

~~#~~ 1119001

- 1) VENDOR ACCOUNT NAME *Honeywell International, Inc.*
- 2) VENDOR NUMBER – CURRENT *102607-3*
- 3) VENDOR NUMBER – PREVIOUS IF APPLICABLE
- 4) RESOLUTION NUMBER *10-C.282*
- 5) RESOLUTION DATE *7/21/2010*
- 6) PROCUREMENT (RFP/SPEC/OTHER)
- 7) PURCHASE ORDER NUMBER *56975-0-MC*
- 8) REQUEST FOR PROPOSAL (RFP)
- 9) PERFORMANCE BOND
- 10) PERFORMANCE BONDING COMPANY *Federal Insurance Company*
- 11) SPECIFICATION NUMBER
- 12) CONTRACT START DATE *11/8/10*
- 13) CONTRACT END DATE
- 14) CONTRACT EXTENSION
- 15) CODE/TYPE
- 16) LABOR & MATERIALS BOND
- 17) L & M BONDING COMPANIES
- 18) BUDGET NUMBER *1029.800130*
- 19) DEPARTMENT SERVED *Correctional Facility*
- 20) SERVICE PROVIDED *Energy Savings*
- 21) STORAGE
- 22) DESTROY DATE
- 23) OTHER NOTES
- 24) TO ARCHIVES DATE

**ENERGY SAVINGS AND CONSERVATION
CONTRACT FOR MONTGOMERY COUNTY CORRECTIONAL FACILITY-
FIRST PHASE**

CUSTOMER NAME: County of Montgomery
HONEYWELL PROPOSAL NUMBER: 916-DM201001
DATE OF SUBMISSION: 8/23/2010
VALIDITY PERIOD: 60 Days

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Note Regarding Modifications Made to this Agreement: Provisions in the printed document that are not to be included in the agreement may be deleted by striking through the word, sentence or paragraph to be omitted. It is recommended that unwanted provisions not be made illegible. The parties should be clearly aware of the material deleted from the standard form. Do not make any modifications to this Agreement unless approval to do so has been granted. Changes may be made only by deletion as explained above, or, by addendum.

WHEREAS, pursuant to County Resolution No. 10-C 102, adopted on February 18, 2010 by the Board of County Commissioners of the County of Montgomery, a Class 2A County organized under the laws of the Commonwealth of Pennsylvania (hereinafter "County" or "CUSTOMER"), with the approval of the Montgomery County Correctional Facility Board of Prison Inspectors, on February 11, 2010, the County, and Honeywell International, Inc. (hereinafter "HONEYWELL"), to enter into a Guaranteed Energy Savings Contract (commonly known as "ESCO"), pursuant to the Guaranteed Energy Savings Act, Act of May 10, P.L. 153, No. 29, 73 P. S. § 1646.1 *et seq.*, and the County having followed the procedures established by section 3 of the Guaranteed Energy Savings Act, and with parties intending to comply with all applicable provisions of both that statute and the funding requirements established by the American Recovery and Reinvestment Act (hereinafter "ARRA") , Pub. L. 111-5, as administered by the United States Department of Energy;

IT IS THEREFORE agreed by and between the parties hereto, intending to be legally bound and acknowledging the exchange of good and valuable consideration, as follows:

ARTICLE 1
GENERAL PROVISIONS

1.1 This Energy Savings and Conservation Contract for the Montgomery County Correctional Facility, including all Attachments, Exhibits, and Schedules referenced herein (hereinafter the "ESCO CONTRACT") is made this ~~day of September~~, 2010 (the "Effective Date") by and between Honeywell International Inc. ("HONEYWELL"), a Delaware Corporation, acting through its Automation and Control Solutions business unit, with a principal place of business at 101 Columbia Road, Morristown, New Jersey 07962-1057, and County of Montgomery, Pennsylvania, ("CUSTOMER") with a place of business at the Montgomery County Correctional Facility, 60 Eagleville Road, Norristown, Pennsylvania 19403 (collectively the "Parties").

1.2 EXTENT OF AGREEMENT: This ESCO CONTRACT, including all attachments and exhibits hereto, represents the entire agreement between CUSTOMER and HONEYWELL and supersedes all prior negotiations, representations or agreements. This ESCO CONTRACT shall not be superseded by any provisions of the documents for construction and may be amended only by written instrument signed by both CUSTOMER and HONEYWELL. None of the provisions of this ESCO CONTRACT shall be modified, altered, changed or voided by any subsequent Purchase Order issued by CUSTOMER, which relates to the subject matter of this ESCO CONTRACT. The "Premises" shall mean the Montgomery County Correctional Facility at 60 Eagleville Road. The "Project" shall be the "Energy Savings and Conservation Contract for the Montgomery County Correctional Facility-FIRST PHASE."

1.3 As used in this ESCO CONTRACT, the term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment and services provided or to be provided by HONEYWELL to fulfill HONEYWELL's obligations, as described in Attachment A and otherwise set forth in the Contract Documents, as defined in Section 1.5 below. The Work may constitute the whole or a part of the Project as defined in Section 1.4 below. The Work specifically

excludes certain design and construction, which are the subject of separate agreements between CUSTOMER and parties other than HONEYWELL.

1.4 The Project consists of the total construction of which the Work performed by HONEYWELL under this ESCO CONTRACT may be the whole or a part.

1.5 The Contract Documents consist of this ESCO CONTRACT, its attachments, and exhibits, as set forth below, which are attached hereto and incorporated herein:

ATTACHMENT A: THE WORK (SCOPE-OF-WORK)
ATTACHMENT B: SOFTWARE LICENSE AGREEMENT
ATTACHMENT C: THE INSTALLATION SCHEDULE
ATTACHMENT D: SUPPORT SERVICES
ATTACHMENT E: PAYMENT SCHEDULE
ATTACHMENT F: ENERGY GUARANTEE
ATTACHMENT G: SCHEDULE OF SAVINGS
ATTACHMENT H: ARRA COMPLIANCE
ATTACHMENT I: GUARANTEED ENERGY SAVINGS ACT COMPLIANCE
ATTACHMENT J: PROJECT ACCEPTANCE

To the extent that any of the provisions of this ESCO CONTRACT are inconsistent with the attachments, and exhibits, the order of precedence will be as follows: ESCO CONTRACT, attachments, and then exhibits.

1.6 Support Services means those services and obligations to be undertaken by HONEYWELL in support of CUSTOMER as set forth in Attachment D.

1.7 Installation Schedule means that schedule set out in Attachment C describing the Parties' intentions respecting the times by which the components or aspects of the Work therein set forth shall be installed and/or ready for acceptance or beneficial use by CUSTOMER.

1.8 POTENTIAL 2ND PHASE FUNDED BY EXCESS SAVINGS.

Given the potential for Excess Savings hereunder and CUSTOMER's need for additional energy conservation

work to be performed at CUSTOMER's property that will be affected by the ECMs in Schedule A. CUSTOMER and HONEYWELL may determine that such additional energy conservation work be performed by HONEYWELL in a 2nd phase to this ESCO CONTRACT and funded, in part, by Excess Savings. In such an event, the 2nd phase would be documented by a separate Phase 2 Agreement. Such Phase 2 Agreement would be a written document, signed by both parties, which includes a new Scope of Work, and all associated contract documents. Any Phase 2 Agreement will be governed by these General Provisions, as amended in the Phase 2 Agreement.

ARTICLE 2 HONEYWELL'S RESPONSIBILITIES

2.1 HONEYWELL Services

2.1.1 HONEYWELL shall be responsible for construction of the Work.

2.1.2 HONEYWELL will assist CUSTOMER in securing permits necessary for the Work.

2.2 Responsibilities with Respect to the Work

2.2.1 HONEYWELL will provide construction supervision, inspection, labor, materials, tools, construction equipment and subcontracted items necessary for the execution and completion of the Work.

2.2.2 HONEYWELL shall keep the Premises in an orderly fashion and free from unnecessary accumulation of waste materials or rubbish caused by its operations. If HONEYWELL damages property not needed for the Work, HONEYWELL shall repair the property to its pre-existing condition unless CUSTOMER directs otherwise. At the completion of the Work, HONEYWELL shall remove waste material supplied by HONEYWELL under this ESCO CONTRACT as well as all its tools, construction equipment, machinery and surplus material. HONEYWELL shall dispose of all waste materials or rubbish caused by its operations; provided, that unless otherwise specifically agreed to in this ESCO CONTRACT, HONEYWELL shall not be responsible for disposal of toxic or hazardous materials removed from the facilities. HONEYWELL shall be responsible for disposal of fluorescent lights, potential polychlorinated biphenyl containing light ballasts and mercury containing controls to the extent their replacement is specified in Attachment A.

2.2.3 HONEYWELL shall give all notices and comply with all laws and ordinances legally enacted as of the date of execution of this ESCO CONTRACT governing the execution of the Work including, but not limited to, compliance with: Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations

(41 CFR chapter 60); the Copeland "Anti-Kickback" Act (18 U.S.C. § 874) as supplemented in Department of Labor regulations (29 CFR Part 3); Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327 - 330) as supplemented by Department of Labor regulations (29 CFR Part 5); Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327 - 330) as supplemented by Department of Labor regulations (29 CFR Part 5); applicable standards, orders, or requirements issued under Section 306 of the Clean Air Act (42 U.S.C. § 1857(h)), Section 508 of the Clean Water Act (33 U.S.C. § 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15); and mandatory standards and mandatory policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94 - 163, 89 Stat. 871). Provided, however, that HONEYWELL shall not be responsible or liable for the violation of any code, law or ordinance caused by CUSTOMER or existing in CUSTOMER's property prior to the commencement of the Work.

2.2.4 HONEYWELL shall comply with all applicable federal, state and municipal laws and regulations that regulate the health and safety of its workers while providing the Work, and shall take such measures as required by those laws and regulations to prevent injury and accidents to other persons on, about or adjacent to the Premises of the Work. It is understood and agreed, however, that HONEYWELL shall have no responsibility for elimination or abatement of health or safety hazards created or otherwise resulting from activities at the Premises of the Work carried on by persons not in a contractual relationship with HONEYWELL, including CUSTOMER, CUSTOMER's contractors or subcontractors, CUSTOMER's tenants or CUSTOMER's visitors. CUSTOMER agrees to cause its contractors, subcontractors and tenants to comply fully with all applicable federal, state and municipal laws and regulations governing health and safety and to comply with all reasonable requests and directions of HONEYWELL for the elimination or abatement of any such health or safety hazards at the Premises of the Work.

