



City of Highland

Penny Lilburn, Mayor
District 3

Jimmy Saldana, Mayor Pro Tem
District 2

Gregory Hogan, Councilmember
District 1

Larry McCallon, Councilmember
District 5

John P. Timmer, Councilmember
District 4

City Council Special Meeting Agenda

August 25, 2026 at 5:30 PM

City Hall Donahue Council Chambers
27215 Base Line, Highland, CA 92346

View the meeting live online at: www.youtube.com/@CityofHighland

Staff

Carlos Zamano, City Manager

Lawrence Mainez, Community Development Director

Leticia Nava-Cruz, Director of Administrative Services/City Treasurer

Octavio Duran Jr., Public Works Director/City Engineer

Maricela Marroquin, City Attorney

Alondra Muñoz, City Clerk

Mission Statement

Highland is dedicated to the betterment of the individual, the family, the neighborhood and the community. The City Council and the staff of Highland are dedicated to providing the quality of public facilities and services that its citizens are willing to fund and will do so as efficiently as possible.

The City's YouTube live stream is available for observation only.

www.youtube.com/@CityofHighland

Individuals wishing to provide public comment should use one of the participation methods outlined below.

Public Comment Participation

To address the City Council, members of the public may participate in person, remotely, or by submitting written comments. Please review the participation options below for instructions. Individual speakers are limited to three (3) minutes each. All comments submitted to the City Council, whether provided in writing, remotely, or in person, become part of the public record.

In Person

Please complete a speaker form located at the entrance and give it to the City Clerk prior to the beginning of the meeting. Your name will be called when it is your turn to speak.

Written Comments

Please submit your comments to publiccomment@highlandca.gov or by mail to the City Clerk's Office, 27215 Base Line, Highland, CA 92346 two (2) hours before the start of the meeting. If you are submitting a public comment pertaining to an item on the agenda, please identify the agenda item number. Emailed comments will be distributed to the City Council and retained as part of the public record; however, submissions will NOT be read out loud during the meeting.

Remote

To participate remotely, use one of the access methods outlined below.

(Before joining, please turn off all background noise. To avoid audio issues, test your computer or device audio and upgrade to the latest version of Zoom.)

Computer or Cell Phone via Zoom App	Dial In
 www.zoom.us/join Meeting ID: 831 2410 4971	Phone: (669) 444-9171; press pound (#) Meeting ID: 831 2410 4971; press pound (#) <i>(If prompted for a Participant ID, press the # key)</i>
1. Use the "raise hand" function to join the queue to speak. 2. Staff will call your name when it's your time to speak. 3. You may state your name at the beginning of your remarks. Speakers will have three (3) minutes to speak.	1. Use the "raise hand" function to join the queue to speak. (Press (*9) on your phone to raise your hand.) 2. Staff will state the last four digits of your phone number when it is your time to speak. (Press (*6) to unmute when it is your turn to speak.) 3. You may state your name at the beginning of your remarks. Speakers will have three (3) minutes to speak.

DISCLAIMER: Participant names and/or phone numbers may be visible to other participants.

In compliance with the Americans with Disabilities Act (ADA), if you need reasonable accommodations to participate in this meeting, including auxiliary aids or services, language interpretation, or other communication assistance, please contact the City Clerk's Office at (909) 864-6861, ext. 226, at least 72 hours prior to the meeting whenever possible. The City will make reasonable efforts to accommodate requests received with less notice.

In compliance with the Brown Act, any writings or documents provided to a majority of the legislative body regarding any item on this agenda, that are not exempt from disclosure under the California Public Records Act, will be made available for public inspection at City Hall, 27215 Base Line Highland, CA 92346, during normal business hours. Such documents will also be made available on the City's website at www.highlandca.gov.

Levine Act: Pursuant to Government Code Section 84308, any party to a City proceeding must disclose on the record any campaign contributions made to a member of the City Council (or commission) in excess of \$500 in the past 12 months. This disclosure requirement includes contributions by the party's agent and aggregated contributions from persons or entities related to the party. Please make the disclosure as soon as possible, but no later than the beginning of the proceeding.

Call to Order

Roll Call

Public Comment

Limited to items on this agenda ONLY. Comments regarding matters not listed on this agenda will not be permitted during this public comment period. Under the State of California Brown Act, the City Council is prohibited from discussing or taking action on any item not listed on the agenda.

City Council Legislative

1. Actions Related to the Highland Senior Center HVAC Systems Project

1. Waive formal contract procedures per Municipal Code Section 2.40.100 for which the City's best interests are served;
2. Approve the proposal from TRANE in the amount of \$156,319 for HVAC improvements at the Highland Senior Center through the City's Omnia Partners cooperative purchasing program contract # RACINE - 3341;
3. Authorize the City Manager to sign the purchase agreement with TRANE for the HVAC improvements at the Highland Senior Center and approve contract change orders up to \$20,000;
4. Authorize the City Manager to approve additional contract amendments up to \$20,000;
5. Approve a budget adjustment in FY25/26 in the amount of \$19,918 from 023-2510 Unreserved/Designated General Capital Financing account to CDBG Account 006-8400-4075 to recognize grant received;
6. Approve a budget adjustment in FY26/27 of \$158,984 from 023-2510 Unreserved/Designated General Capital Financing account to CDBG Account 006-8400-4075 to recognize grant received; and
7. Approve a budget adjustment of \$80,730.20 from the Unreserved/Undesignated General Fund balance (Acct # 023-2510) to be expended from CDBG Account (Acct # 023-3890-4075)

Announcements

Adjourn

Certification

I, Alondra Muñoz, City Clerk, or my designee, hereby certify that the foregoing agenda was posted on our website at www.highlandca.gov and in the following designated areas: Highland Branch Library (7863 Central Avenue), Fire Station No. 1 (26974 Base Line), and City Hall (27215 Base Line) at least seventy-two (72) hours prior to the meeting per Government Code Section 54954.2.



Staff Report

to the City Council

Agenda
Item
No.1.

Date: August 25, 2026
From: Carlos Zamano, City Manager
Reviewed By: Octavio Duran, Public Works Director/City Engineer
Prepared By: Jim Richardson, Public Works Manager
Subject: Actions Related to the Highland Senior Center HVAC Systems Project

Recommendation:

1. Waive formal contract procedures per Municipal Code Section 2.40.100 for which the City's best interests are served;
2. Approve the proposal from TRANE in the amount of \$156,319 for HVAC improvements at the Highland Senior Center through the City's Omnia Partners cooperative purchasing program contract # RACINE - 3341;
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6. Approve a budget adjustment in FY26/27 of \$158,984 from 023-2510 Unreserved/Designated General Capital Financing account to CDBG Account 006-8400-4075 to recognize grant received; and
7. Approve a budget adjustment of \$80,730.20 from the Unreserved/Undesignated General Fund balance (Acct # 023-2510) to be expended from CDBG Account (Acct # 023-3890-4075)

Fiscal Impact:

The estimated project cost is \$259,632.20 as summarized below and is primarily funded through a CDBG grant in the amount of \$178,902. The project requires an additional \$80,730.20 in City funds.

Project Cost Summary

Design	\$43,200
Estimated State Plan Check/Inspection	\$5,000
Construction	\$191,432.20
Contingency	\$20,000 (~10.4% of construction cost)
Total	\$259,632.20

There are three proposed budget actions. The first two recognize the reimbursable CDBG grant expenses in the amount of \$178,902. Of this, \$19,918 of the expenses occurred in FY25/26 and the remaining \$158,984 in the current FY26/27.

Public Notice:

The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:

In response to the COVID-19 Crisis, the U.S. Department of Housing and Urban Development (HUD) released a special allocation of Community Development Block Grant (CDBG) funds to the County, who subsequently released the funding to individual cities. County staff suggested the funds might be eligible for use by the Highland Senior Center to install a new, higher efficiency HVAC to replace the existing three (3) systems, which are past their useful life.

On June 11, 2024, the City Council approved the Highland Senior Center's Community HVAC Improvement Project. The CDBG grant total is \$178,902. The project is being facilitated by the City on behalf of the County and the Senior Center. The project must be completed by September 30, 2026, to comply with the CDBG funding expenditure deadline. Besides the deadline, HUD requires a project be delivered for costs to be reimbursable.

Due to a series of unforeseen circumstances throughout the course of the project and beyond staff's control, as outlined below, the original scope of the work of the project, which includes installation of a new HVAC system, can only be done in part.

Summary of Project Activities

- Staff engaged with the existing equipment manufacturer, Carrier Corporation (Carrier), to evaluate scope and develop a quote to replace all three systems with new like-for-like units to deliver a complete project. The City received a proposal in the amount of \$121,755 for all three systems, including labor and materials.
- Concurrently, staff reached out to the California Department of State Hospitals (DSH), who owns the building, to obtain approvals to move forward with the project. After nearly two years of follow up, on April 17, 2026, the DSH directed staff to prepare improvement plans to include a more comprehensive scope and submit them to the California Department of State Fire Marshall (DSFM) for review and permitting.
- The City approved a task order for the design work for WSP, one of the City's on-call engineering firms, in the amount of \$43,200 to prepare the improvement plans.
- Upon completion of the project design plans, City staff and WSP met onsite with Carrier to walk through the updated scope based on the new DSH's required improvements and conditions. The design consisted of two Carrier systems and one Trane system. The scope included unanticipated work including re-doing duct work and connections in each room, electrification, fresh air vent re-configuration requiring structural work, and

commissioning requirements.

