

## SERVICES AND GOODS AGREEMENT

This SERVICES AND GOODS AGREEMENT (the “Agreement”) is made and entered by and between NEW BRAUNFELS UTILITIES, a Texas municipally owned utility (“NBU”), and ENVIRONMENTAL IMPROVEMENTS, INC., a Texas corporation (the “Vendor”).

For good and valuable consideration, the receipt and sufficiency of which is acknowledged by the parties, and intending to be legally bound hereby, the parties agree as follows.

1. **Term of Agreement.** This Agreement will be effective on the latest date subscribed below (the “Effective Date”), and will remain in full force and effect for a period of one (1) year from July 1, 2024, to June 30, 2025 (the “Initial Term”), unless terminated as otherwise provided pursuant to the terms and conditions of this Agreement. After the expiration of the Initial Term, this Agreement shall automatically renew for four (4) successive one-year terms (each, a “Renewal Term”), unless either party provides written notice of its intent to terminate the Agreement to the other party at least thirty (30) days prior to the expiration of any term. The Initial Term and any Renewal Term(s) are collectively referred to herein as the “Term.” Upon renewal, the terms and conditions of this Agreement will remain in full force and effect. In no event will the contract Terms extend beyond June 30, 2029.
2. **Scope of Services, Purchases.**
  - 2.1. **Scope of Services.** The Vendor shall perform the Services described in Exhibit A (the “Services”) within the timeframe specified therein.
  - 2.2. **Purchase of Goods.** Unless otherwise directed in writing by NBU, the Vendor shall purchase, as needed, goods related to the Services described in Exhibit A, which shall be reimbursed in accordance with Section 3.
3. **Payment.**
  - 3.1. **Amount.** NBU shall pay the Vendor in accordance with the terms and conditions herein the amount set forth in Exhibit B for the Services. Exhibit B shall contain the Total Compensation for the Vendor, which is the maximum dollar amount that the Vendor can be paid under this Agreement for Services and goods.
  - 3.2. **Billing Period.** NBU shall pay the Vendor within thirty (30) days after receipt and approval of invoices to the extent the Services have been satisfactorily performed under the terms of this Agreement. NBU shall pay the Vendor for any goods purchased in accordance with the terms stated therein. All invoices provided by the Vendor to NBU shall include documentation and itemization that is satisfactory to NBU of all work completed to date. In the event NBU fails to timely pay any uncontested portion of any invoice within thirty (30) days of receipt and approval of the Vendor’s invoice, the Vendor shall have the right to suspend work.

- 3.3. Reimbursable Expenses and Goods. In order for a Vendor expense, including the purchase of a good related to the Services hereunder, to be reimbursable under this Agreement, each such expense must first have been described in detail and/or contemplated in Exhibit A and shall be specifically described in detail in an invoice provided by the Vendor to NBU after such expense has been incurred. All reimbursable expenses, including goods purchased in connection with performing the Services under this Agreement, shall be included in the calculation of the elements of the Total Compensation listed in Exhibit B. An expense not complying with these requirements shall not be reimbursable by NBU in NBU's sole discretion.

#### **4. Obligations and Representations of Vendor.**

- 4.1. Performance and Compliance with Laws. The Vendor shall perform the Services in compliance with all federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts, administrative, or regulatory bodies in any matter affecting the performance of this Agreement, including, without limitation, worker's compensation laws, minimum and maximum salary and wage statutes and regulations, and licensing laws and regulations. When requested in writing by NBU, the Vendor shall promptly furnish satisfactory proof of compliance to NBU.

#### **4.2. Warranties.**

- a. Performance Warranty. The Vendor warrants that the Services provided under this Agreement shall be of the highest quality and standards in accordance with such industry in this country. This warranty shall be in addition to and not in lieu of all other warranties or guaranties offered or provided by the Vendor for the Services and goods.
- b. Warranties for Goods. All manufacturer warranties and guaranties of goods provided pursuant to this Agreement shall inure to the benefit of NBU. The Vendor shall warrant all work free of defects in materials and workmanship for a period of one (1) year from the date of final acceptance of all work. The Vendor shall, within 30 calendar days after receipt of written notice, repair defects in materials and workmanship that may develop during said one (1) year period, and any damage to other work caused by such defects or the repairing of same, at the Vendor's expense, in a manner acceptable to NBU. The Vendor shall provide NBU the full original equipment manufacturer ("OEM") warranties and guaranties provided by the OEM for all Services and goods under this Agreement free of all liens, claims, and encumbrances. For example, if an OEM offers full replacement of a warranted product at no charge to the Vendor, then the Vendor shall replace such item and shall not charge NBU for such replacement.

- 4.3. Personnel. The Vendor shall provide adequate, experienced personnel, capable of and devoted to the successful completion of the Services to be performed under this Agreement. The Vendor agrees that, upon commencement of the Services to be performed under this Agreement, key personnel will not be removed or replaced without prior written notice to NBU. If key personnel are not available to perform the Services for a continuous period exceeding thirty (30) calendar days, or are expected to devote substantially less effort to the Services than initially anticipated, the Vendor shall immediately notify NBU of same

and shall replace such personnel with personnel possessing substantially equal ability and qualifications.