2.3 Patent Indemnity

2.3.1 HONEYWELL shall, at its expense, defend or, at its option, settle any suit that may be instituted against CUSTOMER for alleged infringement of any United States patents related to the hardware manufactured and provided by HONEYWELL, provided that: 1. Such alleged infringement consists only in the use of such hardware by itself and not as part of, or in combination with, any other devices, parts or software not provided by HONEYWELL hereunder; 2. Per Section 11.5 hereof, CUSTOMER gives HONEYWELL immediate notice in writing of any such suit and permits HONEYWELL, through counsel of its choice, to answer the charge of infringement and defend such suit; and 3. CUSTOMER

gives HONEYWELL all needed information, assistance and authority, at HONEYWELL's expense, to enable HONEYWELL to defend such suit.

2.3.2 If such a suit has occurred, or in HONEYWELL's opinion is likely to occur, HONEYWELL may, at its election and expense: obtain for CUSTOMER the right to continue using such equipment; or replace, correct or modify it so that it is not infringing; or remove such equipment and grant CUSTOMER a credit therefore, as depreciated.

2.3.3 In the case of a final award in any such suit, HONEYWELL will pay such award. HONEYWELL shall not, however, be responsible for any settlement made without its written consent.

2.3.4 THIS ARTICLE STATES HONEYWELL'S TOTAL LIABILITY AND CUSTOMER'S SOLE REMEDY FOR ANY ACTUAL OR ALLEGED INFRINGEMENT OF ANY PATENT BY THE HARDWARE MANUFACTURED AND PROVIDED BY HONEYWELL HEREUNDER. IN NO EVENT SHALL HONEYWELL BE LIABLE FOR ANY INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES RESULTING FROM ANY SUCH ACTUAL OR ALLEGED INFRINGEMENT, EXCEPT AS SET FORTH IN THIS SECTION 2.3.

2.4 Warranties and Completion

2.4.1 HONEYWELL warrants CUSTOMER good and clear title to all equipment and materials furnished to CUSTOMER pursuant to this ESCO CONTRACT (except licensed software, which shall be governed exclusively by the terms and conditions of the Software License Agreement, attached hereto as Attachment B), free and clear of liens and encumbrances. HONEYWELL hereby warrants that all such equipment and materials shall be of good quality and shall be free from defects in materials and workmanship, including installation and setup, for a period of one (1) year from the date of beneficial use or substantial completion of the equipment or portion of the Work in question, provided that no repairs, substitutions, modifications, or additions have been made, except by HONEYWELL or with HONEYWELL's written permission, and provided that after delivery such equipment or materials have not been subjected by non-HONEYWELL personnel to accident, neglect, misuse, or use in violation of any instructions supplied by HONEYWELL. HONEYWELL's sole liability hereunder shall be to repair promptly or replace defective equipment or materials, at HONEYWELL's option and at HONEYWELL's expense. The limited warranty contained in this Section 2.4.1 shall constitute the exclusive remedy of CUSTOMER and the exclusive liability of HONEYWELL for any breach of any warranty related to the equipment and materials furnished by HONEYWELL pursuant to this ESCO CONTRACT.

2.4.2 In addition to the warranty set forth in Section 2.4.1 above, HONEYWELL shall, at CUSTOMER's request, assign to CUSTOMER any and all manufacturer's or installer's warranties for equipment or materials not manufactured by HONEYWELL and provided as part of the Work, to the extent that such third-party warranties are assignable and extend beyond the one (1) year limited warranty set forth in Section 2.4.1.

2.4.3 THE WARRANTIES SET FORTH HEREIN ARE EXCLUSIVE, AND HONEYWELL EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, WHETHER WRITTEN OR ORAL, IMPLIED OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE EQUIPMENT AND MATERIALS PROVIDED HEREUNDER. HONEYWELL SHALL NOT BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING FROM, OR RELATING TO, THIS LIMITED WARRANTY OR ITS BREACH.

ARTICLE 3 CUSTOMER'S RESPONSIBILITIES

3.1 CUSTOMER shall provide HONEYWELL full information regarding the requirements for the Work.

3.2 CUSTOMER shall designate a representative who shall be fully acquainted with the Work, and who has authority to approve changes in the scope of the Work and render decisions promptly.

3.3 CUSTOMER shall furnish to HONEYWELL all information regarding legal limitations, utility locations and other information reasonably pertinent to this ESCO CONTRACT, the Work and the Project.

3.4 CUSTOMER shall secure and pay for all necessary approvals, easements, assessments and charges required for the construction, use or occupancy of permanent structures or for permanent changes in existing facilities, including charges for legal and auditing services.

3.5 If CUSTOMER becomes aware of any fault or defect in the Work, it shall give prompt written notice thereof to HONEYWELL.

3.6 The services and information required by the above paragraphs shall be furnished with reasonable promptness at CUSTOMER's expense and HONEYWELL shall be entitled to rely upon the accuracy and the completeness thereof.

3.7 Prior to the commencement of the Work and at such future times as HONEYWELL shall reasonably deem appropriate, CUSTOMER shall furnish evidence in a form satisfactory to HONEYWELL that sufficient funds are

available and committed to pay for the Work. Unless such evidence is furnished, HONEYWELL is not required to commence or continue any Work. Further, if CUSTOMER does not provide such evidence, HONEYWELL may stop work upon fifteen (15) days notice to CUSTOMER. The failure of HONEYWELL to insist upon the providing of this evidence at any one time shall not be a waiver of CUSTOMER's obligation to make payments pursuant to this Agreement, or shall it be a waiver of HONEYWELL's right to request or insist that such evidence be provided at a later date. In the event that funds are not available pursuant to ARRA, as contemplated by the Parties, this ESCO CONTRACT shall be subject to termination by CUSTOMER pursuant to Section 9.2 below.

3.8 HAZARDOUS SUBSTANCES, MOLD AND UNSAFE WORKING CONDITIONS

3.8.1 "Hazardous substance" includes all of the following, whether naturally occurring or manufactured, in quantities, conditions or concentrations that have, are alleged to have, or are believed to have an adverse effect on human health, habitability of a Premises, or the environment: (a) any dangerous, hazardous or toxic pollutant, contaminant, chemical, material or substance defined as hazardous or toxic or as a pollutant or contaminant under state or federal law, and (b) any petroleum product, nuclear fuel or material, carcinogen, asbestos, urea formaldehyde, foamed-in-place insulation, polychlorinated biphenyl (PCBs), and (c) any other chemical or biological material or organism, that has, is alleged to have, or is believed to have an adverse effect on human health, habitability of a Premises, or the environment.

3.8.2 "Mold" means any type or form of fungus or biological material or agent, including mold, mildew, moisture, yeast and mushrooms, and any mycotoxins, spores, scents, or by-products produced or released by any of the foregoing. This includes any related or any such conditions caused by third parties.

3.8.3 "Covered Equipment" means the equipment covered by the Services to be performed by HONEYWELL under this ESCO CONTRACT, and is limited to the equipment included in Attachments A and D.

3.8.4 CUSTOMER has not observed or received notice from any source (formal or informal) of (a) Hazardous Substances or Mold, either airborne or on or within the walls, floors, ceilings, heating, ventilation and air conditioning systems, plumbing systems, structure, and other components of the Premises, or within furniture, fixtures, equipment, containers or pipelines in a Premises; or (b) conditions that, to CUSTOMER's knowledge, might cause or promote accumulation, concentration, growth or dispersion of Hazardous Substances or Mold on or within such locations.

3.8.5 HONEYWELL is not responsible for determining whether the Covered Equipment or the temperature, humidity and ventilation settings used by CUSTOMER, are appropriate for CUSTOMER and the Premises except as specifically provided in Attachment A.

3.8.6 If any such materials, situations or conditions, whether disclosed or not, are in fact discovered by HONEYWELL or others and provide an unsafe condition for the performance of the Work or Services, the discovery of the condition shall constitute a cause beyond HONEYWELL'S reasonable control and HONEYWELL shall have the right to cease the Work or Services until the area has been made safe by CUSTOMER or CUSTOMER's representative, at CUSTOMER's expense. HONEYWELL shall have the right to terminate this ESCO CONTRACT if CUSTOMER has not fully remediated the unsafe condition within sixty (60) days of discovery.

3.8.7 CUSTOMER represents that CUSTOMER has not retained HONEYWELL to discover, inspect, investigate, identify, prevent or remediate Hazardous Substances or Mold or conditions caused by Hazardous Substances or Mold.

3.8.8 TO THE FULLEST EXTENT ALLOWED BY LAW, CUSTOMER SHALL INDEMNIFY AND HOLD HONEYWELL HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS AND COSTS OF WHATEVER NATURE, INCLUDING BUT NOT LIMITED TO, CONSULTANTS' AND ATTORNEYS' FEES, DAMAGES FOR BODILY INJURY AND PROPERTY DAMAGE, FINES, PENALTIES, CLEANUP COSTS AND COSTS ASSOCIATED WITH DELAY OR WORK STOPPAGE, THAT IN ANY WAY RESULTS FROM OR ARISES UNDER THE BREACH OF THE REPRESENTATIONS AND WARRANTIES IN THIS SECTION THE EXISTENCE OF MOLD OR A HAZARDOUS SUBSTANCE AT A PREMISES, OR THE OCCURRENCE OR EXISTENCE OF THE SITUATIONS OR CONDITIONS DESCRIBED IN THIS SECTION, WHETHER OR NOT CUSTOMER PROVIDES HONEYWELL ADVANCE NOTICE OF THE EXISTENCE OR OCCURRENCE AND REGARDLESS OF WHEN THE HAZARDOUS SUBSTANCE OR OCCURRENCE IS DISCOVERED OR OCCURS. THIS INDEMNIFICATION SHALL SURVIVE TERMINATION OF THIS AGREEMENT FOR WHATEVER REASON.

