

SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 2026, by and between the City of Merced, a California Charter Municipal Corporation, whose address of record is 678 West 18th Street, Merced, California 95340, (hereinafter referred to as "City") and TK Elevator Corporation, a Delaware Corporation, whose address of record is 3711 W Swift Avenue, Fresno, CA 93722, (hereinafter referred to as "Contractor").

WHEREAS, City is undertaking a project to repair the Shannon Parade elevator via Contractor's Omnia Partners Contract No. R200502; and,

WHEREAS, Contractor represents that it possesses the professional skills to provide elevator maintenance and repair services in connection with said project.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants hereinafter recited, hereby agree as follows:

1. **SCOPE OF SERVICES.** The Contractor shall furnish the following services: Contractor shall provide the elevator maintenance services described in Exhibit "A" attached hereto.

No additional services shall be performed by Contractor unless approved in advance in writing by the City, stating the dollar value of the services, the method of payment, and any adjustment in contract time. All such services are to be coordinated with City and the results of the work shall be monitored by the Director of Public Works or designee. However, the means by which the work is accomplished shall be the sole responsibility of the Contractor.

2. **TIME OF PERFORMANCE.** All of the work outlined in the Scope of Services shall be completed in accordance with the Schedule outlined in Exhibit "A" attached hereto and incorporated herein by reference. By mutual agreement and written addendum to this Agreement, the City and the Contractor may change the requirements in said Schedule.

3. **TERM OF AGREEMENT.** The term of this Agreement shall commence on March 1, 2026, and end on June 30, 2028. City shall have the option to renew this Agreement for three (3) additional one (1) year terms for the additional maximum period of three (3) years ending as of June 30, 2031.

4. **COMPENSATION.** Payment by the City to the Contractor for actual services rendered under this Agreement shall be made upon presentation of an invoice detailing services performed under the Scope of Services, in accordance with the fee schedule set forth in Exhibit "A" attached hereto and incorporated herein by reference. The Contractor agrees to provide all services required under the Scope of Services in Exhibit "A" in exchange for the compensation amount and schedule of payment set forth in Exhibit "A" not-to-exceed the sum of \$431,673.63.

5. **METHOD OF PAYMENT.** Compensation to Contractor shall be paid by the City after submission by Contractor of an invoice delineating the services performed.

6. **RECORDS.** It is understood and agreed that all plans, studies, specifications, data magnetically or otherwise recorded on computer or computer diskettes, records, files, reports, etc., in possession of the Contractor relating to the matters covered by this Agreement shall be the property of the City, and Contractor hereby agrees to deliver the same to the City upon termination of the Agreement. It is understood and agreed that the documents and other materials including but not limited to those set forth hereinabove, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily suitable for any future or other use.

7. **CONTRACTOR'S BOOKS AND RECORDS.** Contractor shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the City for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Contractor to this Agreement. Any records or documents required to be maintained shall be made available for inspection, audit and/or copying at any time during regular business hours, upon oral or written request of the City.

8. **INDEPENDENT CONTRACTOR.** It is expressly understood that Contractor is an independent contractor and that its employees shall not be employees of or have any contractual relationship with the City. Contractor shall be responsible for the payment of all taxes, workers' compensation insurance and unemployment insurance. Should Contractor desire any insurance protection, the Contractor is to acquire same at its expense.

In the event Contractor or any employee, agent, or subcontractor of Contractor providing services under this Agreement is determined by a court of

competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Contractor shall indemnify, protect, defend, and hold harmless the City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

9. **INDEMNITY.** Contractor shall indemnify, protect, defend (with legal counsel selected by the City), save and hold City, its officers, employees, and agents, harmless from any and all claims or causes of action for death or injury to persons, or damage to property resulting from intentional or negligent acts, errors, or omissions of Contractor or Contractor's officers, employees, volunteers, and agents during performance of this Agreement; Contractor shall indemnify, protect, defend (with counsel selected by the City) save and hold City, its officers, employees and agents harmless from any and all claims or causes of action for any violation of any federal, state, or municipal law or ordinance, to the extent caused, in whole or in part, by the willful misconduct, negligent acts, or omissions of Contractor or its employees, subcontractors, or agents, or by the quality or character of Contractor's work, or resulting from the negligence of the City, its officers, employees, volunteers and agents, except for loss caused by the sole negligence or willful misconduct of the City or its officers, employees, volunteers or agents. It is understood that the duty of Contractor to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Contractor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall survive the termination of this Agreement and shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Contractor acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

10. **INSURANCE.** During the term of this Agreement, Contractor shall maintain in full force and effect at its own cost and expense, the following insurance coverage:

a. **Workers' Compensation Insurance.** Full workers' compensation insurance shall be provided with a limit of at least One Hundred Thousand Dollars

(\$100,000) for any one person and as required by law, including Employer's Liability limits of \$1,000,000.00 per accident. The policy shall be endorsed to waive the insurer's subrogation rights against the City.

b. General Liability.

- (i) Contractor shall obtain and keep in full force and effect general liability coverage at least as broad as ISO commercial general liability coverage occurrence Form CG 0001.
- (ii) Contractor shall maintain limits of no less than One Million Dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage.
- (iii) The City, its officers, employees, volunteers and agents are to be named as additional insureds under the policy, as respects liability arising out of work or operations performed by or on behalf of the Contractor.
- (iv) The policy shall stipulate that this insurance will operate as primary insurance for work performed by Contractor and its sub-contractors, and that any other insurance or self insurance maintained by City or other named insureds shall be excess and non-contributory.
- (v) Contractor shall maintain its commercial general liability coverage for three (3) years after completion of the work and shall add an additional insured endorsement form acceptable to the City naming the City of Merced, its officers, employees, agents and volunteers for each year thereafter for at least three (3) years after completion of the work. Copies of the annual renewal and additional insured endorsement form shall be sent to the City within thirty (30) days of the annual renewal.

c. Automobile Insurance.

- (i) Contractor shall obtain and keep in full force and effect an automobile policy of at least One Million Dollars (\$1,000,000) per accident for bodily injury and property damage.

- (ii) The City, its officers, employees, volunteers and agents are to be named as additional insureds under the policy, as respects automobiles owned, leased, hired or borrowed by the Contractor.
- (iii) The policy shall stipulate that this insurance will operate as primary insurance for work performed by Contractor and its sub-contractors, and that any other insurance or self insurance maintained by City or other named insureds shall be excess and non-contributory.

d. **Qualifications of Insurer.** The insurance shall be provided by an acceptable insurance provider, as determined by City, which satisfies all of the following minimum requirements:

- (i) An insurance carrier admitted to do business in California and maintaining an agent for service of process within this State; and,
- (ii) An insurance carrier with a current A.M. Best Rating of A:VII or better (except for workers' compensation provided through the California State Compensation Fund).

e. **Certificate of Insurance.** Contractor shall complete and file with the City prior to engaging in any operation or activity set forth in this Agreement, certificates of insurance evidencing coverage as set forth above and which shall provide that no cancellation or expiration by the insurance company will be made during the term of this Agreement, without thirty (30) days written notice to City prior to the effective date of such cancellation—including cancellation for

nonpayment of premium. In addition to any other remedies City may have, City reserves the right to withhold payment if Contractor's insurance policies are not current.

11. PREVAILING WAGES.

a. **Labor Code Compliance.** If the work performed under this Agreement falls within Labor Code Section 1720(a)(1) definition of a "public works" the Contractor agrees to comply with all of the applicable provisions of the Labor Code including, those provisions requiring the payment of not less than the general prevailing rate of wages. The Contractor further agrees to the penalties

and forfeitures provided in said Code in the event a violation of any of the provisions occurs in the execution of this Agreement.

b. These wage rate determinations are made a specific part of this Agreement by reference pursuant to Labor Code Section 1773.2. General Prevailing Wage Rate Determinations may be obtained from the Department of Industrial Relations Internet site at <http://www.dir.ca.gov/>.

c. After award of the Agreement, and prior to commencing work, all applicable General Prevailing Wage Rate Determinations, if applicable, are to be obtained by the Contractor from the Department of Industrial Relations. These wage rate determinations are to be posted by the Contractor at the job site in accordance with Section 1773.2 of the California Labor Code.

d. Contractor agrees to include prevailing wage requirements, if applicable, in all subcontracts when the work to be performed by the subcontractor under this Agreement is a "public works" as defined in Labor Code Section 1720(a)(1) and Labor Code Section 1771.

12. **ASSIGNABILITY OF AGREEMENT.** It is understood and agreed that this Agreement contemplates personal performance by the Contractor and is based upon a determination of its unique personal competence and experience and upon its specialized personal knowledge. Assignments of any or all rights, duties or obligations of the Contractor under this Agreement will be permitted only with the express written consent of the City.

