signals between the Monitored Site, SBT's monitoring facility and the municipal fire or police department; or (b) the monitoring facility, connecting wires, or systems within SBT's premises are destroyed by fire or other catastrophe, or so substantially damaged that it is impractical to continue service. The Monitoring Services may be terminated immediately by Customer if the Monitored Site is destroyed or so damaged as to be unusable for its pre-damage use provided that it pays any unpaid balance of the charges accrued hereunder for Services rendered prior to the effective date of termination.

12.10 In the event of termination of the Monitoring Services for any reason, Customer authorizes SBT to make the necessary arrangements with the telephone company to disconnect the telephone service between the Monitored Site and the monitoring facility and to remove any mode of communication and/or communication interface devices, such as modems, dialers, digital communicators, which are and remain the property of SBT.

12.11 It is understood and agreed by and between the parties that SBT is not an insurer and this Agreement is not intended to be an insurance policy or a substitute for an insurance policy. Insurance, if any, covering personal injury and property loss or damage on any Customer's premises shall be obtained by Customer. Customer agrees to proceed exclusively against your insurer to recover any damages SBT shall not in any event be responsible under this Agreement for incidental, consequential, punitive, exemplary or special damages, including without limitation lost profits and/or lost business opportunities, whether arising in warranty, late or non-delivery of any Work, tort, contract or strict liability, and regardless of whether any party has been advised of the possibility of such damages. Customer waives and releases any rights of recovery against SBT that it may have hereunder and agrees

that SBT shall not be liable for any form of loss, damage, claim or expense, irrespective of origin, whether directly or indirectly caused by performance or non-performance of obligations imposed by this Agreement or by negligent acts or omissions of SBT, its agents or employees.

12.12 Customer hereby authorizes and directs SBT, as its agent, to direct the local police department having jurisdiction, to detain and cause the arrest of every person found in and about the Monitored Site without authorization as evidenced by the list of authorized persons provided by Customer and to hold every such person until released by a representative of Customer designated for this purpose; in all such cases the Customer agrees to indemnify, defend and hold SBT and its employees or agents harmless against all liability, costs, damages or expense in consequence of such arrest and detention.

12.13 From the nature of the Monitoring Services, it is impractical and extremely difficult to fix the actual damages, if any, which may proximately result from the failure of SBT to perform any of its obligations hereunder, or the failure of the System to properly operate. If SBT is found liable for loss or damage due to a failure on the part of SBT, in any respect, its liability related to Monitoring Services shall be limited in the aggregate for the term of the Agreement to the sum of Two Thousand Five Hundred (\$2500.00) Dollars as liquidated damages. Such limit of liability is not a penalty and this limited liability shall be complete and exclusive. The provisions of this paragraph shall apply in the event loss or damage, irrespective of cause or origin, results directly or indirectly from the performance or non-performance of the obligations set forth by this Agreement or from negligence, active or otherwise, of SBT its agents or employees. The parties acknowledge that the price which SBT has agreed to perform the Monitoring Services and obligations is calculated based upon the foregoing limitations of liability, and that SBT has expressly relied on, and would not have entered into this Agreement but for such limitations of liability.

12.14 In the event Monitoring Services are purchased through another business or person, from or through a referral from another business or person, Customer agrees that such business or person acts solely as an independent contractor. Such business or person shall not have any responsibility or liability to Customer for the performance or non-performance of the Monitoring Services provided by SBT under this Agreement. Without limiting the above, Customer agrees that the liability of such other business or person is, in any event, limited in accordance with the provisions of this Agreement.

12.15 Customer is solely responsible for the life and safety of all persons in the Monitored Site, and for protecting against losses to its own property or the property of others in the Monitored Site. Customer agrees to indemnify, defend and hold harmless SBT from any and all such claims and lawsuits including the payment of all damages, expenses, costs, and attorney fees incurred by SBT, its employees and agents, from and against all claims, lawsuits and losses, by persons not a party to this Agreement, against SBT for failure of the System. SBT equipment or Monitoring Services in any respect, whether due or alleged to be due to malfunction or non-function of the System, or by the negligence, active or passive, of SBT. SBT does not represent or warrant that the Work will not be compromised, interrupted or circumvented; that the Work will prevent any loss from any cause; or that the Work will in all cases provide the protection for which it is performed, installed or intended (collectively "Protections"). Customer acknowledges and agrees that it assumes all risk of loss or damage to its facilities and sites including the contents thereon, and that SBT has neither made representations or warranties, nor has Customer relied on any representation or warranties, express or implied regarding said Protections. **SBT EXPRESSLY EXCLUDES AND DISCLAIMS ALL WARRANTIES, STATUTORY, EXPRESS, OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. SBT MAKES NO WARRANTY, EXPRESS OR IMPLIED, THAT ANY EQUIPMENT OR SERVICES PROVIDED HEREUNDER WILL PREVENT ANY LOSS, OR WILL IN ALL CASES PROVIDE THE PROTECTION FOR WHICH IT IS INSTALLED OR INTENDED. THE EXPRESS EXCLUSION OF WARRANTIES SET FORTH IN THIS AGREEMENT.**

12.15 Customer hereby, for it and any parties claiming under it, releases and discharges SBT from any liability arising out of all hazards covered by Customer's insurance, and all claims against SBT arising out of such hazards, including any right of subrogation by Customer's insurance carrier, are hereby waived by Customer, and Customer shall promptly so notify its insurance carrier.

Article 13: Alarm Monitoring and/or Notification Service

7.1 SBT may provide alarm monitoring and/or notification services to Customer under this Agreement. Customer acknowledges and agrees that in

the event an alarm is received at SBT's monitoring center, SBT will attempt to contact Customer or any representative provided to SBT on Customer's Emergency contact list by telephone/ two way voice to confirm the alarm is not false. In the event SBT fails to contact Customer or its representative, SBT will attempt to notify the police department or fire department. Customer agrees that SBT shall have no liability pertaining to any two way voice communications or internet video recordings or their publication. SBT shall not be liable for any damages or alarm signal failures due to communication disruptions to telephone lines, cell phones, internet connections, radio frequency, internet, any other transmission modes, including but not limited to DSL, Cable, ADSL, VOIP. SBT shall have no responsibility or liability for interruptions of service or any resulting consequence.