3.9 In addition to the price set forth in Article 6 of this ESCO CONTRACT, CUSTOMER shall pay any present and future taxes or any other governmental charges now or hereafter imposed by existing or future laws with respect to the sale, transfer, use, ownership or possession of the Work or any Support Services provided hereunder, excluding taxes on HONEYWELL's net income.

3.10 CUSTOMER shall execute a software license in the form of the Software License Agreement attached hereto as Attachment B. Failure of CUSTOMER to execute such Software License Agreement shall excuse HONEYWELL from any delivery requirements pursuant to this ESCO CONTRACT and shall be considered a material breach by CUSTOMER.

ARTICLE 4 SUBCONTRACTS

4.1 At its exclusive option, HONEYWELL may subcontract some or all of the Work or Support Services.

4.2 A Subcontractor is a person or entity who has a direct contract with HONEYWELL to perform any effort in connection with the Work. The term Subcontractor does NOT include any separate contractors employed by CUSTOMER or such separate contractors' subcontractors.

4.3 For the purposes of this ESCO CONTRACT, no contractual relationship shall exist between CUSTOMER and any Subcontractor. HONEYWELL shall be responsible for the management of its Subcontractors in their performance of their work.

ARTICLE 5 INSTALLATION AND ACCEPTANCE

5.1 The Work to be performed under this Agreement shall be commenced and substantially completed as set forth in the Installation Schedule attached hereto as Attachment C.

5.2 If HONEYWELL is delayed at any time in the progress of performing its obligations under this Agreement by any act of CUSTOMER or any contractor employed by CUSTOMER; or by changes ordered or requested by CUSTOMER in the Work performed pursuant to this ESCO CONTRACT; or by labor disputes, fire, unusual delay in transportation, adverse weather conditions or other events or occurrences which could not be reasonably anticipated; or unavoidable casualties; or any other problem beyond HONEYWELL's reasonable control (an "Excusable Delay"), then the time for performance of the obligations affected by such Excusable Delay shall be extended by the period of any delay actually incurred as a result thereof. If any delay, or cumulative delays, within CUSTOMER's control, extends beyond ten (10) days, CUSTOMER shall reimburse HONEYWELL for all additional costs resulting therefrom.

5.3 HONEYWELL shall provide Delivery and Acceptance Certificates in a form acceptable to CUSTOMER and HONEYWELL (the "Delivery and Acceptance Certificates") for the Work provided pursuant to the Schedule identified in Attachment J. Upon receipt of each Delivery and Acceptance Certificate, CUSTOMER shall promptly inspect the Work performed by HONEYWELL identified therein and execute each such

Delivery and Acceptance Certificate as soon as reasonably possible, but in no event later than ten (10) days after delivery of the same by HONEYWELL, unless CUSTOMER provides HONEYWELL with a written statement identifying specific material performance deficiencies that it wishes HONEYWELL to correct. HONEYWELL will use reasonably diligent efforts to correct all such material deficiencies and will give written notice to CUSTOMER when all such items have been corrected. The Parties intend that a final Delivery and Acceptance Certificate will be executed for the Work as soon as all Work is installed and operating. Execution and delivery by CUSTOMER of such final Delivery and Acceptance Certificate with respect to the Work shall constitute "Final Acceptance" of such Work performed by HONEYWELL pursuant to the Installation Schedule.

ARTICLE 6 PRICE AND PAYMENT

6.1 Price

6.1.1 The price for the Work is Two Million Four Hundred Thousand Dollars and No Cents (\$2,400,000.00), subject to the adjustments set forth in Articles 5 and 7.

6.1.2 The total price for Support Services is set forth in Attachment D hereto, subject to the adjustments described therein. . The price for Support Services may be modified as provided for in Attachment D.

6.1.3 The price for the Work is based upon laws, codes and regulations in existence as of the date this ESCO CONTRACT is executed. Any changes in or to applicable laws, codes and regulations affecting the cost of the Work shall be the responsibility of CUSTOMER and shall entitle HONEYWELL to an equitable adjustment in the price and Installation Schedule.

6.1.4 The price for the Work will be modified for delays caused by CUSTOMER and for Changes in the Work, all pursuant to Article 7.

6.1.5 The license fees for all licensed software identified in Attachment B are included in the price to be paid by CUSTOMER identified in Subparagraph 6.1.1 above.

6.2 Payment

6.2.1 Upon execution of this ESCO CONTRACT, CUSTOMER shall pay or cause to be paid to HONEYWELL the full price for the Work in accordance with the Payment Schedule, Attachment E. CUSTOMER shall make payments for the Support Services in accordance with Attachment D.

6.2.2 Payments for the Work past due more than five (5) days shall accrue interest from the due date to the date of payment at the rate of one and one half percent (1.5%)

per month, compounded monthly, or the highest legal rate then allowed. CUSTOMER shall pay all reasonable attorney and/or collection fees incurred by HONEYWELL in collecting any past due amounts.

ARTICLE 7
CHANGES IN THE PROJECT

7.1 A Change Order is a written order signed by CUSTOMER and HONEYWELL authorizing a change in the Work or adjustment in the price for the Work, or a change to the Installation Schedule described in Attachment C.

7.2 CUSTOMER may request HONEYWELL to submit proposals for changes in the Work. Unless otherwise specifically agreed to in writing by both parties, if HONEYWELL submits a proposal pursuant to such request but CUSTOMER chooses not to proceed, CUSTOMER shall issue a Change Order to reimburse HONEYWELL for any and all costs incurred in preparing the proposal.

7.3 **Claims for Concealed or Unknown Conditions**

If conditions are encountered at the Premises that are (1) subsurface or otherwise concealed physical conditions which differ materially from those indicated in the Contract Documents, or (2) unknown physical conditions of an unusual nature, which differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, then notice by the observing party shall be given to the other party promptly before conditions are disturbed and in no event later than twenty-one (21) days after first observance of the conditions, and, if appropriate, an equitable adjustment to the price for the Work and Installation Schedule shall be made by a Change Order. If agreement cannot be reached by the Parties, the party seeking an adjustment in the price for the Work or Installation Schedule may assert a claim in accordance with Section 7.4.

7.4 If HONEYWELL wishes to make a claim for an increase in the price or an extension in the Installation Schedule it shall give CUSTOMER written notice thereof within a reasonable time after the occurrence of the event giving rise to such claim. This notice shall be given by HONEYWELL before proceeding to execute the Work, except in an emergency endangering life or property, in which case HONEYWELL shall have the authority to act, in its discretion, to prevent threatened damage, injury or loss. Claims arising from delay shall be made within a reasonable time after the delay. Increases based upon design and estimating costs with respect to possible changes requested by CUSTOMER shall be made within a reasonable time after the decision is made not to proceed with the change. No such claim shall be valid unless so made. If CUSTOMER and HONEYWELL cannot agree on the amount of the adjustment in the price, or the Installation Schedule, it shall be determined pursuant to

the provisions of Article 12. Any change in the price or the Installation Schedule resulting from such claim shall be authorized by Change Order.

7.5 **Emergencies**

In any emergency affecting the safety of persons or property, HONEYWELL shall act, at its discretion, to prevent threatened damage, injury or loss. Any increase in the price for the Work or extension of time claimed by HONEYWELL on account of emergency work shall be determined as provided in Section 7.4.

ARTICLE 8
INSURANCE, INDEMNITY, WAIVER OF
SUBROGATION, AND LIMITATION OF
LIABILITY

8.1 **Indemnity**

8.1.1 Each Party agrees to indemnify and hold the other Party, its consultants, agents and employees harmless from all claims for bodily injury and property damages [other than the Work itself and other property insured under Section 8.4] to the extent such claims result from or arise under its negligent actions or willful misconduct in its performance of the Work or the Support Services. **PROVIDED THAT, NOTHING IN THIS ARTICLE SHALL BE CONSTRUED OR UNDERSTOOD TO ALTER THE LIMITATIONS OF LIABILITY CONTAINED IN THIS ARTICLE, ARTICLE 2, OR THE INDEMNIFICATION CONTAINED IN SECTION 3.8.**

8.1.3 CUSTOMER shall require any other contractor who may have a contract on this project with CUSTOMER to perform work in the areas where Work will be performed under this ESCO CONTRACT to agree to indemnify CUSTOMER and HONEYWELL and hold them harmless from all claims for bodily injury and property damage [other than property insured under Section 8.4] that may arise from that contractor's operations. Such provisions shall be in a form satisfactory to HONEYWELL.

8.2 **Contractor's Liability Insurance**

HONEYWELL shall, at its own expense, carry and maintain in force at all times from the effective date of the Contract through final completion of the Work the following insurance. HONEYWELL will not issue coverage on a per project basis. It is agreed, however, that HONEYWELL has the right to insure or self-insure any of the insurance coverages listed below:

(a) Commercial General Liability Insurance to include contractual liability, products/completed operations liability with a combined single limit of USD \$5,000,000 per occurrence. Such policy will be written on an occurrence form basis;

(b) If automobiles are used in the execution of the Contract, Automobile Liability Insurance with a minimum combined single limit of USD \$5,000,000 per occurrence. Coverage will include all owned, leased, non-owned and hired vehicles.

(c) Where applicable, "All Risk" Property Insurance, including Builder's Risk insurance, for physical damage to property which is assumed in the Contract.

(d) Workers' Compensation Insurance Coverage A - Statutory limits and Coverage B-Employer's Liability Insurance with limits of USD \$1,000,000 for bodily injury each accident or disease.

8.2.1 Prior to the commencement of this ESCO CONTRACT, HONEYWELL will furnish evidence of the insurance coverage required pursuant to Section 8.2 above in the form of a Memorandum of Insurance which is accessible at: <http://www51.honeywell.com/moi/>. All insurance required in this Article will be written by companies with a rating of no less than "A-, XII" by A.M. Best or equivalent rating agency. HONEYWELL will endeavor to provide to CUSTOMER a thirty (30) day notice of cancellation or non-renewal. In the event that a self-insured program is implemented, HONEYWELL will provide to CUSTOMER and maintain adequate proof of financial responsibility.