13. **TERMINATION FOR CONVENIENCE OF CITY.** The City may terminate this Agreement any time by mailing a notice in writing to Contractor that the Agreement is terminated. Said Agreement shall then be deemed terminated, and no further work shall be performed by Contractor. If the Agreement is so terminated, the Contractor shall be paid for that percentage of the phase of work actually completed, based on a pro rata portion of the compensation for said phase satisfactorily completed at the time the notice of termination is received.

14. **CONFORMANCE TO APPLICABLE LAWS.** Contractor shall comply with its standard of care regarding all applicable Federal, State, and municipal laws, rules and ordinances. No discrimination shall be made by Contractor in the employment of persons to work under this contract because of race, color, national origin, ancestry, disability, sex or religion of such person.

Contractor hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act (8 U.S.C.A. 1101 *et seq.*), as amended; and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Contractor so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should any agency or instrumentality of the federal or state government, including the courts, impose sanctions against the City for such use of unauthorized aliens, Contractor hereby agrees to, and shall, reimburse City for the cost of all such sanctions imposed, together with any and all costs, including attorneys' fees, incurred by the City in connection therewith.

15. **WAIVER.** In the event that either City or Contractor shall at any time or times waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or any other covenant, condition or obligation. Waiver shall not be deemed effective until and unless signed by the waiving party.

16. **INCONSISTENT OR CONFLICTING TERMS IN AGREEMENT AND EXHIBITS.** In the event of any contradiction or inconsistency between any attached document(s) or exhibit(s) incorporated by reference herein and the provisions of the Agreement itself, the terms of the Agreement shall control.

Any exhibit that is attached and incorporated by reference shall be limited to the purposes for which it is attached, as specified in this Agreement. Any contractual terms or conditions contained in such exhibit imposing additional obligations on the City are not binding upon the City unless specifically agreed to in writing, and initialed by the authorized City representative, as to each additional contractual term or condition.

17. **AMBIGUITIES.** This Agreement has been negotiated at arms' length between persons knowledgeable in the matters dealt with herein. Accordingly, any rule of law, including, but not limited to, Section 1654 of the Civil Code of California, or any other statutes, legal decisions, or common-law principles of similar effect, that would require interpretation of any ambiguities in this Agreement against the party that drafted this Agreement is of no application and is hereby expressly waived.

18. **VENUE.** This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this agreement shall be held exclusively in a state court in the County of Merced.

19. AMENDMENT. This Agreement shall not be amended, modified, or otherwise changed unless in writing and signed by both parties hereto.

20. INTEGRATION. This Agreement constitutes the entire understanding and agreement of the parties and supersedes all previous and/or contemporaneous understanding or agreement between the parties with respect to all or any part of the subject matter hereof.

21. AUTHORITY TO EXECUTE. The person or persons executing this Agreement on behalf of the parties hereto warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of their entity and has/have the authority to bind their party to the performance of its obligations hereunder.

22. COUNTERPARTS. This Agreement may be executed in one or more counterparts with each counterpart being deemed an original. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterparts executed by the other parties hereto are in the physical possession of the party or parties seeking enforcement thereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

CITY OF MERCED
A California Charter Municipal
Corporation

BY: _____
D. Scott McBride
City Manager

ATTEST:
D. SCOTT MCBRIDE, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

APPROVED AS TO FORM:
CRAIG J. CORNWELL, CITY ATTORNEY

BY: Craig Cornwell 2/23/2026
City Attorney Date

ACCOUNT DATA:
M. VENUS RODRIGUEZ, FINANCE OFFICER

BY: _____
Verified by Finance Officer

{Signatures continued on next page}

CONTRACTOR
TK Elevator Corporation,
a Delaware Corporation

Signed by:
BY: Michael Brown
18BBE204F33940F...
(Signature)

Michael Brown
(Typed Name)

Its: Contract Analyst Supervisor
(Title)

BY: _____
(Signature)

(Typed Name)

Its: _____
(Title)

Taxpayer I.D. No. 62-1211267

ADDRESS: 940 Riverside Parkway
Sacramento, CA 95605

TELEPHONE: N/A

FAX: N/A

E-MAIL: michael.e.brown@tkelevator.com

Modernization Proposal



Merced Parcade

March 26, 2025, 2025

Purchaser: City Of Merced
Address: 638 W 18th St
Merced, CA 95340-4708

Location: Shannon Parcade
Address: 638 W 18th St
Merced, CA 95340-4708



TK Elevator Corporation (hereinafter "TK Elevator") is dedicated to delivering City Of Merced (hereinafter "Purchaser") the safest, highest quality vertical transportation solutions. I am pleased to present this customized Proposal (the "Proposal") in the amount of \$431,673.63 inclusive of Bond and all applicable sales and use taxes to modernize the elevator equipment described in the pages that follow at the above-referenced location.

Our modernization package is engineered specifically for your elevator system and will include the elevator mechanical and electrical components being replaced, refurbished or retained.

Benefits of Modernization include:

- Increased durability and reliability
- Improved fire and life safety features
- Decreased waiting times
- Reduced energy consumption
- Reduced operational cost
- Reduced troubleshooting time

This Proposal shall remain in effect for the next thirty (30) days unless it is revoked earlier by TK Elevator in writing. The price above is subject to escalation - even after Purchaser's acceptance of this Proposal - under certain circumstances including TK Elevator being subjected to increased charges by its suppliers for any of the applicable materials and/or components due to supply chain issues; the imposition of new or increased taxes, tariffs, or other charges imposed by applicable governmental authorities; TK Elevator being subjected to increased charges from its shippers and/or freight forwarders; any material called for in this Proposal being released into production more than 6 months following the written acceptance of this Proposal; or any work described in this Proposal is not completed by December 31, 2025.

In the event you have any questions regarding the content of this Proposal, please do not hesitate to contact me. We appreciate your consideration.

Kent Tapping
kent.tapping@tkelevator.com

EXHIBIT A

Modernization Proposal



SCOPE OF WORK

Grouping Name: 3500

Equipment Type: Hydraulic	Speed: 150 fpm
3 Stops (3 Front /0 Rear)	Capacity: 3500 lbs.

Units Included

Building Address	Nickname	State Serial #
638 W 18th St	3	[REDACTED]

Description of Work

Controller

- TAC 32 Controller (Includes Options listed below)
 - Auto Light and Fan Feature
 - Car Independent Service
 - Electronic Door Detector
 - Hoistway Access
- Seismic Features
- Solid State Starter
- Battery Lowering
- eMax Monitoring Device Provisions

Power Unit

- Oil Citgo NZ
- EP-125 Power Unit (Submersible)
- Seismic Requirements for EP units
- 2" Shutoff Valve Kit (Pump)
- Overspeed Valve Kit for 2"

Jack

- Packing Replacement
- Pipe Stands

Car

- 21" Toe guard
- Fan: Two Speed
- Car Top Exit Switch
- Car Top Inspection Station

Modernization Proposal



Hoistway

- Steel Tape with Mounting hardware, Selector and magnets (terminal limits included)
- TAC 32 Field Friendly Wiring Package Includes single traveling cable, hoistway wiring, interlock wiring, interlock connectors, and serial wiring.

Pit

- 2" Shutoff Valve Kit (Pit)
- Pit Stop Switch

Cab

- New SS Car Door

Door Equipment

- New GAL Door Operator
- Gibs
- Closer
- Hoistway Hanger / Hanger Rollers
- Interlocks
- Pick Up Rollers
- Micro Light Door Detector

Car Fixtures

- Main Car Station Includes Options Below:
 - Applied Panel
- Vandal Resistant Floor Buttons
- Debranded Car Station (No Logo)
- Cast Braille Plates for Car Features
- Standard Key Switch Package
 - Fan
 - Light
 - Independent
 - Stop
 - Inspection
- Emergency Light mounted in COP
- 2004 and later Fire Service Phase II Features (includes instructions signage)
- Handicap Signal (Passing signal)
- Position Indicator (2" CE Segmented)
- ADA Phone System integral with COP (Rath)
- Speaker Pattern for Intercom System/ADA Phone
- No Smoking (Verbiage Engraved on COP)
- Locked Service Cabinet
- Certificate Window
- GFI Outlet
- #4 Stainless Steel Finish (441)
- Emergency Light Test Button/Keyswitch
- Car Riding Lantern (Standard) #4 S/S (441)

Modernization Proposal



Hall Fixtures

- Hoistway Access
- Hall Lanterns/PI's
- Fire Service Phase I Key Switch
- Fire Service Phase I Engraved Instructions
- Fusion Hall Lanterns (Standard) White Up/Down LED's #4 S/S (304)
- Horizontal Fusion Hall Position Indicator (2" Digital) #4 S/S (304)
- Hoistway Jamb Braille (Pair of Standard) (# of Floors)
- Car Identification Plate (Pair)
- Hoistway Access Switch (Standalone)
- Hall Station Fixtures (Surface Mounted)
 - Appendix O (Polycarbonate insert flame)
 - Fusion (#4 S/S (304))

The following items will be completed by third party labor or suppliers through the coordination of TK:

- Electrical code required upgrades in machine room and pit.
- Upgrade pump room fire panel to include fire recall for elevators.
- Install landing fire recall devices, program and test.

