

Terms and Conditions

Service

DEFINITIONS

- (a) **COVERED EQUIPMENT** means the equipment for which services are to be provided under this Agreement. Covered Equipment is defined by the applicable Assurance Services pages and Equipment Lists attached to this Agreement.
- (b) **EQUIPMENT FAILURE** means the sudden and accidental failure of moving parts or electric or electronic components that are part of the Covered Equipment and that are necessary for its operation.
- (c) **SCHEDULED SERVICE VISITS** include labor required to perform inspections and preventive maintenance on Covered Equipment.
- (d) **SCHEDULED SERVICE MATERIALS** include materials required to perform Scheduled Service Visits on Covered Equipment.
- (e) **REPAIR LABOR** includes labor necessary to restore Covered Equipment to working condition following an Equipment Failure and excludes total equipment replacement due to obsolescence or unavailability of parts.
- (f) **REPAIR MATERIALS** includes materials necessary to restore Covered Equipment to working condition following an Equipment Failure and excludes total equipment replacement due to obsolescence or unavailability of parts. At JCI's option, Repair Materials may be new, used, or reconditioned. All Repair Materials are covered by the warranty as described below.

SERVICE COVERAGE OPTIONS

- (g) **BASIC COVERAGE** includes Scheduled Service Visits, plus Scheduled Service Materials if elsewhere noted in this Agreement, for covered Equipment.
- (h) **PREMIUM LEVEL COVERAGE** includes BASIC COVERAGE as well as Repair Labor, plus Repair Material if elsewhere noted in this Agreement, for covered Equipment.
- (i) **PRIME LEVEL COVERAGE** includes BASIC COVERAGE as well as Repair Labor, plus Repair Materials if elsewhere set forth in this Agreement, for Covered Equipment consisting of centrifugal, absorption, or screw chillers. PRIME LEVEL COVERAGE also includes Repair Labor, and Repair Materials if otherwise set forth in this Agreement, for diagnosed imminent equipment failure as well as actual Equipment Failure. PRIME LEVEL COVERAGE includes the following services and requirements.
 - JCI will analyze diagnostic tests including PreVue Vibration Analysis, spectrochemical oil analysis, and megohm readings. All diagnostic tests must be performed at JCI-prescribed frequencies and to JCI-specified test standards. If elsewhere noted in this Agreement, coverage will include Repair Labor and Repair Material for heat exchanger tubes if an Eddy Current Analysis, acceptable to JCI, has been performed in the three years prior to this Agreement and is provided to JCI, or such a test will be performed as part of the Agreement.
 - Should JCI's analysis suggest the existence or the possibility of equipment deterioration outside anticipated or acceptable conditions, JCI may at its option take corrective steps necessary to prevent further deterioration or breakdown of the Covered Equipment. JCI retains sole judgment over whether equipment conditions are considered acceptable, whether corrective steps should be taken, or what steps, if any, need to be taken. Performance of any corrective steps under this PRIME coverage is not a guarantee that Equipment Failure or downtime will not occur.
- 2) **EXTENDED SERVICE** includes extended service for repairs and is available only if Customer has PREMIUM or PRIME coverage. The price for Extended Service, if chosen by Customer, is part of the total price Customer will pay.
 - Should a defect be found during an Extended Service visit that JCI is not responsible for under this Agreement, Customer agrees to pay JCI's standard fee for any services rendered.
 - Should Repair Labor or Repair Materials be performed in periods beyond the Extended Service period, Customer agrees to pay JCI's standard fee for any services rendered beyond the Extended Service period.

INITIAL EQUIPMENT INSPECTION FOR PREMIUM OR PRIME SERVICES

JCI will inspect the Covered Equipment within 45 days of the date of this Agreement or as seasonal or operational conditions permit. JCI will advise Customer if JCI finds any Covered Equipment not in working order or in need of repair. With the Customer's approval, JCI will perform the work necessary to put the Covered Equipment in proper working condition. This work will be done at JCI's standard fee for parts and

labor in effect at that time. If the Customer does not want JCI to do the work identified by JCI, or if Customer does not have the work done, the equipment will be removed from the list of Covered Equipment and the price of this Agreement will then be adjusted.

B. WARRANTY

JCI warrants that its services will be provided in a good and workmanlike manner and that parts repaired or replaced by JCI will be free from defects in workmanship, design, and material until the end of this Agreement or for one year, whichever is earlier. JCI's sole obligation shall be to repair or to replace defective parts or to properly redo defective services. **JCI DISCLAIMS ALL OTHER WARRANTIES ON THE EQUIPMENT FURNISHED UNDER THIS AGREEMENT, INCLUDING ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**

C. SCOPE OF SERVICE

Customer understands that JCI is a provider of services under this Agreement. JCI shall not be considered a merchant or a vendor of goods. **If JCI installs or furnishes a piece of equipment under this Agreement, and that equipment is covered by a warranty from the manufacturer, JCI will transfer the benefits of that manufacturer's warranty to Customer if this Agreement with Customer terminates before the equipment manufacturer's warranty expires.**

D. CUSTOMER OBLIGATIONS AND COMMITMENTS TO JCI

- 1) The Customer warrants that, to the best of Customer's knowledge, all Covered Equipment is in good working condition and that the Customer has given JCI all information of which Customer is aware concerning the condition of the Covered Equipment.
- 2) The Customer agrees that, during the term of this Agreement, the Customer will:
 - (a) operate the Covered Equipment according to the manufacturer's recommendations;
 - (b) keep accurate and current work logs and information on the Covered Equipment as recommended by the manufacturer;
 - (c) provide an adequate environment for Covered Equipment as recommended by the manufacturer or as recommended by JCI, including adequate space, electrical power, air conditioning, and humidity control;
 - (d) notify JCI immediately of any equipment malfunction, breakdown, or other condition affecting the operation of the Covered Equipment;
 - (e) allow JCI to start and stop, periodically turn off, or otherwise change or temporarily suspend equipment operations so that JCI can perform the services required under this Agreement; and
 - (f) provide proper condenser and boiler water treatment, as necessary, for the proper functioning of Covered Equipment, if such services are not JCI's responsibility under this Agreement.
- 3) The Customer acknowledges that its failure to meet these obligations will relieve JCI of any responsibility for any equipment breakdown, or any necessary repair or replacement, of any equipment.
- 4)

E. CHANGES TO CUSTOMER EQUIPMENT

The Customer retains the right to make changes or alterations to its Equipment. If, in JCI's opinion, such changes or alterations substantially affect JCI's services or obligations, JCI shall have the right to make appropriate changes to the scope or to the price of this Agreement or to both.

F. ACCESS

The Customer will give JCI full access to all equipment that is either Covered Equipment or associated with it when JCI requests such access. If access cannot be provided, JCI's obligations under this Agreement will be suspended until such access to the equipment is provided. Matters affecting JCI's access to the equipment may include, but are not limited to, the removal, replacement, repair, refinishing, restoration, reconstruction, or other remedial actions taken by the Customer with respect to equipment or to the Customer's facility. Suspension of JCI's duties for this reason will not cancel or suspend any of the Customer's obligations under this Agreement.

G. EXCLUSIONS

JCI's services under this Agreement do not include:

- 1) supplies, accessories, or any items normally consumed during the use of Covered Equipment, such as ribbons, bulbs, and paper;
- 2) calls resulting from lack of operator-level preventive maintenance, site-related problems, or operator error;
- 3) service calls due to failures resulting from acts of God, abuse or misuse of equipment, or alterations, modifications, or repairs to equipment not performed or provided by JCI;