8.3. CUSTOMER's Liability Insurance

8.3.1 CUSTOMER shall be responsible for purchasing and maintaining its own liability insurance and, at its option, may purchase and maintain such insurance as will protect it against claims that may arise from operations under this ESCO CONTRACT.

8.4. Insurance to Protect Project

8.4.1 CUSTOMER shall purchase and maintain all risk full cost replacement property insurance in a form acceptable to HONEYWELL for the length of time to complete the Project. This insurance shall include as named additional insureds HONEYWELL and HONEYWELL's Subcontractors and Sub-subcontractors and shall include, at a minimum, coverage for fire, windstorm, flood, earthquake, theft, vandalism, malicious mischief, transit, collapse, testing, and damage resulting from defective design, workmanship, or material. CUSTOMER will increase limits of coverage, if necessary, to reflect estimated replacement costs. CUSTOMER will be responsible for any co-insurance penalties or deductibles. If the Work covers an addition to or is adjacent to an existing building, HONEYWELL and its Subcontractors and Sub-subcontractors shall be named additional insureds under CUSTOMER's Property Insurance covering such building and its contents.

8.4.1.1 If CUSTOMER finds it necessary to occupy or use a portion or portions of the Premises prior to Substantial Completion thereof, such occupancy shall not commence prior to a time mutually agreed to by

CUSTOMER and HONEYWELL and to which the insurance company or companies providing the property insurance have consented by endorsement to the policy or policies. This insurance shall not be canceled or lapsed on account of such partial occupancy. Consent of HONEYWELL and of the insurance company or companies to such occupancy or use shall not be unreasonably withheld.

8.4.2 CUSTOMER shall purchase and maintain such insurance as will protect CUSTOMER and HONEYWELL against loss of use of CUSTOMER's property due to those perils insured pursuant to Subsection 8.4.1. Such policy will provide coverage for expenses of expediting materials, continuing overhead of CUSTOMER and HONEYWELL, necessary labor expense, including overtime, loss of income by CUSTOMER and other determined exposures. Exposures of CUSTOMER and HONEYWELL shall be determined by mutual agreement and separate limits of coverage fixed for each item.

8.4.3 CUSTOMER shall provide evidence of Insurance to HONEYWELL before work on the Project begins. All insurance coverage(s) must be with a carrier rated A- or better by one of the National Insurance Rating Agencies such as A.M. Best. HONEYWELL will be given thirty (30) days notice of cancellation, non-renewal, or any endorsements restricting or reducing coverage.

8.5. Property Insurance Loss Adjustment

8.5.1 Any loss insured under Article 8 hereof shall be adjusted with CUSTOMER and HONEYWELL and made payable to CUSTOMER and HONEYWELL as trustees for the insureds, as their interests may appear, subject to any applicable mortgagee clause.

8.5.2 Upon the occurrence of an insured loss, monies received will be deposited in a separate account and the trustees shall make distribution in accordance with the agreement of the parties in interest, or in the absence of such agreement, in accordance with an arbitration award pursuant to Article 12. If the trustees are unable to agree between themselves on the settlement of the loss, such dispute shall also be submitted to arbitration pursuant to Article 12.

8.6. Limitation of Liability

8.6.1 IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY SPECIAL, INCIDENTAL, INDIRECT, SPECULATIVE, REMOTE, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES, WHETHER ARISING OUT OF OR AS A RESULT OF BREACH OF CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, MOLD, MOISTURE OR INDOOR AIR QUALITY, OR OTHERWISE, ARISING FROM, RELATING TO, OR CONNECTED WITH THE WORK, SERVICES,

EQUIPMENT, MATERIALS, OR ANY GOODS PROVIDED HEREUNDER.

ARTICLE 9
TERMINATION OF THE AGREEMENT

9.1 If HONEYWELL defaults in, or fails or neglects to carry forward the Work in accordance with this Agreement, CUSTOMER may provide notice in writing of its intention to terminate this ESCO CONTRACT to HONEYWELL. If HONEYWELL, following receipt of such written notice, neglects to cure or correct the identified deficiencies within thirty (30) business days, CUSTOMER may provide a second written notice. If HONEYWELL has not, within thirty (30) business days after receipt of such notice, acted to remedy and make good such deficiencies, CUSTOMER may terminate this Agreement and take possession of the Premises together with all materials thereon, and move to complete the Work itself expediently. If the unpaid balance of the contract sum exceeds the expense of finishing the Work, the excess shall be paid to HONEYWELL, but if the expense exceeds the unpaid balance, HONEYWELL shall pay the difference to CUSTOMER.

9.2 CUSTOMER may, at any time, terminate this ESCO CONTRACT for CUSTOMER's convenience and without cause. Upon receipt of written notice from CUSTOMER of termination for CUSTOMER's convenience, HONEYWELL shall:

1. cease operations as directed by CUSTOMER in the notice;
2. take actions that HONEYWELL deems necessary, or that CUSTOMER may direct, for the protection and preservation of the Work; and
3. except for the Work directed to be performed prior to the effective date of termination as stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts or purchase orders.

In case of such termination for CUSTOMER's convenience, HONEYWELL shall be entitled to receive payment for Work executed prior to the termination notice, work executed pursuant to subsection 2 above, and costs incurred by reason of such termination, along with reasonable overhead and profit on the work performed.

9.3 If CUSTOMER fails to make payments as they become due, or otherwise defaults or breaches its obligations under this ESCO CONTRACT, HONEYWELL may give written notice to CUSTOMER of HONEYWELL's intention to terminate it. If, within seven (7) days following receipt of such notice, CUSTOMER fails to make the payments then due, or otherwise fails to cure or perform its obligations, HONEYWELL may, by written notice to CUSTOMER, terminate this ESCO CONTRACT and recover from

CUSTOMER payment for Work executed and for losses sustained for materials, tools, construction equipment and machinery, including but not limited to, reasonable profit and applicable damages.

ARTICLE 10
ASSIGNMENT AND GOVERNING LAW

10.1 This ESCO CONTRACT shall be governed by the law of the State where the Work is performed. Insofar as that interpretation would otherwise be inconsistent with the Guaranteed Energy Savings Act or ARRA, or any regulations or policies applicable thereto, the provisions of those statutes, regulations and policies shall govern. In the instance of any inconsistency between any provision applicable to ARRA and any provision applicable to the Guaranteed Energy Savings Act, ARRA shall govern.

10.2 Neither party to this ESCO CONTRACT shall assign it or sublet it in whole or in part without the written consent of the other party. Such consent shall not be unreasonably withheld, except that HONEYWELL may assign to another person or entity the right to receive payments due under this ESCO CONTRACT. HONEYWELL may enter into subcontracts for the Work without obtaining CUSTOMER's consent.

ARTICLE 11
MISCELLANEOUS PROVISIONS

11.1 The Table of Contents and headings in this ESCO CONTRACT are for information and convenience only and do not modify the obligations established by this ESCO CONTRACT.

11.2 **Confidentiality.** As used herein, the term "CONFIDENTIAL INFORMATION" shall mean any information in readable form or in machine-readable form, including software supplied to CUSTOMER by HONEYWELL, which has been identified or labeled as "Confidential" and/or "Proprietary" or with words of similar import. CONFIDENTIAL INFORMATION shall also mean any information that is disclosed orally and is designated as "Confidential" and/or "Proprietary" or with words of similar import at the time of disclosure and is reduced to writing, marked as "Confidential" and/or "Proprietary" or with words of similar import, and supplied to the receiving party within ten (10) days of disclosure.

All rights in and to CONFIDENTIAL INFORMATION and to any proprietary and/or novel features contained in CONFIDENTIAL INFORMATION disclosed are reserved by the disclosing party; and the party receiving such disclosure will not use the CONFIDENTIAL INFORMATION for any purpose except in the performance of this ESCO CONTRACT and will not disclose any of the CONFIDENTIAL INFORMATION to benefit itself or to damage the disclosing party. This

prohibition includes any business information (strategic plans, etc.) that may become known to either party.

Each party shall, upon request of the other party or upon completion or earlier termination of this ESCO CONTRACT, return the other party's CONFIDENTIAL INFORMATION and all copies thereof.

Notwithstanding the foregoing provisions, neither party shall be liable for any disclosure or use of information disclosed or communicated by the other party if the information:

- (a) is publicly available at the time of disclosure or later becomes publicly available other than through breach of this ESCO CONTRACT; or
- (b) is known to the receiving party at the time of disclosure; or
- (c) is subsequently rightfully obtained from a third party on an unrestricted basis; or
- (d) is approved for release in writing by an authorized representative of the disclosing party.

The obligation of this Article shall survive any expiration, cancellation or termination of this ESCO CONTRACT.

11.3 If any provision is held illegal, invalid or unenforceable, the remaining provisions of this ESCO CONTRACT shall be construed and interpreted to achieve the purposes of the Parties.

11.4 Risk of loss for all equipment and materials provided by HONEYWELL hereunder shall transfer to CUSTOMER upon delivery to CUSTOMER's Premises from HONEYWELL or its Subcontractor and title shall pass upon final acceptance or final payment by CUSTOMER to HONEYWELL, whichever occurs later.

11.5 Final notice or other communications required or permitted hereunder shall be sufficiently given if personally delivered to the person specified below, or if sent by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

To HONEYWELL:

HONEYWELL INTERNATIONAL INC.
512 Virginia Drive
Fort Washington, PA 19034
Attention: David Maurer

To CUSTOMER:

MONTGOMERY COUNTY CORRECTIONAL
FACILITY
60 Eagleville Road, Norristown, PA 19403
Attention: Warden Julio Algarin

Each party shall, from time to time, identify to the other a person to serve as its representative (respectively, HONEYWELL's Representative and CUSTOMER's Representative) to be its principal contact person for each

aspect of the Work and Support Services. Each party may change the person identified as its Representative as that party may deem appropriate.

11.6 **Waiver.** HONEYWELL's failure to insist upon the performance or fulfillment of any of CUSTOMER's obligations under this ESCO CONTRACT shall not be deemed or construed as a waiver or relinquishment of the future performance of any such right or obligation hereunder. CUSTOMER's failure to insist upon the performance or fulfillment of any of HONEYWELL's obligations under this ESCO CONTRACT shall not be deemed or construed as a waiver or relinquishment of the future performance of any such right or obligation hereunder.