- Upon Carrier's review of the plans, the cost of completing the 3 systems as designed increased significantly, and the budget would only allow for the installation of 2 of the 3 systems.
- On July 14, 2026, the City Council approved a preliminary proposal from Carrier in the amount of \$134,313 to complete two of the three systems using CDBG funds.
- Permits were obtained from DSFM on July 20, 2026, and staff reached out to Carrier to sign a purchase agreement. However, they informed the City that the required units were no longer in stock as previously confirmed, and it would take up to 12 weeks to fulfill the order. This timeline was outside the September 30, 2026, project completion deadline.
- Staff immediately engaged with the project engineer to evaluate the use of alternate equipment that met the project specs and was readily available. Part of this evaluation included exploring contractors who met City, County and State contract requirements and could complete the work within the grant's required timeframe.
- Since the equipment for the Carrier systems was backlogged, staff focused on securing the TRANE equipment while the engineer evaluated an alternate for the Carrier equipment.
- TRANE confirmed equipment availability and provided a material only quote in the amount of \$35,113.20. A purchase order was issued for this equipment to ensure it was reserved for the project.
- Given the time constraints, on August 4, 2026, the City Council authorized the City Manager to award and sign agreements related to the purchase and installation of HVAC improvements at the Highland Senior Center in the amount not to exceed \$140,000, which was the remaining project CDBG budget.
- The project engineer found alternate equipment for the Carrier units. TRANE confirmed equipment availability for those two and also met onsite to review project scope.
- TRANE provided a quote for the equipment and installation of all three systems, but given budget constraints, staff focused on the delivery of a single system.
- On August 19, 2026, Staff received a final proposal from TRANE for the installation of a single system in the amount of \$156,319. This cost was higher than expected in comparison to the previous Carrier proposal, however, staff believes Carrier severely underestimated the labor cost. Staff worked with the same TRANE team on the completion of last year's YMCA HVAC Project. The team is very thorough and completed the work as planned with no issues. Combined with the reserved equipment in the amount of \$35,113.20, the construction cost for the single system is \$191,432.20.

Consideration

The total cost of completing 1 of 3 HVAC systems in the project, including design, permits, equipment, labor and contingency is \$259,632.20, which is greater than the \$178,902 in CDBG grant funds. An additional \$80,730.20 in City funds would be needed to move forward with completing the work. Without the contingency, the funding gap would be \$60,730. However, a contingency of \$20,000 is recommended to account for unforeseen conditions during construction. TRANE has provided confirmation that if a signed agreement is received by August 26, 2026, they will mobilize to begin construction immediately and meet the September 30, 2026, CDBG funding deadline. Additionally, completion of a single system will satisfy HUD's delivery requirements for reimbursement.

Should the City not proceed with the project, \$55,200 in CDBG costs incurred to date will not

be eligible for reimbursement. This includes \$43,200 in design costs by WSP, \$5,000 in permit fees, and a \$7,023 (20%) re-stock fee by TRANE for reserved equipment.

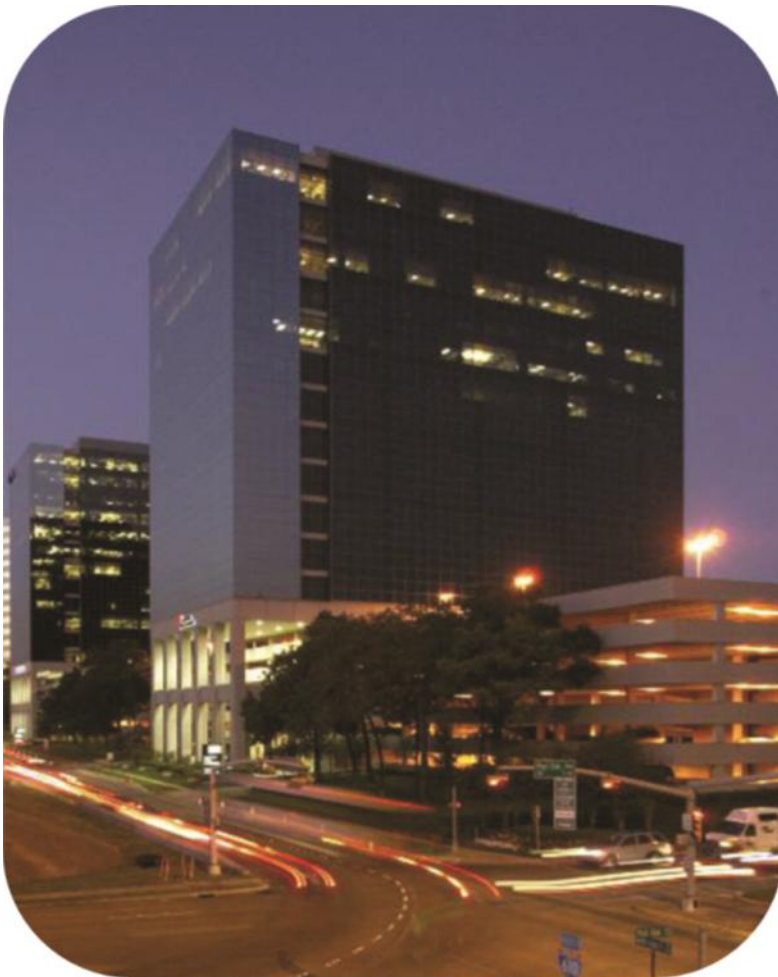
Not including the requested \$20,000 in contingency, the difference between proceeding with the work and not proceeding with the work is \$5,530.

Attachments:

1. Proposal - TRANE



Trane Turnkey Proposal



Turnkey Proposal For:

Jim Richardson
City Of Highland

Local Trane Office:

Trane U.S. Inc.
3253 E Imperial Highway
Brea, CA 92821

Local Trane Representative:

Ian Brown
E-mail: ian.brown@trane.com
Cell: (804) 441-1513
Office Phone: (714) 983-0505

Proposal ID: 8819587

COOP Quote Number: W2-jW3AAI-26-002

COOP or Federal Contract ID: OMNIA
Racine #3341

Date: August 19, 2026



Trane Turnkey Proposal

Executive Summary

Trane is pleased to present a solution to help City of Highland reach its performance goals and objectives. This proposed project will enhance your operation by helping you to optimize your resources, improve the comfort in your facility, and reduce energy costs. We appreciate the effort from City of Highland to assist in the HVAC system analysis and business discussions. Because of your efforts, we were able to develop a proposal that offers Turnkey retrofit service solutions to your specific concerns, based on Trane system knowledge and application expertise.

Trane's commitment to this project is based on the following:

- Expectation that the City signs Trane's standard agreement using the Omnia Partnership by the end of the Business Day August 28th.
- Construction can begin immediately after that based on Trane's schedule and proceed until complete.
- Trane has done its due diligence and has provided pre-bid coordination such that Trane anticipates the project can be completed by September 25th per the plans and its proposal barring any unforeseen conditions or project impacts beyond its control.
- Trane will comply with all prevailing wage requirements per plans.

As your partner, Trane is committed to providing Turnkey retrofit services to help achieve a comfortable building environment for the people who occupy the building. For the people who own, manage and maintain the building, Trane is committed to providing reliable HVAC systems and products that improve performance. Some key features and benefits City of Highland should expect from this project are highlighted below.

- **Improve comfort and dependability for seniors, staff, and visitors** by replacing three aging 10-ton split systems with new Trane 10-ton split systems designed to provide more consistent temperature control and reliable day-to-day operation.
- **Reduce operating costs and improve energy performance with** modern, high-efficiency equipment that can lower energy consumption compared with older existing systems and support better long-term budget management.
- **Minimize unplanned downtime and service disruptions** by replacing obsolete equipment that is more prone to breakdowns, helping the Senior Center maintain comfortable spaces for programs, activities, and daily community use.
- **Lower maintenance burden and repair exposure** through new equipment with improved reliability, better serviceability, and stronger parts support, helping the City reduce emergency repair needs and plan maintenance more effectively.
- **Protect the facility's long-term investment** by upgrading to new Trane systems that offer extended useful life, improved system performance, and a practical path toward more dependable building operations.

Trane appreciates the opportunity to earn your business. Your investment in the total proposed installation project for both options is **\$156,319.00 USD**. This investment will provide City of Highland with the capability to significantly reduce operating costs and improve comfort conditions in your facility.

We look forward to partnering with City of Highland for your Turnkey retrofits service needs. I will be contacting you soon to discuss the proposal and to schedule the next steps

Ian Brown
Trane U.S. Inc.

Prepared For:

Jim Richardson

Date:

August 19, 2026

Job Name:

City of Highland Senior Center Unit Replacement

Proposal ID:

8819587

Delivery Terms:

Freight Allowed and Prepaid – F.O.B. Factory

Payment Terms:

Net 30

State Contractor License Number:

10066318

Proposal Expiration Date:

30 Days

Scope of Work

“Scope of Work” and notations within are based on the following negotiated scope of work with Jim Richardson and based on the site surveys performed on 07/28/2026.