- 4.4. Licenses; Materials. The Vendor shall maintain in current status all federal, state, and local licenses and permits required for the Vendor to perform the Services and operate its business. NBU has no obligation to provide the Vendor, its employees or subcontractors any business registrations or licenses required to perform the Services described in this Agreement. NBU has no obligation to provide tools, equipment, or materials to the Vendor.
- 4.5. Indemnity. TO THE FULLEST EXTENT PERMITTED BY LAW, THE VENDOR SHALL INDEMNIFY, DEFEND, AND HOLD HARMLESS NBU AND EACH BOARD MEMBER, OFFICER, EMPLOYEE OR AGENT THEREOF (NBU AND ANY SUCH PERSON BEING HEREIN CALLED AN "INDEMNIFIED PARTY"), FOR, FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEYS' FEES AND COURT COSTS) TO WHICH ANY SUCH INDEMNIFIED PARTY MAY BECOME SUBJECT, UNDER ANY THEORY OF LIABILITY WHATSOEVER ("CLAIMS"), INsofar AS SUCH CLAIMS (OR ACTIONS IN RESPECT THEREOF) RELATE TO, ARISE OUT OF, OR ARE CAUSED BY THE GOODS OR SERVICES PROVIDED BY THE VENDOR, ITS OFFICERS, EMPLOYEES, AGENTS, OR ANY TIER OF SUBCONTRACTOR IN THE PERFORMANCE OF THIS AGREEMENT. THE AMOUNT AND TYPE OF INSURANCE COVERAGE REQUIREMENTS FOR THE VENDOR SET FORTH HEREIN SHALL IN NO WAY BE CONSTRUED AS LIMITING THE SCOPE OF THE INDEMNITY IN THIS SECTION.
- 4.6. Insurance. The Vendor shall continuously during the Term comply with the following requirements regarding insurance:
- a. Insurer Qualifications. Without limiting any obligations or liabilities of the Vendor, the Vendor shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies authorized to do business in the State of Texas with an A.M. Best, Inc. rating of A-VII or above with policies and forms satisfactory to NBU. Failure to maintain insurance as specified herein may result in termination of this Agreement at NBU's option.
  - b. No Representation of Coverage Adequacy. By requiring insurance, NBU does not represent that coverage and limits will be adequate to protect the Vendor. NBU reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement, but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency will not relieve the Vendor from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.
  - c. Additional Insured. All insurance coverage and self-insured retention or deductible portions, except Workers' Compensation insurance and Professional Liability insurance, if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, NBU, its agents, representatives,

officers, directors, officials and employees as an Additional Insured (CG 2010 1001 and CG 2037 1001 or an equivalent on the general liability policy) as specified under the respective coverage sections of this Agreement.

- d. Coverage Term. All insurance required herein shall be maintained in full force and effect until all the Services required to be performed under the terms of this Agreement are satisfactorily performed, completed and formally accepted by NBU, unless specified otherwise in this Agreement.
- e. Primary Insurance. The Vendor's insurance shall be primary insurance with respect to performance of this Agreement and in the protection of NBU as an Additional Insured.
- f. Claims Made. In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage will extend, either by keeping coverage in force or purchasing an extended reporting option, for three years after the conclusion of the term of this Agreement. Such continuing coverage will be evidenced by submission of annual certificates of insurance stating applicable coverage is in force and containing provisions as required herein for the three-year period.
- g. Waiver. All policies (except for Professional Liability, if applicable), including Workers' Compensation insurance, will contain a waiver of rights of recovery (subrogation) against NBU, its agents, representatives, officials, officers and employees for any claims arising out of the Services performed by the Vendor. The Vendor shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.
- h. Policy Deductibles and/or Self-Insured Retentions. The policies set forth in these requirements may provide coverage that contains deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be applicable with respect to the policy limits provided to NBU. The Vendor shall be solely responsible for any such deductible or self-insured retention amount.
- i. Use of Subcontractors. The Vendor shall not use subcontractors for all or any work under this Agreement without the prior written consent of NBU in its sole discretion. If any work under this Agreement is subcontracted in any way, the Vendor shall execute written agreements with its subcontractors containing the indemnification provisions set forth in this Agreement and insurance requirements set forth herein protecting NBU and the Vendor. The Vendor shall be responsible for executing any agreements with its subcontractors and obtaining certificates of insurance verifying the insurance requirements.
- j. Evidence of Insurance. Prior to the Effective Date of this Agreement, the Vendor shall provide suitable evidence of insurance to NBU, which confirms that all required insurance policies are in full force and effect. Evidence of insurance shall be in a form acceptable to NBU. Confidential information such as the policy premium may be redacted from the documents evidencing each insurance policy, provided that such redactions do not alter any of the information required by this Agreement. NBU will

rely upon the requested information, including, but not limited to, certificates of insurance, endorsements, schedule of forms and endorsements, or other policy language as evidence of coverage but such acceptance and reliance will not waive or alter in any way the insurance requirements or obligations of this Agreement. If any of the policies required by this Agreement expire during the life of this Agreement, it will be the Vendor's responsibility to forward renewal certificates and evidence of insurance to NBU five (5) days prior to the expiration date.

- k. Required Insurance Coverage. Any of the coverage set forth below may be waived by NBU in its sole discretion, but any such waiver must be signed by an authorized representative of NBU on or before the Effective Date of this Agreement.
  - i. Commercial General Liability. The Vendor shall maintain "occurrence" form Commercial General Liability insurance with an unimpaired limit of not less than \$1,000,000 for each occurrence and a \$2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products, completed operations, personal injury, and property damage. The definition of insured contract cannot have any modifications as outlined in the ISO policy form CG 0001 0413. Third party action over coverage must not be specifically excluded. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, NBU, its agents, representatives, officers, officials and employees shall be cited as an Additional Insured. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.
  - ii. Auto Liability. The Vendor shall maintain Automobile Liability insurance with a limit of \$1,000,000 combined single limit on the Vendor's owned or hired and non-owned vehicles, as applicable, assigned to or used in the performance of the Services by the Vendor under this Agreement. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, NBU, its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.
  - iii. Workers' Compensation and Employer's Liability Insurance. The Vendor shall maintain Workers' Compensation insurance to cover the Vendor's employees engaged in the performance of the Services under this Agreement and shall also maintain Employers Liability Insurance of not less than \$1,000,000 for each accident, \$1,000,000 disease for each employee and \$1,000,000 disease policy limit.
- l. Cancellation and Expiration Notice. Insurance required herein shall not expire, be canceled, or be materially changed without thirty (30) days' prior written notice to NBU.