Modernization Proposal



Grouping Name: 2500

Equipment Type: Hydraulic	Speed: 150 fpm
3 Stops (3 Front /0 Rear)	Capacity: 2500 lbs.

Units Included

Building Address	Nickname	State Serial #
638 W 18th St	4	[REDACTED]

Description of Work

Controller

- TAC 32 Controller (Includes Options listed below)
 - Auto Light and Fan Feature
 - Car Independent Service
 - Car Traveling Lantern
 - Electronic Door Detector
 - Hoistway Access and Enable
- Seismic Features
- Solid State Starter
- Battery Lowering in Controller
- eMax Monitoring Device Provisions

Power Unit

- Oil Citgo NZ
- EP-125 Power Unit (Submersible)
- Seismic Requirements for EP units
- 2" Shutoff Valve Kit
- Overspeed Valve Kit for 2"

Jack

- Packing Replacement
- Pipe Stands

Car

- 21" Toe guard
- Fan: Two Speed
- Car Top Exit Switch
- Car Top Inspection Station (Stand Alone)

Hoistway

- Steel Tape with Mounting hardware, Selector and magnets (terminal limits included)
- TAC 32 Field Friendly Wiring Package Includes single traveling cable, hoistway wiring, interlock wiring, interlock connectors, and serial wiring.

Modernization Proposal



Pit

- 2" Shutoff Valve Kit (Pit)
- Pit Stop Switch

Cab

- New SS Car Door

Door Equipment

- New GAL Door Operator
- Gibs
- Closer
- Hoistway Hanger / Hanger Rollers
- Interlocks
- Pick Up Rollers
- Micro Light (Front)

Car Fixtures

- Main Car Station Includes Options Below
 - Applied Panel
- Vandal Resistant Floor Buttons
- Debranded Car Station (No Logo)
- Cast Braille Plates for Car Features
- Standard Key Switch Package
 - Fan
 - Light
 - Independent
 - Stop
 - Inspection
- Emergency Light mounted in COP
- 2004 and later Fire Service Phase II Features (includes instructions signage)
- Handicap Signal (Passing signal)
- Position Indicator (2" CE Segmented)
- ADA Phone System integral with COP (Rath)
- Speaker Pattern for Intercom System/ADA Phone
- No Smoking (Verbiage Engraved on COP)
- Locked Service Cabinet
- Certificate Window
- Default Engravings
- GFI Outlet
- Emergency Light Test Button/Keyswitch
- TAC Serial Boards (Main)
- Car Riding Lantern (Standard) #4 S/S (441)

Hall Fixtures

- Fire Service Phase I Key Switch
- Fire Service Phase I Engraved Instructions

Modernization Proposal



- Fusion Hall Lanterns (Standard) White Up/Down LED's #4 S/S (304)
- Horizontal Fusion Hall Position Indicator (2" Digital) #4 S/S (304)
- Hoistway Jamb Braille
- Car Identification Plate (Pair)
- Hoistway Access Switch (Standalone)
- Hall Stations (Surface Mounted) with
 - Appendix O (Polycarbonate insert flame)
 - Fusion (#4 S/S (304))

The following items will be completed by third party labor or suppliers through the coordination of TK:

- Electrical code required upgrades in machine room and pit.
- Upgrade pump room fire panel to include fire recall for elevators.
- Install landing fire recall devices, program and test.

1. Key Tasks and Approximate Lead Times

Key Tasks to be performed to be performed by Purchaser prior to equipment fabrication:

- a. Execution of this Proposal
- b. Payment for pre-production and engineering
- c. Approval of layout (if applicable)
- d. Execution of TK Elevator's Material Release Form

Approximate Durations/Lead Times

Contract execution (can run concurrently with layout drawing package preparation and approval)	Varies
Survey and Order of Materials (additional time required for cab, signal, entrance preparation and approval, if applicable)	4 - 6 Weeks
Fabrication time (from receipt of all approvals, fully executed contract, Material Release Form and initial progress payment)	9 - 12 Weeks
Modernization of elevator system (Per Unit): (Upon completion of all required preparatory work by others)	4 - 6 Weeks

The durations or lead times listed above are strictly approximations that can vary due to factors both within and outside of TK Elevator's control, are subject to change without notice to Purchaser and shall not be binding on TK Elevator.

2. Payment Terms

25% of the price set forth in this Proposal as modified by options selected from the section entitled "Value Engineering Opportunities & Alternates" (if applicable) will be due and payable as an initial progress payment within 30 days from TK Elevator's receipt of a fully executed copy of this Proposal. This initial progress payment will be applied to project management, permits, engineering and shop drawings, submittals, and drilling mobilizations (if

Modernization Proposal



required). The material will not be ordered until this payment is received, and the parties have both executed this Proposal and the Material Release Form.

50% of the price set forth in this Proposal as modified by options selected from the section entitled "Value Engineering Opportunities & Alternates" (if applicable) shall be due and payable when the material described above has been furnished. Material is considered furnished when it has been received at the jobsite or TK Elevator staging facility. Supporting documentation of materials stored shall be limited to stored materials certificates of insurance and bills of lading. Receipt of this payment is required prior to mobilization of labor.

25% of the price set forth in this Proposal shall be made as progress payments throughout the life of the project. In the event TK Elevator fails to receive payment within thirty (30) days of the date of a corresponding invoice, TK Elevator reserves the right to demobilize until such a time that the payments have been brought up to date, and TK Elevator has the available manpower.

It is agreed that there will be no withholding of retainage from any billing and by the customer from any payment.

The payment terms breakdown above shall be considered the Schedule of Values for the project as written. Billing shall be submitted on or before the 25th day of the month according to the payment schedule above and accompanied by a form of G702-703 pay application/schedule of values and a conditional waiver, the format of which is hereby acknowledged and accepted.

The use of online Portals for the submission of billing shall follow the terms of the Proposal and Customer agrees to permit billing in accordance with the executed contract terms. Portal access and usage is to be provided free of additional charge to TK Elevator and any additional cost for such use is to be reimbursed to TK Elevator via a reimbursable change order immediately upon acceptance.

Purchaser agrees that TK Elevator shall have no obligation to complete any steps necessary to provide Purchaser with full use and operation of the installed equipment until such time as TK Elevator has been paid 100% both of the price reflected in this Proposal and for any other work performed by TK Elevator or its subcontractors in furtherance of this Proposal. Purchaser agrees to waive any and all claims to the turnover and/or use of that equipment until such time as those amounts are paid in full.

Proposal price:		\$426,673.63
Bonds:		\$5,000.00
Estimated contract price:		\$431,673.63
Initial progress payment:	(25%)	\$107,918.43
Material furnished:	(50%)	\$215,836.81
Total of remaining progress payments:	(25%)	\$107,918.41

Any work that Purchaser may require prior to turnover of the equipment that is outside of the scope described in this Proposal - other than Temporary Use as described below - will be performed only after the full execution of a mutually agreeable change order and only at the following rates:

Modernization Proposal



Mechanic (Standard) per hour	\$380.00
Mechanic (OT) per hour	\$641.00
Team (Standard) per hour	\$684.00
Team (OT) per hour	\$1,154.00

Rates are not inclusive of any per diem, mileage or other expenses which may be dependent on jobsite location

3. Warranty

TK Elevator warrants any equipment it installs as described in this Proposal against defects in material and workmanship for a period of one (1) year from the date of Purchaser's execution of TK Elevator's "Final Acceptance Form" on the express conditions that all payments made under this Proposal and any mutually agreed-to change orders have been made in full and that such equipment is currently being serviced by TK Elevator. In the event that TK Elevator's work is delayed for a period greater than six (6) months, the warranty shall be reduced by the amount of the delay. This warranty is in lieu of any other warranty or liability for defects. TK Elevator makes no warranty of merchantability and no warranties which extend beyond the description in this Proposal, nor are there any other warranties, expressed or implied, by operation of law or otherwise. Like any piece of fine machinery, the equipment described in this Proposal should be periodically inspected, lubricated, and adjusted by competent personnel. This warranty is not intended to supplant normal maintenance service and shall not be construed to mean that TK Elevator will provide free service for periodic examination, lubrication, or adjustment, nor will TK Elevator correct, without a charge, breakage, maladjustments, or other trouble arising from normal wear and tear or abuse, misuse, improper or inadequate maintenance, or any other causes other than defective material or workmanship. In order to make a warranty claim, Purchaser must give TK Elevator prompt written notice at the address listed on the cover page of this Proposal and provided all payments due under the terms of this Proposal and any mutually agreed to written change orders have been made in full, TK Elevator shall, at its own expense, correct any proven defect by repair or replacement. TK Elevator will not, under any circumstances, reimburse Purchaser for cost of work done by others, nor shall TK Elevator be responsible for the performance of any equipment that has been the subject of service, repair, replacement, revisions or alterations by others. If there is more than one (1) unit which is the subject of work described in this Proposal, this section shall apply separately to each unit as accepted.

