SINGLE SOURCE AWARD **BID # SS-13323-23**

Subject: LEGISLATIVE SERVICES FILING STORAGE

Department: JACKSONVILLE CITY COUNCIL

Description of Purchase:
Recommend approval of a Single Source award to Kardex Storage System, LLC (as the only authorized factory sales and service supplier for the Kardex equipment in Florida and Southeast Georgia) for the supply of additional Legislative Filing Storage Systems for the Jacksonville City Council. Per Section 11.106 of the Ordinance Code, the Legislative Services Division is required to maintain records of Ordinances and Resolutions for preservation and retrieval purposes and the Legislative Division currently have tens of thousands of files currently established in a Kardex System. Total award expenditure amount not-to-exceed $108,816.98.

Funding Source: 00111.221001.564290.000000.00000000.00000.0000000 - To be encumbered by Purchase Order.
Single Source Award To: Kardex Storage System, LLC

Price Justification: See attachment

Total Award: $108,816.98 **Requisition #:** CCSS-500038-23

Attachments: Agency Memo, Single Source Form, Supplier Quote

Certification as to Single Source: Margret M. Sidman, Director/Council Secretary

THE ABOVE PURCHASE IS RECOMMENDED FOR AWARD IN ACCORDANCE WITH CHAPTER 126.206.

Analyst: Olive Wallace-Cohen

for Dustin Freeman, Chief
Procurement Division

APPROVAL OF GENERAL GOVERNMENT AWARDS COMMITTEE
"ALL AWARD ACTIONS SUBJECT TO LAWFULLY APPROPRIATED FUNDS"

CHAIRMAN ***DATE***

ACTION OF AWARDING AUTHORITY DATE: _____

APPROVED_____ DISAPPROVED _____

OTHER _____

SIGNATURE OF AUTHENTICATION _____

MARGARET M. "PEGGY" SIDMAN
Director/Council Secretary
Office (904) 255-5133
Fax (904) 255-5230
E-Mail: SIDMANP@COJ.NET

117 West Duval Street
City Hall, Suite 425
Jacksonville, FL 32202

October 10, 2022

MEMORANDUM

TO: Dustin Freeman, Manager of Purchasing Services
Procurement Division

FR: Margaret M. "Peggy" Sidman, Director / Council Secretary MMS
Jacksonville City Council

RE: **Single Source Request – Kardex Remstar, LLC**

Office of the City Council is requesting a Single Source Award be approved for Kardex Remstar, LLC in the amount of $108,816.98. Kardex Remstar, LLC is the only authorized factory sales and service for all Kardex equipment in Florida and Southeast Georgia. Per Section 11.106 of the Ordinance Code, the Legislative Services Division is required to maintain records of Ordinances and Resolutions, preserving the original of each enrolled Ordinance and Resolution, and an index for research and retrieval purposes. The Legislative Services Division has tens of thousands of files currently established in an existing Kardex system. To create a new filing system, would require additional resources in both time and people. To change to a different filing system could require renovations to the area in which the current system is housed and could also require electrical changes. Also, due to the limited storage space and footprint in the Legislative Services Division, it is important to maintain the current location for filing.

Research was performed by Marlene Russell and no responsive suppliers were found to have the vertical carousel filing system. There were massive systems found for warehouses, but not for paper filing systems that responded. Other suppliers offered changing our current filing system completely, however we are not interested in recreating our current system. Doing so would require time and resources we do not have. Also, to maintain the integrity of the files we keep the system locked and secured when the office is closed. Most alternative systems offered included locking multiple file cabinets to ensure the files are secure.

Please contact Marlene Russell at 904.255.5141, or Margaret M. "Peggy" Sidman, Director/Secretary-Jacksonville City Council, at 904.255.5133, for additional information and correspondence.

Thank you for your consideration in this matter.

JUSTIFICATION FOR SINGLE SOURCE (JSS)

Pursuant to the City of Jacksonville Procurement Code§ 126.206 & § 126.312, when requesting a purchase from a vendor subject to the referenced sections, please complete this form to justify your request and submit to Procurement with applicable attachments.

1. Requesting Agency:	Office of the City Council
2. Nature and/or description of the requirement being requested. ***Identify each item, component or service being procured. (Attach quote/proposal):*** ***Why does the City need these particular goods or services?***	The Office of the City Council, Legislative Services Division is requesting a replacement of the current Kardex Vertical Carousel Filing System which is 25+ years old. The system failed in June, 2022. Shell Office Systems came out and after numerous attempts, the equipment was deemed irreparably broken. The specifications along with the budget proposal are attached. The Legislative Services Division is required to maintain records of Ordinances and Resolutions, preserving the original of each enrolled ordinance and resolution, and an index for research and retrieval purposes. They are also required to keep and update the legislative files, records and dockets of the Council as a whole.
3. Provide a detailed justification as to why the requested goods/services can only be efficiently and effectively procured through the recommended Single Source vendor:	Kardex Remstar, LLC is the exclusive authorized factory sales and service dealer for all Kardex Remstar equipment in the State of Florida and Southeast Georgia. The proposed equipment is the same brand of the current equipment, except for recent "rebranding" and is now called the "Megamat" and not "Lektriever". The location of the new equipment will be installed in place of the old equipment. By replacing with the same equipment, there is no renovations of the room or ceiling necessary and no electrical re-wiring.With a separate request/approval (Transfer/Disposal of Property). The Legislative Services Division has tens of thousands of files currently established in an existing Kardex system and to create a new filing system, would require additional resources in both time and people, which we do not have. Kardex will disassemble, remove and sell the recycled steel for the City. They will provide a credit to the City for the sale of the recycled steel.
4. Date of Request	10/6/2022

5. Summary of Market Research

[Provide a description of the market research performed, how it was performed, by whom, and market research results. Please spell out acronyms.]

[Marlene Russell performed the market research. The research was performed by searching companies, calling, and emailing potential suppliers. Several suppliers were contacted and there are no local suppliers that responded with the information for the Kardex equipment or a vertical carousel filing system. We received several phone quotes and information but no supplier could provide the current vertical carousel filing system we have. There

are suppliers who provide massive vertical systems for warehouses, but did not have the vertical office filing systems.]

6. ***Other Documentation (Check and attach all that apply)***

√ Supplier Quote

√ Single Source Memo signed by Director

☐ Other [Click here to list other documentation.]

PRINT LEGIBLY

1- WHITE COPY ACCOUNTING
2- BLUE COPY SURPLUS PROPERTY
3- GREEN COPY ACCOUNTING
4- YELLOW COPY FINAL DISPOSITION
5- PINK COPY DECLARERS COPY (DO NOT DETACH)

CITY OF JACKSONVILLE, FLORIDA

TRANSFER OR DISPOSAL OF PERSONAL PROPERTY OR SURPLUS MATERIAL

TRANSFER NO. 266673

DATE 10/5/22

PART 1

TO BE COMPLETED BY PROPERTY OFFICER

MULTIPLE ITEMS MAY BE SUBMITTED ON ONE FORM WITH AN ATTACHMENT FOUND ON THE EMPLOYEE PORTAL Accounting : Shared Documents>Attachment for Asset's Transfer, Surplus, Disposal.xlsx

PROPERTY NUMBER 158849 + 158850 SERIAL NO. 24538 + 24539

PROPERTY TAG ATTACHED: ☑ YES ☐ NO PROPERTY DESCRIPTION Mobile Storage Systems Lek Riever Series 80 AF477 + 78

ORIGINAL COST $13,486. each CONDITION: DESCRIBE BRIEFLY; ALSO MENTION APPR. COST OF REPAIR, IF APPLICABLE)

Obsolete over 25 yr old, can't repair, parts not available

CONTACT Marlene Russell TELEPHONE 255-5141

FROM _____ DIVISION _____ FULL INDEX CODE

SIGNATURE OF PROPERTY OFFICER Nancy Carus PRINT NAME Nancy Carus

DATE _____

SIGNATURE OF ACCOUNTABLE OFFICER Margaret M. Sidman PRINT NAME Margaret M. Sidman

TRF'D TO _____ DIVISION _____ FULL INDEX CODE

SIGNATURE OF PROPERTY OFFICER _____ PRINT NAME _____

DATE _____

NEW EXACT LOCATION: _____

SIGNATURE OF ACCOUNTABLE OFFICER _____ PRINT NAME _____

NOTE: PROVIDE THIS TRANSFER FORM TO ACCOUNTING WITHIN 10 DAYS OF RECEIPT OF THE PROPERTY BY THE RECEIVING AGENCY.

DECLARED SURPLUS – I UNDERSTAND THAT PROPERTY BEING DECLARED SURPLUS MAY REQUIRE UP TO 30 DAYS BEFORE BEING RELIEVED OF ACCOUNTABILITY

STOLEN – POLICE REPORT ATTACHED

THIS PROPERTY WAS ACQUIRED FROM: CHECK ONE: ☐ CITY (LOCAL) FUNDS. ☐ FEDERAL (OR SPECIAL) GRANT FUNDS (SEE EXECUTIVE ORDER NO. 38).

PART II

TO BE COMPLETED BY PROCUREMENT DIVISION

See Attached City Council Will scrap through Supplier.

HOLDING FOR FUTURE SALE AS WHOLE ☒ HOLDING FOR FUTURE SALE AS SCRAP ☐ AUTHORIZE DECLARER TO CANNIBALIZE

AUTHORIZE DECLARER TO DISCARD VIA CITY WASTE COLLECTION OR CITY LANDFILL SITE.

OTHER _____

SIGNATURE OF SURPLUS PROPERTY OFFICER [signature] DATE 10-7-22

SOLD – AUCT. NO. _____ DATE _____ PROCEEDS _____

TRADED – REQ. NO. _____ DATE _____ TRADED IN VALUE _____

SIGNATURE OF SURPLUS PROPERTY OFFICER _____ DATE _____

ALL COPIES OF THE TRANSFER OR DECLARATION OF SURPLUS PROPERTY FORM MUST ACCOMPANY THE TANGIBLE PROPERTY WHEN IT IS DELIVERED BY THE DECLARER TO EITHER 2581 COMMONWEALTH AVENUE FOR VEHICLES AND OTHER MOTOR POOL ITEMS, OR 1096 NORTH McDUFF AVENUE FOR ALL OTHER ITEMS OF SUPLUS.

ALL TRANSFERS (EXCEPT FROM THE CITY SURPLUS YARD) ARE SUBJECT TO PRIOR APPROVAL BY THE PROCUREMENT DIVISION. ONE COPY WILL BE SENT TO EACH PROPERTY OFFICER SIGNING THE TRANSFER.

PART III

TO BE COMPLETED BY ACCOUNTING DIVISION

FROM INDEXCODE: _____ TO INDEXCODE: _____

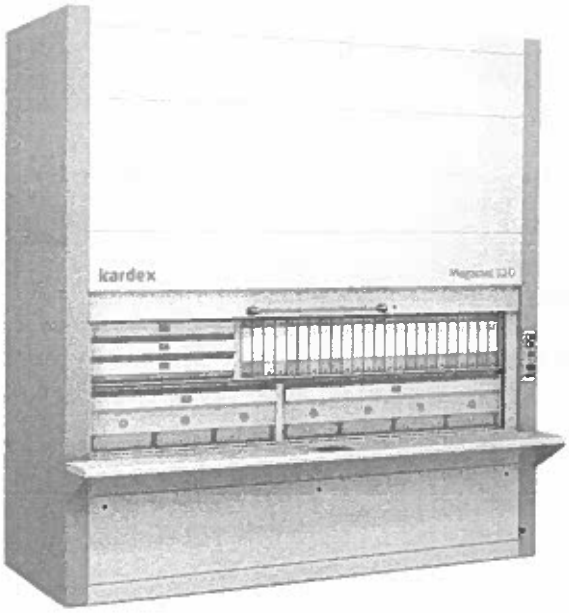
ASSET NUMBER	COST	ACC. DEPRECIATION	BOOK VALUE
#			
#			
#			
#			

TOTAL NUMBER OF ASSETS _____ DATE INVENTORY UPDATED _____ PROCESSING PERSON (INITIALS) _____

REV. 6/2019 PSR-0220

City of Jacksonville
Office of City Council

Replace 2 Vertical Carousels



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Kardex Storage Systems
George Grimsley, Jr.
11655 Central Parkway #313 Jacksonville, FL 32224
george.grimsley@kardexstoragesystems.com
904-403-5660

kardexremstar

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Date: 10/4/2022

City of Jacksonville Office of City Council
Attn: Marlene Russell
117 W Duval St
Jacksonville, FL 32202

Re: Replace 2 Vertical Carousels

Quote ID # GG092201Rev1

Dear Marlene,

Thank you for your interest in our products and services. We are pleased to present you with the following proposal for your storage needs.