11.7 If any provision of this ESCO CONTRACT or the application thereof to any circumstances shall be held to be invalid or unenforceable, then the remaining provisions of this ESCO CONTRACT or the application thereof to other circumstances shall not be affected hereby and shall be valid and enforceable to the fullest extent permitted by law.

11.8 **ARRA Requirements.** HONEYWELL shall comply with ARRA Section 1606 regarding Davis-Bacon wage rate requirements and ARRA Section 1605 regarding the use of American Iron, Steel and Other Manufactured Goods. Honeywell shall be responsible for submitting to CUSTOMER and/or the US Department of Energy necessary documentation detailing compliance with ARRA funding as required by the CUSTOMER herein and/or the Department of Energy, which documentation includes reporting the number of hours worked on the Project by HONEYWELL and its subcontractors; the percent of Project complete for funds spent; and quarterly updates on construction progress, including forecast on major milestones.

11.9 The CUSTOMER, Department of Energy, or Comptroller General of the United States, or any of their duly authorized representatives shall, until 3 years after final payment under this contract, have access to and the right to examine any of the Contractor's directly pertinent books, documents, papers, or other records involving transactions related to this contract for the purpose of making audit, examination, excerpts, and transcription; provided however, any audit and inspection rights associated with this Agreement include only the rights to verify amounts invoiced by HONEYWELL and to verify the nature of the services being invoiced, but do not include the right to review CUSTOMER's proprietary information.

ARTICLE 12
ARBITRATION

12.1 With the exception of any controversy or claim arising out of or related to the installation, monitoring, and/or maintenance of fire and/or security systems, the Parties agree that any controversy or claim between HONEYWELL and CUSTOMER arising out of or relating to this ESCO CONTRACT, or the breach thereof, shall be settled by arbitration in Philadelphia, conducted in


accordance with the Construction Industry Arbitration Rules of the American Arbitration Association.

Any award rendered by the arbitrator shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof. Any controversy or claim arising out of or related to the installation, monitoring, and/or maintenance of systems associated with security and/or the detection of, and/or reduction of risk of loss associated with fire shall be resolved in a court of competent jurisdiction in the Commonwealth of Pennsylvania.

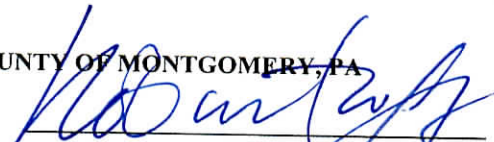
APPROVALS:

The Parties hereby execute this ESCO CONTRACT as of the date first set forth herein by the signatures of their duly authorized representatives:

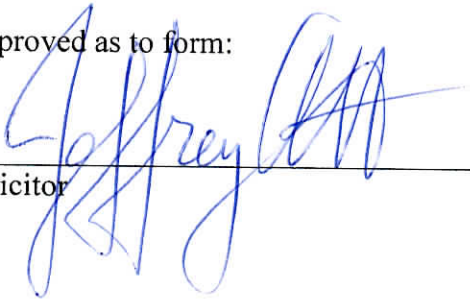
HONEYWELL INTERNATIONAL INC.

By 
Name David A. Mowbray
Title Account Executive
Date 11/10/10

COUNTY OF MONTGOMERY, PA

By 
Name Robert W. Graf
Title Chief Clerk / Chief Operating Officer
Date 11/8/10

Approved as to form:



Solicitor

ATTACHMENT A
SCOPE OF WORK

PART 1 – PRODUCTS & EXECUTION

A. ECM #1 Water Conservation

D) Facility Listing

Work to be performed at the Montgomery County Correctional Facility.

II) Water Conservation - General

1. HONEYWELL shall implement the following Scope of Work :

Scope of Work Description	Quantity
Electronic 2.4 GPF Flush Valve Retrofit - Combination Toilet/Sink Unit	534
1.6 GPF Flushometer Toilet New 1.6 GPF Flush Valve	30
1.0 GPF Urinal Valve	5
1.0 GPM Electronic Faucet Retrofit for Mechanical Valve	534
1.0 GPM Faucet Restrictor	76
New 4" Center Set Metering Faucet	28
2.0 GPM Electronic Shower Retrofit	60

2. For Electronic Toilet (Combi Unit) Retrofits

HONEYWELL shall:

- a. Furnish and install Sloan Programmed Water Technologies (hereinafter "PWT") electronic plumbing controls with solenoid operated 2.4 GPF flush valves and 1.0gpm lavatory manifolds.
- b. Provide replacement of mechanical push button actuators with piezo electronic water proof touch buttons.
- c. Equip pipe chases with low voltage transformer to power the 8 I/O programmable microprocessor controllers.
- d. Furnish and install wiring and provide electrical connections to control boxes.

3. For Electronic Shower Retrofits

HONEYWELL shall:

- a. Furnish and install Sloan PWT (Programmed Water Technologies) electronic plumbing controls with solenoid operated 2.0 GPM shower manifolds for Wall Mounted Showers.
- b. Provide replacement of mechanical push button actuators with piezo electronic water proof touch buttons.
- c. Equip pipe chases with low voltage transformer to power the 8 I/O programmable microprocessor controllers.
- d. Leave intact existing mixing valves.
- e. Furnish and install wiring and provide electrical connections to control boxes.

4. For Network Parameters:

HONEYWELL shall:

- a. Furnish and install a new network of electronic controls on the inmate Combi Units and showers.
- b. Provide control of Combi Units and showers with Sloan PWT (Programmable Water Technologies) software that will reside on a single computer in the maintenance office. The overall control of the system's functions will be controlled from this single computer.

5. For Toilet Retrofits

HONEYWELL shall:

- a. Replace toilet bowls with new Kohler (or equivalent) 1.6 gpf china and replace flushometer valves with new Sloan Regal 1.6 gpf flushometer valves;
- b. Replace tank toilets with Kohler (or equivalent) 1.6 gpf combination toilets;
- c. Install new Kohler toilet bowls onto existing flanges and carriers with new Bemis commercial open front plastic seats, less cover (white in color). Black toilet seats can be substituted upon request. Toilets in apartments will be installed with new round closed-front seats with cover.

6. For Urinal Retrofits

HONEYWELL shall:

- a. Replace existing flush valves with new Sloan Regal 1.0 gpf flushometers. All existing china will remain intact;
- b. Install flush valves with chrome plated brass 90° street elbows to raise the vacuum breaker to the minimum required height of 6" above the flood plane (urinal rim) as required by plumbing code;
- c. Provide new controls stop valves or valve kits only as required on new urinal valves, existing control stops will be re-used where possible to minimize water utility interruptions.

7. For Faucet Retrofits

HONEYWELL shall:

- a. Replace existing threaded aerators on common area restroom sinks, inmate dorm and kitchen sinks with new Neoperl 1.0 gpm tamper resistant faucet restrictors and applicable adaptors;
- b. Install in Pods N/P and Q new Chicago Faucet series 802-665CP 4" center set faucets with SS braided (or rigid copper) lav risers.
- c. Provide new angle stop valves only as required; existing control stops will be re-used where possible to minimize water utility interruptions.

III) Water Conservation Clarifications for Toilet Retrofit:

1. Generally, the retrofit is a like-for-like material replacement. If a handicap accessible stall with hand rails has been installed to modify an existing bathroom for ADA compliance and the toilet is not at ADA height, HONEYWELL will attempt to make the toilet in this stall meet ADA guidelines. To accomplish this, floor mounted ADA toilets will be replaced with new ADA height toilets. Wall mounted or floor mounted-wall discharge toilets in ADA stalls will be installed with new Bemis 2" lift seats to make the toilets ADA height (with the seat installed).
2. Flushometer valves and toilet bowls will be installed to meet all state and federal uniform plumbing codes. The ASSE CL1001 atmospheric vacuum breaker code requires that the vacuum breaker critical line (CL) be installed 6" above the flood plane of the toilet (or urinal). The CL is denoted on the exterior of the

flush valve vacuum breaker tailpiece with a visible CL line. The flood plane of a toilet is defined as the highest point at which water will overflow a fixture.

3. All toilet bowls will be securely connected to water supply lines and waste connections. Minor repairs to floor mount toilet flanges will be made to ensure secure toilet bowl connections. Floor mount toilet flanges will be repaired as needed with a repair anchor flange or an Oatey PVC repair flange #43651 anchored to the floor with 4 tap-con bolts.
4. Minor repairs to water supply connections include replacement of 1" horizontal water lines, as required, to rough plumb flush valves when installing new toilet bowls. All piping modifications will be made with material that complies with standard trade practice and like to existing materials
5. Existing control stops will be re-used where possible to minimize water utility interruptions. If control stops are not working, new toilets will be installed with new control stop valves or control stop valve kits (as determined necessary by HONEYWELL and the CUSTOMER).

IV) Water Conservation - Exclusions

1. Asbestos testing and abatement.
2. Repair of pre-existing water damaged floors, walls and ceilings.
3. Repair or replacement of pre-existing cracked, loose or missing floor and wall tiles.
4. Repair or replacement of inoperable or leaking cold water riser or isolation valves. The operation of cold water isolation, riser, and/ or hot water circulating valves required for execution of work described herein is the sole responsibility of CUSTOMER. CUSTOMER must turn the valves on and off, interruption and other service outages must be coordinated and executed by its personnel

B. ECM #2 DDC Upgrades

D) Facility Listing

All Work will be performed at the Montgomery County Correctional Facility.

II) DDC Upgrades - General

1. For Front End

HONEYWELL shall:

- a. Upgrade and expand the existing XBS Building Management System with current version of Enterprise Building Integrator Software with XL5000 and MODBUS interfaces.
- b. Provide new DELL EBI Server with LCD Monitor, 2 DELL Laptop PC's with workstation software loaded and configured to run EBI.
- c. Convert existing front end graphics from XBS format to necessary EBI format.