4.7. Additional Representations.

- a. Prohibited Gifts, Bonus, Commission, Money, and Other Consideration. The Vendor represents and warrants that the Vendor has not given, made, promised or paid, nor offered to give, make, promise or pay any gift, bonus, commission, money or other consideration to any person as an inducement to or in order to obtain the work to be provided to NBU under this Agreement. Violation of this Section shall subject this Agreement to termination under the Termination provisions of this Agreement. The Vendor further agrees that the Vendor shall not accept any gift, bonus, commission, money, or other consideration from any person (other than from NBU pursuant to this Agreement) for any of the Services performed by the Vendor under or related to this Agreement. If any such gift, bonus, commission, money, or other consideration is received by or offered to the Vendor, the Vendor shall immediately report that fact to NBU and, NBU, in its sole discretion, may terminate this Agreement.
- b. Prohibition on Contracts with Companies Boycotting Israel. The Vendor hereby verifies that it and its parent company, wholly- or majority owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement as described in Chapter 2271 of the Texas Government Code, as amended. The foregoing verification is made solely to comply with Chapter 2271.002 of the Texas Government Code, as amended, and to the extent such Section does not contravene applicable federal and State law. As used in the foregoing verification, “boycott Israel” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Vendor understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Vendor and exists to make a profit.
- c. Contracts with Companies Engaged in Business with Iran, Sudan, or Foreign Terrorist Organizations Prohibited. The Vendor represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, as amended, and posted on any of the following pages of such officer’s internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,  
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or  
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, as amended, and to the extent such Section does not contravene applicable federal or State law and excludes the Vendor and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions

regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Vendor understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Vendor and exists to make a profit.

- d. Prohibition on Contracts with Companies in China, Iran, North Korea, or Russia. If the Vendor is granted direct or remote access to or control of critical infrastructure in the State of Texas under this Agreement, the Vendor represents the following:
- i. it is not owned by or the majority of stock or other ownership interest in the Vendor is not held or controlled by:
    1. individuals who are citizens of China, Iran, North Korea, Russia, or a country designated by the Governor of Texas as a threat to critical infrastructure under Section 2275.0103 of the Texas Government Code, as amended (“designated country”); or
    2. a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of China, Iran, North Korea, Russia, or a designated country; or
  - ii. it is not headquartered in China, Iran, North Korea, Russia, or a designated country.

The foregoing representation is made solely to comply with Chapter 2275 of the Texas Government Code, as amended, and to the extent such Section does not contravene applicable federal or State law. As used in the foregoing verification, “critical infrastructure” means a communication infrastructure system, cybersecurity system, electric grid, hazardous waste treatment system, or water treatment facility. “Affiliate,” with respect to a company entering into an agreement in which the critical infrastructure is electric grid equipment, has the meaning assigned by the protocols of the independent organization certified under Section 39.151, Utilities Code, for the ERCOT power region.

- e. Prohibition on Contracts with Companies Boycotting Energy Companies. The Vendor hereby verifies that it and its parent company, wholly-or majority owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, to the extent this Agreement is a contract for goods or services, will not boycott energy companies during the term of this Agreement as described in Chapter 2276 of the Texas Government Code, as amended.

The foregoing verification is made solely to comply with Section 2276.002 of the Texas Government Code, as amended, and to the extent such Section does not contravene applicable federal and State law. As used in the foregoing verification, “boycott energy companies” has the meaning used in Section 809.001 of the Texas Government Code,



as amended. The Vendor understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Vendor and exists to make a profit.

- f. Prohibition on Contracts with Companies that Discriminate Against Firearm and Ammunition Industries. The Vendor hereby verifies that it and its parent company, wholly-or majority owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and, to the extent this Agreement is a contract for goods or services, will not discriminate against a firearm entity or firearm trade association during the term of this Agreement as described in Chapter 2274 of the Texas Government Code, as amended.

The foregoing verification is made solely to comply with Section 2274.002 of the Texas Government Code, as amended, and to the extent such Section does not contravene applicable federal and State law. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning used in Section 2274.001(3) of the Texas Government Code, as amended. The Vendor understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Vendor and exists to make a profit.

- g. Disclosure of Business Relationships/Affiliations; Conflict of Interest Questionnaire. The Vendor represents that it is in compliance with the applicable filing and disclosure requirements of Chapter 176 of the Texas Local Government Code, as amended.

## 5. Obligations and Representations of NBU.

- 5.1. Authority to Enter into Agreement. To the fullest extent authorized by law, NBU warrants that it has authority to execute and enter into this legally binding Agreement.
- 5.2. Binding Obligation. This Agreement constitutes a legal, valid, and binding obligation of NBU enforceable against it in accordance with the terms herein.

## 6. Termination.

- 6.1. For NBU’s Convenience. This Agreement is for the convenience of NBU and, as such, may be terminated by NBU for any reason upon thirty (30) days’ written notice by NBU to the Vendor. Upon termination for convenience, the Vendor will be paid for the Services performed to the termination date less any offsets to which NBU may be entitled under the terms of this Agreement. By written notice to NBU, the Vendor may suspend work if the Vendor reasonably determines that working conditions at the site (outside the Vendor’s control) are unsafe, or in violation of applicable laws, or in the event NBU has not made timely payment in accordance with this Agreement, or for other circumstances not caused by the Vendor that are materially interfering with the normal progress of the work. The Vendor’s suspension of work hereunder shall be without prejudice to any other remedy of the Vendor at law or equity.