The office of city council has 2 Kardex Lektriever vertical carousels for file storage that are approximately 25-30 years old and wishes to replace them with 2 new Kardex units. Kardex has recently rebranded the "lektriever" name and it is now called the "Megamat". Kardex will disassemble and remove the existing units and will provide a credit to the city for the money received for the recycled steel.

As discussed, we have prepared the following quotation for you:

- Qty. 2 Kardex Megamat 125
  - Overall Unit Size: 103.54" W x 47.32 D x 118.12" H
    - Work Counter Depth: 11.02"
  - Includes 18 Carriers per Unit
    - Carrier dimension: 89.37" W x 15.19" D x 10.23" H
  - Capacity per Carrier: 242 lbs.
  - Total of 3,204 LFI (Linear Filing Inches) of storage provided

This quotation is valid until December 31, 2022. Our general terms and conditions of payment and delivery apply, you will find those included in the proposal to follow.

We hope that our quotation meets your expectations. Furthermore, we would like to take this opportunity to assure you that all work will be carried out to a high, professional standard.

If you have any questions, please do not hesitate to contact our team at any time.

Sincerely,

George Grimsley, Jr.
Account Executive

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Product Overview

Model 115/120/125 Vertical Carousel Module

The Principle

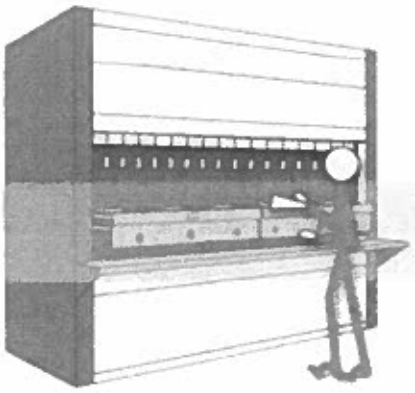
Paper records, files, stationery, CD/DVD, credit cards, library, and X-ray; light industrial applications, sample vials, artifacts, valuables collectors' items, guns, sports equipment, check books, certificates, and licenses... we understand that companies have to contend with an ever-widening range of media. That's why we've developed solutions to suit any of these applications, which will save space, improve security and productivity, comply with the latest legislation, deliver a greener office environment, and save you money.

The Model 115/120/125 VCM is designed with shelves or drawers that rotate up or down via the shortest path, automatically delivering stored items to an operator at an ergonomically positioned pick window. Each unit is compatible with an entire suite of software and controls or can be used as a standalone solution.

The Model 115/120/125 VCM is equipped with both personnel and product photocells for maximum safety. Stored goods are protected from unauthorized access by a lockable door. Security can be further increased with optional inventory management software providing password protection and transaction tracking for single or multiple items.

The Megamat Vertical Carousel Unit provides:

Reduced Labor Costs
Increased Retieval Speed
Increased Space Utilization
Increased Control
Increased Ergonomics



The Green Stripe

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Model 115/120/125 VCM Standard Features:

Standard Features

Mechanical Door

As standard our units include a self-counterbalancing, lockable dual panel sliding door, easy to open and close and protects stored goods from dust and unauthorized access. In addition, the upper and lower panels of the access opening act as a mechanical security switches, In case of contact, the security circuit is activated affecting an intermediate stop of the unit operation.

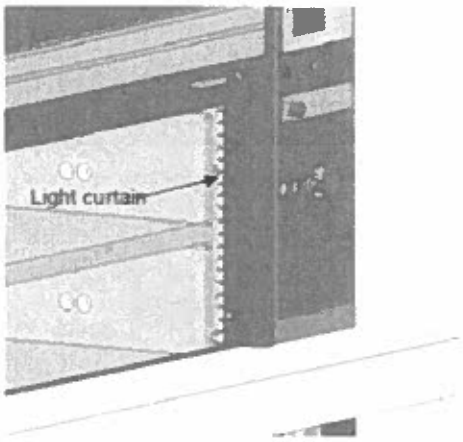
Emergency Hand Crank

A method of manually rotating the carriers (without power if necessary) is available by use of a hand crank. If during hand crank operation power is returned to the unit, it shall remain non-operational by means of a micro switch interrupt caused by the hand crank attachment.

Standard Safety Features

All units include a safety systems witch continually monitors the proper operation of the unit. Maximum safety stopping distance is +/-0.59". Including:

- Two Emergency Stop Button's
- Mechanical Safety Bars (an integral part of the door assembly)
- Infra-red Photocells (2 sets)
- Safety Switches for Lower Front Access Panel, Hand Crank, Opening & Overheating Motor
- Micro Switch Interrupts To:
- Prevent unit operation if the door is not completely open
- Prevent unit operation if maintenance access panel is not secure
- Prevent unit operation if hand crank is in place
- Emergency Service Switch: The emergency service switch is used to operate the unit if there is a failure on the electronic control/keyboard, until the failure is corrected.



Safety Light Curtain

Both left hand and right hand sides of the access opening area feature a safety light curtain that brings the drive to a standstill immediately if anything or anyone should break the light curtain. The light curtain also prevents the stored goods from being damaged if they happen to protrude out of the storage space.

Front Light

An optional front light can be ordered with the Megamat Office Vertical Carousel. This front light illuminates the access point so that users can easily see to retrieve what they are looking for. This front light can be helpful when the unit is placed in a room with dim lighting.

Imbalance Indication

When a unit is ordered with the optional imbalance indicator an imbalance situation can be detected/recorded by the frequency inverter and transferred to the control via Digital-I/O where the signal is evaluated. The vertical movement in state of imbalance is stopped at the next carrier and a message is displayed.

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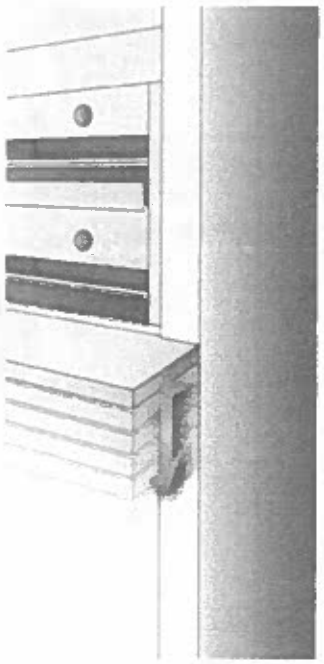
Work Counter Options

The Model 115/120/125 VCM storage system offers a multitude of work counter options.

Fixed standing position of 39.4"H

Fixed seated position of 29.5"H

Mechanically Adjustable Work Counter



The MAWC is adjustable between the lowest seated height (29.5 inches) and the highest standing height (39.4 inches). The operator can adjust the counter in 2 inch increments anywhere in between. This allows any person, regardless of height, ergonomic access to stored goods.

The counter is easy to reposition and only requires one person for operation. Vertical movement is assisted by a helical torsion spring to minimize operator effort. The torsion spring stores mechanical energy to be used during the vertical movement requiring less manual effort for the end user. The release mechanism requires less than two pounds of force to disengage for vertical movement. The work counter is fully supported by steel reinforcement to eliminate any deflection of the work counter during the life of the unit.

To further enhance operator ergonomics, the operator controls to adjust the work counter height and operate the machine can be located in the center of the MAWC or mounted to the side panel.

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Model 120/125 VCM Optional Automatic Security Door

Accessibility & Security

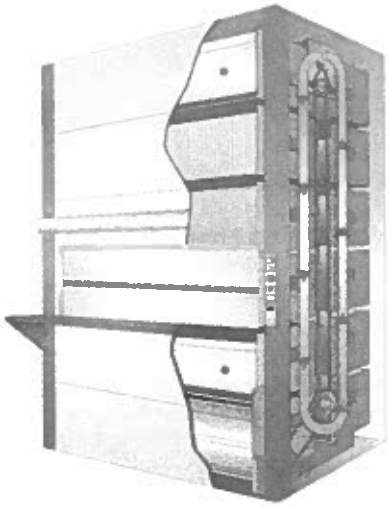
- Advanced Security Doors – a range of security options
- Disabled Persons Access – adjustable work counter
- Fire Protection – integration with locally approved solutions
- Software & Control – enhanced track and trace of records and valuable items

Advanced Security

With the Automatic Security Doors, department managers can give restricted access rights to certain employees. This helps ensure that specific users can retrieve the files, documents and items to which they have been given prior approval by their managers and supervisors. Sensitive files and valuable items are therefore stored within a secure And enclosed environment.

Key Features

- Each user (up to 25) has a unique 4 digit PIN code
- The PIN identifies the approved shelves assigned to the user
- Administrator rights exist to change shelf usage and PIN codes
- Only rotates when doors are closed and secure, preventing random access from other users
- Only the shelf requested appears in the access opening
- Not Available on Model 115

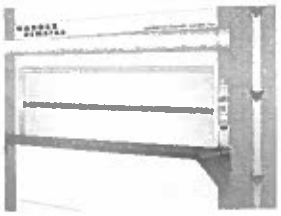


Easy to Use Automatic Security Door:

1. The units doors are closed.

2. An operator selects the shelf level they wish to access.

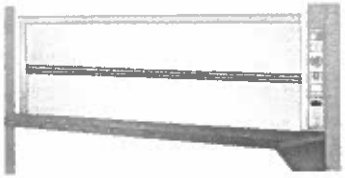
3. The unit rotates with the doors closed.



4. When the required shelf level is ready to be accessed, the door opens.

5. The operator picks the needed item.

6. The doors automatically close, ready for the next pick.



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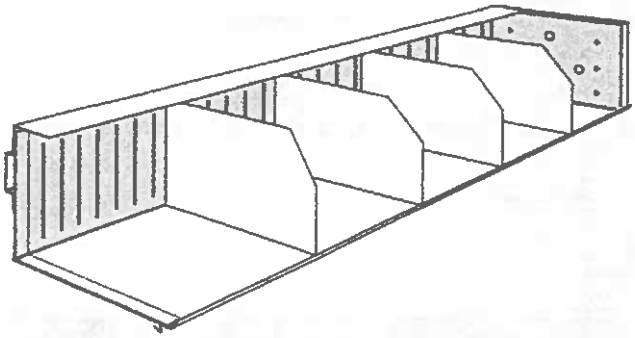
Model 125 Carrier

Legal Lateral Carrier

Lateral Carriers used for filing end (side) tab letter size folders in a left to right configuration. These carriers utilize fixed welded dividers for reinforcement. Additional dividers may be ordered with these carriers to support the folders and are adjustable on 2 inch centers.