4. Preventative Maintenance Program

This Proposal does not include any maintenance, service, repair or replacement of the equipment or any other work not expressly described herein. TK Elevator may submit a separate proposal to Purchaser covering the maintenance and repair of this equipment to be supplied to Purchaser at an additional cost. In the event the Purchaser and TK Elevator have a new or existing maintenance Agreement in effect at the time of the acceptance of this proposal and/or during the scope of this work, the terms of the Agreement shall remain in full force and effect throughout the performance of this scope of work and continue throughout the duration of the stated term in that Agreement.

Modernization Proposal



5. Work Not Included

There are certain items that are not included in this Proposal, many of which must be completed by Purchaser prior to and as a condition precedent to TK Elevator's performance of its work as described in this Proposal. In order to ensure a successful completion of this project, it shall be solely Purchaser's responsibility to coordinate its own completion of those items with TK Elevator. The following is a list of those items that are not included in this Proposal:

A. Hoistways and Equipment Rooms

1. At time of initial inspection the below conditions were satisfactory, in the event these conditions change, TK Elevator will identify discrepancies with the City of Merced and agree upon corrective action.
 - a. A dry legal hoistway, properly framed and enclosed, and including a pit of proper depth and overhead. This is to include steel safety beam, inspection or access platforms, access doors, sump pump, lights, waterproofing and venting as required; dewatering of pit(s) and required permanent screening/
 - b. A dry legal machine/control room, with clear rollable access adequate for the elevator equipment, including floors, trap doors, properly sized legal machine room doors, gratings, machine room or roof access platforms, roof/loading protection, ladders, railings, foundations, all hoist beams, lighting, ventilation sized per the TK Elevator shop drawings and/or code requirements. Purchaser must maintain machine/control room (or machine/control space within the shaft for MRL equipment) temperature between 55 and 90 degrees Fahrenheit, with relative humidity less than 95% non-condensing at all times.
 - c. Adequate bracing of entrance frames to prevent distortion during wall construction.
 - d. All grouting, fire caulking, cutting, x-ray and removal of walls and floors, patching, coring, setting of sleeves/knockouts, penetrations and painting (except as specified) and removal of obstructions required for elevator work; along with all proper trenching and backfilling for any underground piping and/or conduit.
 - e. All labor and materials necessary to support the full width of the hoistway at each landing for anchoring or welding TK Elevator sill supports, steel angles, sill recesses;
 - f. The furnishing, installing and maintaining of the required fire rating of elevator hoistway walls, including the penetration of firewall by elevator fixture boxes;
 - g. Ensuring that the elevator hoistways and pits are dewatered, cleaned and properly waterproofed;

B. Electrical and Life Safety:

1. Purchaser shall provide a dedicated, analog telephone or data line to the elevator telephone or communication device; one additional data line per group of elevators for diagnostic capability wired to designated controller;
2. Purchaser shall provide the following:
 - a. suitable connections from the power main to each controller and signal equipment feeders as required, including necessary circuit breakers and fused mainline disconnect switches per N.E.C. prior to installation. Suitable power supply capable of operating the new elevator equipment under all conditions;
 - b. piping and wiring to controller for mainline power, car lighting, and any other building systems that interface with the elevator controls per N.E.C. Articles 620-22 and 620-51;
 - c. any required hoistway / wellway, machine room, pit lighting and/or 110v service outlets;
 - d. conduit and wiring for remote panels to the elevator machine room(s) and between panels. Remote panels required by local jurisdictions are not included in this proposal;
 - e. a bonded ground wire, properly sized, from the elevator controller(s) to the primary building ground; and all remote wiring to the outside alarm bell as requested by all applicable code provisions;
 - f. installed sprinklers, smoke/heat detectors on each floor, machine room and hoistways / wellways, shunt trip devices (not self-resetting) and access panels as may be required as well as normally open dry contacts for

Modernization Proposal



- smoke/heat sensors, which shall be terminated by Purchaser at a properly marked terminal in the elevator controller;
- g. a means to automatically disconnect the main line and the emergency power supply to the elevator prior to the application of water in the elevator machine room that shall not be self-resetting;
- h. emergency power supply including automatic time delay transfer switch and auxiliary contacts with wiring to the designated elevator controller and along with electrical cross connections between elevator machine rooms for emergency power purposes;
- i. the following emergency power provisions are not included: interface in controller, pre-testing and testing, emergency power keyswitches;
- j. emergency power operation is included as part of the design of the elevator control system and based on each car in the group only, to properly sequence, one at a time to the programmed landing, and park. The design requires that the generator, transfer switch, and related circuitry are sufficient to run this function or any other function for any building other system that is associated with this project. In the event that the generator, transfer switch, and related circuitry are not sufficient, TK Elevator will provide Purchaser with a written change order for Purchaser's execution.
- k. a dry set of contacts which close 20 seconds prior to the transfer from normal power to emergency power or from emergency power to normal power whether in test mode or normal operating conditions in the event that an emergency power supply will be provided for the elevator;
- l. confirmation that the emergency standby power generator and/or building can accept the power generated to and from the elevator during both Hi-Speed and Deceleration. In cases where the generator and/or building load is not electrically sized to handle the power return from the regen drive, additional separate chopper and resistor units are available for purchase but not included in this proposal. The additional chopper and resistor units allow regenerated power to be dissipated in the resistor bank and not sent back into the building grid.

6. Working Hours, Logistics and Mobilization

- a. All work described in this Proposal shall be performed during TK Elevator's regular working days - defined as Monday thru Friday and excluding IUEC recognized holidays - and regular working hours - defined as those hours regularly worked by TK Elevator modernization mechanics at the TK Elevator branch office that will provide labor associated with the performance of the work described in this Proposal - unless otherwise specified and agreed to in writing by both TK Elevator and Purchaser (hereinafter TK Elevator's regular working days and regular working hours shall be collectively defined as "normal working hours"). TK Elevator shall be provided with uninterrupted access to the elevator hoistway and machine room areas to perform work during normal working hours.
- b. Purchaser shall provide on-site parking to all TK Elevator personnel at no additional cost to TK Elevator.
- c. Purchaser shall provide traffic control, lane closures, permits and flagmen to allow suitable access/unload of tractor trailer(s).
- d. Purchaser agrees to provide unobstructed tractor-trailer access and roll-able access from the unloading area to the elevator or escalator hoistways or wellways (as applicable).
- e. Purchaser will be required to sign off on the Material Release Form, which will indicate the requested delivery date of equipment to the site. If Purchaser is not ready to accept delivery of the equipment within ten (10) business days of the agreed upon date, Purchaser will immediately make payments due for equipment and designate an area adjacent to the elevator shaft where Purchaser will accept delivery. If Purchaser fails to provide this location or a mutually agreeable alternative, TK Elevator is authorized to warehouse the equipment at the TK Elevator warehouse or designated distribution facility at Purchaser's risk and expense. Purchaser shall reimburse TK Elevator for all costs due to extra handling and warehousing. Storage beyond ten (10) business days will be

Modernization Proposal



assessed at a rate of \$100.00 per calendar day for each unit listed in this Proposal, which covers storage and insurance of the elevator equipment and is payable prior to delivery.

f. Purchaser agrees to provide a dry and secure area adjacent to the hoistway(s) at the ground level for storage of the elevator equipment and tools within ten (10) business days from receipt at the local TK Elevator warehouse. Any warranties provided by TK Elevator for vertical transportation equipment will become null and void if equipment is stored in any manner other than a dry, enclosed building structure. Any relocation of the equipment as directed by Purchaser after initial delivery will be at Purchaser's expense.

g. TK Elevator includes one mobilization to the jobsite. A mobilization fee of \$5,000.00 per crew per occurrence will be charged for pulling off the job or for any delays caused by others once material has been delivered and TK Elevator's work has commenced.

h. Access for this project shall be free and clear of any obstructions. A forklift for unloading and staging material shall also be provided by Purchaser at no additional cost.

i. Purchaser shall provide an on-site dumpster. TK Elevator will be responsible for cleanup of elevator/ escalator packaging material; however, composite cleanup participation is not included in this Proposal.

j. The hiring of a disposal company which MUST be discussed prior to any material being ordered or work being scheduled. TK Elevator will provide environmental services ONLY if this is specifically included under the "Scope of Work" section above. TK Elevator assumes no responsibility and/or liability in any way whatsoever for spoils or other contamination that may be present as a result of the cylinder breach and/or other conditions present on the work site.

k. One or more of the units described in this Proposal will be out of service and unavailable to move passengers and/or property during entire duration of the performance of the work described in this Proposal until re-certified by the applicable authority(ies) having jurisdiction and in good standing with payment schedules.

l. If site specific rules and regulations classify the elevator pit as confined space, elevator pits will need to reclassify a permit-required space to a non-permit required space prior to mobilization.

