

Johnson Controls, Inc.
Controls Group
777 Terrace Ave.
Hasbrook Heights, NJ 07641
Tel. 201/462-0700
FAX: 201/462-0701



Embassador Construction
317 Madison Avenue
New York NY, 10017
Mr. Martin Schneider

RE: Remote monitoring of Radio and UPS Rooms at 2 Lafayette Street, 25th Floor from the Mayor's Office of Emergency Response at 7 World Trade Center

Dear Mr. Schneider,

Johnson Controls will furnish a remote monitoring system for the above referenced project in general accordance with the following documentation prepared by Cosentini Associates and faxed to Johnson Controls on January 5, 1999:

- *Letter to Martin Schnieder dated October 29, 1998- Description of system*
- *Cosentini Associates drawing number SKM-1 dated December 29, 1998*

For the base price of:

Twenty Eight Thousand Two Hundred and Fifty Six Dollars.....\$28,256.00

Add alternate for Overtime Labor:

Three Thousand Two Hundred Dollars.....\$3,200.00

Johnson Controls will provide a system that will allow for remote access of a radio room located at 2 Lafayette street via a Johnson Controls, Metasys® Network Dialing Module and a Metasys® compatible modem. The system will connect this site to the existing Metasys® system located at 7 World Trade Center in the Mayor's Office of Emergency response located on the 23rd floor. System alarms will be indicated on a remote alarm panel located in proximity to the existing alarm panel on the 23rd floor. The system will monitor the following alarm points:

- UPS room - High and Low temp Alarms
- Radio Room - High and Low temp Alarms
- UPS - in Normal operations
- Automatic Transfer Switch - normal operations
- Main Air Conditioning Unit - emergency shut down
- Standby Air Conditioning (ACU-2) Unit serving UPS Room in operation
- Standby Air Conditioning (ACU-3) Unit serving Radio Room in operation

Included:

Johnson Controls will:

1. Furnish and install remote access panel at 2 Lafayette street and 7 World Trade Center 23rd Floor comprised of:
 - a) Johnson Controls Application Specific Controller for point interface
 - b) Metasys® Network Dialing Module
 - c) Metasys® compatible modem
 - d) All associated field and panel hardware
2. Project management, hardware and software engineering.
3. Control, communication and power wiring.
4. Technical Coordination with 7 World Trade Center base Building Management System.

Excluded:

1. Overtime or stand by labor unless otherwise noted.
2. Applicable sales tax without the provision of a tax exempt certificate.
3. Telephone line or any related expenses.
4. Work on any system not specifically referenced in this proposal.

Clarifications:

1. All work is to be performed during normal business hours (8:00 am to 3:00 p.m. EST) unless otherwise noted.
2. Pricing predicated on Johnson Controls having access to all locations where specified work is to be performed.
3. Power wiring is included in this price provided there is adequate capacity in the electrical distribution panel in the UPS room at 2 Lafayette Street and from telephone closet "B" at 7 World Trade Center. Any power wiring that requires utilizing sources outside these distribution panels will be billed above this proposal.
4. The owner will provide a telephone line fed to the remote monitoring panels.

(IMPORTANT: This proposal incorporates by reference the terms and conditions on the reverse side hereof.)

This proposal is hereby accepted and Johnson Controls is authorized to proceed with the work; subject, however, to credit approval by Johnson Controls, Inc., Milwaukee, Wisconsin. This proposal supersedes all prior proposals with the same project reference.

Purchaser - Company

Name: _____
Title: _____
Date: _____

This proposal valid until:

Thirty Days

Johnson Controls, Inc.

Signature

Name: James R. Zampetti
Title: Account Executive
2LAFYET.DOC

TERMS AND CONDITIONS

By accepting this proposal, Purchaser agrees to be bound by the following terms and conditions:

1. **SCOPE OF WORK.** This proposal is based upon the use of straight time labor only. Plastering, patching and painting are excluded. "In-line" duct and piping devices, including, but not limited to, valves, dampers, humidifiers, wells, taps, flow meters, orifices, etc., if required hereunder to be furnished by Johnson shall be distributed and installed by others under Johnson's supervision but at no additional cost to Johnson. Purchaser agrees to provide Johnson with required field utilities (electricity, toilets, drinking water, project hoist, elevator service, etc.) without charge. Johnson agrees to keep the job site clean of debris arising out of its own operations. Purchaser shall not back charge Johnson for any costs or expenses without Johnson's written consent.

Unless specifically noted in the statement of the scope of work or services undertaken by JCI under this agreement, JCI's obligations under this agreement expressly exclude any work or service of any nature associated or connected with the identification, abatement, clean up, control, removal, or disposal of hazardous or dangerous materials, to include but not be limited to asbestos or PCBs, discovered in or on the premises. Any language or provision of the agreement elsewhere contained which may authorize or empower the Purchaser to change, modify, or alter the scope of work or services to be performed by JCI shall not operate to compel JCI to perform any work relating to hazardous or dangerous materials without JCI's express written consent.

2. **INVOICING & PAYMENTS.** Johnson may invoice Purchaser monthly for all materials delivered to the job site or to an off-site storage facility and for all work performed on-site and off-site. Ten percent (10%) of the contract price is for engineering, drafting and other mobilization costs incurred prior to installation. This 10% shall be included in Johnson's initial invoice. Purchaser agrees to pay Johnson the amount invoiced upon receipt of the invoice. Waivers of lien will be furnished upon request, as the work progresses, to the extent payments are received. If Johnson's invoice is not paid within 30 days of its issuance, it is delinquent.
3. **MATERIALS.** If the materials or equipment included in this proposal become temporarily or permanently unavailable for reasons beyond the control and without the fault of Johnson, then in the case of such temporary unavailability, the time for performance of the work shall be extended to the extent thereof, and in the case of permanent unavailability, Johnson shall (a) be excused from furnishing said materials or equipment, and (b) be reimbursed for the difference between the cost of the materials or equipment permanently unavailable and the cost of a reasonably available substitute therefor.
4. **WARRANTY.** Johnson warrants that the equipment manufactured by it shall be free from defects in material and workmanship arising from normal usage for a period of one (1) year from delivery of said equipment, or if installed by Johnson, for a period of one (1) year from installation. Johnson warrants that for equipment furnished and/or installed but not manufactured by Johnson, Johnson will extend the same warranty terms and conditions which Johnson receives from the manufacturer of said equipment. For equipment installed by Johnson, if Purchaser provides written notice to Johnson of any such defect within thirty (30) days after the appearance or discovery of such defect, Johnson shall, at its option, repair or replace the defective equipment. For equipment not installed by Johnson, if Purchaser returns the defective equipment to Johnson within thirty (30) days after appearance or discovery of such defect, Johnson shall, at its option, repair or replace the defective equipment and return said equipment to Purchaser. All transportation charges incurred in connection with the warranty for equipment not installed by Johnson shall be borne by Purchaser. These warranties do not extend to any equipment which has been repaired by others, abused, altered or misused, or which has not been properly and reasonably maintained. THESE WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THOSE OF MERCHANTABILITY AND FITNESS FOR A SPECIFIC PURPOSE.
5. **LIABILITY.** Johnson shall not be liable for any special, indirect or consequential damages arising in any manner from the equipment or material furnished or the work performed pursuant to this agreement.
6. **TAXES.** The price of this proposal does not include duties, sales, use, excise, or other similar taxes, unless required by federal, state or local law. Purchaser shall pay, in addition to the stated price, all taxes not legally required to be paid by Johnson or, alternatively, shall provide Johnson with acceptable tax exemption certificates. Johnson shall provide Purchaser with any tax payment certificate upon request and after completion and acceptance of the work.
7. **DELAYS.** Johnson shall not be liable for any delay in the performance of the work resulting from or attributed to acts or circumstances beyond Johnson's control, including, but not limited to, acts of God, fire, riots, labor disputes, conditions of the premises, acts or omissions of the Purchaser, Owner or other Contractors or delays caused by suppliers or subcontractors of Johnson.
8. **COMPLIANCE WITH LAWS.** Johnson shall comply with all applicable federal, state and local laws and regulations and shall obtain all temporary licenses and permits required for the prosecution of the work. Licenses and permits of a permanent nature shall be procured and paid for by the Purchaser.
9. **DISPUTES.** All disputes involving more than \$15,000 shall be resolved by arbitration in accordance with the rules of the American Arbitration Association. The prevailing party shall recover all legal costs and attorney's fees incurred as a result. Nothing here shall limit any rights under construction lien laws.
10. **INSURANCE.** Insurance coverage in excess of Johnson's standard limits will be furnished when requested and required. No credit will be given or premium paid by Johnson for insurance afforded by others.
11. **INDEMNITY.** The Parties hereto agree to indemnify each other from any and all liabilities, claims, expenses, losses or damages, including attorneys' fees, which may arise in connection with the execution of the work herein specified and which are caused, in whole or in part, by the negligent act or omission of the Indemnifying Party.
12. **OCCUPATIONAL SAFETY AND HEALTH.** The Parties hereto agree to notify each other immediately upon becoming aware of an inspection under, or any alleged violation of, the Occupational Safety and Health Act relating in any way to the project or project site.
13. **ENTIRE AGREEMENT.** This proposal, upon acceptance, shall constitute the entire agreement between the parties and supersedes any prior representations or understandings.
14. **CHANGES.** No change or modification of any of the terms and conditions stated herein shall be binding upon Johnson unless accepted by Johnson in writing.