Software

Model 115/120/125 VCM Unit Control

T-O Keyboard in Work Counter

The T-0 control offers:

- Up & Down Keys for Manual rotation (carrier Selection)
- 3-Digit LED Shelf Level Display
- Numeric Keypad for Carrier
- Selection via Shortest Route
- Programmable Carrier Offset
- Start/Restart, Stop Interrupt Buttons
- System Error Indication
- Firmware Revision Indication

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Technical Specifications

kardexremstar

Kardex Megamat 125 VCM

Equipment Specifications

Overall Unit Specifications:

Base Unit includes lockable bi-parting door (unless automatic door has been chosen), dust cover/top, all safety circuits, safety light curtain, emergency stop left & right side, touch bars (upper and lower), motor, manual handcrank, electronics and TÜV label

Quantity of Carousels	2
Model Number	125-18115
Overall Unit Width	103.54 inches (2630 mm)
Overall Unit Depth (without posting board)	47.32 inches (1202 mm)
Work Counter (posting board) Depth	11.02 in. (280 mm)
Overall Unit Height	118.12 inches (3000 mm) — Minimum Ceiling Height: 118.91 inches (3020 mm)
Unit Weight Empty (includes carrier weight)	2,912 lbs.
Unit Weight - Fully Loaded	7286 lbs
Max. Total Load (including carrier dead weight)	4070 kg (8,973 lb)
Top Tolerance at Balanced Load	-/- 15mm (.059")

*Units can be placed side by side, or back to back. When a unit is to be installed through a ceiling or in a niche, free space of approximately 1.2" (30 mm) is required all around the unit

Average Floor Load (based on Unit weight=fully loaded)	1.49 lbs./in² (214.14 lbs./ft²)
Supporting contact surface	130.5 in² /842 cm²
Dynamic Unit Weight (Newtons)	33,769
Dynamic Floor Load Bearing Capacity	2.01 lbs./in² (289.44 lbs./ft²)
Maximum Imbalance Load	300 kg (660 lbs)
Cycle Speed	7.0 inches / second
Average Access Time (1/4 carousel revolution)	7.1 seconds
Color Selection (Endframes)	Standard-Light Gray
Color Selection (Panels)	Standard - Silver Fir Blue
Noise Level	< 60 db(A)

Access Opening Information

Work Counter Type & Height	Mechanically Adjustable Between 30.31 in. and 39.37 in. (770mm and 1000mm)
Work Counter Finish	Light Gray
Door Type	Standard Manual Bi-parting Door w/Keylock
Opening Clear Height	Maximum of 29.25 in. (743mm) or Minimum of 19.41 in. (493mm)
Access Lighting	Full Width Light Above Access Opening

Power & Controls:

Power Supply	110 Volt /1 /60 Hz
Drive, Gear Motor	AC - Gear Motor - 1.5 kw
AMP Draw	16 AMP — Breaker Size: 20*
Average Power Consumption	2.0 KVA — *Cannot be wired to a breaker or outlet that uses a GFI circuit
Control	TG Control
Controller Location	Work Counter
E-Stop	Included Left & Right Side of Access Opening
Emergency Service Switch	Included
Computer Interface	No
Imbalance Detection	Imbalance Detection Module Included

Standard Safety Features

Expanded Error Indicator	Upper and Lower Mechanical Safety Bars (Doors)
Safety Light Curtain	Safety Switches for Lower Front Access Panel and Hand Crank Opening
E-Stop Left & Right Side	Emergency Service Switch

Standard Features Included in Base Unit

Electronics Located in the Bottom Access Panel	Top Dust Cover
Hand Crank for Installation of Carriers and Service	Access for Service from Front

Additional Features and Options

Separated Endframe Design

Plastic Carrier Dividers, (6) Packs of 35

Carrier Specifications:

Carousel's Carrier Configuration	Qty	Specifications Per Carrier: Clear Height	Clear Width	Clear Depth	Max. Capacity	*Avg. Capacity	LFI Per Carrier	Total LFI Per Carrier Style
Letter Lateral Carrier w/4 fixed dividers & BRF								
Legal Lateral Carrier w/4 fixed dividers	36	10.23	69.37	15.39	242 lbs	242 lbs	89	3204
Letter Tray Carrier w/4 fixed dividers- Top Tab Trays								
Special Letter Hanging Tray Carrier w/4 fixed dividers								
Legal Tray Carrier w/4 fixed dividers- Top Tab Trays								
Legal Tray Carrier w/4 fixed dividers- Hanging Trays								
Carrier with 60 deg lip								
Letter File Drawer Carrier (3+2 Configuration)								
Legal File Drawer Carrier (3+2 Configuration)								
Letter Hanging Frame Carrier (3+3 Configuration)								
Legal Hanging Frame Carrier (2+3 Configuration)								
		Useful height / drawer	Clear width / drawer	Clear depth / drawer	# of Drawers / Carrier	Avg. Capacity / Drawer	LFI Per Carrier	
Multimedia Carriers & Drawers - 1+1 (1 row)							N/A	
Total Linear Filing Inches (LFI) for 2 unit(s)	3204	Multimedia Carriers/Drawers are not included in Total LFI calculation						
(Does not include carriers with additional shelves or drawers)		*Avg. capacity is based on a unit configured with one carrier type						

Qty 2 Megamat 125 VCM

- Unit size of 103.54" wide x 47.32" deep (58.34" w/work counter) x 118.12" high
- Units includes (18) carriers
- Carrier Dimensions: 89.37" wide x 15.19" deep x 10.23" high
- Work Counter Height: Mechanically Adjustable Between 30.31" and 39.37"
- Front Access Opening Light
- E-Service Switch
- E-Stop button Left & Right Side Of Unit
- Manual Handcrank
- Imbalance Detection Module
- 3,204 LFI of storage

Mechanical Equipment Installation

- Includes Freight Cost
- Includes Two (2) Year Parts and Labor Warranty
- Includes Warranty Validation Inspections and Safety Checks @ 6, 12 and 18 months
- Includes Disassembly and Removal of 2 Existing Vertical Carousels
- Does not include any electrical connections unless noted
- Includes Forklift Rental for Unloading Trucks

Total Investment (delivered and installed) $108,816.98

Recycling Credit for steel from existing units **Estimated credit $189.00**

- Commercial Metals Company (CMC) located at 2038 N Lane Ave. Jacksonville, FL 32254 is currently paying $0.08/LB for scrap steel.
- Estimated weight of the 2 exiting units is 5,800 LBS x $0.08 = $464.00. CMC charges $275 for delivery/pick up of the scrap metal dumpster so the total is estimated to be $189.00
- Copy of recycling receipt will be provided to City of Jacksonville

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Exceptions/Limitations/Disclaimers/Clarifications

- Mechanical and electrical installation to be non-union unless otherwise specified.
- Delay of work due to site obstructions, lack of electrical power, etc. could result in additional charges.

Delivery Schedule

All equipment will be scheduled to ship 15-18 weeks after receipt of purchase order.

Invoicing, Freight & Payment Terms

- All freight is F.O.B. Delivered
- Standard terms: Net 30 Days Due After Complete Installation
- All above pricing is valid until December 31, 2022.
- Prices and terms are not subject to verbal changes unless approved in writing by the seller.
- Should the buyer cancel before completion, he will assume responsibility for all work performed prior to receipt of written cancellation.
- Terms inconsistent with those stated therein which may appear on the purchaser's formal order will not be binding to the seller.
- Please see our full terms and conditions in the Appendix section for more details.

TAXES

The prices given do not include any Federal, State, or local taxes based upon or measured by sales or use. Taxes in effect at the time of shipment will be billed separately and will be due and payable within thirty (30) days of shipment.

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Division of Project Responsibilities

Responsibility	Kardex	Customer
Provide a designated project manager, with authority to authorize changes or system modifications	☑	☑
Coordinate equipment and software installation and testing	☑	☑
Provide electrical specifications to customer's electrician	☑	☐
Provide power drops to base of units to specifications	☐	☑
Provide adequate power outlets for installation and general use	☐	☑
Provide internet access and voice telephone line for installation and continuing support services	☐	☑
Provide clear equipment staging area(s)	☐	☑
Provide fork lift (of suitable size) and other equipment required for installation	☑	☐
Unload equipment from trucks and stage near installation area	☑	☐
Provide dumpster for installation materials	☑	☐
Provide adequate space for dumpster	☐	☑
Mechanical and Electrical installation of equipment	☑	☐
Perform sub-system testing to ensure all equipment runs according to product specifications	☑	☐
Perform software testing to ensure it meets specifications	☑	☐
Perform detailed acceptance testing of the entire system	☑	☑
Train personnel in electromechanical operations and maintenance	☑	☐
Train personnel in software operations and troubleshooting	☑	☐
Labeling locations (if applicable)	☐	☑
Provide documentation including online help and user's manuals	☑	☐

Appendix A: Warranty Information

Warranty Statement –Megamat 115/120/125 VCM

Kardex Remstar warrants all new Megamat vertical carousels to be free from defects caused by substandard material or inferior workmanship. This liability is limited to the obligation to repair, or at Kardex Remstar's discretion, replace without charge any part found to be defective under normal wear and tear within two (2) years from the commencement of this warranty. The warranty period begins upon completion of the installation, or within four (4) weeks of the originally scheduled delivery date of equipment, whichever date is first.

For an additional cost, Kardex Remstar offers an optional Extended Warranty on its Megamat vertical carousels. Industrial units are eligible for up to five (5) total years of warranty (the standard two years plus three additional years of coverage). The extended warranty period is subject to the same terms covering inclusions, exclusions, invalidations, payment policies, and geographical scope that exist for the standard warranty period.

Kardex Remstar warranty coverage, both standard and extended, is contingent upon the complete performance of scheduled maintenance on the equipment. Scheduled maintenance must be performed at minimum biannually, including during the first two years, by Kardex Remstar Certified Technicians, and performance of that scheduled maintenance must be reported to Kardex Remstar promptly via your local Kardex Remstar dealer. For more information on extended warranty coverage, including the associated costs, please contact your Kardex Remstar dealer.

Lifetime Motor Warranty

Under the terms of the warranty, Kardex Remstar will replace free of charge any vertical carousel drive motor that fails while using standard maintenance and operating conditions for the life of the carousel providing scheduled maintenance is completed biannually. To confirm that your machine meets these requirements, contact Kardex Remstar's Warranty Administrator.

Extent of Coverage

This warranty pertains to all Kardex Remstar Industrial Vertical Carousels. This warranty is limited to the original purchaser of equipment and is not transferable.

Invalidation

This warranty will be invalidated if any of the following occur:

1. The Kardex Remstar unit is operated outside the recommended parameters as specified in the operations manual and on the machine data plate.
2. The unit is modified in any way which is not authorized in writing by Kardex Remstar prior to the modification.
3. Scheduled maintenance is not carried out at least biannually (or as recommended by Kardex Remstar for individual application) by Kardex Remstar Certified Technicians.
4. Any installation, service, relocation or other work is performed by anyone other than Kardex Remstar Certified Technicians.*
5. Scheduled Maintenance Checklist is not reported to Kardex Remstar within thirty (30) days of performance of scheduled maintenance.
6. The conveyor chains of the vertical carousel are not re-tightened within five (5) days of machine loading.

Exclusions

The following are not covered under the scope of the warranty:

1. The replacement of fuses.
2. The replacement of fluorescent bulbs.
3. Ancillary equipment supplied by others, or damage caused by such equipment.
4. The replacement of lost, damaged, or broken keys.
5. Routine adjustments (e.g., photocells, microswitches, re-initialization of controls, belt/chain tensioning).
6. Damage or intermittent failure caused by connection to incorrect power supplies.
7. Damage caused by improper storage of materials within equipment.
8. Removal of obstructions internal or external to the unit (e.g., conveyors, dropped ceilings, computer floors).
9. Repairs necessitated by abuse, negligent care, deliberate damage, accident, fire, flood, power supply surges, riots, war, or acts of God.
10. Consequential damages.**

Geographical Scope

This warranty covers all 48 contiguous states, and Washington, D.C., and Canada. In Alaska, Hawaii, Puerto Rico and other worldwide locations, the warranty is the same, except that the warrantee is responsible for payment of the service technician's time and travel expenses to and from the nearest Kardex Remstar authorized service center, the cost of parts shipment and handling, and associated duties and customs fees.