7. Temporary Use, Inspection and Turnover

a. Unless required by specification, TK Elevator will not provide for "temporary use" of the elevator(s) described in this Proposal prior to completion and acceptance of the complete installation. Temporary use shall be agreed to via a change order to this Proposal which shall require Purchaser's execution of TK Elevator's standard Temporary Use Agreement. Cost for temporary use of an elevator shall be \$200.00 per calendar day per hydraulic elevator and \$250.00 per calendar day for each traction elevator for rental use only, excluding personnel to operate. All labor and parts, including callbacks required during the temporary use period will be billed at TK Elevator's standard local billing rates. In the event that an elevator must be provided for temporary use, TK Elevator will require 30 days to perform final adjustments and re-inspection after the elevator has been returned to TK Elevator with all protection, intercoms and temporary signage removed. This duration does not include any provisions for finish work or for repairs of same, which shall be addressed on a project-by-project basis. Cost for preparation of controls for temporary use, refurbishment due to normal wear and tear, readjustment and re-inspection is \$5,000.00 per elevator up to 10 floors. For projects above 10 stops, an additional cost of \$1,500.00 / 10 floors shall apply. These costs are based on work performed during normal working hours. Temporary use excludes vandalism or misuse. Any required signage, communication devices, elevator operators, and protection are not included while temporary use is being provided. All overtime premiums for repairs during the temporary use period will be billed at TK Elevator's local service billing rates.

b. The Proposal price set forth above includes one (1) inspection per unit by the applicable authority having jurisdiction if required by the government of the locality where the equipment is located. In the event the equipment fails that inspection due to no fault of TK Elevator, TK Elevator will charge Purchaser for both the cost

Modernization Proposal



of each re-inspection which shall be \$1,500.00 and a remobilization fee which shall be \$5,000.00 via change order prior to scheduling a re-inspection.

c. Upon notice from TK Elevator that the installation and/or modernization of the equipment is complete, Purchaser will arrange to have present at the jobsite a person authorized to make the final inspection and to execute TK Elevator's "Final Acceptance Form." The date and time that such person will be present at the site shall be mutually agreed upon but shall not be more than ten (10) business days after the date of TK Elevator's notice of completion to Purchaser unless both TK Elevator and Purchaser agree to an extension of that ten (10) day period in writing. Such final inspection and execution of TK Elevator's "Final Acceptance Form" shall not be unreasonably delayed or withheld.

d. Should the Purchaser or the local authority having jurisdiction require TK Elevator's presence at the inspection of equipment installed by others in conjunction with the work described in this Proposal, Purchaser agrees to compensate TK Elevator for its time at TK Elevator's current billing rate as posted at its local office.

e. At the conclusion of its work, TK Elevator will remove all equipment and unused or removed materials from the project site and leave its work area in a condition that, in TK Elevator's sole opinion, is neat and clean.

f. Purchaser agrees to accept a live demonstration of equipment's owner-controlled features in lieu of any maintenance training required in the bid specifications.

g. Purchaser agrees to accept TK Elevator's standard owner's manual in lieu of any maintenance, or any other, manual(s) required in the bid specifications.

8. MAX

MAX is a cloud based Internet of Things (IoT) platform that we, at our election, may connect to your elevators and escalators by means of installation of a remote-monitoring device or modem (each a "device"). MAX will analyze the unique signal output of your equipment 24/7 and when existing or potential outages are identified, MAX will automatically communicate with our dispatch centers. When appropriate, the dispatch center will alert our technicians during normal working hours. These MAX alerts provide the technician with precise diagnostics detail, which greatly enhances our ability to fix your equipment right the first time, MAXimizing the equipment uptime.

a. Purchaser authorizes TK Elevator and its employees to access purchaser's premises to install, maintain and/or repair the devices and, upon termination of the service agreement, to remove the same from the premises if we elect to remove.

b. TK Elevator is and shall remain the sole owner of the devices and the data communicated to us by the devices. The devices shall not become fixtures and are intended to reside where they are installed. TK Elevator may remove the devices and cease all data collection and analysis at any time.

c. If the service agreement between TK Elevator and Purchaser is terminated for any reason, TK Elevator will automatically deactivate the data collection, terminate the device software and all raw data previously received from the device will be removed and/or expunged or destroyed.

d. Purchaser consents to the installation of the devices in your elevators and to the collection, maintenance, use, expungement and destruction of the daily elevator data as set forth in this agreement.

e. The devices installed by TK Elevator contain trade secrets belonging to us and are installed for the use and benefit of our personnel only.

f. Purchaser agrees not to permit purchaser personnel or any third parties to use, access, tamper with, relocate, copy, disclose, alter, destroy, disassemble or reverse engineer the device while it is located on purchaser's premises.

g. The installation of this equipment shall not confer any rights or operate as an assignment or license to you of any patents, copyrights or trade secrets with respect to the equipment and/or any software contained or imbedded therein or utilized in connection with the collection, monitoring and/or analysis of data.

Modernization Proposal



9. Additional Terms and Conditions

- a. In no event shall TK Elevator be responsible for liquidated, consequential, indirect, incidental, exemplary, and special damages associated with the work described in this Proposal.
- b. This Proposal is made without regard to compliance with any special purchasing, manufacturing or construction/installation requirements including, but not limited to, any socio-economic programs, such as small business programs, minority or woman owned business enterprise programs, or local preferences, any restrictive sourcing programs, such as Buy American Act, or any other similar local, state or federal procurement regulations or laws that would affect the cost of performance. Should any such requirements be applicable to the work described in this Proposal, TK Elevator reserves the right to modify this Proposal or rescind it altogether.
- c. TK Elevator is an equal opportunity employer.
- d. TK Elevator's performance of the work described in this Proposal is contingent upon Purchaser furnishing TK Elevator with any and all necessary permission or priority required under the terms and conditions of government regulations affecting the acceptance of this Proposal or the manufacture, delivery or installation of the equipment. All applicable sales and use taxes, permit fees and licenses imposed upon TK Elevator as of the date of the Proposal are included in the price of the Proposal. Purchaser is responsible for any additional applicable sales and use taxes, permit fees and licenses imposed upon TK Elevator after the date of the Proposal or as a result of any law enacted after the date of the Proposal.
- e. All taxes, tariffs, duties, permit and/or license fees imposed upon TK Elevator as of the date of the execution of this Proposal are included in the price of the Proposal. After the date of acceptance of this Proposal and in addition to the Proposal price, Purchaser is also responsible to pay TK Elevator for any new (or any increase in): (1) applicable taxes, tariffs, duties, permit and/or license fees; (2) charges from its suppliers for any of the applicable materials and/or components: (A) due to supply chain issues, the imposition of new or increased taxes, tariffs, or other charges by applicable governmental authorities; (B) if the release of materials called for in this Proposal occurs after the milestone mentioned earlier in this Proposal; and/or (C) if the completion of work called for in this Proposal occurs after the milestone mentioned earlier in this Proposal; and/or (3) charges from TK Elevator's shippers and/or freight forwarders.
- f. Purchaser agrees to provide TK Elevator's personnel with a safe place in which to work and TK Elevator reserves the right to discontinue work at the jobsite whenever, in TK Elevator's sole opinion, this provision is being violated.
- g. The pricing set forth in this Proposal assumes that the elevator pits will not be classified as a confined space. TK Elevator will follow its standard safety policy and procedures. Any job specific safety requirements over and above TK Elevator's standard practices and policies may require additional costs.
- h. TK Elevator will furnish and install all equipment in accordance with the terms, conditions, scope and equipment nomenclature as noted herein. Requested changes or modifications to such provisions will require a written change order issued on the Purchaser's letterhead and accepted by TK Elevator in writing prior to the execution of such work. This change order shall detail the current contract price, the amount of the change, and new contract value.
- i. This Proposal does not include a schedule for the work described and any such schedule shall be mutually agreed upon by an authorized representative of both TK Elevator and Purchaser in writing before becoming effective.
- j. In the event asbestos material is knowingly or unknowingly removed or disturbed in any manner at the jobsite, Purchaser shall monitor TK Elevator's work place and prior to and during TK Elevator's manning of the job, Purchaser shall certify that asbestos in the environment does not exceed .01 fibers per cc as tested by NIOSH 7400. In the event TK Elevator's employees or those of TK Elevator's subcontractors are exposed to an asbestos hazard, PCP's, lead or other hazardous substances, Purchaser agrees, to the fullest extent permitted by law, to indemnify, defend, and hold TK Elevator harmless from all damages, claims, suits, expenses, and payments