2. For Workstation Software

HONEYWELL shall:

- a. Provide and install EBI workstation software on CUSTOMER-supplied PCs. Workstation software will allow operators to view and manage points within the EBI System.
- b. Provide 3000' of CAT-6 Cable.

3. For Sloan Water Management System

HONEYWELL shall:

- a. Interface with the Sloan PWT through Modbus interface.
- b. Create new graphics on EBI front end to depict POD layout, each pod graphic will have control functionality of the following points within the Sloan PWT:

- Per Cell
 - Enable node 1 -- Toilet
 - Disable node 1 -- Toilet
 - Enable node 2 -- Hot water
 - Disable node 2 -- Hot water
 - Enable node 3 -- Cold water
 - Disable node 3 -- Cold water
 - Enable node 4 -- Shower water (where applicable, not every 4 I/O controller will have a shower input)
 - Disable node 4 -- Shower water (where applicable, not every 4 I/O controller will have a shower input)
- Per Pod
 - Enable all water
 - Disable all water
- Per Entire Facility
 - Enable all water
 - Disable all water

4. For Retro-Commissioning of HV1 & HV2 (Gym Units)

HONEYWELL shall:

- a. Furnish and install (3) three CO2 sensors.
- b. Furnish and install (2) two new discharge air temperature sensors.
- c. Furnish and install (2) two new mixed air temperature sensors.
- d. Furnish and install (2) two new return air temperature sensors.
- e. Furnish and install (6) six new damper actuators and linkages.
- f. Test and inspect control relays.
- g. Furnish and install new current sensors for fan status.
- h. Modify software and time programs in the existing Honeywell XL100 controller.
- i. Modify graphics and control points on the EBI network.
- j. Commission, start-up and test unit operations.

5. For Expanded DDC Control for eleven (11) Existing RTUs:

HONEYWELL shall:

- a. Replace XL10 controller with XL50 to increase point capacity.
- b. Pull C-Buss control wiring to each existing RTU.
- c. Enable/Disable second-stage DX Compressors on (11) existing Trane RTUs.
- d. Install a line voltage relay to control compressors.
- e. Update points on RTUs to include Return Air Temp, Room Temp, Supply Fan Start/Stop/Status, Dirty Filter status, and DX Start/Stop.

6. For Supply Air Reset

HONEYWELL shall:

Provide engineering and tech labor to program EBI for Supply Air temperature reset.

III) DDC Upgrades Clarifications:

1. HONEYWELL and CUSTOMER will determine access rights, permissions and log-on strategies together prior to EBI installation.
2. CUSTOMER will provide network LAN drops in each of the POD Mechanical rooms to allow it to access EBI Sever from Mechanical locations.
3. Modbus Slave Device Specification Guidance: Equipment provided under Sloan Water Management System section shall be provided with a Modbus TCP interface. System shall function as a slave device,

not as the Modbus master as that function is reserved for the front-end BAS client. System shall be provided with register definition documentation and point list which specifies data type, format, and unique description of each point to facilitate integration and interoperability. System shall be provided with all software and licensing required for programming and configuration changes to the delivered devices and equipment.

C. ECM #3 Variable Hood Controls

D) Facility Listing

All Work to be performed at the Montgomery County Correctional Facility.

II) Variable Hood Controls - General

HONEYWELL shall

1. Furnish and Install:
 - a. Four (4) VFDs (variable frequency drives) for EF-30, 31, 32 and 33.
 - b. Four (4) VFDs for MUA-1, 2, 3 and 4.
 - c. Horsepower rating for scope items "a" and "b" are listed below, voltage is 480.

Unit	HP
EF-30	1.5
EF-31	1.5
EF-32	0.75
EF-33	3.0
MUA-1	1.5
MUA-2	1.5
MUA-3	0.5
MUA-4	2.0

- d. Four (4) temperature sensors mounted and wired in each kitchen hood.
- e. Four (4) opacity sensors mounted and wired in each kitchen hood.
- f. Building controller to operate system.
- g. All wiring below a ceiling shall be in conduit.
- h. All wiring above ceiling shall be plenum rated.
- i. Wiring from new building controller to front-end.
- j. Relays and wires to control stages of heating in each of the MUA.
- k. Graphical interface as described below.
- l. Sequence of operation as described below.
- m. Submittals of equipment.
- n. Training of CUSTOMER on new system.

III) Variable Hood Controls Clarifications:

1. VFDs (variable frequency drives) shall be installed in the electrical room, which is across the hall from the kitchen area. At each hood, a temperature probe will be mounted in the duct to monitor the exhaust temperature; the opacity sensor shall be mounted in the hood area, to insure a proper reading of smoke/grease. The hoods are stainless steel and both sensors shall be able to handle the current conditions. These sensors shall be tied into the new controller and brought back to the front-end.
2. Wires will be run to each of the MUA located on the roof; these wires will tie into a relay which will not allow the burner to go to high fire unless the VFD speed is above 90%.
3. The sequence for the operation shall be as follows.

- a. When opacity or temperature sensor rise above a set limit (user adjusted: both) the fan shall speed up to remove the heat and/or smoke from underneath the hood. When the temperature or opacity starts to fall, the fans shall slow down to a minimum speed. This speed shall be no less than 50% for both exhaust and supply fans. Starting points for the temperature shall be 80°F degrees and the opacity shall be 40.
- b. Testing of the system shall be conducted in cooling and heating modes.
- c. Graphics page shall have units displayed with current setpoints (adjustments per system) and current operation. IE: fan speed and temp and opacity. Points that shall be trended are fan speeds, hood temps and opacity for each system.
- d. A schedule shall be installed, so that the facility can turn these units on/off on a predetermined schedule.

PART 2 – GENERAL

A. GENERAL CONDITIONS

1. HONEYWELL is not responsible for bringing existing lighting/electrical systems up to code.
2. If HONEYWELL encounters any materials or substances classified as toxic or hazardous in performance of the Work associated with the mechanical systems, including asbestos, HONEYWELL will notify CUSTOMER and will stop work in that area until such area has been made safe by the CUSTOMER, or CUSTOMER's Representative, at CUSTOMER's expense. In the event such conditions cause a delay in Honeywell's performance, HONEYWELL shall be entitled to recovery of all costs associated with such delay, as well as an extension of time of performance.
3. Where demolition of certain areas of a building are required for removal and installation of equipment and that demolition is included in the scope of work defined herein, HONEYWELL will make every effort to replace such areas with similar materials as available. If such materials are not available, materials of similar quality will be supplied and installed.
4. Electrical: HONEYWELL will only be responsible for repairing existing electrical wiring problems that occur within three feet (36 inches) of the device being installed or the nearest wall or ceiling penetration, whichever is smaller.
5. Piping: HONEYWELL will only be responsible for repairing existing piping problems that occur within two feet (24 inches) of the device being installed or the nearest wall or ceiling penetration, whichever is smaller. Piping includes, but is not limited to, domestic hot and cold water, cooling cold water, heating hot water, condensate, fuel oil, and cooling tower condensing water.
6. Routine Clean-up: Routine clean up such as vacuuming, coil cleaning and filter change of air handling devices, etc. is the responsibility of the CUSTOMER, or as included in Attachment D.
7. Utility Meter: If new utility meters are required, provision and coordination of utility meters is the responsibility of the CUSTOMER.
8. Phone Lines: To be provided by CUSTOMER for off-site monitoring, two (2) lines for each front end, one (1) line for each separate remote bus, as well as on-going maintenance of the lines.
9. Efficiency Values: HONEYWELL will install equipment and lighting components (hereto referred as "Equipment") under the scope described herein with specific energy and water efficiency values. The CUSTOMER is required to replace any failed Equipment no longer warranted by HONEYWELL or a HONEYWELL subcontractor, with Equipment of equal or greater efficiency for the full contract guarantee term.
10. Limitation of Liability -- Security Systems, Fire Alarm Systems and/or Components - HONEYWELL's total liability for damages of any kind or nature arising out of or relating to any aspect or component of the security or fire alarm systems and/or components provided under this Attachment A is limited to \$_____.
11. HONEYWELL will provide information necessary to apply for utility incentives. Actual dollar amount of incentive will be determined by the Utility and is not guaranteed by HONEYWELL.
12. The following areas are specifically excluded from this proposal. Correction of problems in these areas, if required by Federal, State or local law or ordinance, will be considered additional work and will be chargeable (with approval) to the CUSTOMER.
 - a. Any work not specifically stated and outlined in this scope of work.
 - b. Painting and patching of areas beyond those areas directly related to work.
 - c. Existing non-code conditions (examples: existing electrical wiring which requires correction or approval by appropriate inspectors, existing penetrations in need of fire stopping, etc).

B. RELATED WORK SPECIFIED ELSEWHERE

Provision of equipment, material, and labor to provide functional measurement and verification systems coordinated under Attachment G – Schedule of Savings.

**ATTACHMENT B
SOFTWARE LICENSE AGREEMENT**

Honeywell International, Inc. ("HONEYWELL")			
License Agreement for Honeywell Enterprise Buildings Integrator and/or Digital Video Manager Software Products			
*Date	_____		
Customer Name:	_____	Honeywell Branch Name:	_____
Customer Address:	_____	Honeywell Branch Address:	_____
	_____		_____
Telephone:	_____	Telephone:	_____
	_____		_____
Re: Honeywell Software License Agreement			
Designated Installation Job Number	_____		

* Require manual entry			

Dear CUSTOMER:

Your new Enterprise Buildings Integrator and/or Digital Video Manager system requires the use of software listed on Exhibit I of this form (hereinafter "Software"). In accordance with the usual practice in the industry, the Software, related materials, and any updates or revisions, are protected by copyright and trade secret law, and may be protected by patent law.

You may use the software with compatible equipment at the designated installation. You may (for archival or backup purposes) make up to two (2) copies of noncopy-protected software on disk or magnetic tape and one (1) copy of the Software in printed form

The Software is proprietary to, and the title to the Software remains in, HONEYWELL and its vendor(s). You agree (1) to take reasonable steps to maintain HONEYWELL's and its vendors' rights in the Software; (2) not to sell, transfer, publish, display, disclose, or make the Software or any copies available to others; and (3) not to reverse compile, disassemble, or otherwise reverse engineer the Software. HONEYWELL and its vendors retain all rights in patents, copyrights, trademarks, and trade secrets. Any attempt to transfer, assign, or sublicense this SOFTWARE LICENSE AGREEMENT or the Software is null and void. Upon termination of this license, you will immediately return the Software to HONEYWELL. Termination will not cancel your obligations under this SOFTWARE LICENSE AGREEMENT.