- 6.2. For Cause. If either party violates any provision or fails to perform any obligation of this Agreement and such party fails to cure its nonperformance within thirty (30) days after written notice of nonperformance is given by the non-defaulting party, such party will be in default. In the event of such default, the non-defaulting party may terminate this Agreement immediately for cause and will have all remedies that are available to it at law or in equity including, without limitation, the remedy of specific performance. If the nature of the defaulting party's nonperformance is such that it cannot reasonably be cured within thirty (30) days, then the defaulting party will have such additional period of time as may be reasonably necessary under the circumstances, provided the defaulting party immediately (i) provides written notice to the non-defaulting party and (ii) commences to cure its nonperformance and thereafter diligently continues to completion the cure of its nonperformance. In no event will any such cure period exceed ninety (90) days. Only one notice of nonperformance will be required during the term of this Agreement and in the event of a second breach or violation, the non-defaulting party may immediately terminate this Agreement without notice to the defaulting party. In the event of any termination for cause by NBU, payment will be made by NBU to the Vendor for the undisputed portion of its fee due as of the termination date less any offsets to which NBU may be entitled under the terms of this Agreement.
- 6.3. Non-Collusion. If NBU determines that the Vendor gave, made, promised, paid or offered any gift, bonus, commission, money, or other consideration to NBU or any of its officers, agents, or employees to secure this Agreement, or if the Vendor otherwise violated its obligations under Section 4.7(a), NBU may, in its sole discretion, terminate this Agreement.
- 6.4. Agreement Subject to Appropriation. This Agreement is subject to appropriation of funds. The provisions of this Agreement for payment of funds by NBU shall be effective when funds are appropriated for purposes of this Agreement and are actually available for payment. NBU shall be the sole judge and authority in determining the availability of funds under this Agreement and NBU shall keep the Vendor fully informed as to the availability of funds for the Agreement. The obligation of NBU to make any payment pursuant to this Agreement is a current expense of NBU, payable exclusively from such annual appropriations, and is not a general obligation or indebtedness of NBU. If sufficient funds are not appropriated to pay the amounts as set forth in this Agreement during any immediately succeeding fiscal year, this Agreement shall terminate at the end of the then-current fiscal year and NBU and the Vendor shall be relieved of any subsequent obligation under this Agreement.

## 7. Confidentiality; Texas Public Information Act.

- 7.1. Confidentiality of Records. The Vendor shall establish and maintain procedures and controls that are acceptable to NBU for the purpose of ensuring that information contained in its records or obtained from NBU or from others in carrying out the Vendor's obligations under this Agreement shall not be used or disclosed by it, its agents, officers, or employees, except as required to perform the Vendor's duties under this Agreement. Persons requesting such information should be immediately referred to NBU. The Vendor also agrees that any information pertaining to individual persons shall not be divulged

other than to employees or officers of the Vendor as needed for the performance of duties under this Agreement.

- 7.2. Confidential Information. To the extent that confidential and proprietary information of each party (“Confidential Information”) is exchanged and received in connection with the Services or goods, each party agrees not to use the other party’s Confidential Information except in the performance of, or as authorized by, this Agreement, and not to disclose, sell, license, distribute or otherwise make available such information to third parties. Use by third party contractors may be permitted so long as such contractor has a need to know and is required to maintain the confidentiality of such information as required by this Section. “Confidential Information” includes (but is not limited to) the Vendor’s Confidential Information (as defined below), and does not include: (i) information that was publicly available at the time of disclosure or that subsequently becomes publicly available other than by a breach of this provision, (ii) information previously known by or developed by the receiving party independent of the Confidential Information or (iii) information that the receiving party rightfully obtains without restrictions on use and disclosure.
- 7.3. Vendor Confidential Information. “Vendor Confidential Information” means any pre-existing proprietary or Confidential Information of the Vendor created by the Vendor and used to perform the Services, or included in any goods provided, including but not limited to software, appliances, methodologies, code, templates, tools, records, data or other intellectual property shall remain the exclusive property of the Vendor.
- 7.4. Conflict with Applicable Statute or Law. Nothing in this Section is intended to reduce or conflict with any duty, obligation or provision contained in the Texas Public Information Act, the Texas Open Meetings Act, or any other applicable statute or rule.
- 7.5. Texas Public Information Act. The Vendor recognizes that NBU is subject to the disclosure requirements of the Texas Public Information Act (the “PIA”). As part of its obligations within this Agreement, the Vendor agrees, at no additional cost to NBU, to cooperate with NBU for any particular needs or obligations arising out of the NBU’s obligations under the PIA. This acknowledgment and obligation are in addition to and complementary to the NBU’s audit rights in Section 9.13.

This provision applies if the Agreement has a stated expenditure of at least \$1 million in public funds for the purchase of goods or services by NBU or results in the expenditure of at least \$1 million in public funds for the purchase of goods or services by NBU in a fiscal year of NBU.

The Vendor must (1) preserve all contracting information related to the Agreement as provided by the records retention requirements applicable to NBU for the duration of the Agreement; (2) promptly provide to NBU any contracting information related to the Agreement that is in the custody or possession of the Vendor on request of NBU; and (3) on completion of the Agreement, either:

- (i) provide at no cost to NBU all contracting information related to the Agreement that is in the custody or possession of the Vendor; or
- (ii) preserve the contracting information related to the Agreement as provided by the records retention requirements applicable to NBU.

The requirements of Subchapter J, Chapter 552, Texas Government Code, may apply to this Agreement and the Vendor agrees that the Agreement can be terminated if the Vendor knowingly or intentionally fails to comply with a requirement of that subchapter.

