



designconditions
Heating and Air Conditioning Services

SERVICE AGREEMENT

Sent Via Fax 704-370-6507

This Agreement has been prepared for: SouthEast Commercial Real Estate Group

Attention: Zack Kosofsky

Location: 2115 E. 7th St., Charlotte, NC

Proposal date: May 22, 2007

By: Doug Evans, Manager

**Design Conditions
PO Box 431
Indian Trail, NC 28079-0431
Fax #704-821-7116
Doug Evans (704) 363-5817
Johnny Mims (704) 201-9392**

Beth (980) 722-6410

Service Agreement

Design Conditions agrees to supply the maintenance services as outlined in the attached Preventive Maintenance Schedule, and any Amendments, in accordance with the Standard Terms and Conditions of Sale. This proposal shall become binding only when accepted by Customer and approved by Design Conditions. When approved, it becomes the entire Agreements between parties, and no promises, agreements, understandings or changes prior to subsequent hereto, written or oral, with respect to the subject matter shall be binding unless in written statement signed by a partner of Design Conditions and attached hereto.

The Agreement price is \$326.00 per Inspection, twice per year and \$185.00 per Preventive Maintenance four per year.

This Agreement shall commence on week of signed contract and shall be effective for a period of one year. Termination of this Agreement may be executed by either party with at least 30 days written notice prior to the expiration date of the original term.

The Agreement shall be subject to annual price adjustments on any anniversary date.

*With signed agreement customer will receive a reduced hourly rate of two dollars off per hour on any service work.

The undersigned affirm they have read and understand the entire Agreement.

Submitted By:

Signature Doug Evans Title Manager
Print/Type Name Doug Evans Date 5/22/07

Customer Acceptance:

Signature _____ Title _____
Print/Type Name _____ Date _____

Service Definitions

1. **Inspection:** Observe equipment operation. Inspect items for proper operation. Perform minor adjustments as required. Change filters, and belts (if required). Recommend any corrective action or service required.
2. **Preventive Maintenance:** Observe equipment operation. Change filters and belts (if required). Log and record equipment operation, temperature, pressures, electrical data from gauges, meters, thermometers or other instrumentation. Perform seasonal start-up/shutdown maintenance tasks. Provide minor adjustments as required. Provide report; recommending any corrective action or service required.
3. **Unscheduled Service:** Service provided to diagnose problems, perform adjustments and repair equipment between scheduled inspection visits. Service is available during normal working hours at the contract rate and after hours at the over time rate.

STANDARD TERMS AND CONDITIONS OF SALE

- Payments shall be net 30 days of invoice date. Design Conditions has the right to discontinue its service anytime payment has not been made in accordance with terms. The customer shall be responsible for any taxes or other government charges, both present or future, that involve the service or material furnished in the Agreement. Price quotations are good for 30 days unless otherwise stated.
- The Customer shall provide Design Conditions a reasonable means of access to the building and the use of its services. Design Conditions shall have reasonable access to the components involved in this Agreement and shall be free to start and stop the items covered under the Agreement.
- In the event a system is altered, modified, changed or moved, Design Conditions reserves the right to adjust the price of the Agreement, or the Agreement may be terminated, all at the option of Design Conditions.
- Normal working hours will apply to this Agreement. Unscheduled service may be included as specified in the Agreement documents. Services and materials, requested by the Customer, which are not covered under this Agreement will be invoiced at Design Conditions prevailing rate.
- The full and total scope of the Agreement is limited to those items as listed. Not included is the repair and replacement of such items as unit housings, cabinets, ductwork, structural support, grillage, piping, tower fill, electrical wiring, disconnects, circuit breakers, boiler shell, boiler tubes, boiler refractory, and fuel fired combustion chambers.
- Not included in this Agreement is the repairs, replacements, additions, adjustments or repairs by others, or unscheduled service calls, which are necessitated by negligence, abuse, misuse, vandalism, obsolescence, system/building design, or any cause beyond Design Conditions control.
- Design Conditions shall not be liable in any way for damage loss, or costs caused by or arising from failure of the system components to operate properly or delays in furnishing service due to fire, flood, strike lockout, inability to obtain material, war, acts of God, or any cause beyond reasonable control, unless such loss or damage is caused directly by the negligence of Design Conditions' employees subcontractors. Design Conditions shall not be responsible for any indirect, incidental or consequential delays or damages involving loss of profits, revenues, production facilities or equipment.
- Warranty: Design Conditions guarantees that all service provided under this Agreement shall be performed in a workmanlike manner. Any and all claims for defective workmanship must be provided to Design Conditions in written notices prior to the termination of the agreement, upon which Design Conditions will remedy any such service in a timely manner without cost to the Customer. Design Conditions will warrant all materials with the vendor/supplier warranty as furnished. Design Conditions obligation to replace, repair or issue credit for any defective part(s), component (s), or service shall be the Customer's exclusive remedy under this Agreement. This warranty is in lieu of all other warranties expressed or implied unless as specified in writing by Design Conditions to the Customer.
- Not included in this Agreement is the identification, detection, abatement, encapsulating or removal of asbestos or asbestos materials, or any other hazardous substances. If Design Conditions encounters any asbestos or hazardous materials while performing its work, Design Conditions has the right to discontinue its work and remove its employees from the job, or that portion of the job, until such material is abated, encapsulated or removed, and it is determined that no hazard exists. Design Conditions shall receive an extension of time to complete its work and shall be compensated for any delays and costs encountered with the situation.
- Both parties to this Agreement agree that any claim arising from the performance or nonperformance of this Agreement for any reason, shall be brought within one year from the date such claim arose in accordance with the terms of this Agreement.

Preventive Maintenance Schedule

<u>Type</u>	<u>Location</u>	<u>Model</u>	<u>Serial #</u>	<u>Filter</u>	<u>Belt</u>
1-Carrier	Front of Building	38BA008420	D406096	N/A	N/A
2-Carrier	Rear of Building	38BA009400	K298538	N/A	N/A
3-Carrier	Roof Top	38AD016400	K298987	N/A	N/A
4-York	Roof Top	E1FB030506A	EMBM425690	N/A	N/A
5-Carrier	Equipment Room Back of Building	40RR016410	M297830	3-20 x 25 x 2 (Poly) 3-16 x 25 x 2 (Poly)	B-46
6-York	Roof Top	F15A030R06A	EHB5050409	2-16 x 20 x 1	N/A
7-Carrier	Front Office- Ceiling	40BA009300	C493803	2-20 x 25 x 1 2-Roll-in: 1" frame	A-60

Spring

- Check operation of cooling
- Check electric connections
- Clean drain with wet-vac
- Check operation of T-stat
- Inspect coils and advise when cleaning is needed
- Change filters
- Check belts -One change per year

Fall

- Check operation of heating
- Check electrical connectors
- Check operation of blowers
- Check operation of T-stat
- Check crank case heaters
- Change filters
- Check belts

Inspection Schedule

- Check operation of air conditioning unit
- Check operation of air handling unit
- Change filters
- Check belts
- Recommend and advise customer of any problems