If, for a period of one (1) year, the Software does not meet HONEYWELL specifications, then HONEYWELL, at its option, shall repair or replace the software.

IN NO EVENT SHALL HONEYWELL OR ITS VENDORS BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, OR SPECIAL DAMAGES RELATING TO OR ARISING OUT OF THIS AGREEMENT OR WARRANTY. NEITHER HONEYWELL NOR ITS VENDORS SHALL BE LIABLE FOR ANY WARRANTIES IMPLIED BY LAW OR OTHERWISE, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH REGARD TO ANY GOODS SUPPLIED PURSUANT TO THIS AGREEMENT.

Please indicate your acceptance by signing this SOFTWARE LICENSE AGREEMENT and attached Order Form. You can order expansions, upgrades, and new software for the same site by completing and signing a new Order Form for each copy of product deployed at the same physical site.

Sincerely,

Authorized and Accepted by:

Authorized HONEYWELL Signature

Name: DAVID A. MANN
Title: Regional Director
Date: 11/10/10

Authorized and Accepted by:



Authorized CUSTOMER Signature

Name: Robert W. Graf
Title: Chief Clerk/Chief Operating Officer
Date: 11/8/10

**Honeywell Software Order Form
Exhibit 1**

This Order Form is governed by the Software License Agreement originally signed by the parties as identified below. For upgrades, expansions, and new software for the same site, the Software License Agreement does not need to be signed again, but a new Order Form must be completed and signed by both parties. One System Number shall be referenced for each Order Form. Additional Order Forms should be filled out for each system number licensed at the same physical site. New sites at different physical addresses will require a new Software License Agreement and Order Form for each new site location.

Type of Order	<input type="text" value="New EBI System"/>	* System Number Assigned:	<input type="text"/>
* Current Version:	<input type="text"/>	Current System Number:	<input type="text" value="0"/>
Re: Honeywell Software License Agreement			
Designated Installation	<input type="text" value="0"/>		
* Job Number	<input type="text"/>		
* Date:	<input type="text"/>		
Customer Name:	<input type="text" value="0"/>	* Honeywell Branch Name:	<input type="text"/>
Customer Address:	<input type="text" value="0"/>	* Honeywell Branch Address:	<input type="text"/>
	<input type="text" value="0"/>		<input type="text"/>
	USA		<input type="text"/>
Telephone:	<input type="text" value="0"/>	* Telephone:	<input type="text"/>

* Require manual entry

The undersigned parties have read and agreed to the terms and conditions set forth in the Software License Agreement and this Order Form.

Authorized and Accepted by:

Authorized and Accepted by:

Authorized Honeywell Signature

Authorized Customer Signature

Name: _____
Title: _____
Date: _____

Name: _____
Title: _____
Date: _____

Please consider Anti-Virus and Malware detection software requirements to protect this Honeywell software installation. EBI is tested with Norton and McAfee Anti-Virus software products. Align with customer IT recommendations and best practices. This software is not included in the EBI or DVM software product and is responsibility of customer to provide. At the customers request Honeywell can provide a quote to install Anti-Virus or Malware detection software however most of these solutions require a subscription service to maintain detection of current virus and malware signatures.

Please consider Back Up software for disaster recovery to protect this Honeywell software installation. Symantec Live State or Acronis are recommended Back Up software solutions. Align with customer IT recommendations and best practices. This software is not included with the EBI or DVM software and is the responsibility of the customer to provide. At the customers request Honeywell can provide a quote to install Back Up software.

On the pages that follow please indicate Quantity of items selected for this order.

Items with "Require regional PM's approval" in the Comment column requires Regional Product Manager Approval prior to signing of agreement.

Note colors not shown when printed on black and white printer.

Exhibit 1

	Qty	Part Number	Software Description	Comment
<i>Base Package & Database Size</i>				
	1	EBI-BASE02	EBI Base Package 2	
	1	EBI-DBP00250	250 Point Adder to Database Size	
	2	EBI-DBP02500	2,500 Point Adder to Database Size	
<i>First Free Interface</i>				
	1	EBI-IZXLDIR	BM - Excel5000 Direct (point server) interface License	
<i>Second Free Interface</i>				
	1	EBI-IZBACDIRCL	Open - BACnet Direct Client interface	
<i>Documentation and Software</i>				
	1	EBI-ZZDVD400	EBI R400 DVD Media (DVDs only; no docs)	
	12	EBI-ZZACES	1 mouse pad; 1 keyboard overlay & 2 PC stickers	
<i>Additional Client Connection</i>				
	10	EBI-CLST	Additional Station Connection license	
<i>Additional Options</i>				
	1	EBI-OPALMPAG	Alarm Pager	
<i>Server Type</i>				
	1	EBI-SEBM	EBI Building Manager Server	

Montgomery County Correctional Facility
Attachment C

ID	Task Name	Start	Finish	3rd Quarter			4th Quarter			1st Quarter			2nd Quarter		
				Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	
1	Montgomery County Correctional Facility	Fri 7/23/10	Fri 5/13/11												
2	MCCF County Commissioners Resolution	Fri 7/23/10	Fri 7/23/10	◆ 7/23											
3	DOE Review of Buy American Waiver	Mon 9/6/10	Mon 10/4/10												
4	MCCF/Honeywell Contract Signed	Tue 10/5/10	Tue 10/5/10	◆ 10/5											
5	Pre-Construction	Wed 10/6/10	Thu 10/28/10												
11	ECM#1 - Water Conservation	Wed 10/27/10	Thu 4/14/11												
12	Pre Construction	Wed 10/27/10	Tue 11/2/10												
13	Installation Scheduling/Planning/Safety Orientation	Wed 10/27/10	Wed 10/27/10												
14	Contractor Setup	Thu 10/28/10	Fri 10/29/10												
15	Material Storage/Waste Removal Setup	Mon 11/1/10	Tue 11/2/10												
16	Electrical	Wed 10/27/10	Thu 12/16/10												
17	Electrical Material Procurement	Wed 10/27/10	Tue 11/16/10												
18	Electrical Installation	Wed 11/17/10	Thu 12/16/10												
19	Pod A/B	Wed 11/17/10	Thu 11/18/10												
20	Pod C	Fri 11/19/10	Mon 11/22/10												
21	Pod D	Tue 11/23/10	Wed 11/24/10												
22	Pod E	Thu 11/25/10	Fri 11/26/10												
23	Pod F	Mon 11/29/10	Tue 11/30/10												
24	Pod G	Wed 12/1/10	Thu 12/2/10												
25	pod H	Fri 12/3/10	Mon 12/6/10												
26	Pod J	Tue 12/7/10	Wed 12/8/10												
27	Pod K	Thu 12/9/10	Fri 12/10/10												
28	Pod M(Medical)	Mon 12/13/10	Tue 12/14/10												
29	Pod L	Wed 12/15/10	Thu 12/16/10												
30	Plumbing	Wed 10/27/10	Tue 1/25/11												
31	PWT Material Procurement	Wed 10/27/10	Tue 11/30/10												
32	Plumbing Installation	Wed 12/1/10	Tue 1/25/11												
33	Common Areas(Intake, Admin, Holding, Gyms, Medical, Laundry, Kitchen, Warehouse, Pods)	Wed 12/1/10	Tue 12/7/10												
34	Pod A/B	Wed 12/8/10	Mon 12/13/10												

Project: Attachment C - MCCF
Date: Thu 9/2/10

Task		Milestone	◆	External Tasks	
Split	Summary		External Milestone	◆
Progress		Project Summary		Deadline	↓

Montgomery County Correctional Facility
Attachment C

ID	Task Name	Start	Finish	3rd Quarter			4th Quarter			1st Quarter			2nd Quarter	
				Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
35	Pod C	Tue 12/14/10	Thu 12/16/10								1 CO Escort			
36	Pod D	Fri 12/17/10	Tue 12/21/10								1 CO Escort			
37	Pod E	Wed 12/22/10	Fri 12/24/10								1 CO Escort			
38	Pod F	Mon 12/27/10	Wed 12/29/10								1 CO Escort			
39	Pod G	Thu 12/30/10	Mon 1/3/11								1 CO Escort			
40	Pod H	Tue 1/4/11	Thu 1/6/11								1 CO Escort			
41	Pod J	Fri 1/7/11	Tue 1/11/11								1 CO Escort			
42	Pod K	Wed 1/12/11	Fri 1/14/11								1 CO Escort			
43	Pod M(Medical)	Mon 1/17/11	Wed 1/19/11								1 CO Escort			
44	Pod L	Thu 1/20/11	Tue 1/25/11								1 CO Escort			
45	Post Construction	Fri 4/8/11	Thu 4/14/11											
46	Hardware/Software Training	Fri 4/8/11	Fri 4/8/11											1 CO Escort
47	Commissioning	Mon 4/11/11	Tue 4/12/11											1 CO Escor
48	Walkthrough/Signoff	Wed 4/13/11	Thu 4/14/11											1 CO Esc
49	ECM#2 DDC Upgrades	Wed 10/27/10	Fri 4/22/11											
50	Engineering	Wed 10/27/10	Fri 12/31/10											
51	Submittals	Wed 10/27/10	Tue 11/2/10											
52	Systems Engineering	Wed 10/27/10	Tue 12/28/10											
53	Control Sequences Reviewed/Approved	Wed 12/29/10	Fri 12/31/10											
54	Equipment Released for Order	Wed 12/29/10	Thu 12/30/10											
55	PC Front End/Work Station	Wed 12/29/10	Mon 1/31/11											
56	Installation	Wed 12/29/10	Tue 1/18/11											
57	Commissioning	Wed 1/19/11	Tue 1/25/11											
58	M&V Tasks	Wed 1/26/11	Wed 1/26/11											
59	Punchlist Inspections	Thu 1/27/11	Fri 1/28/11											
60	Acceptance	Mon 1/31/11	Mon 1/31/11											
61	Sloan Water Management System	Fri 12/3/10	Fri 4/22/11											
62	Installation	Fri 12/3/10	Thu 2/3/11											
63	Commissioning	Fri 2/4/11	Thu 4/7/11											
64	M&V Tasks	Fri 4/8/11	Thu 4/21/11											