Modernization Proposal



resulting from such exposure. Identification, notification, removal and disposal of asbestos containing material, PCP's lead or other hazardous substances are the responsibility of the Purchaser.

k. TK Elevator retains title to and a security interest in all equipment it supplies – which TK Elevator and Purchaser agree can be removed without material injury to the real property – until all payments including deferred payments and any extensions thereof, are made. In the event of any default by Purchaser on any payment, or any other provision of this Proposal, TK Elevator may take immediate possession of the equipment and enter upon the premises where it is located – without legal process – and remove such equipment or portions thereof, irrespective of the matter of its attachment to the real estate or the sale, mortgage or lease of the real estate. Pursuant to the Uniform Commercial Code, and at TK Elevator's request, Purchaser agrees to execute any financial or continuation statements which may be necessary for TK Elevator to file in public offices in order to perfect TK Elevator's security interest in such equipment.

l. TK Elevator reserves the right to assign payments owed to TK Elevator under this Proposal.

m. TK Elevator shall not be liable for any loss, damage or delay caused by acts of government, labor troubles, strikes, lockouts, fire, explosion, theft, floods, riot, civil commotion, war, malicious mischief, acts of God or any cause beyond its control.

n. The rights of TK Elevator under this Proposal shall be cumulative and the failure on the part of the TK Elevator to exercise any rights hereunder shall not operate to forfeit or waive any of said rights. Any extension, indulgence or change by TK Elevator in the method, mode or manner or payment or any of its other rights shall not be construed as a waiver of any of its rights under this Proposal.

o. In the event TK Elevator engages a third party to enforce the terms of this Proposal, and/or to collect payment due hereunder, either with or without suit, Purchaser agrees to pay all costs thereof together with reasonable attorney's fees. Purchaser does hereby waive trial by jury and does hereby consent to the venue of any proceeding or lawsuit under this Proposal to be in the county where the work covered by this Proposal is located.

p. TK Elevator can furnish Certificate of Workers' Compensation, Bodily Injury and Property Damage Liability Insurance coverage to Purchaser upon written request.

q. Should loss of or damage to TK Elevator's material, tools or work occur at the project site, Purchaser shall compensate TK Elevator for such loss, unless such loss or damage results from TK Elevator's own acts or omissions.

r. Purchaser, in consideration of TK Elevator performing the services set forth in this Proposal, to the fullest extent permitted by law expressly agrees to indemnify, defend, save harmless, discharge, release and forever acquit TK Elevator Corporation, TK Elevator Manufacturing, Inc., their respective employees, officers, agents, insurers, affiliates, and subsidiaries (hereinafter singularly a "TK Elevator party" and collectively the "TK Elevator parties") from and against any and all claims, demands, suits, and proceedings for loss, property damage (including damage to the equipment which is the subject matter of this Proposal), personal injury or death that are alleged to either have arisen out of or be connected with the sale, marketing, presence, use, misuse, maintenance, installation, removal, modernization, manufacture, design, operation or condition of the equipment that is the subject matter of this Proposal or the labor and materials furnished in connection with this Proposal. Purchaser's duty to indemnify a TK Elevator party does not apply to the extent that the loss, property damage (including damage to the equipment which is the subject matter of this Proposal), personal injury or death is determined to be caused by or resulting from the negligence of that TK Elevator party. Purchaser recognizes that its obligation to defend the TK Elevator parties under this clause, which is separate and apart from its duty to indemnify the TK Elevator parties, includes payment of all attorneys' fees, court costs, judgments, settlements, interest and any other expenses of litigation arising out of such claims, demands, suits or proceedings.

s. Purchaser further expressly agrees to name Tk Elevator Corporation and TK Elevator Manufacturing, Inc. along with their respective officers, agents, affiliates and subsidiaries as additional insureds in Purchaser's liability and any excess (umbrella) liability insurance policy(ies). Such insurance must insure TK Elevator Corporation and TK

Modernization Proposal



Elevator Manufacturing, Inc. for those claims and/or losses referenced in the above paragraph and those claims and/or or losses arising from the negligence of TK Elevator Corporation and TK Elevator Manufacturing, Inc. Such insurance must specify that its coverage is primary and non-contributory. Purchaser hereby waives its right of subrogation.

t. TK Elevator's participation in any controlled insurance program is expressly conditioned upon review and approval of all controlled insurance program information and documentation prior to enrollment. Any insurance credits if applicable, will be provided at that time.

u. Unless so mutually agreed upon in a separate signed agreement, TK Elevator shall not be required to interact or correspond with any third party with whom Subcontractor is not in privity of contract concerning matters pertinent to this Agreement.

v. The Purchaser must inform TK Elevator if Purchaser is, or becomes, an individual or entity that is - or that is majority owned or controlled by a party that is - included on any list of restricted parties maintained by (i) the United States of America; (ii) the United Nations; (iii) the European Union or any EU member state; (iv) the UK; or (v) any other national authority binding the parties of this contract.

In case the Purchaser, or any other beneficiary of this transaction, e.g. the end-user, is or becomes an individual or entity that is - or that is majority owned or controlled by a party that is - included on any list of restricted parties, TK Elevator reserves the right to cancel this Proposal immediately.

If the goods subject to this Proposal would be exported, re-exported, resold, used, transferred or otherwise disposed of in violation of any sanctions applicable to TK Elevator, TK Elevator also reserves the right to cancel this Proposal immediately. In this respect, the Purchaser shall be obliged to disclose the final delivery address, end-user and end-use of the goods upon request - insofar as legally permissible - and to notify TK Elevator of all circumstances that indicate an aforementioned infringement.

"Sanctions" means here any economic, trade or financial sanctions, laws, regulations, embargoes or restrictive measures imposed, enacted, administered or enforced by any Sanctions Authority. "Sanctions Authority" means (i) the US;(ii) the UN Security Council;(iii) the EU and any EU member state;(iv) the UK; or(v) any governmental institutions of any of the foregoing which administer Sanctions, including HM Treasury, OFAC, the US State Department and the US Department of the Treasury.

10. Piping Clarifications

The current condition of the existing conduit and piping is solely based upon observations during time of jobsite visit. No covers or ceilings were disassembled to determine additional factors that may impede the use of existing conduit or hydraulic pipe.

In the event that the existing pipe or conduit is not reusable, a change order will be issued to for the additional work scope.

11. Electrical and Life Safety Clarifications

Code related Electrical upgrades will be completed as per scope identified by Wild Electric in Amendment 1

Code related FirePanel upgrades will be completed as per scope identified by RGE in Amendment 2



4626 EAST OLIVE AVENUE FRESNO, CA 93702
OFFICE (559)251-7770 CELL (559)341-8851

SBE #1793136 | DIR #1000003088
CA Electrical Contractors License No: 500696
CO Electrical Contractor License No: EC.0102090

March 25th, 2025

TKE – Elevator Modernization

Shannon Parkade M St and w 18th St Merced

Wild Electric is pleased to provide you with a cost estimate to perform the work at Shannon Parkade as requested.

Work will be performed for (2) elevator cars/pits

Scope of work: Electrical

1. Upgrade light in pit to 4' LED weather tight. All fittings and boxes in pit to be weathertight
2. Replace outlets to GFCI and replace any setscrew fittings and boxes with weatherproof bell boxes as needed in pit.
3. Install new Elevator controller disconnect. With aux contact
4. Pipe and pull new wiring from the controller disconnect to the controller. Pull new aux contact wires
5. Install new 240v single phase disconnect for cab power. Pipe from disconnect to new controller
6. Install GFI for sump pump in the pit.
7. pipe from 120v panel to outlet in machine room to separate cab and elevator room 120vpower.
8. Identify elevator room light circuit/label. Isolate feed if tied to any other circuits

Scope of work: Fire life safety

1. Install conduit from Simplex controller in pump room to elevator landings.
2. Install mounting boxes at devise locations
3. Pull fire cable from pump room to device mounting boxes.
4. Provide dedicated 120v circuit from electrical room to fire life saftey panel, provided by others. wild electric will mount new panel.