## **8. Information Technology and Intellectual Property Infringement.**

- 8.1. Limited Access. If necessary for the fulfillment of the Agreement, NBU may provide the Vendor with non-exclusive, limited access to NBU's information technology infrastructure. The Vendor understands and agrees to abide by NBU policies, standards, regulations and restrictions regarding access and usage of NBU's information technology infrastructure. The Vendor shall reasonably enforce such policies, standards, regulations and restrictions with all the Vendor's employees, agents or any tier of subcontractor granted access in the performance of this Agreement, and shall be granted and authorize only such access as may be necessary for the purpose of fulfilling the requirements of the Agreement. The Vendor's employees, agents and subcontractors must receive prior, written approval from NBU before being granted access to NBU's information technology infrastructure and data and NBU, in its sole determination, shall determine accessibility and limitations thereto. The Vendor agrees that the requirements of this Section shall be incorporated into all subcontractor agreements entered into by the Vendor. It is further agreed that a violation of this Section shall be deemed to cause irreparable harm that justifies injunctive relief in court. A violation of this Section may result in immediate termination of this Agreement without notice.
- 8.2. Data Confidentiality. All data, regardless of form, including originals, images and reproductions, prepared by, obtained by or transmitted to the Vendor in connection with this Agreement is confidential, proprietary information owned by NBU. Except as specifically provided in this Agreement, the Vendor shall not intentionally disclose data generated in the performance of the Services to any third party without the prior, written consent of NBU.
- 8.3. Data Security. Personal identifying information, financial account information, or restricted NBU information, whether electronic format or hard copy, is confidential and must be secured and protected at all times to avoid unauthorized access. At a minimum, the Vendor must encrypt or password-protect electronic files. This includes data saved to laptop computers, computerized devices or removable storage devices.
- 8.4. Compromised Security. In the event that data collected or obtained by the Vendor in connection with this Agreement is believed to have been compromised or in the event of a Security Incident, as defined by Section 2054.603 of the Texas Government Code, the Vendor shall notify NBU within twenty-four (24) hours of discovery of such compromise or Security Incident. **THE VENDOR SHALL INDEMNIFY, DEFEND, AND HOLD NBU**

HARMLESS FROM ANY CLAIMS RESULTING FROM VENDOR'S FAILURE TO COMPLY WITH ITS OBLIGATIONS UNDER THIS SECTION.

- 8.5. Intellectual Property Infringement. THE VENDOR SHALL DEFEND AND INDEMNIFY NBU AGAINST ANY COSTS, LIABILITIES OR DAMAGES (INCLUDING ATTORNEY'S FEES) ARISING FROM A CLAIM THAT NBU'S AUTHORIZED USE OF ANY SERVICE OR GOODS PURCHASED PURSUANT TO THIS AGREEMENT INFRINGES ANY PATENT, COPYRIGHT, TRADEMARK OR TRADE SECRET. NBU agrees to notify the Vendor in writing of any such claim or suit that NBU receives. Notwithstanding NBU's agreement to notify the Vendor of such claim or suit, NBU's failure to so notify the Vendor shall not diminish the Vendor's indemnity obligations hereunder. The Vendor shall have control of any such suit and NBU shall cooperate with the Vendor in connection with its defense at the expense of the Vendor. If NBU is enjoined from using any portion of any Service or goods purchased pursuant to this Agreement, or if the Vendor believes that such Service or good is likely to become the subject of an infringement claim, the Vendor shall (i) obtain the right for NBU to continue to use such Service or good or (ii) replace or modify the Service or good so as to make it non-infringing and equal to the functionality of such Service or good described in this Agreement.

9. Miscellaneous.

- 9.1. Independent Contractor. The Vendor acknowledges that the Vendor is an independent contractor of NBU and is not an employee, agent, official or representative of NBU. The Vendor shall not represent, either expressly or through implication, that the Vendor is an employee, agent, official or representative of NBU. Income taxes, self-employment taxes, social security taxes and the like shall be the sole responsibility of the Vendor.
- 9.2. Governing Law; Venue. This Agreement and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas. The provisions and obligations of this Agreement are performable in Comal County, Texas such that exclusive venue for any action arising out of this Agreement shall be in Comal County, Texas.
- 9.3. Amendments. This Agreement may only be amended, modified, or supplemented by a written amendment signed by persons duly authorized to enter into contracts on behalf of NBU and the Vendor.
- 9.4. Provisions Required by Law. Each and every provision of law and any clause required by law to be in the Agreement shall be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, the Agreement shall promptly be physically amended to make such insertion or correction.
- 9.5. Severability. If any term or provision of this Agreement is held to be invalid, illegal, or unenforceable in any respect under applicable law, the legality, validity or enforceability of the remaining terms or provisions of this Agreement shall not be affected thereby, and

this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

- 9.6. No Assignment. Neither party shall have the right to assign that party's interest in this Agreement without the prior written consent of the other party. Any purported assignment in violation of this Section shall be null and void.
- 9.7. Subcontractors. The Vendor shall not transfer any portion of the work related to the Services under this Agreement to any subcontractor without the prior written consent of NBU, which consent shall not be unreasonably withheld. The approval or acquiescence of NBU in the subletting of any work shall not relieve the Vendor of any responsibility for work done by such subcontractor. Failure to pay subcontractors in a timely manner pursuant to any subcontract shall be a material breach of this Agreement by the Vendor.
- 9.8. Waiver. No waiver by any party of any of the provisions of this Agreement shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver of any breach or violation of any term of this Agreement shall be deemed or construed to constitute a waiver of any other breach or violation, whether concurrent or subsequent, and whether of the same or of a different type of breach or violation. No failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.
- 9.9. Attorneys' Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Agreement or on account of any breach or default hereof, the prevailing party will be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, which will be deemed to have accrued on the commencement of such action.
- 9.10. Liens. All goods or services provided under this Agreement shall be free of all liens and, if NBU requests, a formal release of all liens shall be delivered to NBU.
- 9.11. Offset for Damages, Delinquent Fees or Taxes. In addition to all other remedies at law or equity, NBU may offset from any money due to the Vendor any amount the Vendor owes to NBU for damages resulting from breach or deficiencies in performance or breach of any obligation under this Agreement, including but not limited to all costs, expenses, fines, fees, and charges associated with obtaining performance from alternative sources, shipping, handling, goods, equipment rental, travel expenses and associated costs. NBU may offset from any money due to the Vendor any amount the Vendor owes to NBU for delinquent fees, including any interest or penalties.
- 9.12. Notice. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (i) delivered to the party at the address set forth below, (ii) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below, or (iii) given to a recognized and reputable overnight delivery service, to the address set forth below:

**To NBU:**

New Braunfels Utilities  
Attn: Director of Water Services  
263 Main Plaza  
New Braunfels, TX 78130

With a copy to:

Purchasing Manager  
New Braunfels Utilities  
355 FM 306  
New Braunfels, TX 78130

**To the Vendor:**

Environmental Improvements, Inc.  
235 Trademark Drive  
Buda, TX 78610

or at such other address, and to the attention of such other person or officer, as any party may designate by providing thirty (30) days' prior written notice of such change to the other party in the manner set forth in this Section. Notices shall be deemed received (i) when delivered to the party, (ii) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage or (iii) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day. If a copy of a notice is also given to a party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and refer to the date on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

- 9.13. Right to Audit. NBU shall have the right to examine and audit the books and records of the Vendor with regard to the Services and/or goods obtained pursuant to this Agreement, or any subsequent changes, at any reasonable time. Such books and records shall be maintained in accordance with generally accepted principles of accounting and shall be adequate to enable determination of: (1) the substantiation and accuracy of any payments required to be made under this Agreement; and (2) compliance with the provisions of this Agreement.
- 9.14. Paragraph Headings; Construction. The paragraph headings contained in this Agreement are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several paragraphs hereof. Both parties have participated in the negotiation and preparation of this Agreement and this Agreement shall not be construed either more or less strongly against or for either party.

- 9.15. Binding Effect. Except as limited herein, the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, devisees, personal and legal representatives, successors and assigns.
- 9.16. Gender. Within this Agreement, words of any gender shall be held and construed to include any other gender, and words in the singular number shall be held and construed to include the plural, unless the context otherwise requires.
- 9.17. Multiple Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.
- 9.18. Exhibits. All Exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.
- 9.19. Conflicting Terms. In the case of any conflicts between the terms of this Agreement and an Exhibit to this Agreement, the statements in the body of this Agreement shall govern.
- 9.20. Relationship of Parties. Nothing contained in this Agreement shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association whatsoever between the parties, it being expressly understood and agreed that no provision contained in this Agreement nor any act or acts of the parties hereto shall be deemed to create any relationship between the parties other than the relationship of independent parties contracting with each other solely for the purpose of effecting the provisions of this Agreement.
- 9.21. No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their respective assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.
- 9.22. Non-Exclusive Contract. This Agreement is entered into with the understanding and agreement that it is for the sole convenience of NBU. NBU reserves the right to obtain like goods and services from another source when necessary.
- 9.23. Force Majeure. If the performance of any covenant or obligation to be performed hereunder by any party is delayed as a result of circumstances that are beyond the reasonable control of such party (which circumstances may include, without limitation, acts of God, war, acts of civil disobedience, pandemics, epidemics, fire or other casualty, shortage of materials, adverse weather conditions (such as, by way of illustration and not of limitation, severe rain storms or below freezing temperatures, or tornados), labor action, strikes or similar acts, moratoriums or regulations or actions by governmental authorities), the time for such performance shall be extended by the amount of time of such delay, but no longer than the amount of time reasonably occasioned by the delay. In no event will any delay or failure of performance caused by any force majeure condition extend this Agreement beyond its stated Term unless both parties agree in writing to such extension in an amendment to this Agreement. The party claiming delay of performance as a result of any of the foregoing force majeure events shall deliver written notice of the commencement



of any such delay resulting from such force majeure event not later than seven (7) days after the claiming party becomes aware of the same, and if the claiming party fails to so notify the other party of the occurrence of a force majeure event causing such delay and the other party shall not otherwise be aware of such force majeure event, the claiming party shall not be entitled to avail itself of the provisions for the extension of performance contained in this subsection.

- 9.24. Dispute Resolution. In accordance with the provisions of Subchapter I, Chapter 271 of the Texas Local Government Code, as amended, the parties agree that, prior to instituting any lawsuit or other proceeding arising from a dispute under this Agreement, the parties shall first attempt to resolve the dispute by taking the steps described in this Section. First, the dissatisfied party shall deliver to the other party a written notice substantially describing the nature of the dispute, which notice shall request a written response to be delivered to the dissatisfied party not less than five (5) business days after receipt of the notice of dispute. Second, if the response does not reasonably resolve the dispute, in the opinion of the dissatisfied party, the dissatisfied party shall give written notice within five (5) business days to that effect to the other party whereupon each party shall appoint a person having authority over the activities of the respective parties who shall promptly meet, in person, in an effort to resolve the dispute. Third, if those persons cannot or do not resolve the dispute, then the parties shall each appoint a person from the highest tier of managerial responsibility within each respective party, who shall then promptly meet, in person, in an effort to resolve the dispute.
- 9.25. Survival. The sections of this Agreement that by their terms are intended to survive the termination of this Agreement shall so survive.
- 9.26. Entire Agreement; Interpretation; Parol Evidence. This Agreement and the related Exhibits constitute the entire agreement of the parties with respect to the subject matter, and all previous agreements, whether oral or written, entered into prior to this Agreement are hereby revoked and superseded. No representations, inducements or oral agreements have been made by any of the parties except as expressly set forth in this Agreement. This Agreement shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of, or against the party drafting the Agreement.
- 9.27. Electronic Signatures. Pursuant to Chapter 322 of the Texas Business and Commerce Code, as amended, the parties agree to the use of electronic signatures herein and that the use of an electronic signature, whether digital or encrypted, is intended to have the same force and effect as a manual signature. Electronic signature means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or e-mail electronic signatures. Each party further agrees that if it agrees to conduct a transaction by electronic means in this Agreement, it may refuse to conduct other transactions by electronic means and that such right may not be waived by this Agreement.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement on this the \_\_\_\_ day of \_\_\_\_\_, 2024.

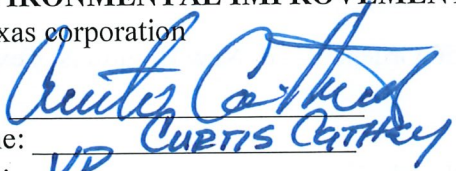
**NBU:**

**NEW BRAUNFELS UTILITIES,**  
a Texas municipally owned utility

By: \_\_\_\_\_  
Name: Ryan Kelso  
Title: Chief Executive Officer

**VENDOR:**

**ENVIRONMENTAL IMPROVEMENTS, INC.,**  
a Texas corporation

By:   
Name: CURTIS KELLEY  
Title: VP

## **Exhibit A – Scope of Services**

The Vendor shall perform annual diagnostic inspections and preventive maintenance, and as-needed equipment replacement and repair services, for the maintenance of existing chlorine and sulfur dioxide equipment located at NBU's water and wastewater facilities as described in this Agreement (the "Services").

### **1) General requirements**

- a) The Vendor shall supply all material, labor, and equipment necessary to perform the Services. All work performed shall be in accordance with the Occupational Safety and Health Administration and the Texas Commission on Environmental Quality standards. The Vendor shall follow the manufacturer's suggested method for installation, maintenance, and repair of equipment.
- b) NBU must accept work prior to paying the Vendor. Acceptance shall be based on meeting all of NBU's requirements, which include without limitation the following: (i) no leaks; (ii) the chlorine system working as specified; and (iii) passing inspection by NBU personnel.

### **2) Existing chlorine facilities within the NBU system**

The following NBU chlorine and sulfur dioxide equipment is covered by this Agreement:

- a) Existing equipment by location
  - 1. Surface water treatment plant, located at 2356 Gruene Road, New Braunfels, Texas
    - (a) Chlorine
      - 1. Three (3) Wallace and Tiernan V10k chlorinators
      - 2. Six (6) Wallace and Tiernan S10s regulators
      - 3. Three (3) 1-inch Wallace and Tiernan injectors
    - 2. Wells Two and Three, located at 7701 Lakeview Boulevard, New Braunfels, Texas
      - (a) Chlorine
        - 1. Three (3) Wallace and Tiernan V10k chlorinators
        - 2. Two (2) Wallace and Tiernan S10k regulators
        - 3. Two (2) 1-inch Wallace and Tiernan injectors
        - 4. Two (2) Evoqua gas detection systems
        - 5. One (1) Wallace & Tiernan SFC analyzer and controller
        - 6. Two (2) booster pumps
    - 3. Well Four, located at 500 Beverly Lane, New Braunfels, Texas
      - (a) Chlorine
        - 1. One (1) Wallace and Tiernan V10k chlorinator (automatic)
        - 2. One (1) Wallace and Tiernan V10k chlorinator (manual)
        - 3. Two (2) Wallace and Tiernan S10k regulators
        - 4. Two (2) 1-inch Wallace and Tiernan injector

5. Two (2) Evoqua gas detection systems
  6. One (1) Wallace & Tiernan SFC analyzer and controller
  7. Two (2) booster pumps
4. Well Five, located at Landa Park Golf Course, 100 Elizabeth Avenue, New Braunfels, Texas
- (a) Chlorine
    1. One (1) Wallace and Tiernan V10k chlorinator (automatic)
    2. One (1) Wallace and Tiernan V10k chlorinator (manual)
    3. Two (2) Wallace and Tiernan S10 regulators
    4. Two (2) 1-inch Wallace and Tiernan injectors
    5. One (1) Evoqua gas detection system
    6. Two (2) booster pumps
5. Well Six, located at 12 Moss Rock Drive, New Braunfels, Texas
- (a) Chlorine
    1. One (1) Wallace and Tiernan V10k chlorinator (automatic)
    2. One (1) Wallace and Tiernan V10k Chlorinator (manual)
    3. Two (2) Wallace and Tiernan S10k regulators
    4. Two (2) 1-inch Wallace and Tiernan injectors
    5. One (1) Evoqua gas detection system
    6. One (1) Wallace & Tiernan SFC analyzer and controller
    7. One (1) booster pump
6. Well 13, located at 6125 Keller Ridge, New Braunfels, Texas
- (a) Chlorine
    1. Two (2) Wallace and Tiernan S10k chlorinators
    2. Two (2) Wallace and Tiernan 510s regulators
    3. Two (2) 3/4-inch Wallace and Tiernan injectors
7. Trinity Plant, located at 3295 Westpointe, New Braunfels, Texas
- (a) Chlorine
    1. Three (3) Wallace and Tiernan V10k chlorinators
    2. Three (3) Wallace and Tiernan 510s regulators
    3. Two (2) 1-inch Wallace and Tiernan injectors
    4. One (1) booster pump
8. Weltner Road Pump Station, located at 1645 Weltner Road, New Braunfels, Texas
- (a) Chlorine
    1. One (1) Wallace and Tiernan V10k chlorinator (automatic)
    2. One (1) Wallace and Tiernan V10k chlorinator (manual)
    3. Two (2) Wallace and Tiernan S10k regulators
    4. Two (2) 1-inch Wallace and Tiernan injectors

5. Two (2) Evoqua gas detection systems
  6. One (1) Wallace & Tiernan SFC analyzer and controller
  7. One (1) emergency chlorine scrubber system
  8. Two (2) booster pumps
9. Green Valley Pump Station, located at 1002 W. Klein Road, New Braunfels, Texas
- (a) Chlorine
    1. One (1) Wallace and Tiernan V10k chlorinator (automatic)
    2. One (1) Wallace and Tiernan V10k chlorinator (manual)
    3. Two (2) Wallace and Tiernan S10 regulators
    4. Two (2) 3/4-inch Wallace and Tiernan injectors
    5. One (1) Evoqua gas detection system
10. Aquifer Storage Recovery, located at 1439 Saur Lane, New Braunfels, Texas
- (a) Chlorine
    1. One (1) Wallace and Tiernan V10k chlorinator (automatic)
    2. One (1) Wallace and Tiernan V10k chlorinator (manual)
    3. Two (2) Wallace and Tiernan S10 regulators
    4. Two (2) 3/4-inch Wallace and Tiernan injectors
    5. One (1) Evoqua gas detection systems
    6. Two (2) booster pumps
11. North Kuehler Wastewater Treatment Facility, located at 1922 Kuehler Road, New Braunfels, Texas
- (a) Chlorine
    1. One (1) Wallace and Tiernan V10k chlorinator (automatic)
    2. One (1) Wallace and Tiernan V10k chlorinator (manual)
    3. Two (2) Wallace and Tiernan 510s regulators
    4. Two (2) 1-inch Wallace and Tiernan injectors
    5. Two (2) submersible chlorine injector pumps and eductors
    6. One (1) RKI Instruments, Inc. Beacon 110 sensor
  - (b) Sulfur Dioxide
    1. One (1) Wallace and Tiernan V10k chlorinator (automatic)
    2. One (1) Wallace and Tiernan V10k chlorinator (manual)
    3. Two (2) Wallace and Tiernan 510s regulators
    4. Two (2) 1-inch Wallace and Tiernan injectors
    5. One (1) submersible chlorine injector pump and eductor
    6. One (1) RKI Instruments, Inc. Beacon 110 sensor
12. South Kuehler Wastewater Treatment Facility, located at 2055 Coco Lane, New Braunfels, Texas
- (a) Chlorine
    1. One (1) Wallace and Tiernan V10k chlorinator (automatic)
    2. One (1) Wallace and Tiernan V10k chlorinator (manual)