Project: Attachment C - MCCF
Date: Thu 9/2/10




Task		Milestone		External Tasks	
Split		Summary		External Milestone	
Progress		Project Summary		Deadline	




Montgomery County Correctional Facility
Attachment C

ID	Task Name	Start	Finish	3rd Quarter			4th Quarter			1st Quarter			2nd Quarter	
				Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
65	Punchlist Inspections	Fri 4/8/11	Thu 4/21/11											
66	Acceptance	Fri 4/22/11	Fri 4/22/11											
67	Admin Heat Pump Control	Wed 11/3/10	Wed 12/22/10											
68	Installation	Wed 11/3/10	Tue 12/14/10											
69	Commissioning	Wed 12/15/10	Fri 12/17/10											
70	M&V Tasks	Mon 12/20/10	Mon 12/20/10											
71	Punchlist Inspections	Tue 12/21/10	Tue 12/21/10											
72	Acceptance	Wed 12/22/10	Wed 12/22/10											
73	Rooftop Unit Control	Wed 11/3/10	Mon 2/7/11											
74	Installation	Wed 11/3/10	Tue 1/25/11											
75	Commissioning	Wed 1/26/11	Tue 2/1/11											
76	M&V Tasks	Wed 2/2/11	Thu 2/3/11											
77	Punchlist Inspections	Fri 2/4/11	Fri 2/4/11											
78	Acceptance	Mon 2/7/11	Mon 2/7/11											
79	ECM#3 Variable Hood Controls	Wed 11/3/10	Tue 3/8/11											
80	Installation	Wed 11/3/10	Tue 3/8/11											
81	Commissioning	Mon 11/15/10	Fri 11/26/10											
82	M&V Tasks	Mon 11/29/10	Tue 11/30/10											
83	Punchlist Inspections	Wed 12/1/10	Wed 12/1/10											
84	Acceptance	Thu 12/2/10	Thu 12/2/10											
85	Project Closeout	Wed 4/13/11	Fri 5/13/11											
86	Equipment Checklists	Wed 4/13/11	Mon 4/25/11											
87	Commissioning Reports	Wed 4/13/11	Tue 5/3/11											
88	Measurement & Verification Reports	Fri 4/22/11	Thu 5/12/11											
89	O&M Manuals	Tue 4/26/11	Mon 5/9/11											
90	Project Related Training Reviewed	Wed 4/13/11	Tue 4/26/11											
91	Project Evaluation	Fri 5/13/11	Fri 5/13/11											
92	Project Complete, Accepted and Maintenance Ready	Fri 5/13/11	Fri 5/13/11											

Project: Attachment C - MCCF
Date: Thu 9/2/10

Task  Milestone  External Tasks 

Split  Summary  External Milestone 

Progress  Project Summary  Deadline 

**ATTACHMENT D
SUPPORT SERVICES AGREEMENT**

Honeywell International Inc.

SUPPORT SERVICES AGREEMENT

Project Name: Energy Savings and Conservation Contract for Montgomery County Correctional Facility- Phase I
Proposal Number: 916-MH0726001
Date: July 26, 2010
Agreement Number:

(PROVIDER)
Honeywell International Inc. ("HONEYWELL")

(CUSTOMER- NAME AND ADDRESS)
County of Montgomery ("CUSTOMER")

512 Virginia Drive
Fort Washington, PA 19034

60 Eagleville Road
Norristown, PA 19403

Service Location Name: Montgomery County Correctional Facility
Service Location Address: 60 Eagleville Road, Norristown, PA 19403

Scope of Work: HONEYWELL shall provide the following equipment and services ("the Work") in accordance with the attached work scope documents and terms and conditions (hereinafter "SUPPORT SERVICES AGREEMENT"), which form a part of THE ENERGY SAVINGS AND CONSERVATION CONTRACT FOR THE MONTGOMERY COUNTY CORRECTIONAL FACILITY (hereinafter referred to as "ESCO CONTRACT"), being entered into concurrently with this SUPPORT SERVICES AGREEMENT..

- | | |
|---|---|
| <input type="checkbox"/> Preferred Temperature Control Services | <input type="checkbox"/> Site Services |
| <input type="checkbox"/> Flex Temperature Control Services | <input type="checkbox"/> Honeywell Energy Analysis Reporting |
| <input type="checkbox"/> Preferred Automation Maintenance Services | <input type="checkbox"/> Air Filter Services |
| <input type="checkbox"/> Flex Automation Services | <input type="checkbox"/> Water Treatment Services |
| <input type="checkbox"/> Preferred Fire Alarm Maintenance Services | <input type="checkbox"/> Critical Parts Stocking |
| <input type="checkbox"/> Fire Alarm Test and Inspect Services | <input type="checkbox"/> Thermography Services |
| <input type="checkbox"/> Preferred Security System Inspect Services | <input type="checkbox"/> Emergency Generator Services |
| <input type="checkbox"/> Flex Security System Services | <input type="checkbox"/> In Suite Services |
| <input type="checkbox"/> Preferred Mechanical Maintenance Services | <input type="checkbox"/> Remote Monitoring/Radionics |
| <input type="checkbox"/> Flex Mechanical Maintenance Services | <input type="checkbox"/> Indoor Air Quality Auditing Services |
| <input type="checkbox"/> ServiceNet™ Remote Monitoring and Control Services | <input type="checkbox"/> Service Management Software |
| <input type="checkbox"/> EBI Services | <input type="checkbox"/> FM Worksite |
| <input checked="" type="checkbox"/> Energy Auditing and Analysis Services | <input type="checkbox"/> Energy Guarantee Special Provisions |
| <input type="checkbox"/> Online Services | <input type="checkbox"/> Other/Special Provisions _____ |
| <input type="checkbox"/> Advanced Support | <input type="checkbox"/> Honeywell Users Group |

Agreement Term: Ten (10) years from the Effective Date. CUSTOMER HONEYWELL
(INITIALS)

Agreement Effective Date: First day of the month following Final Acceptance
Price for Year 1: Six Thousand Nine Hundred Thirty Six Dollars and No Cents (\$6,936.00) (plus applicable taxes).

Payment Terms:

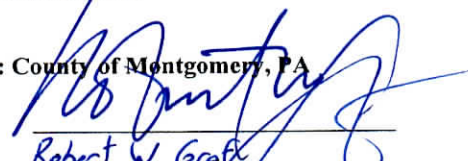
- Sales Tax will be invoiced separately Use Tax is included in the Price This sale is tax exempt

Acceptance: This proposal and the pages attached shall become an Agreement in accordance with Article 13 below and only upon signature below by an authorized representative of HONEYWELL and CUSTOMER.

Accepted by:
HONEYWELL INTERNATIONAL INC.

CUSTOMER: County of Montgomery, PA

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: 
Name: Robert W. Graf
Title: Chief Clerk / Chief Operating Officer
Date: 11/8/10

PART A. Standard Terms and Conditions

1. WORKING HOURS

1.1 Unless otherwise stated, all labor and services under this SUPPORT SERVICES AGREEMENT will be performed during the hours of 8:00 a.m. - 4:30 p.m. local time Monday through Friday, excluding federal holidays. If for any reason CUSTOMER requests HONEYWELL to furnish any labor or services outside of the hours of 8:00 a.m. - 4:30 p.m. local time Monday through Friday (or on federal holidays), any overtime or additional expenses, such as repairs or material costs not included in this SUPPORT SERVICES AGREEMENT, will be billed to and paid by CUSTOMER.

2. TAXES

2.1 CUSTOMER agrees to pay the amount of any new or increased taxes or governmental charges upon labor or the production, shipment, sale, installation, or use of equipment or software which become effective after the date of this SUPPORT SERVICES AGREEMENT. If CUSTOMER claims any such taxes do not apply to transactions covered by this Agreement, CUSTOMER shall provide HONEYWELL with a tax exemption certificate acceptable to the applicable taxing authorities.

3. PROPRIETARY INFORMATION

3.1 All proprietary information (as defined herein) obtained by CUSTOMER from HONEYWELL in connection with this Agreement will remain the property of HONEYWELL, and CUSTOMER will not divulge such information to any third party without prior written consent of HONEYWELL. The term "proprietary information" means written information (or oral information reduced to writing), or information in machine-readable form, including but not limited to software supplied to CUSTOMER which HONEYWELL deems proprietary or confidential and characterizes as proprietary at the time of disclosure to CUSTOMER by marking or labeling the same "Proprietary", "Confidential", or "Sensitive". The CUSTOMER shall incur no obligations hereunder with respect to proprietary information which: (a) was in the CUSTOMER's possession or was known to the CUSTOMER prior to its receipt from HONEYWELL; (b) is independently developed by the CUSTOMER without the utilization of such confidential information of HONEYWELL; (c) is or becomes public knowledge through no fault of the CUSTOMER; (d) is or becomes available to the CUSTOMER from a source other than HONEYWELL; (e) is or becomes available on an unrestricted basis to a third party from HONEYWELL or from someone acting under its control; (f) is received by CUSTOMER after notification to HONEYWELL that the CUSTOMER will not accept any further information.

3.2 CUSTOMER agrees that HONEYWELL may use nonproprietary information pertaining to this ESCO CONTRACT, and the work performed under the Agreement, for press releases, case studies, data analysis, promotional purposes, and other similar documents or statements to be publicly released, as long as HONEYWELL submits any such document or statement to CUSTOMER for its approval, which will not be unreasonably withheld.

4. INSURANCE OBLIGATIONS

4.1 HONEYWELL shall, at its own expense, carry and maintain in force at all times from the effective date of this SUPPORT SERVICES AGREEMENT through final completion of the Work the following insurance. It is agreed, however, that HONEYWELL has the right to insure or self-insure any of the insurance coverages listed below:

(a) