

# **UrbanWorks Facility Services**

**Between: Sterling Property Group Ltd.** (“Client”)

**And: CleanTech Services Inc.** (“Service Provider”)

**Effective Date:** April 1, 2024

**Term:** Three (3) Years, renewable annually upon mutual consent

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## **1. Purpose and Scope**

This Facilities Management Agreement (“Agreement”) is made and entered into by and between Sterling Property Group Ltd., a real estate development and management company with offices at 1280 Capital Crescent, Chicago, Illinois (“Client”), and CleanTech Services Inc., a facilities maintenance provider organized under the laws of Delaware, with principal offices located at 745 Innovation Parkway, Newark, Delaware (“Service Provider”).

The purpose of this Agreement is to define the terms and conditions under which Service Provider will provide integrated facility management services, including janitorial operations, HVAC maintenance, landscaping, waste disposal, and building engineering support to properties managed by the Client.

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## **2. Services Covered**

Service Provider agrees to deliver the following ongoing services:

<b>Category</b>	<b>Frequency</b>	<b>Scope of Work</b>
Janitorial & Cleaning	Daily	Full interior cleaning, restroom sanitation, consumable supply management
HVAC & Electrical	Monthly	Preventive maintenance and repair of HVAC, lighting, and power systems
Landscaping	Weekly	Lawn mowing, plant trimming, seasonal fertilization
Waste Management	Daily	Trash removal, recycling, and hazardous waste segregation

General Repairs	As Needed	Structural maintenance, plumbing, and fixture repair
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All services will conform to industry best practices and comply with applicable local, state, and federal standards.

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### 3. Fees and Payment Terms

The base service fee shall be **USD 275,000 per quarter**, payable within 30 days of invoice date.

Invoices will be accompanied by service reports and supporting documentation as evidence of performance.

#### 3.1 Pricing Table

##### **Service Component Base Cost (Quarterly) Adjustment Mechanism**

Janitorial & Cleaning	\$65,000	CPI Adjustment
HVAC Maintenance	\$90,000	CPI + Cost-based
Landscaping	\$35,000	CPI Adjustment
Waste Management	\$40,000	Cost-based (Fuel)
Repairs & Engineering	\$45,000	Cost-based (Materials)

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### 4. Price Adjustment Mechanisms

Both parties recognize that inflation and input cost variations affect long-term service delivery. Accordingly, this Agreement includes two distinct price adjustment mechanisms: **Consumer Price Index (CPI)** and **Cost-Based Adjustments**.

#### 4.1 CPI-Based Adjustment

Effective on each contract anniversary date, service fees for applicable components will be adjusted according to the annual change in the **Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average, All Items**, published by the U.S. Bureau of Labor Statistics.

The formula shall be:

$$\text{Adjusted Price} = \text{Base Price} \times (\text{Current CPI} / \text{Base CPI})$$

The **Base CPI** shall be the CPI-U published for March 2024.

Adjustments shall not exceed **5% per annum** unless mutually agreed otherwise.

#### **4.2 Cost-Based Adjustment (Fuel & Materials)**

For service components dependent on fluctuating market costs, adjustments will be calculated quarterly based on:

- **Fuel Surcharge Index:** U.S. Department of Energy's Weekly Retail OnHighway Diesel Prices (U.S. Average)
- **Material Index:** U.S. Producer Price Index (PPI) for Industrial Supplies

If the average index over a quarter exceeds the base reference level by more than 10%, the relevant portion of the service fee shall increase proportionally to the excess percentage.

##### **Example Table: Fuel Adjustment Diesel Price (\$/gal) Surcharge %**

≤ 3.50	0%
3.51–4.00	2%
4.01–4.50	4%
4.51–5.00	6%
≥ 5.01	8%

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#### **5. Performance Standards**

Service Provider shall maintain a minimum performance score of **90%** in quarterly performance audits conducted by Client's facilities supervisor.

If performance drops below 85% for two consecutive quarters, Client reserves the right to impose a 5% service credit on the next invoice.

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## **6. Health, Safety, and Environmental Compliance**

CleanTech Services Inc. shall maintain full compliance with OSHA standards, EPA waste disposal regulations, and applicable state-level environmental laws. All personnel shall complete annual safety training and maintain appropriate certifications for hazardous material handling.

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## **7. Reporting and Review**

A **Monthly Operations Report** will be submitted summarizing:

- Work performed
- Incidents and corrective actions
- Material usage and waste volumes
- Fuel consumption and variance data

Quarterly review meetings will be held to assess performance metrics, financial summaries, and compliance updates.

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## **8. Termination**

Either party may terminate this Agreement with **90 days' written notice** if the other party fails to cure any material breach within 30 days after receipt of written notice.

Immediate termination may occur in case of fraud, gross negligence, or repeated non-performance.

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## **9. Insurance and Liability**

Service Provider shall maintain:

- Commercial General Liability: **\$2,000,000 per occurrence**
- Workers' Compensation: **Statutory limits**

- Automobile Liability: **\$1,000,000 combined single limit**
- Environmental Liability (if applicable): **\$500,000 minimum** Certificates

of insurance will be provided annually to Client.

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## **10. Confidentiality**

Each party agrees to keep all operational, pricing, and performance information confidential and use such information solely for the purposes of this Agreement. This clause shall survive for **two years** after termination.

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## **11. Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the **State of Illinois**, without regard to conflict-of-law principles.

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## **12. Entire Agreement**

This Agreement constitutes the entire understanding between the parties and supersedes any prior oral or written agreements concerning the same subject matter.

Amendments must be in writing and signed by authorized representatives of both parties.

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**IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.**

**For Sterling Property Group Ltd.**

Name: Michael Turner, COO

Signature: \_\_\_\_\_

April 1, 2024

**For CleanTech Services Inc.**

Name: Samantha Price, CEO

Signature: \_\_\_\_\_

Date: April 1, 2024