3. Two (2) Wallace and Tiernan 510s regulators
4. Two (2) 1-inch Wallace and Tiernan injectors
5. Two (2) submersible chlorine injector pumps and eductors

(b) Sulfur Dioxide

1. One (1) Wallace and Tiernan V10k chlorinator (automatic)
2. One (1) Wallace and Tiernan V10k chlorinator (manual)
3. Two (2) Wallace and Tiernan 510s regulators
4. Two (2) 1-inch Wallace and Tiernan injectors
5. One (1) submersible chlorine injector pumps and eductors

- (c) One (1) RKI Instruments, Inc. Beacon 200 sensor with two (2) sensors, one (1) for sulfur dioxide and one (1) for chlorine.

b) Manufacturers of Existing Equipment

1. chlorinator, regulators, and injectors: Wallace and Tiernan or equivalent
2. submersible chlorine injection pumps: Webtrol SS series stainless steel sewage pumps
3. gas detectors: RKI Instruments, Inc.

**3) Anticipated services**

Services shall fall into the following two categories:

a) Planned annual diagnostic inspections and preventative maintenance services

The Vendor shall perform annual diagnostic inspections and preventative maintenance of the chlorine and sulfur dioxide equipment. This includes inspection of the chlorine and sulfur dioxide equipment, repair or replacement of items with normal wear (e.g., rubber seals, diaphragm, etc.), and testing of the gas detectors.

b) Repairs and replacements as needed

The Vendor shall perform repairs and replacement of chlorine and sulfur dioxide equipment on an as-needed basis as reasonably requested by NBU in writing. For repairs or equipment replacement in excess of \$3,000, the Vendor shall provide NBU with a written repair work scope and estimate, which must be accepted by NBU in writing before the repair or replacement is performed. The Vendor shall provide projected completion and delivery dates with each repair estimate.

**4) Annual diagnostic inspection and preventive maintenance**

a) The Vendor shall, upon request from NBU, deploy to the specified sites and perform a working inspection and repairs of the existing chlorine and sulfur dioxide equipment in accordance with the system manufacturer's requirements.

b) The Vendor shall service both manual and automatic chlorine and sulfur dioxide equipment. All maintenance shall conform to manufacturer specifications.

c) Generally, the Services are anticipated to be as follows:

1. Assessment/inspection

The inspection shall verify the working condition of the system and gas detectors and that the surrounding piping is properly functioning.

## 2. Maintenance visit

The Vendor shall provide manufacturer recommended maintenance in accordance with manufacturer specifications, service manuals, and manufacturer's parts manuals. At a minimum, the services performed during a maintenance visit shall include:

(a) disassembly, inspection, cleaning, and replacement of recommended parts including hoses and preventative maintenance kits. Preventative maintenance kits shall be the original equipment manufacturer kits;

(b) testing and preventive maintenance services on gas leak detectors; and

(c) all other preventive maintenance services and parts replacements as needed.

3. During the process of performing the annual preventive maintenance, should the Vendor's service technicians find any parts/equipment damaged or unsuitable for normal operations, the service technician will inform the proper NBU facility personnel of the issue and discuss proper corrective measures. Any parts/equipment damaged due to wear or deemed unsuitable by NBU and not listed in the work order will be replaced at an additional cost to NBU; provided, however, the cost shall not increase the total not to exceed amount in Exhibit B.

## d) Maintenance and repair reports

1. For each instance of maintenance or repair, the Vendor shall provide NBU with a written report describing the summary of work, date work was started and completed, repair personnel, equipment identification information, photos, and any other information required by NBU for documenting work.

2. The Vendor shall submit all written reports to NBU within one week of the maintenance or repair completion date.

## e) System operation testing

The Vendor shall be responsible for testing and operating the system to ensure it is ready for automatic operation upon completion of maintenance or repair work.

## 5) NBU's contribution to the project

### a) Field Assistance

An NBU representative shall be present with the Vendor while the work is being performed.



b) Site Access

NBU shall provide access to each site and assist the Vendor with accessing the equipment, if necessary, as determined by NBU.

c) Inspection

As determined by NBU, NBU shall provide inspection services, including review and inspection of the Vendor's initial inspection recommendations and completed maintenance services.

**Exhibit B**

Price List/ Payment Terms

NBU shall pay the Vendor for the Services and goods under this Agreement Total Compensation not to exceed \$120,000 annually and \$600,000 for the duration of the Agreement.

<b>Services/Items</b>	<b>Unit</b>	<b>Unit Price or Mark-up</b>
Standard Labor Rate	Hour	\$125.00
Overtime Labor Rate	Hour	\$187.50
Drive Time from Buda to Site and Return*	Hour	\$100.00
Parts and Material Cost Mark-up from Manufacturer's Listed Price	%	0%

\*If the Vendor completes Services at multiple sites in one day, drive time will further include the drive time between sites.