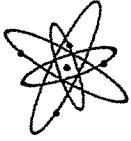
This excludes any additions or repairs not in scope.

If you have any questions, please do not hesitate to call me. This estimate is good for 30 days.

-Garrett Church, Project Manager



4626 E Olive Ave., Fresno, CA 93702 | P: 559-251-7770 | www.wildelectric.com



Sales
Engineering
Service

R.G.E., INC.

Fire Protection Specialist

License No. 803674
37 W Goshen Ave
Clovis, CA 93611
559-349-9448
rgefire@yahoo.com

05/10/23

TK Elevator Corporation

Attn: Kent Tappings
RE: Shannon Parkcade Merced-Elevator Recall

RGE is pleased to present the following quotation on the above referenced project for your consideration.

Proposal

RGE will replace the existing fire alarm panel in fire pump room. RGE will install an FX-4000 Fire Alarm Panel and install addressable modules as required for existing devices. RGE will install heat detectors at each elevator landings and smoke detector and 3 addressable relays in each elevator machine room.

Wild Electric is to furnish a complete conduit system and install RGE furnished data cable. Wild Electric is to furnish a dedicated 20-amp circuit (120v) from electrical room to new fire alarm panel. RGE will program and test the system for proper operation. RGE will furnish drawing for installation.

Proposal Terms

Net 30 Days

Proposal Exclusions

Patching, painting, conduit, dedicated circuit

Proposal Validity

This proposal is valid for thirty days from the date of this proposal letter and is subject to a mutual agreement. A signed and dated Purchase Order is required before work is started.

Sincerely,

Ron Gulke

Project Engineer

Modernization Proposal



Acceptance

Purchaser's acceptance of this Proposal and its approval by an authorized manager of TK Elevator will constitute exclusively and entirely the agreement between the parties for the goods and services herein described and full payment of the sum of Four Hundred Thirty One Thousand Six Hundred Seventy Three Dollars and Sixty Three Cents (\$431,673.63) inclusive of all applicable sales and use taxes.

All other prior representations or regarding this work, whether written or verbal, will be deemed to be merged herein and no other changes in or additions to this Proposal will be recognized unless made in writing and properly executed by both parties as a change order. Should Purchaser's acceptance be in the form of a purchase order or other similar document, the provisions of this Proposal will exclusively govern the relationship of the parties with respect to this transaction. No agent or employee shall have the authority to waive or modify any of the terms of this Proposal without the prior written approval of an authorized TK Elevator manager.

City Of Merced (Purchaser): TK Elevator Corporation Management Approval

By: (Signature of Authorized Individual) By: (Signature of Branch Representative) Robert Preston Branch Manager (Print or Type Name) (Print or Type Title) (Date of Acceptance) (Date of Execution)

TK Elevator

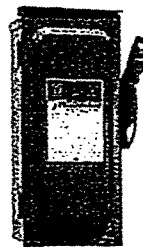
Elevator Modernization Projects - *Related Work / Work by Others*

Unless noted as included within TK Elevator's proposal scope of work, the following work has not been included in our standard proposal. The standard "related work" also known as "work by others," is outlined below for your information and in order to provide you with a full understanding of the associated costs involved with the elevator modernization project. A check list at the end of this form has been provided to assist in the identification process. A TK Elevator representative will assist you identifying the actual items required for your specific project. The most common items required by various Authorities Having Jurisdiction (AHJ) are:

- MACHINE ROOM DOOR MECHANISM** - Machine room doors must have self-locking, self-closing mechanisms.
- MACHINE ROOM DOOR RATING** - Machine room doors must carry 1 ½ hr. UL B Label rating unless the machine room is remote AND the building is three (3) stories or less per code/IBC.
- MACHINE ROOM IDENTIFICATION** - Machine rooms must be identified and labeled on the door or entry wall.



- MACHINE ROOM LOCATION / RATING** - Machine rooms must be separate from all other non-elevator equipment within the building. They must also be finished and carry a fire rating which may require that the existing machine room be walled in at the top of the room.
- ELECTRICAL DISCONNECT SWITCHES** - Disconnect switches must be lockable, fusible and sized to accept new incoming power requirements from the new equipment. If the elevator power unit is upgraded, the existing power feeders, disconnects size and electrical conduit sizes may be affected. This cost is not included in our proposal.



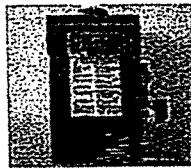


TK Elevator

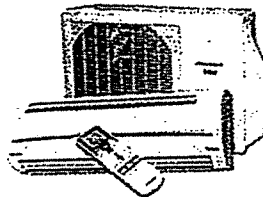
- AUXILIARY CONTACTS** - If emergency battery lowering is being added to each hydraulic elevator, a separate set of auxiliary contacts will be required for the battery lowering feature per code (installed within a new electrical disconnect).
- EARTH GROUND** - Provide a building Earth ground to each elevator disconnect switch in the machine room for proper elevator operation.
- EMERGENCY POWER** - If emergency power is currently operational at the building and connected to the elevator(s), a separate electrical transfer switch and pre-signal connection may be required for the elevator(s). This may also require additional electrical conduit, wiring and testing of the emergency power.
- FIRE SERVICE** - Phase I (hall recall) and Phase II (elevator cab operation) fire recall will be required by current codes. Specifically, a smoke sensor and/or heat or rise detector as applicable must reside in each machine room, hoistway (if required by the AHJ including sprinklers in the hoistway) and elevator lobby to initiate fire recall sequences spelled out by the relevant code. If an existing system is in place within the building, the system will need to be connect with the new elevator controls in the machine room including "fire hat" operation per current AHJ/building code requirements.



- 110V CAR LIGHTING** - Dedicated 110V fused cab lighting disconnect located next to an existing disconnect or elevator controller.



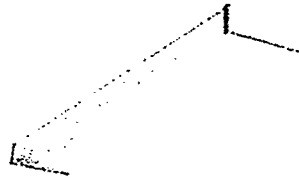
- HVAC RECOMMENDATION** - Air conditioning (AC), mechanical or natural ventilation independently maintained in the elevator machine room is a code requirement. AC is strongly recommended to keep the equipment operating at an optimum temperature per the controller manufacturer recommendations for temperature range (60-85F degrees range, non-condensing).





TK Elevator

- MACHINE ROOM VENTILATION / SCREENING** - Please be advised, the new controllers can be subject to excessive heat loads above 90 degrees Fahrenheit. Existing conditions should be checked to ensure current conditions will not affect the new controllers and all ventilation openings must be screened.
- HOISTWAY VENTILATION** - Hoistway ventilation for elevators with three (3) or more landings as required by the AHJ/code.
- VENTILATION COVERING** - All ventilation openings (i.e. machine room, hoistway) are required to have protective covering/screens installed over them to keep foreign objects and debris from entering the openings.
- FIRE RATING / PATCHING** - The machine room and hoistway needs to maintain a two-hour (2) rating. This may require holes to be patched and covered with fire-resistant drywall and taping to retain the rating. In addition, any ledges beyond 4" in length must be covered with bevel cants to prevent anyone from standing in the hoist-way while the car is moving.
- PIT / MACHINE ROOM LIGHTING** - Additional lighting may need to be added inside the pit area and machine room. Ten (10) foot candles are required in each elevator pit and 19-foot candles are required in each machine room per code. Fluorescent or LED light fixtures are recommended in the machine rooms, overhead and pit areas with an easy-accessible light switch installed in all locations.



- GFCI OUTLETS** - Confirmation that existing outlets in machine room and pit are GFCI outlets or replace with GFCI outlets per code.



- MACHINE ROOM EXPOSED BUILDING EQUIPMENT** - Any exposed pipes or non-elevator related equipment in the machine room will need to be encapsulated/soffited or troughs placed below to prevent liquid exposure to elevator equipment inside the machine room and hoist-way. Existing ceilings may need to be patched contingent upon decision by the local AHJ.

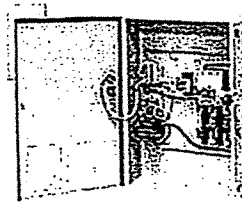
TK Elevator

NO FOREIGN EQUIPMENT - No foreign equipment may be installed (i.e. telephone equipment, sewer/drainage piping) or material stored (i.e. ladders, spare light fixtures, furniture, trash receptacles, etc.) inside the elevator machine room or hoistway.

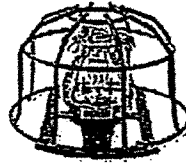
FIRE EXTINGUISHER - A class A-B-C Fire extinguisher is required in each machine room.



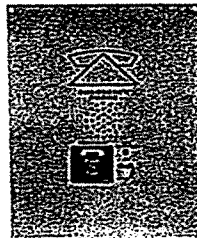
SHUNT TRIP OPERATION – A shunt trip disconnect in the elevator machine room is required per NFPA Code if there are existing sprinklers or new sprinklers are installed. This may involve the installation of heat detectors and/or sprinkler flow switches as triggering devices.



SPRINKLERS - Sprinkler fitting(s) with guard(s) in the hoistway, pit and machine room per AHJ/code/fire marshal – possible addition of heat detector or flow switch.



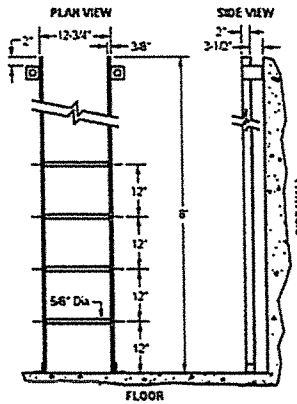
EMERGENCY TELEPHONE - A dedicated phone line *per elevator* as required by code.





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- SUMP PUMP** - A sump pump in the elevator pit may be required by the local AHJ. Check with the local AHJ to determine if a surface-level sump pump may be required or a variance for a water sensor is applicable for a modernization project.
- HYDRAULIC JACK ASSEMBLY SEAL** - All in-ground hydraulic elevators must have a sealed jack hole (watertight) in the pit.
- WALK-IN PITS** - If a walk-in pit is present on a traction elevator project, the AHJ may require the installation of an electric interlock and/or vision window on the door to shut off the elevator in the event the door is opened during normal elevator operation.
- PIT LADDER** - A code-compliant pit ladder must be installed unless a walk-in pit is present.



- ELEVATOR CAB FLOORING** - A finished elevator cab floor must be present and flush with the car sill so as not to create a tripping hazard inside the elevator.



- ENTRANCE TRIPPING HAZARDS** - No tripping hazards in front of each elevator entrance/landing are to be present and the flooring must meet the hall sill at the same level.



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ASBESTOS / LEAD PAINT - Please provide TK Elevator with a copy of any available report regarding the presence of existing asbestos, lead paint or any other known hazard within the project including areas around the machine room, pit, entrances and hoistway equipment.

CUTTING / PATCHING / FINISHING - If a purchaser chooses to have flush-mount hall stations and/or flush-mount hall/car lanterns, it is possible that there will be cutting, patching, and painting to install these types of fixtures. This cost is not included in our proposal and will likely require a separate contractor/cost.

The above noted requirements are consolidated from various applicable codes, guidelines and regulations in effect throughout the United States and Canada including but not limited to:

1. *Safety Code for Elevators and Escalators*, ASME/ANSI A17.1;
2. *Elevator and Escalator Electrical Equipment*, ASME/ANSI A17.5;
3. *Guide for Inspection of Elevators, Escalators and Moving Walks*, ASME/ANSI A17.2;
4. Life Safety Code, NFPA 101;
5. National Electrical Code, NFPA 70;
6. Uniform Building Code;
7. Americans with Disabilities Act, ADA guidelines;
8. Uniform Federal Accessibility Standard, UFAS;
9. Local Fire Authority;

Since many of the noted items are subject to interpretation or variance dependent upon inspection authority and applicable code(s), having an AHJ inspector review the site conditions if feasible may assist in determining actual total project costs for your modernization project and associated related work. Please discuss a site-specific assessment of your building's existing site conditions with your TK Elevator representative.

In order to assist you in the related work assessment process, a checklist of the above noted items has been provided for your reference/use.



TK Elevator

Related Work / Work by Others Checklist

Job Name: _____ Elevator No(s) _____ TK elevator Job No. _____

Bldg. Contact: _____ Applicable Code(s) _____

The following is a list of work needed to be completed by others prior to TK Elevator's return to the site to adjust/inspect the job unless alternate arrangements have been made:

- Adequate permanent power to the elevator controller – usually through a lockable, three (3) phase and fused disconnect per AHJ/local codes.
- Auxiliary electrical disconnect contact for battery lowering device.
- Separate electrical transfer switch and pre-signal connection for buildings with emergency power.
- Building Earth ground to each elevator disconnect switch in the machine room(s)
- Self-closing, self-locking machine room door.
- Fire-rated machine room door.
- Identified and labeled machine room door.
- Finished and fire-rated machine room walls (no holes) and separate from all non-elevator related equipment.
- Sealed penetrations in hoistway and machine room (fire-caulking or similar around machine room and hoistway intrusions).
- Class A-B-C fire extinguisher inside the machine room.
- No storage in elevator machine room (other than elevator-related items).
- Complete drywall installation inside hoistway with fire tape (if not concrete or block) with no ledges.
- Mechanical or natural machine room ventilation (recommend mechanical AC).
- Adequate machine room lighting, switches and GFCI receptacles.
- Dedicated circuit, lockable (by padlock) and fused electrical disconnect for 110VAC lighting per code.
- Dedicated and operational (i.e. dial tone) telephone line to each elevator.
- Potential asbestos, lead paint or other hazard.
- Operational fire-life safety system including smoke sensor wiring to the elevator machine room (into a J-box) and tied into the elevator controller(s).
- Smoke sensor in the hoistway , machine room and at all floor levels near elevator doors/ entrances per AHJ/code.
- Sprinkler fitting with guard in the hoistway, pit and machine room per AHJ/code/fire marshal – possible addition of heat detector.
- Hoistway ventilation (three (3) or more landings) per AHJ/code.
- Shunt trip breaker for buildings with sprinklers including if required heat/flow detectors and control.
- No foreign equipment may be installed inside the elevator machine room or hoistway. (i.e. telephone equipment, sewer/drainage piping, foreign wiring, conduit, etc.).
- Pit ladder installed per AHJ/code.
- Sump pump (where required by AHJ/code).
- Screening of all ventilation openings (i.e. machine room, hoistway, etc.).
- Adequate pit light(s) with guard(s), switches and GFCI receptacle(s).
- Sealed jack hole – watertight (hydraulic elevators only).
- Finished elevator cab floor must be present and flush with the car sill.
- Trip hazards at floor levels.
- Finished front walls for mounting hall signal fixture cover plates.
- Additional items noted on reverse of this form.

Once the above items have been completed, please contact your local TK Elevator office. A TK Elevator representative will visit the site to confirm the work is completed and then schedule the inspection with the AHJ. Please allow approximately two (2) weeks for scheduling, adjusting and testing. Please note that we are not able to schedule an inspection by the AHJ on modernized elevator equipment until all the above items are completed. In addition, please arrange to have all appropriate trades available for final AHJ inspection. If access to the hoistway is required to complete items that should have been done during the installation process, a signed change order for an operator at our standard rates may be required prior to scheduling the work. Additional charges may be billed for remobilization of the modernization installation crew if the above work is not completed and the crew(s) was/were removed from the project jobsite.

Form completed by: _____ Date: _____

Certificate Of Completion

Envelope Id: 9EEB5F03-C8D1-461B-8494-7DC21413A9E5	Status: Completed
Subject: City of Merced/Shannon Parcade Elevator	
Tyler Contract Number:	
Source Envelope:	
Document Pages: 44	Signatures: 1
Certificate Pages: 4	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Jamie Cruz
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	678 W 18th Street
	Merced, CA 95340
	CruzJ@cityofmerced.gov
	IP Address: 136.226.78.94

Record Tracking

Status: Original	Holder: Jamie Cruz	Location: DocuSign
3/4/2026 3:43:20 PM	CruzJ@cityofmerced.gov	
Security Appliance Status: Connected	Pool: StateLocal	

Signer Events

Michael Brown
 michael.e.brown@tkelevator.com
 Contract Analyst Supervisor
 TK Elevator Corp
 Security Level: Email, Account Authentication (Optional), Logged in

Signature

Signed by:

 1BBBE291F33949F...
 Signature Adoption: Pre-selected Style
 Using IP Address: 104.60.173.6

Timestamp

Sent: 3/4/2026 3:45:57 PM
 Viewed: 3/25/2026 7:55:33 AM
 Signed: 3/25/2026 8:19:27 AM

Electronic Record and Signature Disclosure:
 Accepted: 3/25/2026 7:55:32 AM
 ID: b202e784-65dd-4e81-bba3-1af956ca7f29

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	3/4/2026 3:45:57 PM
Certified Delivered	Security Checked	3/25/2026 7:55:33 AM
Signing Complete	Security Checked	3/25/2026 8:19:27 AM
Completed	Security Checked	3/25/2026 8:19:27 AM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

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- Until or unless you notify City of Merced as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by City of Merced during the course of your relationship with City of Merced.