Project Overview

- System # 2 Exercise Room – replacement of indoor and outdoor units.

Installation Scope

- Receive the following equipment to storage yard:
 - (x 1) 10-Ton Split-System
 - (2) 5-Ton Indoor Fan Coil Unit and (1) 10-Ton Outdoor Heat-Pump Unit.
 - (x 1) Greenheck Gravity Ventilators.
- Prepare the new equipment for installation and provide delivery to Highland Senior Center on the replacement date.
- Safe off, isolate, disconnect, remove, haul away and properly dispose of (x 1) existing 10-Ton Split-System (System #2) serving the Exercise Room.
 - Cap the existing gas line serving the existing Fan Coil Unit.
- Set the new equipment at the same location as the old equipment.
- Install the new Fan Coil Units inside the Storage Room.
- Install the new Heat-Pump Unit on the concrete pad behind the building.
 - It is assumed that the existing concrete pads are of sufficient specification, size, and condition to accommodate the new Heat-Pump Units per Construction Drawings.
- Reuse existing as much as possible and furnish/install new refrigeration line set piping from new y connection to connect the new Fan Coil Units and Heat-Pump Unit.
 - Insulate new refrigeration line set only on the suction side.
- Connect existing condensate drain piping to new Fan Coil Units.
- Furnish and install new Supply and Return air ducting with plenums to connect the new Fan Coil Units to the existing ducting.
 - Existing duct smoke detectors to be re-used. Replacing or installing new duct smoke detectors is not included.
 - It is assumed the existing duct smoke detectors are operational and can be re-used.
- Furnish and install new Outside Air ducting from Return air ducting up through the roof to outside atmosphere.
 - Provide roof penetration and roofing around roof penetration.
 - Install new Gravity Ventilators on factory curbs above new Outside Air ducting.
- Furnish materials and labor to connect new Fan Coil Units and Heat-Pump Unit to existing electrical power as per bid drawings.
 - Upgrading, repairing, or replacing existing electrical distribution is not included.
 - Verification of adequate electrical capacity of existing distribution is not included.
 - Upgrade, repair, replacement of existing controls and control panel is not included.
- Furnish materials and labor to connect UV lighting.

- UV lighting to be installed in return air ductwork.
 - A single UV light will be provided in the common air duct serving SFC-2A & SFC-2B.
- Install new Thermostats.
 - Replacing or installing new thermostat wiring is not included per Construction Drawings.
- Charge and Start Up Unit.
- Meet City inspector to secure final sign off on permit at completion of project.
- All work to be performed during normal Weekday working hours.
- All work to be paid at Prevailing Wage Rates.
 - "Skilled and Trained Workforce" labor requirements per CA PCC §2601 is not required.
- Perform Testing and Balancing (TAB) services per Construction Drawings.
 - TAB services shall be limited to units replaced in this scope of work.
- Perform duct leak testing for new outside air ductwork and mixed air plenums.
 - Duct leak testing shall not be performed for existing ductwork.
- Title 24 Acceptance Testing documentation shall be provided.

Assumptions:

- Project shall be installed during normal working hours (1st Shift Labor).
- Prevailing wage rates are to be paid per DIR trade classifications.
- Engineering firm hired by City to assemble Construction Drawings shall be responsible for As-Built submittals; costs are not included for these services in this proposal.
- This proposal has been assembled to specifications approved by City in Construction Drawings. It is assumed the approved Construction Drawings meets all applicable code requirements.
- Building permit fees, Plan check fees, Assessments, Taxes applicable to the development of property, Utility connection fees and Usage fees, AQMD permitting and/or Fees, utility provider fees and Excess cable charges are excluded.
- It is assumed the existing electrical infrastructure has sufficient capacity for proposed equipment and upgrades are not required.
- Customer to coordinate all shutdowns with Trane's schedule.
- We assume there will be no other work going on that will affect the timing or sequence of our installation. If there is conflicting work in our project area, we will coordinate construction and shutdown timing with Customer prior to mobilization.
- Trane to retain salvage rights of all removed equipment and materials.
- Temporary power or Trane provided utilities are excluded. We assume use of customer electrical, gas, and water for construction.

Exclusions:

- "Skilled and Trained Workforce" labor requirements per CA PCC §2601.
- Tie in of duct smoke detectors to centralized Fire, Life, and Safety system.
- Building Automation System and network access to mechanical equipment.
- Existing ductwork modification beyond final connections.
- Duct cleaning, sealing, and leak detection aside from newly installed ductwork and plenums.
- Permits through SCAQMD.
- Temporary heating, cooling, and ventilation.
- Upgrades to existing electrical infrastructure.
- Fire, Smoke and/or Fire/Smoke dampers and any associated wiring.
- Any cost associated with liquidated damages.
- LEED, or 3rd Party Commissioning
- 3rd party inspections are excluded and to be provided by owner as necessary.
- Electrical 30-day meter readings, circuit tracing and/or testing of existing infrastructure not included
- Existing building structural and seismic upgrades are excluded
- New roofing, roof patching, and roof repair is excluded aside from waterproofing for new outside air roof penetrations.
- Construction fencing, temporary offices, temporary sanitary facilities, and security are excluded.
- Breaker coordination and arc flash studies / documentation are excluded.
- Asbestos or Hazardous Material Abatement excluded.
- Replacement or upgrade of any existing non-code compliant systems is excluded.



- ADA requirements or upgrades excluded.
- Builders Risk (including flood and seismic insurance and Deductible) is excluded.
- Any items not specifically listed as scope of work is not included.
- Equipment view screens are excluded.
- Architectural drawings and line of sight drawings are excluded.

Equipment Summary Details

This installation only pricing is based on the following equipment that was purchased separately from this quote and will be provided by City of Highland.

System # 2 Exercise Room:

Tag Data - VRF System (Qty: 1)

Qty	Model	Description	Tag
2	TAR-43MAAUB	MA remote controller	
1	TUHYE1444AMM0AN	R32 Y Series Outdoor Unit	CU-1
2	TPVFYP060AM1M0A	Multi-Position Air Handler Indoor Unit	FC-1,FC-2
1	CMY-Y102LS-G2R1	Branch Joint	CU-1



Pricing and Acceptance

Price

Total Net Price (excluding sales tax) \$156,319.00 USD

Trane shall have the right, at its discretion, to pass along any related increases should (1) its costs related to the manufacture, supply, and shipping for any product or service materially increase. This includes, but is not limited to, cost increases in raw materials, supplier components, labor, utilities, freight, logistics, wages and benefits, regulatory compliance, or any other event beyond Company’s control and/or (2) any tariffs, taxes, levies or fees affecting, placed on or related to any product or service materially increases.

Financial items not included

- Bid Bond
- Guarantee of any energy, operational, or other savings

Respectfully submitted,

Ian Brown
Trane U.S. Inc.
E-mail: ian.brown@trane.com
Office Phone: (714) 983-0505

ACCEPTANCE

This proposal is subject to Customer’s acceptance of the attached Trane Terms and Conditions (Commercial Turnkey Installation).We value the confidence you have placed in Trane and look forward to working with you. Retention withheld 5% on installation, 0% on Equipment; rate reduced per the contract documents and released no later than the date of Trane substantial completion.

Submitted By: Ian Brown	Cell: (804) 441-1513 Office: (714) 983-0505 Proposal Date: August 19, 2026
CUSTOMER ACCEPTANCE City Of Highland	TRANE ACCEPTANCE Trane U.S. Inc.
Authorized Representative	Authorized Representative
Printed Name	Printed Name
Title	Title
Purchase Order	Signature Date
Acceptance Date:	License Number: 10066318

TERMS AND CONDITIONS – COMMERCIAL TURNKEY INSTALLATION – Trane Equipment and Related Work

“Trane” or “Company” shall mean Trane U.S. Inc. for Work performed in the United States or Trane Canada ULC for Work performed in Canada.

1. Acceptance; Agreement. These terms and conditions are an integral part of Company's offer and form the basis of any agreement (the “Agreement”) resulting from Company's proposal (the “Proposal”) for the commercial goods and/or services described (the “Work”). **COMPANY'S TERMS AND CONDITIONS AND EQUIPMENT PRICES ARE SUBJECT TO PERIODIC CHANGE OR AMENDMENT.** The Proposal is subject to acceptance in writing by the party to whom this offer is made or an authorized agent (“Customer”) delivered to Company within 30 days from the date of the Proposal. Prices in the Proposal are subject to change at any time upon notice to Customer. If Customer accepts the Proposal by placing an order, without the addition of any other terms and conditions of sale or any other modification, Customer's order shall be deemed acceptance of the Proposal subject to Company's terms and conditions, and the final Proposal price (“Proposal Price”). If Customer's order is expressly conditioned upon Company's acceptance or assent to terms and/or conditions other than those expressed herein, return of such order by Company with Company's terms and conditions attached or referenced serves as Company's notice of objection to Customer's terms and as Company's counteroffer to provide Work in accordance with the Proposal and the Company terms and conditions. If Customer does not reject or object in writing to Company within 10 days, Company's counteroffer will be deemed accepted. Notwithstanding anything to the contrary herein, Customer's acceptance of the Work by Company will in any event constitute an acceptance by Customer of Company's terms and conditions. This Agreement is subject to credit approval by Company. Upon disapproval of credit, Company may delay or suspend performance or, at its option, renegotiate prices and/or terms and conditions with Customer. If Company and Customer are unable to agree on such revisions, this Agreement shall be cancelled without any liability, other than Customer's obligation to pay for Work rendered by Company to the date of cancellation.

2. Connected Services and Company Provided Telematics Connectivity. In addition to these terms and conditions, the Connected Services Terms of Service (“Connected Services Terms”), available at <https://www.trane.com/TraneConnectedServicesTerms>, as updated from time to time, are incorporated herein by reference and shall apply to the extent that Company provides Customer with Connected Services, as defined in the Connected Services Terms. Certain Equipment may include, or be installed together with, Company provided Telematics Devices that provide remote connectivity and the Connected Services Terms set forth the terms and conditions applicable to the Telematics Devices and connectivity, including opt-out provisions. If Customer provides or transfers the Equipment to another party, Customer shall ensure that such party is informed in writing of the presence of any Telematics Devices and the applicability of the Connected Services Terms.

3. Title and Risk of Loss. All Equipment sales with destinations to Canada or the U.S. shall be made as follows: FOB Company's U.S. manufacturing facility or warehouse (full freight allowed). Title and risk of loss or damage to Equipment will pass to Customer upon tender of delivery of such to carrier at Company's U.S. manufacturing facility or warehouse.

4. Pricing and Taxes.

a. Unless otherwise noted, the price in the Proposal includes standard ground transportation and, if required by law, all sales, consumer, use and similar taxes legally enacted as of the date hereof for equipment and material installed by Company. Tax exemption is contingent upon Customer furnishing appropriate certificates evidencing Customer's tax-exempt status. Company shall charge Customer additional costs for bonds agreed to be provided. Equipment sold on an uninstalled basis and any taxable labor/labour do not include sales tax and taxes will be added. Within thirty (30) days following Customer acceptance of the Proposal without addition of any other terms and conditions of sale or any modification, Customer shall provide notification of release for immediate production at Company's factory. Prices for Work are subject to change at any time prior to shipment to reflect any cost increases related to the manufacture, supply, and shipping of goods. This includes, but is not limited to, cost increases in raw materials, supplier components, labor, utilities, freight, logistics, wages and benefits, regulatory compliance, or any other event beyond Company's control. If such release is not received within 6 months after date of order receipt, Company reserves the right to cancel any order. If shipment is delayed due to Customer's actions, Company may also charge Customer storage fees. Company shall be entitled to equitable adjustments in the contract price to reflect any cost increases as set forth above and will provide notice to Customer prior to the date for which the increased price is to be in effect for the applicable customer contract. In no event will prices be decreased.

b. **Allocation to Trane of Tax Deduction under Section 179D of the Internal Revenue Code.** For calendar tax year(s) in which (a) the provisions of Section 179D of the Internal Revenue Code are in effect and (b) the qualifying property installed as a part of the Services has been placed in service pursuant to Section 179D, Customer agrees to allocate the tax deduction available under Section 179D solely to Trane pursuant to Section 179D(d)(4) and, upon a written request from Trane, shall provide the written form of allocation to the Customer that is required by the Internal Revenue Service.

5. Exclusions from Work. Company's obligation is limited to the Work as written and defined under the scope of Work and does not include any modifications to the Work site under the Americans With Disabilities Act or any other law or building code(s). In no event shall Company be required to perform work Company reasonably believes is outside of the defined Work without a written change order signed by Customer and Company in accordance with the Change of Work process defined hereunder.

6. Performance. Company shall perform the Work in accordance with industry standards generally applicable in the area under similar circumstances as of the time Company performs the Work. Company may refuse to perform any Work where working conditions could endanger property or put at risk the safety of persons. Unless otherwise agreed to by Customer and Company, at Customer's expense and before the Work begins, Customer will provide any necessary access platforms, catwalks to safely perform the Work in compliance with OSHA or state industrial safety regulations.

7. Payment. For Work requiring a longer construction schedule and progress payments, Customer shall pay Company or cause Company to be paid for the Services as follows: (a) **Initial Payment:** Upon execution hereof, the amount set for in the Proposal (for engineering, drafting and other mobilization costs incurred prior to on-site installation) shall be due; and (b) **Progress and Final Payments:** Company will invoice in accordance with the Proposal for all materials and equipment delivered to the job site (or, as applicable, to an off-site storage facility) and for all installation, labor and services performed during the billing period; Customer shall pay all amounts due upon receipt of the invoice and any invoice not paid within ten (10) calendar days of its date shall be past due. All amounts outstanding ten (10) calendar days beyond the due date shall bear interest payable to Trane at the maximum allowable legal rate, retroactive to the due date. Customer shall pay all costs (including attorneys' fees) incurred by Company in attempting to collect amounts due from Customer. For all other Work, Customer shall pay Company's invoices within net 30 days of invoice date. Company may invoice Customer for all equipment or material furnished, whether delivered to the installation site or to an off-site storage facility and for all Work performed on-site or off-site. No retention shall be withheld from any payments except as expressly agreed in writing by Company, in which case retention shall be reduced per the contract documents and released no later than the date of substantial completion. Under no circumstances shall any retention be withheld for the equipment portion of the order. If payment is not received as required, Company may suspend performance and the time for completion shall be extended for a reasonable period of time not less than the period of suspension. Customer shall be liable to Company for all reasonable shutdown, standby and start-up costs as a result of the suspension. Company reserves the right to add to any account outstanding for more than 30 days a service charge equal to 1.5% of the principal amount due at the end of each month. Customer shall pay all costs (including attorneys' fees) incurred by Company in attempting to collect amounts due and otherwise enforcing these terms and conditions. If requested, Company will provide appropriate lien waivers upon receipt of payment. Customer agrees that, unless Customer makes payment in advance, Company will have a purchase money security interest in all equipment from Company to secure payment in full of all amounts due Company and its order for the equipment, together with these terms and conditions, form a security agreement. Customer shall keep the equipment free of all taxes and encumbrances, shall not remove the equipment from its original installation point, and shall not assign or transfer any interest in the equipment until all payments due Company have been made.

8. Time for Completion. Except to the extent otherwise expressly agreed in writing signed by an authorized representative of Company, all dates provided by Company or its representatives for commencement, progress or completion are estimates only. While Company shall use commercially reasonable efforts to meet such estimated dates, Company shall not be responsible for any damages for its failure to do so. Delivery dates are approximate and not guaranteed. Company will use commercially reasonable efforts to deliver the Equipment on or before the estimated delivery date, will notify Customer if the estimated delivery dates cannot be honored, and will deliver the Equipment and services as soon as practicable thereafter. In no event will Company be liable for any damages or expenses caused by delays in delivery.

9. Equipment Location & Access. Customer shall provide, without charge, a mutually satisfactory location or locations for the installation and operation of the equipment and the performance of the installation work, including sufficient areas for staging, mobilization, and storage. Customer shall provide access to the Premises for Trane and its contractors or subcontractors during regular business hours, or such other hours as may be requested by Trane and acceptable to Customer, to install, adjust, inspect, and correct the installation work. Trane's access to correct any emergency condition shall not be restricted by Customer. Customer grants to Company the right to remotely connect (via phone modem, internet or other agreed upon means) to Customer's building automation system (BAS) and/or HVAC equipment to view, extract, or otherwise collect and retain data from the BAS, HVAC equipment, or other building systems, and to diagnose and remotely make repairs at Customer's request.

10. Completion. When Company informs Customer that the Work has been completed, Customer shall inspect the Work in the presence of Company's representative, and Customer shall either (a) accept the Work in its entirety in writing, or (b) accept the Work in part and specifically identify, in writing, any exception items. Customer agrees to re-inspect any and all excepted items as soon as Company informs Customer that all such excepted items have been completed. The initial acceptance inspection shall take place within ten (10) days from the date when Company informs Customer that the Work has been completed. Any subsequent re-inspection of excepted items shall take place within five (5) days from the date when Company informs Customer that the excepted items have been completed. Customer's failure to cooperate and complete any of said inspections within the required time limits shall constitute complete acceptance of the Work as of ten (10) days from date when Company informs Customer that the Work, or the excepted items, if applicable, has/have been completed.

a. Substantial Completion. When Trane considers that the Services, or a portion thereof, are substantially complete, Trane will submit to Customer a proposed "punch list" listing items of the Services to be completed prior to final completion. Customer and Trane shall inspect the Work (or portion thereof) to determine if the same is substantially complete. (Substantial Completion is defined as the stage in the progress of the Services (or designated portion thereof) when the Work is sufficiently complete so that Customer can occupy or utilize the Services for its intended use.) Customer and Trane shall add to the punch list any item of work that has not been completed. When the Services (or designated portion thereof) are substantially complete, Customer and Trane shall execute a Certificate of Substantial Completion, setting forth the date of Substantial Completion and shall state the date by which Trane shall complete the items included on the punch list.

b. Final Completion. Upon Customer's receipt of written notice from Trane that the installation work included in the Work is ready for final inspection and acceptance, Customer and Trane shall inspect the installation services and determine whether the same has been performed in accordance with the Proposal. If Customer considers the installation work to have been performed in accordance with the Proposal, Customer shall issue a Certificate of Final Completion and Acceptance, to be executed by an authorized representative of Customer. In the event Trane presents a Certificate of Final Completion and Acceptance to Customer for execution and, within fourteen (14) calendar days from the date noted in the Certificate as the date of such presentation, Customer fails to deliver an executed original of the Certificate to Trane and does not provide to Trane written objections to issuance of the Certificate, providing specific facts as to why the Services have not been finally completed, the Date of Final Completion shall be the date noted in the Certificate as the date the Certificate was submitted to Customer.

11. Changes in Work

a. Customer, by written change order, may request that Trane perform services in addition to the Work ("Change Order"). Trane shall be obligated to perform such additional services only pursuant to a Change Order agreed to and executed by Customer and Trane. The Change Order shall reflect the parties' agreement with respect to the scope of the additional services, the amount of any adjustment in the Proposal Price, and the extent of any adjustment in the contract time.

b. If a Change Order provides for an adjustment to the Proposal Price, such adjustment shall be based on one of the following methods:

- (1) A lump sum agreed to by Customer and Trane;
- (2) Unit prices set forth in this Agreement or subsequently agreed to; or
- (3) Cost of the work ordered plus a fee agreed to by the parties.

c. The following types of costs, which listing is not all-inclusive, shall be included in the determination of the cost of the additional work:

- (1) costs of labor, including social security, old age and unemployment insurance, fringe benefits required by agreement or industry practice or custom, and workers' compensation insurance;
- (2) costs of materials, supplies and equipment, including transportation thereof, whether the same is incorporated or consumed in the additional work;
- (3) the costs of renting machinery and equipment, except hand tools;
- (4) premium costs for all bonds and insurance, permit or other governmental approval or inspection fees, and sales, use or comparable taxes relating to the additional work; and
- (5) additional costs of supervision and field office personnel directly attributable to the additional work.

12. Permits and Governmental Fees. Company shall secure (with Customer's assistance) and pay for building and other permits and governmental fees, licenses, and inspections necessary for proper performance and completion of the Work which are legally required when bids from Company's subcontractors are received, negotiations thereon concluded, or the effective date of a relevant Change Order, whichever is later. Customer is responsible for necessary approvals, easements, assessments and charges for construction, use or occupancy of permanent structures or for permanent changes to existing facilities. If the cost of such permits, fees, licenses, and inspections are not included in the Proposal, Company will invoice Customer for such costs.

13. Utilities During Construction. Customer shall provide without charge to Company all water, heat, and utilities required for performance of the Work.

14. Concealed or Unknown Conditions. In the performance of the Work, if Company encounters conditions at the Work site that are (i) subsurface or otherwise concealed physical conditions that differ materially from those indicated on drawings expressly incorporated herein or (ii) unknown physical conditions of an unusual nature that differ materially from those conditions ordinarily found to exist and generally recognized as inherent in construction activities of the type and character as the Work, Company shall notify Customer of such conditions promptly, prior to significantly disturbing same. If such conditions differ materially and cause an increase in Company's cost of, or time required for, performance of any part of the Work, Company shall be entitled to, and Customer shall consent by Change Order to, an equitable adjustment in the Proposal Price, contract time, or both.

15. Pre-Existing Conditions. Company is not liable for any claims, damages, losses, or expenses, arising from or related to conditions that existed in, on, or upon the Work site before the Commencement Date of this Agreement ("Pre-Existing Conditions"), including, without limitation, damages, losses, or expenses involving Pre-Existing Conditions of building envelope issues, mechanical issues, plumbing issues, and/or indoor air quality issues involving mold/mould and/or fungi. Company also is not liable for any claims, damages, losses, or expenses arising from or related to work done by or services provided by individuals or entities that are not employed by or hired by Company.

16. Asbestos and Hazardous Materials. Company's Work and other services in connection with this Agreement expressly excludes any identification, abatement, cleanup, control, disposal, removal, or other work connected with asbestos, polychlorinated biphenyl ("PCB"), or other hazardous materials (hereinafter, collectively, "Hazardous Materials"). Customer warrants and represents that, except as set forth in a writing signed by Company, there are no Hazardous Materials on the Work site that will in any way affect Company's Work and Customer has disclosed to Company the existence and location of any Hazardous Materials in all areas within which Company will be performing the Work. Should Company become aware of or suspect the presence of Hazardous Materials, Company may immediately stop work in the affected area and shall notify Customer. Customer will be exclusively responsible for taking any and all action necessary to correct the condition in accordance with all applicable laws and regulations. Customer shall be exclusively responsible for and, to the fullest extent permitted by law, shall indemnify and hold harmless Company (including its employees, agents and subcontractors) from and against any loss, claim, liability, fees, penalties, injury (including death) or liability of any nature, and the payment thereof arising out of or relating to any Hazardous Materials on or about the Work site, not brought onto the Work site by Company. Company shall be required to resume performance of the Work in the affected area only in the absence of Hazardous Materials or when the affected area has been rendered harmless. In no event shall Company be obligated to transport or handle Hazardous Materials, provide any notices to any governmental agency, or examine the Work site for the presence of Hazardous Materials.

17. Force Majeure. Company's duty to perform under this Agreement is contingent upon the non-occurrence of an Event of Force Majeure. If Company shall be unable to carry out any material obligation under this Agreement due to an Event of Force Majeure, this Agreement shall at Company's election (i) remain in effect but Company's obligations shall be suspended until the uncontrollable event terminates or (ii) be terminated upon 10 days' notice to Customer, in which event Customer shall pay Company for all parts of the Work furnished to the date of termination. An "Event of Force Majeure" shall mean any cause or event beyond the control of Company. Without limiting the foregoing, "Event of Force Majeure" includes: acts of God; acts of terrorism, war or the public enemy; flood; earthquake; tornado; storm; fire; civil disobedience; pandemic insurrections; riots; labor/labour disputes; labor/labour or material shortages; sabotage; restraint by court order or public authority (whether valid or invalid), and action or non-action by or inability to obtain or keep in force the necessary governmental authorizations, permits, licenses, certificates or approvals if not caused by Company; and the requirements of any applicable government in any manner that diverts either the material or the finished product to the direct or indirect benefit of the government.

18. Customer's Breach. Each of the following events or conditions shall constitute a breach by Customer and shall give Company the right, without an election of remedies, to terminate this Agreement or suspend performance by delivery of written notice: (1) Any failure by Customer to pay amounts when due; or (2) any general assignment by Customer for the benefit of its creditors, or if Customer becomes bankrupt or insolvent or takes the benefit of any statute for bankrupt or insolvent debtors, or makes or proposes to make any proposal or arrangement with creditors, or if any steps are taken for the winding up or other termination of Customer or the liquidation of its assets, or if a trustee, receiver, or similar person is appointed over any of the assets or interests of Customer; (3) Any representation or warranty furnished by Customer in this Agreement is false or misleading in any material respect when made; or (4) Any failure by Customer to perform or comply with any material provision of this Agreement. Customer shall be liable to Company for all Work furnished to date and all damages sustained by Company (including lost profit and overhead)

19. Indemnity. To the fullest extent permitted by law, Company and Customer shall indemnify, defend and hold harmless each other from any and all claims, actions, costs, expenses, damages and liabilities, including reasonable attorneys' fees, resulting from death or bodily injury or damage to real or tangible personal property, to the extent caused by the negligence or misconduct of their respective employees or other authorized agents in connection with their activities within the scope of this Agreement. Neither party shall indemnify the other against claims, damages, expenses, or liabilities to the extent attributable to the acts or omissions of the other party. If the parties are both at fault, the obligation to indemnify shall be proportional to their relative fault. The duty to indemnify will continue in full force and effect, notwithstanding the expiration or early termination hereof, with respect to any claims based on facts or conditions that occurred prior to expiration or termination.

20. Limitation of Liability. NOTWITHSTANDING ANYTHING TO THE CONTRARY, IN NO EVENT SHALL COMPANY BE LIABLE FOR ANY SPECIAL, LIQUIDATED, INCIDENTAL, INDIRECT CONSEQUENTIAL, PUNITIVE, OR EXEMPLARY DAMAGES (INCLUDING WITHOUT LIMITATION BUSINESS INTERRUPTION, LOST DATA, LOST REVENUE, LOST PROFITS, LOST DOLLAR SAVINGS, OR LOST ENERGY USE SAVINGS, INCLUDING CONTAMINANTS LIABILITIES, EVEN IF A PARTY HAS BEEN ADVISED OF SUCH POSSIBLE DAMAGES OR IF SAME WERE REASONABLY FORESEEABLE AND REGARDLESS OF WHETHER THE CAUSE OF ACTION IS FRAMED IN CONTRACT, NEGLIGENCE, ANY OTHER TORT, WARRANTY, STRICT LIABILITY, OR PRODUCT LIABILITY). In no event will Company's liability in

connection with the provision of products or services or otherwise under this Agreement exceed the entire amount paid to Company by Customer under this Agreement.

21. CONTAMINANTS LIABILITY

The transmission of COVID-19 may occur in a variety of ways and circumstances, many of the aspects of which are currently not known. HVAC systems, products, services, and other offerings have not been tested for their effectiveness in reducing the spread of COVID-19, including through the air in closed environments. **IN NO EVENT WILL COMPANY BE LIABLE UNDER THIS AGREEMENT OR OTHERWISE FOR ANY INDEMNIFICATION, ACTION OR CLAIM, WHETHER BASED ON WARRANTY, CONTRACT, TORT OR OTHERWISE, FOR ANY BODILY INJURY (INCLUDING DEATH), DAMAGE TO PROPERTY, OR ANY OTHER LIABILITIES, DAMAGES OR COSTS RELATED TO CONTAMINANTS (INCLUDING THE SPREAD, TRANSMISSION, MITIGATION, ELIMINATION, OR CONTAMINATION THEREOF) (COLLECTIVELY, "CONTAMINANTS LIABILITIES") AND CUSTOMER HEREBY EXPRESSLY RELEASES COMPANY FROM ANY SUCH CONTAMINANTS LIABILITIES.**

22. Patent Indemnity. Company shall protect and indemnify Customer from and against all claims, damages, judgments and loss arising from infringement or alleged infringement of any United States patent by any of the goods manufactured by Company and delivered hereunder, provided that in the event of suit or threat of suit for patent infringement, Company shall promptly be notified and given full opportunity to negotiate a settlement. Company does not warrant against infringement by reason of Customer's design of the articles or the use thereof in combination with other materials or in the operation of any process. In the event of litigation, Customer agrees to reasonably cooperate with Company. In connection with any proceeding under the provisions of this Section, all parties concerned shall be entitled to be represented by counsel at their own expense.

23. Limited Warranty. Company warrants for a period of 12 months from the date of substantial completion ("Warranty Period") commercial equipment manufactured and installed by Company against failure due to defects in material and manufacture and that the labor/labour furnished is warranted to have been properly performed (the "Limited Warranty"). Trane equipment sold on an uninstalled basis is warranted in accordance with Company's standard warranty for supplied equipment. **Product manufactured by Company that includes required startup and is sold in North America will not be warranted by Company unless Company performs the product start-up.** Substantial completion shall be the earlier of the date that the Work is sufficiently complete so that the Work can be utilized for its intended use or the date that Customer receives beneficial use of the Work. If such defect is discovered within the Warranty Period, Company will correct the defect or furnish replacement equipment (or, at its option, parts therefor) and, if said equipment was installed pursuant hereto, labor/labour associated with the replacement of parts or equipment not conforming to this Limited Warranty. Defects must be reported to Company within the Warranty Period. Exclusions from this Limited Warranty include damage or failure arising from: wear and tear; corrosion, erosion, deterioration; Customer's failure to follow the Company-provided maintenance plan; refrigerant not supplied by Company; and modifications made by others to Company's equipment. Company shall not be obligated to pay for the cost of lost refrigerant. Notwithstanding the foregoing, all warranties provided herein terminate upon termination or cancellation of this Agreement. No warranty liability whatsoever shall attach to Company until the Work has been paid for in full and then said liability shall be limited to the lesser of Company's cost to correct the defective Work and/or the purchase price of the equipment shown to be defective. Equipment, material, and/or parts that are not manufactured by Company ("Third-Party Product(s)") are not warranted by Company and have such warranties as may be extended by the respective manufacturer. **CUSTOMER UNDERSTANDS THAT COMPANY IS NOT THE MANUFACTURER OF ANY THIRD-PARTY PRODUCT(S) AND ANY WARRANTIES, CLAIMS, STATEMENTS, REPRESENTATIONS, OR SPECIFICATIONS ARE THOSE OF THE THIRD-PARTY MANUFACTURER, NOT COMPANY AND CUSTOMER IS NOT RELYING ON ANY WARRANTIES, CLAIMS, STATEMENTS, REPRESENTATIONS, OR SPECIFICATIONS REGARDING THE THIRD-PARTY PRODUCT THAT MAY BE PROVIDED BY COMPANY OR ITS AFFILIATES, WHETHER ORAL OR WRITTEN. THE WARRANTY AND LIABILITY SET FORTH IN THIS AGREEMENT ARE IN LIEU OF ALL OTHER WARRANTIES AND LIABILITIES, WHETHER IN CONTRACT OR IN NEGLIGENCE, EXPRESS OR IMPLIED, IN LAW OR IN FACT, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND/OR OTHERS ARISING FROM COURSE OF DEALING OR TRADE. COMPANY MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, INCLUDING WARRANTY OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE. ADDITIONALLY, COMPANY MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND REGARDING PREVENTING, ELIMINATING, REDUCING OR INHIBITING ANY MOLD, FUNGUS, BACTERIA, VIRUS, MICROBIAL GROWTH, OR ANY OTHER CONTAMINANTS (INCLUDING COVID-19 OR ANY SIMILAR VIRUS) (COLLECTIVELY, "CONTAMINANTS"), WHETHER INVOLVING OR IN CONNECTION WITH EQUIPMENT, ANY COMPONENT THEREOF, SERVICES OR OTHERWISE. IN NO EVENT SHALL COMPANY HAVE ANY LIABILITY FOR THE PREVENTION, ELIMINATION, REDUCTION OR INHIBITION OF THE GROWTH OR SPREAD OF SUCH CONTAMINANTS INVOLVING OR IN CONNECTION WITH ANY EQUIPMENT, THIRD-PARTY PRODUCT, OR ANY COMPONENT THEREOF, SERVICES OR OTHERWISE AND CUSTOMER HEREBY SPECIFICALLY ACKNOWLEDGES AND AGREES THERETO.**

24. Insurance.

- a. Company agrees to maintain the following insurance while the Work is being performed with limits not less than shown below and will, upon request from Customer, provide a Certificate of evidencing the following coverage:

Commercial General Liability	\$2,000,000 per occurrence
Automobile Liability	\$2,000,000 CSL
Workers' Compensation	Statutory Limits

If Customer has requested to be named as an additional insured under Company's insurance policy, Company will do so but only subject to Company's manuscript additional insured endorsement under its primary Commercial General Liability policies. In no event does Company waive its right of subrogation.

- b. Customer's Liability and Property Insurance.** (a) Customer shall be responsible for purchasing and maintaining Commercial General Liability Insurance of the type and amount Customer deems necessary and appropriate. (b) Customer shall purchase and maintain until Final Payment property insurance for the installation work in progress at least in an amount equal to the Proposal Price, as the same may be adjusted from time to time, for the installation work (including the equipment) on a replacement cost basis with a deductible of no more than \$5,000 from an insurer reasonably acceptable to Trane. Such property insurance shall include the interests of Customer, Trane, and its subcontractors (at whatever tier) as additional insureds as their interests may appear. The property insurance purchased by Customer shall be on an all-risk policy form. The property insurance shall cover portions of the installation work stored off site after written approval of Customer at the value established in the approval. Customer, for itself and its insurance carriers, hereby waives all rights of subrogation against Trane and any of its subcontractors, agents, employees, and officers with respect to property insurance and any other insurance coverages maintained by Customer. (c) A loss insured under Customer's property insurance shall be adjusted by Customer's Insurer as a fiduciary and made payable to Customer as a fiduciary for the insureds, as their respective interests may appear, subject to requirements of any applicable mortgagee clause. Trane shall pay its subcontractors their just shares of insurance proceeds received by Customer and remitted to Trane, and, by appropriate agreements, written where legally required for validity, shall require said subcontractors to make payments to their subcontractors in a similar manner. In its fiduciary role, Customer shall have the power to negotiate and settle a loss with insurers; provided, however, that at least ten (10) days prior to agreeing to the proposed settlement, Customer shall advise the parties in interest in writing of the terms of the same and the parties in interest shall have seven (7) days thereafter to object in writing to the proposed adjustment or settlement; if such objection is made, Customer shall not enter into or agree to the proposed adjustment. (d) Certificates of insurance acceptable to the Customer and to Trane shall be provided by each party to the other prior to commencement of performance of any Services. Such certificates shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least thirty (30) days prior written notice has been given to the other party. If any of the insurance coverages are required to remain in force after final payment and are reasonably available, an additional certificate evidencing continuation of such coverage shall be submitted with the final application for payment.

25. Commencement of Statutory Limitation Period. Except as to warranty claims, as may be applicable, any applicable statutes of limitation for acts or failures to act shall commence to run, and any alleged cause of action stemming therefrom shall be deemed to have accrued, in any and all events not later than the last date that Company or its subcontractors physically performed work on the project site.

26. General. Except as provided below, to the maximum extent provided by law, this Agreement is made and shall be interpreted and enforced in accordance with the laws of the state or province in which the Work is performed, without regard to choice of law principles which might otherwise call for the application of a different state's or province's law. Any dispute arising under or relating to this Agreement that is not disposed of by agreement shall be decided by litigation in a court of competent jurisdiction located in the state or province in which the Work is performed. To the extent the Work site is owned and/or operated by any agency of the Federal Government, determination of any substantive issue of law shall be according to the Federal common law of Government contracts as enunciated and applied by Federal judicial bodies and boards of contract appeals of the Federal Government. This Agreement contains all of the agreements, representations and understandings of the parties and supersedes all previous understandings, commitments, or agreements, oral or written, related to the subject matter hereof. This Agreement may not be amended, modified, or terminated except by a writing signed by the parties hereto. No documents shall be incorporated herein by reference except to the extent Company is a signatory thereon. If any term or condition of this Agreement is invalid, illegal or incapable of being enforced by any rule of law, all other terms and conditions of this Agreement will nevertheless remain in full force and effect as long as the economic or legal substance of the transaction contemplated hereby is not affected in a manner adverse to any party hereto. Customer may not assign, transfer, or convey this Agreement, or any part hereof, or its right, title, or interest herein, without the written consent of the Company. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of Customer's permitted successors and assigns. This Agreement may be executed in several counterparts, each of which when executed shall be deemed to be an original, but all together shall constitute but one and the same Agreement. A fully executed facsimile copy hereof or the several counterparts shall suffice as an original.

27. Federal Requirements. The Parties shall comply with all United States federal labor law obligations under 29 CFR part 471, appendix A to subpart A. THE FOLLOWING PROVISIONS ARE INCORPORATED HEREIN BY REFERENCE: Executive Order 11701 and 41 CFR §§ 60-250.5(a), 60-300.5; Executive Order 11758 and 41 CFR § 60-741.5(a); U.S. immigration laws, including the L-1 Visa Reform Act of 2004 and the H-1B Visa Reform Act of 2004; and Executive Order 13496. The Parties shall abide by the requirements of 41 CFR 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to protected veteran status or disability. The Parties certify that they do not operate any programs promoting DEI that violate any applicable United States anti-discrimination laws and acknowledge and agree that their compliance with all applicable federal anti-discrimination laws is material to the federal government's payment decisions. The Parties acknowledge and agree that their employment, procurement, and contracting practices shall not consider race, color, sex, sexual preference, religion, or national origin in ways that violate United States federal civil rights laws.

28. Export Laws. The obligation of Company to supply Equipment and/or Services under this Agreement is subject to the ability of Company to supply such items consistent with applicable laws and regulations of the United States and other governments. Company reserves the right to refuse to enter into or perform any order, and to cancel any order, under this Agreement if Company in its sole discretion determines that performance of the transaction to which such order relates would violate any such applicable law or regulation. Customer will pay all handling and other similar costs from Company's factories including the costs of freight, insurance, export clearances, import duties and taxes. Customer will be "exporter of record" with respect to any export from the United States of America and will perform all compliance and logistics functions in connection therewith and will also comply with all applicable laws, rules, and regulations. Customer understands that Company and/or the Equipment and/or Services are subject to laws and regulations of the United States of America which may require licensing or authorization for and/or prohibit export, re-export or diversion of Company's Equipment and/or Services to certain countries, and agrees it will not knowingly assist or participate in any such diversion or other violation of applicable United States of America laws and regulations. Customer agrees to hold harmless and indemnify Company for any damages resulting to Customer or Company from a breach of this paragraph by Customer. Furthermore, the Customer acknowledges that the Company's Equipment are subject to export control and sanction laws and regulations, including but not limited to the U.S. Export Administration Regulations (EAR) (15 CFR 730-774) and the Foreign Asset Control Regulations (31 CFR 500) ("laws and regulations"). The Customer agrees to comply with all such laws and regulations. The Customer will not use or divert the Equipment for any prohibited end-uses, such as the proliferation of weapons of mass destruction. The Customer also agrees not to re-export or transfer the Equipment in violation of export control laws.

29. U.S. Government Work.

The following provision applies only to direct sales by Company to the US Government. The Parties acknowledge that all items or services ordered and delivered under this Agreement are Commercial Items as defined under Part 12 of the Federal Acquisition Regulation (FAR). In particular, Company agrees to be bound only by those Federal contracting clauses that apply to "commercial" suppliers and that are contained in FAR 52.212-5(e)(1). Company complies with 52.219-8 or 52.219-9 in its service and installation contracting business.

The following provision applies only to indirect sales by Company to the US Government. As a Commercial Item Subcontractor, Company accepts only the following mandatory flow down provisions in effect as of the date of this subcontract: 52.203-19; 52.204-21; 52.204-23; 52.219-8; 52.222-21; 52.222-26; 52.222-35; 52.222-36; 52.222-50; 52.225-26; 52.247-64. If the Work is in connection with a U.S. Government contract, Customer certifies that it has provided and will provide current, accurate, and complete information, representations and certifications to all government officials, including but not limited to the contracting officer and officials of the Small Business Administration, on all matters related to the prime contract, including but not limited to all aspects of its ownership, eligibility, and performance. Anything herein notwithstanding, Company will have no obligations to Customer unless and until Customer provides Company with a true, correct, and complete executed copy of the prime contract. Upon request, Customer will provide copies to Company of all requested written communications with any government official related to the prime contract prior to or concurrent with the execution thereof, including but not limited to any communications related to Customer's ownership, eligibility, or performance of the prime contract. Customer will obtain written authorization and approval from Company prior to providing any government official any information about Company's performance of the work that is the subject of the Proposal or this Agreement, other than the Proposal or this Agreement.

30. Limited Waiver of Sovereign Immunity. If Customer is an Indian tribe (in the U.S.) or a First Nation or Band Council (in Canada), Customer, whether acting in its capacity as a government, governmental entity, a duly organized corporate entity or otherwise, for itself and for its agents, successors, and assigns: (1) hereby provides this limited waiver of its sovereign immunity as to any damages, claims, lawsuit, or cause of action (herein "Action") brought against Customer by Company and arising or alleged to arise out of the furnishing by Company of any product or service under this Agreement, whether such Action is based in contract, tort, strict liability, civil liability or any other legal theory; (2) agrees that jurisdiction and venue for any such Action shall be proper and valid (a) if Customer is in the U.S., in any state or United States court located in the state in which Company is performing this Agreement or (b) if Customer is in Canada, in the superior court of the province or territory in which the work was performed; (3) expressly consents to such Action, and waives any objection to jurisdiction or venue; (4) waives any requirement of exhaustion of tribal court or administrative remedies for any Action arising out of or related to this Agreement; and (5) expressly acknowledges and agrees that Company is not subject to the jurisdiction of Customer's tribal court or any similar tribal forum, that Customer will not bring any action against Company in tribal court, and that Customer will not avail itself of any ruling or direction of the tribal court permitting or directing it to suspend its payment or other obligations under this Agreement. The individual signing on behalf of Customer warrants and represents that such individual is duly authorized to provide this waiver and enter into this Agreement and that this Agreement constitutes the valid and legally binding obligation of Customer, enforceable in accordance with its terms.

31. Building Automation Systems and Network Security. Customer and Trane acknowledge that Building Automation System (BAS) and connected networks security requires Customer and Trane to maintain certain cybersecurity obligations. Customer acknowledges that upon completion of installation and configuration of the BAS, the Customer maintains ownership of the BAS and the connected network equipment. Except for any applicable warranty obligations, Customer is solely responsible for the maintenance and security of the BAS and related networks and systems. In the event there is a service agreement between Trane and Customer, Trane will provide the services as set forth in the service agreement.

In order to maintain a minimum level of security for the BAS, associated networks, network equipment and systems, Customer's cybersecurity responsibilities include without limitation:

1. Ensure that the BAS, networks, and network equipment are physically secure and not accessible to unauthorized personnel.
2. Ensure the BAS remains behind a secure firewall and properly segmented from all other customer networks and systems, especially those with sensitive information.
3. Keep all Inbound ports closed to any IP Addresses in the BAS.
4. Remove all forwarded inbound ports and IP Addresses to the BAS.
5. Maintain user login credentials and unique passwords, including the use of strong passwords and the removal of access for users who no longer require access.
6. Where remote access is desired, utilize a secure method such as Trane Connect Secure Remote Access or your own VPN.
7. For any Trane services requiring remote data transfer and/or remote user access, configure the BAS and related firewall(s) per instructions provided by Trane. This typically includes configuring Port 443 and associated firewall(s) for Outbound only.
8. Perform regular system maintenance to ensure that your BAS is properly secured, including regular software updates to your BAS and related network equipment (i.e., firewalls).

Any and all claims, actions, losses, expenses, costs, damages, or liabilities of any nature due to Customer's failure to maintain BAS security responsibilities and/or industry standards for cybersecurity are the sole responsibility of the Customer.

1-26.251-10 (0326)
Supersedes 1-26.251-10(07072025)

SECURITY ADDENDUM

This Addendum shall be applicable to the sale, installation and use of Trane equipment and the sale and provision of Trane services. "Trane" shall mean Trane U.S. Inc. for sales and services in the United States, or Trane Canada ULC for sales and services in Canada.

1. **Definitions.** All terms used in this Addendum shall have the meaning specified in the Agreement unless otherwise defined herein. For the purposes of this Addendum, the following terms are defined as follows:
"Customer Data" means Customer account information as related to the Services only and does not include HVAC Machine Data or personal data. Trane does not require, nor shall Customer provide personal data to Trane under the Agreement. Such data is not required for Trane to provide its Equipment and/or Services to the Customer.
"Equipment" shall have the meaning set forth in the Agreement.
"HVAC Machine Data" means data generated and collected from the product or furnished service without manual entry. HVAC Machine Data is data relating to the physical measurements and operating conditions of a HVAC system, such as but not limited to, temperatures, humidity, pressure, HVAC equipment status. HVAC Machine Data does not include Personal Data and, for the purposes of this agreement, the names of users of Trane's controls products or hosted applications shall not be Personal Data, if any such user chooses to use his/her name(s) in the created accounts within the controls product (e.g., firstname.lastname@address.com). HVAC Machine Data may be used by Trane: (a) to provide better support services and/or products to users of its products and services; (b) to assess compliance with Trane terms and conditions; (c) for statistical or other analysis of the collective characteristics and behaviors of product and services users; (d) to backup user and other data or information and/or provide remote support and/or restoration; (e) to provide or undertake: engineering analysis; failure analysis; warranty analysis; energy analysis; predictive analysis; service analysis; product usage analysis; and/or other desirable analysis, including, but not limited to, histories or trends of any of the foregoing; and (f) to otherwise understand and respond to the needs of users of the product or furnished service. "Personal Data" means data and/or information that is owned or controlled by Customer, and that names or identifies, or is about a natural person, such as: (i) data that is explicitly defined as a regulated category of data under any data privacy laws applicable to Customer; (ii) non-public personal information ("NPI") or personal information ("PI"), such as national identification number, passport number, social security number, social insurance number, or driver's license number; (iii) health or medical information, such as insurance information, medical prognosis, diagnosis information, or genetic information; (iv) financial information, such as a policy number, credit card number, and/or bank account number; (v) personally identifying technical information (whether transmitted or stored in cookies, devices, or otherwise), such as IP address, MAC address, device identifier, International Mobile Equipment Identifier ("IMEI"), or advertising identifier; (vi) biometric information; and/or (vii) sensitive personal data, such as, race, religion, marital status, disability, gender, sexual orientation, geolocation, or mother's maiden name.
"Security Incident" shall refer to (i) a compromise of any network, system, application or data in which Customer Data has been accessed or acquired by an unauthorized third party; (ii) any situation where Trane reasonably suspects that such compromise may have occurred; or (iii) any actual or reasonably suspected unauthorized or illegal Processing, loss, use, disclosure or acquisition of or access to any Customer Data.
"Services" shall have the meaning set forth in the Agreement.
2. **HVAC Machine Data; Access to Customer Extranet and Third-Party Systems.** If Customer grants Trane access to HVAC Machine Data via web portals or other non-public websites or extranet services on Customer's or a third party's website or system (each, an "Extranet"), Trane will comply with the following:
 - a. **Accounts.** Trane will ensure that Trane's personnel use only the Extranet account(s) designated by Customer and will require Trane personnel to keep their access credentials confidential.
 - b. **Systems.** Trane will access the Extranet only through computing or processing systems or applications running operating systems managed by Trane that include: (i) system network firewalls; (ii) centralized patch management; (iii) operating system appropriate anti-malware software; and (iv) for portable devices, full disk encryption.
 - c. **Restrictions.** Unless otherwise approved by Customer in writing, Trane will not download, mirror, or permanently store any HVAC Machine Data from any Extranet on any medium, including any machines, devices, or servers.
 - d. **Account Termination.** Trane will terminate the account of each of Trane's personnel in accordance with Trane's standard practices after any specific Trane personnel who has been authorized to access any Extranet (1) no longer needs access to HVAC Machine Data or (2) no longer qualifies as Trane personnel (e.g., the individual leaves Trane's employment).
 - e. **Third-Party Systems.** Trane will provide Customer prior notice before it uses any third-party system that stores or may otherwise have access to HVAC Machine Data, unless (1) the data is encrypted and (2) the third-party system will not have access to the decryption key or unencrypted "plain text" versions of the HVAC Machine Data.
3. **Customer Data: Confidentiality.** Trane shall keep confidential, and shall not access or use any Customer Data and information that is marked confidential or by its nature is considered confidential ("Customer Confidential Information") other than for the purpose of providing the Equipment and Services, and will disclose Customer Confidential Information only: (i) to Trane's employees and agents who have a need to know to perform the Services, (ii) as expressly permitted or instructed by Customer, or (iii) to the minimum extent required to comply with applicable law, provided that Trane (1) provides Customer with prompt written notice prior to any such disclosure, and (2) reasonably cooperate with Customer to limit or prevent such disclosure.
4. **Customer Data: Compliance with Laws.** Trane agrees to comply with laws, regulations governmental requirements and industry standards and practices relating to Trane's processing of Customer Confidential Information (collectively, "**Laws**").
5. **Customer Data: Information Security Management.** Trane agrees to establish and maintain an information security and privacy program, consistent with applicable HVAC equipment industry practices that complies with this Addendum and applicable Laws ("**Information Security Program**"). The Information Security Program shall include appropriate physical, technical and administrative safeguards, including any safeguards and controls agreed by the Parties in writing, sufficient to protect Customer systems, and Customer's Confidential Information from unauthorized access, destruction, use, modification, or disclosure. The Information Security Program shall include appropriate, ongoing training and awareness programs designed to ensure that Trane's employees and agents, and others acting on Trane's, behalf are aware of and comply with the Information Security Program's policies, procedures, and protocols.
6. **Monitoring.** Trane shall monitor and, at regular intervals consistent with HVAC equipment industry practices, test and evaluate the effectiveness of its Information Security Program. Trane shall evaluate and promptly adjust its Information Security Program in light of the results of the testing and monitoring, any material changes to its operations or business arrangements, or any other facts or circumstances that Trane knows or reasonably should know may have a material impact on the security of Customer Confidential Information, Customer systems and Customer property.
7. **Audits.** Customer acknowledges and agrees that the Trane SOC2 audit report will be used to satisfy any and all audit/inspection requests/requirements by or on behalf of Customer. Trane will make its SOC2 audit report available to Customer upon request and with a signed nondisclosure agreement.
8. **Information Security Contact.** Trane's information security contact is Local Sales Office.
9. **Security Incident Management.** Trane shall notify Customer after the confirmation of a Security Incident that affects Customer Confidential Information, Customer systems, and Customer property. The written notice shall summarize the nature and scope of the Security Incident and the corrective action already taken or planned.
10. **Threat and Vulnerability Management.** Trane regularly performs vulnerability scans and addresses detected vulnerabilities on a risk basis. Periodically, Trane engages third parties to perform network vulnerability assessments and penetration testing. Vulnerabilities will be reported in accordance with Trane's cybersecurity vulnerability reported process. Trane periodically provides security updates and software upgrades.



11. Security Training and Awareness. New employees are required to complete security training as part of the new hire process and receive annual and targeted training (as needed and appropriate to their role) thereafter to help maintain compliance with Security Policies, as well as other corporate policies, such as the Trane Code of Conduct. This includes requiring Trane employees to annually re-acknowledge the Code of Conduct and other Trane policies as appropriate. Trane conducts periodic security awareness campaigns to educate personnel about their responsibilities and provide guidance to create and maintain a secure workplace.
12. Secure Disposal Policies. Trane will maintain policies, processes, and procedures regarding the disposal of tangible and intangible property containing Customer Confidential Information so that wherever possible, Customer Confidential Information cannot be practicably read or reconstructed.
13. Logical Access Controls. Trane employs internal monitoring and logging technology to help detect and prevent unauthorized access attempts to Trane's corporate networks and production systems. Trane's monitoring includes a review of changes affecting systems' handling authentication, authorization, and auditing, and privileged access to Trane production systems. Trane uses the principle of "least privilege" (meaning access denied unless specifically granted) for access to customer data.
14. Contingency Planning/Disaster Recovery. Trane will implement policies and procedures required to respond to an emergency or other occurrence (i.e., fire, vandalism, system failure, natural disaster) that could damage Customer Data or any system that contains Customer Data. Procedures include the following:
 - (i) Data backups; and
 - (ii) Formal disaster recovery plan. Such disaster recovery plan is tested at least annually.
15. Return of Customer Data. If Trane is responsible for storing or receiving Customer Data, Trane shall, at Customer's sole discretion, deliver Customer Data to Customer in its preferred format within a commercially reasonable period of time following the expiration or earlier termination of the Agreement or, such earlier time as Customer requests, securely destroy or render unreadable or undecipherable each and every original and copy in every media of all Customer's Data in Trane's possession, custody or control no later than [90 days] after receipt of Customer's written instructions directing Trane to delete the Customer Data.
16. Background Checks Trane shall take reasonable steps to ensure the reliability of its employees or other personnel having access to the Customer Data, including the conducting of appropriate background and/or verification checks in accordance with Trane policies.
17. DISCLAIMER OF WARRANTIES. EXCEPT FOR ANY APPLICABLE WARRANTIES IN THE AGREEMENT, THE SERVICES ARE PROVIDED "AS IS", WITH ALL FAULTS, AND THE ENTIRE RISK AS TO SATISFACTORY QUALITY, PERFORMANCE, ACCURACY AND EFFORT AS TO SUCH SERVICES SHALL BE WITH CUSTOMER. TRANE DISCLAIMS ANY AND ALL OTHER EXPRESS OR IMPLIED REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE SERVICES AND THE SERVICES PROVIDED HEREUNDER, INCLUDING ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR THAT THE SERVICES WILL OPERATE ERROR-FREE OR UNINTERRUPTED OR RETURN/RESPONSE TO INQUIRIES WITHIN ANY SPECIFIC PERIOD OF TIME.

March 2026
Supersedes November 2023v2