The warranty is expressly in lieu of all other warranties, expressed or implied (including but not limited to the implied warranties of merchantability or fitness) and constitutes all of Kardex Remstar's liability in respect to its equipment.

*While Kardex Remstar maintenance training classes are available to its customers for a fee, scheduled maintenance, if performed by Customer technicians for the purpose of maintaining the standard or extended warranty, must be done under the direct supervision of a Kardex Remstar Certified Dealer Technician. Timely filing of the scheduled maintenance online form to Kardex Remstar is in this case the responsibility of the supervising Dealer, not the Customer. The supervising Dealer is responsible for costs associated with any repairs that result from improper, incomplete, or untimely scheduled maintenance, for the balance of the warranty period.

**Some states do not allow the exclusion or limitation of incidental or consequential damage, so the above limitation or exclusion may not apply to the warranty. This warranty gives you specific legal rights and you may also have other rights which may vary from state to state. To know what your legal rights are in your state, consult your statutes.

kardex
storage systems

Appendix B: Terms & Conditions

These Terms and Conditions ("T&C") are structured as follows:

- **Part A (general provisions)** applies to all transactions, except where a provision of the applicable parts B and C contains deviating regulation (other than merely adding further details), which then takes precedence;
- **Parts B and C** contain the applicable specific provisions for **supply of products and software programming services with or without installation (Part B)**, and **individual service orders and service contracts (Part C)**;

These T&C are provided in English. Translations of these T&C into other languages are solely for convenience and are not legally binding.

1. A. General Provisions

1. Scope of the T&C

1.1. These T&C apply to all transactions between **Kardex Storage Systems, LLC ("KARDEX")** and the customer ("Buyer") named in the attached Proposal (ID # GG092201Rev1) ("Proposal"), and individual service orders and service contracts (if applicable), the special letter/standard acceptance form, the Estimated Delivery Confirmation, and the Invoice (collectively, the "contract") , unless expressly otherwise agreed in writing. In the event of any conflict between the terms of this T&C and any other agreement or document executed by the parties, the terms of this T&C shall control.

1.2. On acceptance of the Proposal by the Buyer, these T&C are deemed to be acknowledged and agreed, and will also apply for future transactions with the Buyer.

1.3. Any deviating, contradictory or supplemental terms and conditions of the Buyer apply only if expressly accepted by KARDEX in writing.

1.4. Any amendments of and additions to the contract must be made in writing. All agreements and legally binding declarations of the parties require written confirmation by KARDEX.

1.5. The version of the T&C current at the time of the Proposal applies. In the case of continuing contractual relationships, the draft of the amended T&C will be sent to the Buyer in writing no later than one month before the proposed date of their entry into force. The Buyer is deemed to have given its consent to the amendments if it has not rejected them by the planned date for entry into force. The amended T&C will then apply to any further transactions between the parties.

1.6. The general provisions of these T&C (Part A) apply to all transactions and legal relations between the parties unless otherwise stated in the specific provisions (Parts B and C) or agreed in writing.

1.7. The term **"Product(s)"** used in Part A is individually defined for each of Parts B and C. The meaning of this term in Part A shall therefore have the meaning as defined in the applicable Part B and C.

1.8. The phrase **"KARDEX Related Parties"** means KARDEX, its directors, officers, shareholders, managers, members, owners, attorneys, employees, affiliates, licensors, agents, vendors, suppliers, subcontractors, subsidiaries, partners, successors and/or assigns.

1.9. Any prevention, delay, impediment or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain (or delays in obtaining) services, labor, or materials or reasonable substitutes therefor, governmental actions, civil commotions, fire or other casualty, supply chain issues, viruses, illness, pandemics, epidemics, adverse weather, emergencies and other causes beyond the reasonable control of the party obligated to perform, (collectively, **"Force Majeure"**), shall excuse the performance of such party for a period equal to any such prevention, delay, impediment or stoppage; provided, however, that the foregoing provisions do not apply to the payment obligations of Buyer.

1.10. This contract constitutes the full and complete integrated agreement between the parties, thereby superseding all previous discussions, communications, agreements or commitments between the parties, whether oral or written, concerning the subject matter of this contract. The parties further agree that no verbal or other statements, discussions, representations or impressions have been made or relied upon by either party, and that no waiver, alteration or modification of any of the provisions of this contract or cancellation or replacement of this contract shall be valid and binding unless in writing and signed by both parties and made a part of this contract Further, the parties agree that the invalidity or unenforceability of any provision(s) hereof shall in no way affect the validity or enforceability of any other provision(s). Kardex shall be entitled to recover all attorneys' fees and expenses incurred by it in the enforcement of this contract. The terms of this contract shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

2. Offers from KARDEX

2.1. Unless expressly otherwise agreed, offers from KARDEX are non-binding; otherwise, the offers are valid for 60

days. A statement by the Buyer is deemed to be an acceptance only if it is fully consistent with the KARDEX offer.

2.2. A contract is only validly concluded if KARDEX (i) confirms the order in writing or (ii) starts to perform the contract by delivering the Products or by rendering the service.

2.3. Under no circumstances shall silence by KARDEX with respect to a counter-offer from the Buyer be construed as a declaration of acceptance.

2.4. The documents relating to offers and order confirmations, such as illustrations, drawings, and weight and measurement details, are binding only if this has been expressly agreed in writing. Unless otherwise agreed in writing, brochures and catalogues are not binding.

3. Provided Documents

Each party retains all rights to plans and technical documents that it has provided to the other party. The receiving party acknowledges these rights, and shall not make such documents available, in full or in part, to any third party without the prior written consent of the other party, or use them outside of the scope of the purpose for which they were provided for. This also applies after termination of the business relationship as well as in the event that no contract is concluded between the parties.

4. Prices and Payment Conditions

4.1. Unless otherwise agreed in writing or specified in the subsequent specific provisions, invoices from KARDEX are payable within 30 days net from the invoice date, without any deduction. Advance and prepayments are payable within 10 days from the invoice date without any deduction.

4.2. A Buyer failing to pay by the due date is in default without a reminder, and KARDEX is entitled to charge monthly default interest in the amount of 1%, except where a different default interest rate has been specified in the contract or in the offer.

4.3. In the event of Buyer default, KARDEX is entitled to withdraw from the contract and claim back any Products already supplied and/or enter the site and render Products unusable. In addition, KARDEX is also entitled to claim direct damages and/or provide outstanding deliveries or services only against advance payment or the provision of collateral, or suspend the provision of services under other orders or service agreements for which payment has already been made.

4.4. If KARDEX becomes aware of circumstances casting doubt on the solvency of the Buyer, KARDEX shall have the right to demand full payment in advance or the provision of collateral.

5. Set-off and Assignment

5.1. Buyer is not permitted to make a claim for any set-offs except as provided in this T&C.

5.2. Claims of the Buyer against KARDEX may be assigned only with consent from KARDEX.

5.3. The transfer of any rights and obligations under or in connection with a contract between the parties is permitted only with the other contracting party's written consent.

6. Limitation of Liability

6.1. TO THE MAXIMUM EXTENT PERMISSIBLE UNDER APPLICABLE LAW, IN NO EVENT WILL KARDEX OR KARDEX RELATED PARTIES BE LIABLE, WHATEVER THE LEGAL BASIS FOR THE CLAIM, FOR ANY SPECIAL, INCIDENTAL, INDIRECT, CONSEQUENTIAL, LIQUIDATED OR PUNITIVE DAMAGES OR FOR ANY DAMAGES FOR LOSS OF BUSINESS, LOSS OF PRODUCTION, LOSS OF CAPACITY AND DATA INCLUDING THEIR CONSEQUENCES, LOSS OF USE, LOSS OF ORDERS, DAMAGE TO REPUTATION, LOSS OF REVENUE OR PROFITS, LOSS ARISING FROM DELAYS, LOSS OF DATA AND OTHER LOSSES ARISING FROM VIRUSES, RANSOMEWARE, CYBER ATTACKS OR FAILURES OR INTERRUPTIONS TO NETWORK SYSTEMS, ARISING OUT OF, BASED ON, OR RESULTING FROM THESE T&C OR THE USE OF, MISUSE OF, OR INABILITY TO USE THE PRODUCTS, EVEN IF KARDEX OR KARDEX RELATED PARTIES HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

6.2. . IN NO EVENT SHALL KARDEX'S OR KARDEX RELATED PARTIES' AGGREGATE LIABILITY UNDER THESE T&C OR OTHERWISE WITH RESPECT TO THE SPECIFIC PRODUCTS AND SERVICES PURCHASED HEREUNDER EXCEED THE AMOUNTS PAID TO KARDEX BY BUYER, FOR THE PRODUCTS OR SERVICES GIVING RISE TO SUCH LIABILITY, REGARDLESS OF THE CAUSE OR FAULT AND WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE.

6.3. IF KARDEX OR KARDEX RELATED PARTIES UNLAWFULLY AND CULPABLY DAMAGE PROPERTY OWNED BY THE BUYER, KARDEX'S AND KARDEX RELATED PARTIES' LIABILITY FOR DAMAGES TO PROPERTY SHALL BE LIMITED TO $500,000.00.

6.4. The contractual and non-contractual liability of KARDEX and KARDEX Related Parties is also excluded for damages which are due to (i) incorrect information about operational and technical conditions or about the chemical and physical conditions for the use of the products provided by the Buyer, auxiliary persons and/or advisors of Buyer, or (ii) other actions or omissions of the Buyer, its auxiliary persons, advisors or third parties or other circumstances within the responsibility of the Buyer.

6.5. The above limitations and exclusions of liability do not apply (i) in cases of injury to life, body or health, (ii) in cases of willful misconduct or gross negligence on the part of KARDEX or KARDEX Related Parties, and (iii) for claims from product liability under product liability laws to the extent these laws are mandatory to the legal relationship between the parties.

6.6. If third parties are injured by the Buyer's actions or omissions or if objects of third parties are damaged or third parties are otherwise damaged and KARDEX is held liable for the same, KARDEX has a right of recourse against the Buyer, and such claims are covered by the indemnification provisions of section A.15 hereof.

7. Intellectual Property

7.1. The Buyer may not use the intellectual property of KARDEX (in particular technical protective rights, brands and other signs, designs, know-how, copyright to software and other works) for any purposes other than those expressly agreed between the parties.

7.2. Without the express permission of KARDEX, the Buyer may not transfer or otherwise provide KARDEX Products to third parties without the attached brands.

7.3. Where KARDEX supplies software to the Buyer, the Buyer only acquires a simple, non- exclusive and non-transferrable right of use. The Buyer is not granted any right to edit the software.

8. Data Protection

8.1. The protection of personal data is an important priority for KARDEX. KARDEX and the Buyer undertake to comply at all times with the applicable legal provisions on data protection. In particular, the Buyer assures that KARDEX is permitted to use personal data provided to them by the Buyer in accordance with this section A.8. and indemnifies and holds KARDEX fully harmless from any claims by the persons affected.

8.2. KARDEX collects, processes and uses the Buyer's personal data for the performance of the contract. The Buyer's data will further be used for the purposes of future Buyer service, in which context the Buyer has the right to object in writing at any time. In addition, the Buyer's machines and operational data may be used and evaluated in anonymized form and user information on the Buyer's employees may be used in pseudonymized form for diagnosis and analysis purposes, and in anonymized form for the further development of KARDEX products and services (e.g. preventive maintenance). All data deriving from such analysis and diagnosis shall belong to KARDEX and may be freely used by KARDEX.

8.3. The personal data of the Buyer will only be passed on to other companies (e.g. the transport company entrusted with the delivery) within the scope of contract processing and the provision of information technology and other administrative support activities. Otherwise, personal data will not be passed on to third parties. KARDEX ensures that companies that process personal data on behalf of KARDEX comply with the applicable legal provisions on data protection and that a comparable level of data protection is guaranteed, especially in the case of transfer abroad.

8.4. The Buyer may contact KARDEX free of charge with any queries regarding the collection, processing or use of its personal data.

8.5. When using web-based products of KARDEX (such as Buyer portal, remote portal) personal data will be recorded. The collection, processing and use of such data can, upon Buyer's request, be governed by a separate data processing agreement.

9. Confidentiality

9.1. Each of the parties undertakes to keep confidential all trade secrets and confidential information brought to their knowledge by the other party, in particular, all information on Buyer relationships and their details, other important information such as plans, service descriptions, product specifications, information on production processes and any other confidential information made available to it and/or otherwise disclosed by the other party in written or other form, and, in particular, not to make direct or indirect use thereof in business dealings and/or for competitive purposes, and/or pass it on to third parties in business dealings and/or for competitive purposes, and/or otherwise bring it directly or indirectly to the attention of third parties, either itself or through third parties.

9.2. The confidentiality agreement does not apply where the information is publicly known, was already known to

the other party when received, has been made available by third parties without any breach of a party's confidentiality obligation, or whose disclosure is mandatory under legal provisions, official orders or court orders, in particular judgments. The party wishing to invoke these exceptions bears the burden of proof in this regard.

9.3. The parties will place all persons whose services they use for providing services or who otherwise come into contact with confidential information as per section A.9.1 under a confidentiality obligation in accordance with sections A.9.1. and A.9.2.

10. **Severability**

If any provision of the contract, including these T&C, are or become fully or partially unenforceable or invalid under applicable law, such provision shall be ineffective only to the extent of such unenforceability or invalidity and the remaining provisions of the contract or the T&C, respectively, shall continue to be binding and in full force and effect. Such unenforceable or invalid provision shall be replaced by such a valid and enforceable provision, which the parties consider, in good faith, to match as closely as possible the invalid or unenforceable provision and attaining the same or a similar economic effect.

11. **Office Hours**

2. **Office hours are the usual working hours [Monday - Friday, 9:00 a.m. - 6:00 p.m.], with the exception of the public holidays at the registered office of KARDEX.**

3.

12. **Arbitration, Class Action Waiver, and Jury Waiver**

12.1. KARDEX and Buyer agree that all claims and disputes (whether contract, tort or otherwise), including all statutory claims and disputes, arising out of or relating to the contract or relationship between the parties and/or these T&C, including their construction, validity, binding effect, breach, termination or recission, shall be resolved by binding arbitration on an individual basis, except that KARDEX and Buyer are not required to arbitrate any dispute in which either party seeks equitable relief for the alleged unlawful use of copyrights, trademarks, trade names, logos, trade secrets or patents. There will be no jury, the case will be heard before an arbitration panel, not in a court and arbitration shall be the sole and exclusive remedy. The arbitration shall be individual, not a class, collective or group arbitration proceeding. The arbitration proceeding shall be administered in Indiana, unless the arbitration panel decides it should be administered in Delaware. All disputes concerning the arbitrability of a claim (including disputes about the scope, applicability, enforceability, revocability, or validity of this provision) shall be decided by the arbitration panel, except as expressly provided below.

12.2. **Arbitration Rules.**

4. The Federal Arbitration Act, including its procedural provisions, govern the interpretation and enforcement of this dispute-resolution provision, and not state law. Either KARDEX or Buyer may commence the arbitration process by submitting a written demand for arbitration with the American Arbitration Association ("AAA"), and providing a copy to the other party. The arbitration will be conducted in accordance with the provisions of the AAA's Commercial Arbitration Rules in effect at the time of submission of the demand for arbitration, except to the extent those rules conflict with these T&C. Arbitration will be conducted before a tribunal composed of three neutral arbitrators each of whom shall sign an oath agreeing to be bound by the codes of ethics for arbitrators in commercial disputes promulgated by the AAA. Each party shall appoint an arbitrator, obtains its appointee's acceptance of such appointment, and deliver written notification of such appointment and acceptance to the other party within 30 days after delivery of the written demand for arbitration. The two persons so selected as arbitrators shall select a third arbitrator within 30 days of their appointment. Each arbitrator shall be a practicing lawyer or retired judge and have experience relating to commercial disputes. The AAA Rules and filing forms are available online at www.adr.org. Except as may be required by law as determined by the arbitration panel, no party or arbitrator may disclose the existence, content or results of any arbitration hereunder without the prior written consent of both parties. The arbitration award may be confirmed, modified, or vacated, and judgment entered, by any state or federal court having subject matter jurisdiction sitting in the state of Delaware.

12.3. **Fees.**

5. Unless the arbitration panel orders otherwise, the parties must share arbitration costs equally, including the arbitrators' fees and expenses. Each party must pay its own expenses and attorneys' fees.

12.4. **Authority of Arbitrators.**

6. The arbitration panel will decide the jurisdiction of the arbitration and the rights and liabilities, if any, of KARDEX

and Buyer. The dispute will not be consolidated with any other matters or joined with any other cases or parties. The arbitration panel will have the authority to grant motions dispositive of all or part of any claim or dispute. The arbitration panel will have the authority to award monetary damages and to grant any non-monetary remedy or relief available to a party under law, the AAA's Commercial Arbitration Rules, and these T&C. The arbitration panel will issue a written award and statement of decision describing the essential findings and conclusions on which the award is based, including the calculations of any damages awarded. The arbitration panel has the same authority to award relief on an individual basis that a judge in a court of law would have. The award of the arbitration panel is final and binding on KARDEX and Buyer.

12.5. **Waiver of Jury Trial.**

7. **KARDEX AND BUYER WAIVE ANY CONSTITUTIONAL AND STATUTORY RIGHTS TO GO TO COURT AND HAVE A TRIAL IN FRONT OF A JUDGE OR A JURY.** With respect to any issue which is not subject to arbitration, KARDEX and Buyer each waive any right to a trial by jury in any action or proceeding to enforce or defend any rights (a) under this T&C or under any amendment, instrument, document or agreement delivered or which in the future be delivered in connection herewith, or (b) arising from any contemplated transactions in connection with this agreement or their relationship.

12.6. **Waiver of Class or Consolidated Actions.**

8. **ALL CLAIMS AND DISPUTES WITHIN THE SCOPE OF THIS ARBITRATION PROVISION MUST BE ARBITRATED OR LITIGATED ON AN INDIVIDUAL BASIS AND NOT ON A CLASS BASIS. CLAIMS OF MORE THAN ONE BUYER OR ENTITY CANNOT BE ARBITRATED OR LITIGATED JOINTLY OR CONSOLIDATED WITH THOSE OF ANY OTHER BUYER OR ENTITY.** Notwithstanding any other provision in these T&C or AAA's Commercial Arbitration Rules, disputes regarding the interpretation, applicability or enforceability of this waiver may be resolved only by the arbitration panel. If this waiver or class or consolidated actions is deemed invalid or unenforceable, neither Buyer nor KARDEX are entitled to arbitration; instead all claims and disputes will be resolved in a court as set forth in sections A.12 and A.13 hereof.

12.7. **Right to Waive.**

9. Any rights and limitations set forth in section A.13 hereof may be waived by the party against whom the claim is asserted. Such waiver will not waive or affect any other portion of section A.13 hereof.

12.8. **No opt outs.**

10. To the extent permitted by law, Buyer waives any statutory or other right to opt out of these mandatory arbitration provisions.

12.9. **Arbitration Agreement Survival.**

11. These Arbitration provisions will survive the termination of Buyer's relationship with KARDEX.

12.10. **Exclusive Venue.**

12. To the extent that these T&C or applicable law allow KARDEX or Buyer to initiate litigation in court to resolve issues that are not subject to arbitration, including, without limitation, whether to vacate or enforce an arbitration award, KARDEX and Buyer agree that all claims and disputes not covered by these arbitration provisions arising out of or relating to the T&C will be litigated exclusively in the United States District Court for the District of Delaware. If, however, that court would lack original jurisdiction over the litigation, then all such claims and disputes will be litigated exclusively in the Courts of Kent County, Delaware. KARDEX and Buyer consent to the personal jurisdiction of both courts.

13.

13. **Choice of Law.**

14. These T&C and the entire legal relationship between the parties shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to applicable principles of conflicts of laws.

15.

14. **Limitation of Warranties.**

16. ***TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, AND EXCEPT AS STATED IN THE WARRANTY PROVISIONS OF THIS T&C (SECTIONS B.6 and C2.6),*** **KARDEX MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND WITH RESPECT TO THE PRODUCTS (INCLUDING ANY OTHER PRODUCTS) AND SERVICES PROVIDED BY KARDEX, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, AND KARDEX DISCLAIMS ALL OTHER REPRESENTATIONS AND WARRANTIES WHATSOEVER, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, OR NON-INFRINGEMENT, AND ANY WARRANTY ARISING OUT OF ANY COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE. KARDEX NEITHER ASSUMES, NOR AUTHORIZES ANY OTHER PERSON PURPORTING TO ACT ON ITS BEHALF TO MODIFY OR TO CHANGE ANY WARRANTY APPLICBLE TO A PRODUCT OR SERVICE, NOR TO ASSUME FOR IT ANY OTHER WARRANTY OR LIABILITY**

CONCERNING ANY PRODUCT OR SERVICE. SOME JURISDICTIONS DO NOT ALLOW THE FOREGOING EXCLUSIONS AND LIMITATIONS. IN SUCH AN EVENT, SUCH EXCLUSION AND LIMITATION WILL NOT APPLY SOLELY TO THE EXTENT PROHIBITED BY APPLICABLE LAW, AND THE DURATION OF ANY IMPLIED WARRANTIES WILL BE LIMITED TO THE DURATION OF THE LIMITED WARRANTY PROVISIONS OF THIS T&C.

17.

15. **INDEMNIFICATION.**

18. **Except to the extent of any gross negligence or willful misconduct of KARDEX, Buyer shall indemnify, defend and hold harmless KARDEX and KARDEX Related Parties, from and against any and all claims, demands, losses, damages, costs, expenses or other liabilities (including, without limitation, attorneys' fees, litigation expenses and amounts paid in settlement) which may be suffered or incurred by any of them as a result of any claim, demand, suit, proceeding or cause of action arising in any manner from: (i) any acts or omissions by Buyer or its representatives, arising out of or relating to Buyer's purchase, handling, transportation, export, re-export, re-transfer, import, possession, use, demonstration, marketing, sale, disposition, distribution or maintenance of Products; (ii) any statements, representations (whether oral, written, express or implied), suppression of information, or failure to disclose information of any kind by Buyer or its representatives with respect to Products or Individual Services different or in addition to the applicable Product or Service warranty provided by KARDEX; (iii) the improper use or disclosure of KARDEX's or KARDEX Related Parties' intellectual property, including trademarks, patents, copyrights and proprietary marketing and business systems information; (iv) any intentional misconduct or negligent act or omission of Buyer, its employees or, agents; (vi) any contractual obligation assumed by Buyer toward any third-party; (vii) any misuse or modification of Products by Buyer or its employees or agents; or (viii) Buyer's failure to comply with any law applicable to these T&C or the performance of Buyer's obligations hereunder.**

19. B. Specific Provisions for Deliveries

1. **Delivery**

1.1. The subject-matter of delivery contracts is the delivery of systems, machines and/or software products and individually customized software in accordance with the specifications in the order confirmation handed over to the Buyer by KARDEX (each individually or collectively "**Product(s)**").

1.2. Only the characteristics listed in the order confirmation are guaranteed features. Public statements, promotions and advertisements do not constitute guaranteed features of the Products. It is the Buyer's responsibility to assess whether or not the ordered Products are suitable for their intended purpose.

1.3. Any quality guarantees in addition to features guaranteed in the order confirmation must be confirmed by KARDEX in writing.

1.4. KARDEX reserves the right to make design and/or shape changes to the Products if the Product thereafter deviates only insignificantly from the agreed quality and the changes are reasonable for the Buyer or if the Buyer agrees to the change of the agreed quality.

2. **Delivery Time**

2.1. Delivery times are non-binding unless expressly agreed as binding by KARDEX in writing by way of the execution of the "Binding Delivery Date Agreement" attached hereto as Exhibit A.

2.2. Delivery periods start with the dispatch of the order confirmation or receipt of the order in case there is no order confirmation, but not before the receipt of any advance payment or collateral to be provided by the Buyer.

2.3. If subsequent change requests by the Buyer are accepted, the delivery period and delivery date are extended and postponed at least by the time required for implementation of the requested changes.

2.4. Delivery periods and delivery dates are met if on their expiry the Product has left the factory or notification of readiness for dispatch has been given. In the case of installation of Products, the delivery period is met by timely handover or acceptance of the installed Product. Delays beyond the control of KARDEX (e.g. failure by the Buyer to provide ancillary services, such as the provision of documents, permits and/or clearances to be obtained by the Buyer, ensuring the availability of a suitable lifting platform or opening the building) will at least result in a corresponding extension of the delivery period. KARDEX has the right to charge incurred cost from such delays.

2.5. Force Majeure (as defined herein), strikes, lockouts and other impediments beyond the control of KARDEX will extend and postpone agreed delivery periods and delivery dates by no more than the duration of the impediment, to the extent that such impediments can be proven to have a significant impact on completion or delivery of the Products or associated services. The same applies where the impediments to performance occur

in the operations of KARDEX's upstream suppliers. KARDEX will further not be accountable for the above circumstances if they arise during an already existing delay. KARDEX will notify the Buyer without delay of the beginning and end of such impediments.

2.6. If the dispatch of the Products is delayed at the Buyer's request, the Buyer will be invoiced as from one month after the notification of readiness for shipment issued by KARDEX for the resulting storage costs; in the case of storage in the factory, KARDEX may claim a storage fee in accordance with normal local rates. KARDEX is, however, entitled, after setting a reasonable deadline that has expired without effect, to use the Product otherwise, and to supply the Buyer with a similar product within a new delivery period.

2.7. Partial deliveries are permitted.

3. Late Delivery

3.1. The Buyer's entitlement to compensation for damages caused by delay is dependent on prior notification of the delay in writing by the Buyer to KARDEX, and provision of proof of damage incurred as a result of the delay. The damages caused by delay will in any case be limited to a maximum of 0.1% of the consideration per expired week of delay, and to a maximum of 5% of the total consideration. Further compensation claims by the Buyer due to delay are excluded; this does not apply in the case of willful misconduct or gross negligence by KARDEX.

3.2. The Buyer can only waive delivery and withdraw from the contract if, after the agreed delivery date has passed or the agreed delivery period has expired, (i) the Buyer sets KARDEX in writing two grace periods of reasonable length , whereby each grace period shall at least be 10 weeks, (ii) these two grace periods expire without success, and (iii) the Buyer, immediately after expiry of the second grace period, declares in writing that it waives delivery or withdraws from the contract.

3.3. To the extent permitted by law, all further claims and rights of the Buyer due to or in relation with the delay, in particular with respect to any further damages, are excluded.

4. Place of Delivery; Transfer of Risk; Inspection Obligation

4.1. Unless expressly agreed otherwise, the Product will be delivered "FCA KARDEX factory" (Incoterms 2020).

4.2. If an installation of the Product has been agreed, the Product will be delivered "DDP Buyer's factory/location of services" (Incoterms 2020), unless expressly agreed otherwise. In this case, the risk passes to the Buyer at the latest at the arrival of the Product at the Buyer's premises.

4.3. If shipment is delayed in the situation according to section B.4.1. due to circumstances beyond the control of KARDEX, the use and risk of the Products will pass to the Buyer when the goods are ready for dispatch.

4.4. In the situation according to section B.4.2., the Buyer is required to inspect the Product for externally visible damage immediately upon its delivery and, if a transport damage is suspected, to provide a written and photographically documented report of the damage in due course so that the deadlines for making insurance claims can be met.

5. Inspection and Acceptance

5.1. The Buyer is required to inspect the quality and quantity of the Product supplied immediately upon receipt. Any defects or incorrect deliveries must be reported immediately, but in any event within 10 days from receipt of the Product (or from detection in case of hidden defects), in detail in writing and with photographic documentation. If the report is submitted late, the deliveries will be deemed accepted and no warranty will apply.

5.2. If an installation of the Product has been agreed, the Buyer is obliged to carry out an inspection and acceptance procedure on the Product as soon as KARDEX notifies the Buyer that the Products are ready for inspection. Defects must be recorded in a written report (Buyer acceptance certificate). Immediately after the acceptance inspection, KARDEX is to be sent a copy of the Buyer acceptance certificate and KARDEX is to be notified about any defects in a detailed written report. If the Buyer fails to meet this complaint notification obligation, all warranty claims will lapse.

5.3. If acceptance is delayed for reasons beyond the control of KARDEX, the Product is deemed to be accepted 14 days after the receipt of the Products or, if it is a delivery with installation, the notification that the Products are ready for inspection. The Product is further deemed to be accepted if it is in productive use by the Buyer.

5.4. If the Product shows only minor defects in the acceptance inspection, the Buyer may not refuse acceptance; instead, in this case the Product is deemed to be accepted.

5.5. With acceptance, KARDEX is no longer liable for any defects which could have been discovered on normal inspection and which are not listed in the Buyer acceptance certificate.

6. Limited Warranty

6.1. KARDEX warrants that the Products shall be free from defects for a period of two (2) years from the date that the Products are installed, unless an additional warranty period is purchased by Buyer. Products shall be deemed defective if

(i) they are demonstrably afflicted with defects at the time of passing of risk which cancel or significantly reduce their value or (ii) guaranteed characteristics are not met.

6.2. In the event of breach of warranty by KARDEX, KARDEX shall have the right and the duty to rectify the defect within a reasonable period of time after written notice from Buyer. If KARDEX's first attempt to rectify the defect is unsuccessful or if KARDEX does not take any action, the Buyer has to grant KARDEX an additional thirty (30) days to rectify the defect. If the second attempt to rectify is unsuccessful or if KARDEX allows this second reasonable deadline to expire without taking any action, KARDEX, at its own discretion, shall offer the Buyer either replacement delivery or repair without charge. KARDEX is obliged to bear all costs necessary to rectify, repair or replace a defective Product, in particular costs for transport, labor and materials, unless such costs are increased due to the fact that the Product has been moved to a location other than the agreed place of delivery.

6.3. If the rectification, replacement delivery or repair ultimately fails, the Buyer may make demand for a price reduction reasonably related to the alleged defect or problem. Only if the Product has physical defects that render it unsuitable for the intended purpose may the Buyer alternatively rescind the contract.

6.4. If KARDEX has guaranteed a specified level of performance (throughput) or a specified availability of a device and, at the time of acceptance by the Buyer, the shortfall with respect to the guaranteed performance or availability is no more than 15%, the Buyer, to the extent permitted by law, shall not have the right to rescind the contract, request a replacement delivery or claim damages. As a remedy, KARDEX, at its own choice, shall offer the Buyer either rectification or a price reduction.

6.5. If (a) KARDEX has guaranteed a specified level of performance (throughput) or availability of a device, (b) the Buyer subsequently changes the device specification or places additional orders, and

(c) this reduces the performance or availability, the guaranteed values shall be deemed adjusted accordingly.

6.6. Warranty claims become null and void if any attempted repairs or modification are carried out by persons who are not KARDEX certified or authorized technicians , if the Product is operated or maintained inappropriately or contrary to the manufacturer's instructions, or if the Product is moved by the Buyer to another location without the involvement of KARDEX.

7. Prices and Payment Conditions

7.1. If the legal or regulatory requirements for the Product change after conclusion of the contract and this makes it significantly more difficult for KARDEX to deliver the Products in accordance with the contract, KARDEX may charge a reasonable increase of the consideration. An agreed delivery period, where applicable, will be extended by the delay resulting from the change.

7.2. In deviation from section A.4.2., the purchase price will be due for payment as follows: if KARDEX has undertaken to install the Product, 50% is payable upon placement of the order, 40% upon delivery (or no later than 30 days after notification of delivery) and 10% within 30 days of acceptance. If KARDEX has not undertaken to install the Product, the full purchase price is payable 30 days after supply and invoicing, without deduction. Advance and prepayments are payable within 10 days from date of the invoice without deduction.

7.3. If the purchase price is specified in a currency other than in USD, KARDEX is entitled to additionally charge the Buyer for any currency effects occurring between the order confirmation and the final invoice.

8. Retention of Title

8.1. KARDEX retains title to the Product sold until full payment of the purchase price.

8.2. If this is necessary or possible, KARDEX is entitled to have the retention of title registered at the competent registration office, even without the Buyer's involvement.

8.3. The Buyer is obliged to carry out all actions and measures necessary to protect the property of KARDEX. In the event of pledging or other interference with the property rights of KARDEX, the Buyer must notify KARDEX immediately. As long as the purchase price has not been paid in full, the Buyer may not pledge, lease, resell or otherwise make the Product available to third parties.

9. Spare Parts; Wear Parts; Maintenance Commitment

9.1. KARDEX gives the Buyer an assurance of the availability of non-electronic spare and wear parts (**"Parts"**) for a

period of 10 years, and electronic Parts for a period of 6 years, from the delivery of the Machine.

9.2. With respect to software, the maintenance commitment of KARDEX is subject to any maintenance contract concluded between KARDEX and the Buyer.

10. Technical Support by the Buyer

10.1. If the installation of the Product has been agreed, the Buyer is obliged to provide technical support at its own expense. This includes in particular:

a) Any necessary under-pouring or plugging of the steel framework and laying of the underfloor (screed flooring) after installation. The Buyer is to provide the installation surface for the Product at the new location in well-swept condition.

b) Provision of and, if and to the extent requested by KARDEX in each particular case, operation and maintenance of the necessary equipment and heavy tools (e.g. scissor lift) as agreed with KARDEX, and the required auxiliary items and materials (e.g. underlays, wedges, lubricants, fuel, etc.).

c) Provision of heating, lighting, site energy supply, water, including the necessary connections.

d) Provision of suitable, burglar-proof personnel rooms and work rooms with heating, lighting, washing facilities and sanitary facilities, and first aid for the installation personnel.

e) Transport of installation parts to the installation location, protection of the installation location and installation materials from harmful effects of all kinds, cleaning of the installation location.

f) Provision of materials and carrying out any other actions required for initial adjustment of the Product and carrying out testing as specified in the contract.

g) Ensuring the floor load capacity at the installation location, and providing an installation surface that is robust, level on all sides and horizontal.

h) Prior to the start of installation, provide at the location of the machine as per relevant regulations the required energy supply, internet and data connection in accordance with KARDEX specifications.

i) Providing the structural prerequisites for correct, problem-free installation (for example, moving of ventilation ducts, batten light fittings, water pipes, if these obstruct the installation of the Product).

10.2. The technical support provided by the Buyer must be such as to ensure that the work on providing the services can begin immediately on the arrival of the KARDEX technician and can be carried out without delay until acceptance by the Buyer. The technician should be able to work at optimum capacity between 7:00 a.m. and 6:00 p.m. If special plans or instructions from KARDEX are needed for the installation, KARDEX will supply these to the Buyer sufficiently in advance.

10.3. The Buyer will provide, when needed, assistance to the KARDEX technician on site with its own personnel to the best of its ability; this applies in particular where work is to be carried out that a single person cannot reasonably be expected to perform, or that cannot be carried out safely by a single person. KARDEX cannot be charged for such assistance. The Buyer is to confirm the work carried out by the KARDEX technician by signing off the technician's work report.

10.4. If the Buyer fails to meet its obligations, KARDEX, after issuing a non-compliance notice, is entitled, but not obliged, to carry out the actions incumbent on the Buyer in the Buyer's place, and at Buyer's expense, or have them carried out by third parties. In addition, there can be no delay on the part of KARDEX to the extent and for as long as the Buyer has failed to meet its obligations.

20. C. Provisions for Life Cycle Services

The terms and conditions for Life Cycle services are arranged in three major parts. Part C1 contains general definitions, Part C2 describes the terms and conditions for individual services and Part C3 outlines the terms and conditions for service contracts.

21. C1: General Definitions

1. Individual Service Orders

1.1. Subject matter of individual service orders is the provision of individual services, such as repairs, installations and commissioning without delivery of a system, relocation of a system, maintenance, modifications, retrofits and upgrades of any Product as delivered under Part B (hereinafter referred to individually or collectively as "**Individual Service(s)**" or "**Individual Order**").

1.2. The scope of services is determined in the subsequent provisions as well as in the order confirmation, which specify (a) the services to be provided, (b) the system, machine and/or software (hereinafter referred to individually or collectively as "**Product(s)**") for which the services are to be provided, (c) place of delivery and delivery times, and (d) the remuneration owed therefor.

2. Service Contract

2.1. The subject matter of a service contract is the performance of maintenance, repair work or other services (**"Maintenance"** or **"Service(s)"**) on Products over several years.

2.2. The scope of the services is determined by the service contract, specifying (a) the chosen service package (BASE, FLEX or FULL Care), (b) the Products for which Maintenance is to be provided, and (c) the remuneration payable as the annual fee.

3. Response Times

"Helpdesk Reaction Time" is defined as the time from when the Buyer's fault report is received by the KARDEX Central Call Desk (**"CCD"**) to when KARDEX Remote Support or telephone-based service begins. **"OnSite Reaction Time"** is defined as the time from when the Buyer's fault report is received by the CCD to the service technician's arrival on site. Only the reaction time during normal office hours is relevant, with continuation on the next working day, where applicable. Times outside normal office hours will not be taken into account when calculating the response time, unless an extended "Onsite & Helpdesk support" is agreed upon in the corresponding service contract. KARDEX guarantees to the Buyer that it will meet response times as described in the service contract.

4. Fault Reports

4.1. All faults must be reported to KARDEX by telephone, online or using the Remote Help Request button, so that recording and classification of the fault can be undertaken within the Helpdesk Reaction Time, and so that the necessary arrangements can be initiated without delay.

4.2. The elimination of the fault is carried out by telephone support, Remote Support (if agreed) or an on-site callout of a technician. The choice of the suitable measure(s) is at the sole discretion of KARDEX.

4.3. If a Buyer submits fault reports outside the contractually agreed On-site & Helpdesk support hours, KARDEX is not obligated to initiate a service intervention such as telephone support, Remote Support or an on-site callout. If an on-site callout does, however, take place, the Buyer will be charged at double the applicable hourly rate of the KARDEX Buyer service.

4.4. KARDEX is obliged to investigate a fault only if it has been properly reported by the Buyer, and if the fault at the client's location is reproducible or can be demonstrated by machine-generated outputs.

4.5. For software fault special conditions apply. A software fault is present only if the use of core functions of the software is impossible or severely impaired, and/or

- the software produces incorrect results, which cannot be attributed to operating errors by the Buyer; or
- there is an uncontrolled interruption of the running of the software that is not caused by a program interface; or
- use of the software is severely impaired or prevented in another manner contrary to correct functionality.

4.6. A software fault is not present in the case of problems for which the cause cannot be attributed to software supplied by KARDEX, but in particular rather to the software of other manufacturers, the Buyer's hardware or operating system, the database or a parameterization error on the part of the Buyer.

5. Timing / Agreement on Dates

5.1. If the Buyer cancels or postpones a service intervention arranged less than 48 hours before the start of the intervention, the Buyer is required to bear the costs associated therewith at the usual KARDEX rates.

5.2. KARDEX is entitled to invoice the costs for unnecessary travel to the Buyer's location or on-site waiting times in excess of 30 minutes separately at the usual KARDEX Buyer service hourly rates applicable at the time of the scheduled intervention.

6. Liability

6.1. To the extent permitted by law, KARDEX will not be liable for damage resulting from incorrect use of the Products, telephone or electronic transmission failures, faulty execution of support instructions by the Buyer, attempted repairs carried out by the Buyer itself or third parties, service parts not being available on site, untrained or unauthorized staff of the Buyer or third parties, or delay in reaching the on-duty service technician because of being engaged in another service intervention. Nor will KARDEX be liable for the consequences of any loss of data.

6.2. To the extent permitted by law, any liability for merchandise and goods stored in the Products is excluded.

22. C2: Individual Services

23. **Individual Services Contain the Following Services**

23.1. Installation and Commissioning Service to install newly and/or rebuild the Product by skilled technicians. This may include operation and/or maintenance training of Buyer personnel.

23.2. On-site support intervention for repair and recommissioning after a break down or loss of productivity. On-Site Services include the provision of labor by skilled technicians, materials such as spare parts, wear parts and consumables, travel costs and fees for daily allowance, as well as special fees for outside office hours call outs.

23.3. Remote Support or telephone support interventions are designed to enable the Buyer to bring back its system to normal operation in a short period of time and to therefore increase the operating time. The continuous monitoring via Remote Support can even prevent downtimes.

23.4. Relocation Service of KARDEX offers its Buyers the relocation and moving of the products manufactured by KARDEX, either within the same or to a different site, within domestic territory or abroad (**"Relocation Service"**). The Relocation Service comprises the dismantling of the Product at the old location, transport of the components from the old to the new location (if so agreed), interim storage of the components (if so agreed), installation at the new location, and commissioning of the Product. The relocation service does not include the rectification of defects and the replacement of wear parts, both of which require the placement of a separate order against a separate fee to be executed and handled independently from the relocation service. If the new location is in a different country than the old location, the Buyer is required to perform all the actions necessary for transportation to the other country and also the operation in the other country. The Buyer bears all the costs arising in this context (necessary modification of the Product, customs, clearance fees, etc.). Necessary modifications to the Product require a separate order for Individual Services (for a separate fee). The Buyer has to remove all the contents (goods in storage) from the Product, before relocation can take place.

23.5. Training services are designed to empower the Buyer's staff to operate the system according to its intended use, to increase the adherence to safe working methods and to positively influence the system's overall availability and performance.

23.6. Maintenance and Safety Tests are intended to maintain the system's reliability, to prevent unexpected break downs, to ensure the testing of safety equipment on a regular and professional basis as well as to reduce premature loss of the system's value.

23.7. Modification services are intended to adapt the system to the changes implied by the Buyer's business operation in mechanics and software to ensure that it meets changed operational requirements.

23.8. Upgrade and Retrofit Services are intended to bring the system up-to-date with the latest technology, with regards to mechanics and software.

23.9. The Spare Part Delivery Service is intended to enable the Buyer to purchase single parts to be fitted into the Buyer's systems or spare part packages with carefully selected assortments of parts which are stored at the Buyer's premises to ensure their availability in case of an on-site intervention.

24. **Use of Third Party Sub-Contractors**

In order to meet its obligations under Individual Services, KARDEX may make use of the services of third parties. KARDEX is not obliged to perform the Individual Service itself. If KARDEX makes use of a third party, KARDEX will ensure by means of suitable contractual provisions with such party that the obligations of KARDEX under the Individual Service are fulfilled by the third party.

25. **Unauthorized Intervention in Kardex Systems**

The Buyer is obliged to inform KARDEX before KARDEX commences its work about any external or internal work or renewal of parts carried out on the Product by the Buyer or third parties, whereby KARDEX shall be entitled to request a thorough chargeable inspection of such amended or renewed Product or decline to perform the Individual Service.

26. **Technical Support by the Buyer**

The Buyer is obliged to provide technical support to KARDEX for the performance of the Individual Service at its own expense. Section B.10. applies accordingly in the case of an installation order or relocation order.

27. **Acceptance**

27.1. As soon as KARDEX notifies the Buyer of the completion of the Individual Service, the Buyer must carry out an

acceptance inspection of the performed services and/or delivered products. The results of such acceptance inspection including a detailed report of any defects are to be recorded in writing in a Buyer acceptance certificate, a signed copy of which must be immediately handed over/sent to KARDEX. If the Buyer fails to meet this complaint notification obligation, the respective warranty claims will lapse.

27.2. If acceptance is delayed for reasons beyond the control of KARDEX, the Products are deemed to be accepted 14 days after notification of completion by KARDEX. KARDEX is entitled to invoice the cost incurred from such delays.

27.3. If only minor defects are found in the acceptance inspection, the Buyer may not refuse acceptance. In such case, the Individual Service shall be deemed accepted.

27.4. With acceptance, KARDEX is no longer liable for any defects which could have been discovered on normal inspection and which are not listed in the Buyer acceptance certificate.

28. Limited Warranty

28.1. KARDEX warrants the faultless provision of the services in accordance with the legal regulations, the applicable norms and directives as well as the recognized rules of technology.

28.2. In the event of breach of warranty by KARDEX, KARDEX shall have the right and the duty to rectify the defect within a reasonable period of time after written notice from Buyer. If KARDEX' first attempt to rectify the defect is unsuccessful or if KARDEX does not take any action, the Buyer has to grant KARDEX an additional thirty (30) days to rectify the defect. If the second attempt to rectify is unsuccessful or if KARDEX allows this second reasonable deadline to expire without taking any action, the Buyer is entitled to claim a reduction of the remuneration. The Buyer is also entitled to claim a reduction of the remuneration if KARDEX seriously and ultimately refuses to carry out the rectification from the outset. However, the Buyer may only withdraw from the contract if the services carried out by KARDEX repeatedly show serious defects and KARDEX repeatedly fails to remedy breaches of warranty in accordance with this provision.

28.3. The Limited Warranty is voided in case of: (a) improper or unintended use, (b) faulty installation or commissioning by the Buyer or a person who is not certified or authorized by KARDEX, (c) modification, maintenance, repair or relocation of the Product by the Buyer or a third party, (d) excessive wear and tear due to circumstances within the Buyer's control, (e) faulty operation or negligent treatment of the Products, (f) use of inappropriate service fluids or replacement materials, (g) faulty construction or unsuitable soil on the Buyer's premises, (h) chemical or electronic effects, if these are not due to fault of KARDEX, (i) untrue indications by the Buyer or its advisers on the operational and technical conditions for the use of the products, and (j) cases of Force Majeure as defined herein.

29. Remuneration

29.1. The remuneration for Individual Services will be charged on a time and material basis according to KARDEX's current price list, unless a lump sum fee has been expressly agreed.

29.2. KARDEX has the right to charge the Buyer any costs for unnecessary travel to the Buyer or if the Individual Service could not be performed for reasons for which the Buyer is responsible.

29.3. Any waiting times caused by the Buyer's lack of support can be charged by KARDEX to the Buyer.

30. C3: Specific Provisions for Service Contracts

1. Service Packages

1.1. The services provided by KARDEX in the context of service contracts are determined by the product and service descriptions of the Service Contract, the technical requirements, the specified maintenance intervals as well as the defined software upgrades, service releases and software updates. Such services can include all products delivered under Part B.

1.2. In general, KARDEX will carry out maintenance work during normal office hours. To have access to services outside normal office hours, the Buyer can opt for the "FLEX Care" or "FULL Care" service packages, which must be ordered separately.

1.3. Without prejudice to the warranty under delivery contracts, KARDEX does not provide any warranty that the Product will remain free of defects and/or will function without interruption during the term of the service contract. The warranty for services provided by KARDEX is based on section C3.4.

1.4. The inclusion of a Product in a service contract requires that the Product and its components are in a technically perfect condition and that the Buyer has acquired a right to use the current version of the software. Products for which the warranty commencing on delivery has already expired will only be included in the service contract after they have been subjected to an inspection by KARDEX. The costs for the inspection and any expenses

incurred for bringing the Product to be included back into a proper condition shall be borne by the Buyer, according to the applicable rates and price lists.

1.5. The KARDEX remote support portal (**"KARDEX Remote Support"**) allows the condition of the product to be monitored by the assessment of technical data from the control unit. All personal data and Buyer related data exchanged in the context of the services will be used exclusively for the purposes defined in these terms of use. A connection to the KARDEX Remote Support does not guarantee that malfunctions can be diagnosed or eliminated by means of the KARDEX Remote Support. If the malfunction cannot be solved by means of KARDEX Remote Support, KARDEX will send a service technician to the concerned Product to eliminate the malfunction and will separately charge its services pursuant to the applicable rates and price lists.

2. Buyer Obligations

2.1. The Buyer shall treat and use the Product in accordance with KARDEX operating recommendations. The Buyer shall enable KARDEX to eliminate malfunctions arising due to incorrect operation, at the Buyer's expense.

2.2. Faults are to be reported solely by the Buyer authorized person commissioned with operating the machine in accordance with the KARDEX operator manual to the on-duty KARDEX service technician. The fault report must be submitted from the location of the Product concerned using a suitable means of communication, specifying the Product name, the model and serial or license number and the best possible description of the fault. The disclosure of KARDEX contact details or premises access codes to any third parties is expressly prohibited in the interests of ease of access. The Buyer is obliged to keep his technical equipment available in such a way that the support by KARDEX via telephone or KARDEX Support Portal is possible. Connection costs shall be borne by the Buyer.

2.3. With the conclusion of a KARDEX Remote Support contract, the Buyer undertakes to provide a functional data transmission device (remote connection for KARDEX Remote Support), sufficiently protected against unauthorized third-party access, to allow KARDEX appropriate access to the Buyer's system for support tasks. As a prerequisite for this, the Buyer must provide KARDEX the required authorizations. Remote support is carried out via a suitable separate remote service software application, such as the KARDEX Remote Support application, or in exceptional cases, TeamViewer. Any data transmission costs incurred and any other costs arising from remote service are borne by the Buyer. Further details on this may be provided in the support contract. If the Buyer does not have data transmission facilities as defined above available, the Buyer shall reimburse KARDEX for the resulting increased expense. KARDEX is relieved from its duty to perform remote service, if – for reasons for which KARDEX is not responsible – no connection can be established from the system or if Buyer fails to provide remote access as set forth herein, and as may be required under the terms of the service contract.

2.4 When required, the Buyer will support the KARDEX service technician on site with its own personnel to the best of its ability and to a reasonable extent; this applies in particular if the work to be carried out is beyond what a single person can reasonably be expected to do, or can do safely. There is no reimbursement claim against KARDEX for this. The Buyer will sign off the work done by the KARDEX service technical on the technician's work report, as the basis for invoicing.

2.5. The Buyer must ensure that the Products are exclusively available at the agreed timeslot to the KARDEX service technician executing the service, and that they can be shut down from operation for this purpose.

2.6. During the term of the service contract, the Buyer is obliged to have all maintenance and repairs on the Products carried out solely by KARDEX or an authorized subcontractor of KARDEX. Where applicable, it is to inform KARDEX of any prior work on the Products itself or parts replacements carried out by the Buyer itself or third parties, before the work starts. In such cases, KARDEX is entitled to require a thorough check of the Products in question by KARDEX or an authorized subcontractor of KARDEX at the Buyer's expense or otherwise to decline to perform the service.

2.7. The Buyer will not change the location of the Product without prior written notice to KARDEX. Upon request, and at the Buyer's expense, KARDEX will carry out or supervise the relocation. If the Buyer does not have the relocation carried out or supervised by KARDEX, KARDEX services under the service contract will be suspended during the relocation and KARDEX will perform a system audit to ensure the correct and safe functionality of the Products before reinstating the services. Such a system audit will be charged separately according to the applicable rates and price lists. Any damages caused by an improper relocation will not be covered by the service packages.

2.8. The Buyer undertakes to actively accompany and support KARDEX in case of a maintenance issue in fault diagnosis and elimination conducted in the context of the KARDEX Remote Support. The Buyer notifies to KARDEX in writing qualified employees educated by KARDEX as contact persons authorized to perform and take

all actions and decisions for the Buyer which are necessary in connection with the ordinary use. The contact person remains with the Product during the whole process of remote service ready to intervene, where appropriate, e.g. by operating the emergency shutdown. The Buyer is solely responsible for taking the necessary safety precautions to ensure that persons and property are not endangered during maintenance.

2.9. Employees of the Buyer require a password for the use of the KARDEX Remote Support. Every person, legitimating him or herself via password, is deemed to be authorized towards KARDEX, and all entries and instructions based on a formally error free legitimization will be attributed to the Buyer.

3. Remuneration for Service Contracts

3.1. An annual fee is charged for the services specified in the service contract, the amount of which depends on the selected service packages (BASE, FLEX, or FULL Care).

3.2. The first annual fee is invoiced on the signing of the service contract, and thereafter before the start of each contract year.

3.3. KARDEX reserves the right to increase or decrease the annual fee. If the increase is more than 5% of the agreed annual fee, the Buyer has an extraordinary right of termination for cause. The Buyer may then terminate the contract early, within one month of receiving the invoice for the increased annual fee, to take effect for the first contract year to which the increased annual fee applies.

3.4. KARDEX is entitled to charge the Buyer for unnecessary travel to the Buyer's location or if the service or part of the service cannot be performed on site if the Buyer is responsible for the impediment. If the Buyer, according to the service contract, has undertaken to keep certain parts in stock or if the Buyer failed to order from KARDEX the parts necessary for the service as specified by KARDEX, the Buyer may be charged for any waiting times caused by the required service parts not being available on site.

3.5. Additional inspections following the repair of Products or the replacement of missing technical documents or service booklets are not included in the annual fee and will be invoiced separately at the hourly rates of KARDEX Buyer service applicable the time.

4. Limited Warranty

4.1. KARDEX warrants the faultless provision of the Services in accordance with the relevant rules of law, the applicable norms and regulations and the recognized rules of technology.

4.2. In the event of breach of warranty by KARDEX, KARDEX shall have the right and the duty to rectify the defect within a reasonable period of time after written notice from Buyer. If KARDEX's first attempt to rectify the defect is unsuccessful or if KARDEX does not take any action, the Buyer has to grant KARDEX an additional thirty (30) days to rectify the defect. If the second attempt to rectify is unsuccessful or if KARDEX allows said reasonable deadlines to expire without taking any action, the Buyer is entitled to claim a reduction of the remuneration for the improperly rendered service. The Buyer is also entitled to claim a reduction of the remuneration if KARDEX seriously and ultimately refuses to carry out the rectification from the outset. The Buyer has a right to withdraw from the contract only if the services carried out by KARDEX repeatedly show serious defects and if KARDEX repeatedly fails to remedy breaches of warranty in accordance with this provision.

4.3. The warranty runs as from acceptance of the service. The Buyer is obliged to immediately inspect and accept any service performed for defects and to immediately notify KARDEX in writing of any defects. The Buyer's warranty claims are forfeited to the extent that it fails to meet this obligation to raise a complaint.

4.4. The warranty is void if work or attempted repairs are carried out on the Products by maintenance companies not approved or certified by KARDEX.

4.5. Unless explicitly agreed otherwise, KARDEX does not warrant that maintenance and inspections will be carried out within a particular time frame. KARDEX further does not warrant that in the case of KARDEX Remote Support a third party does not gain unauthorized access to the Products.

5. Term and Termination of the Service Contract

5.1. The service contract enters into force at the time specified in the service contract and has an initial term of 2 years.

5.2. It will be extended by further periods of one year in each case unless terminated in writing by either party, with at least 3 months' notice to the end of the respective contractual period.

5.3. The service contract may be terminated in writing for cause by either party with immediate effect if one of the contracting parties has significantly breached its obligations under the service contract and fails to remedy the breach, in spite of a compliance notice from the other party giving it a deadline of 2 weeks to do so. Section

C3.4 shall apply to breaches of duty in connection to warranty claims.

5.4. KARDEX may demand that individual Products be excluded from the service contract after a notice period of 3 months, if the Products concerned can no longer be properly maintained because of excessive wear and tear, excessive efforts and lack of availability of spare parts or obsolescence (section B.9.).

SCOPE OF WORK
Office of City Council Jacksonville, FL

1. PROJECT DATA:
TITLE: Purchase and Install two (2) new Vertical Carousel Filing Systems and remove (2) existing Vertical Carousel Filing Systems.
BUILDING/FACILITY: City Hall - Office of City Council

2. GENERAL SCOPE:
The Contractor shall provide all supervision, labor, materials, and equipment to purchase and install two (2) new Vertical Carousels and remove (2) existing Vertical Carousels located at the Office of City Council - 117 West Duval St. Suite 425 Jacksonville, FL 32202 on 4th floor of City Hall. Contractor is responsible for providing all electrical connections and must provide all electrical components required.

3. OPERATIONAL REQUIREMENTS OF CONTROLS:
- Up and Down keys for manual rotation (carrier selection).
- LED shelf level display, Numeric keypad for carrier selection by shortest route.
- Units shall have an imbalance indicator that will alert the operator to any imbalance load.

4. DETAILED VENDOR REQUIREMENTS:
- Contractor must provide a turn-key solution.
- All electrical connections and electrical components, including final electrical connection of units, shall be provided by contractor.
- Existing 110-volt single phase electrical that powers existing units must be utilized for the new units. 208v, 220v, 230v single phase or 3 phase power is not acceptable.
- Contractor must disassemble, remove and haul away existing vertical carousel units located on 4th floor at City Hall and provide City of Jacksonville with a credit for the scrap steel dollar value. Receipt from steel recycler to be provided.
- Units must provide a manual drive capable of moving the carriers with one person in case of electric outage for easy access to content within the unit. Use of the manual drive must not require any alterations to the equipment or require any tools to use the manual handcrank.
- Units must come with mechanically adjustable work counter. Work counter must be adjustable in 2-inch increments from a seated position of 30.31 inches and a standing position of 39.37 inches. The counter must be easy to reposition and only require one person for operation. Vertical movement must be assisted by a helical torsion spring to minimize operator effort. The release mechanism must require less than two pounds of force to disengage for vertical movement and must not require any tools to adjust.
- The units shall have an automatic on/off interior task lighting feature integrated into the unit.
- The units will come with a manual bi-parting lockable door.
- Each unit must have 18 carriers minimum (36 carriers total between both units) @ 89.37" wide x 15.19" deep x 10.23" minimum clear height with minimum weight capacity of 242 lbs. per carrier (shelf).
- Overall size of unit: 103.54" wide x 47.32" deep (plus 11.02" work counter) x 118.12" high. Unit sizes shown are maximum allowed, unit cannot be any wider, deeper, or taller than specified.
- Minimum of 3,204 Total Linear Filing Inches (LFI) provided.
- Any access for service shall be from front of units only. Due to room constraints no side or rear access possible.
- Contractor shall provide dumpster for all construction debris.
- Units shall come with 2-year full parts and labor warranty with warranty validation and safety checks performed every 6 months during the warranty period.
- Contractor will provide operational and general maintenance training for the operators.
- Contractor services including installation shall be offered through an office that has locally residing factory trained and certified qualified technicians within a 40-mile range of Jacksonville, FL. Contractor must have in-house service department and guaranteed to respond to all requests for service within 1 hour. If a mobilization is required, the contractor must provide same day or next day on-site service.
- The contactor must ensure the equipment complies with DN EN 15095 "Power-operated mobile racking and shelving, carousels and storage lifts" and has been tested and certified by TtÑ (Technical Observation & Control), a USA NRTL and a Canadian CB.
- Factory must be certified ISO 9001 & certified ISO 14001.

END SCOPE OF WORK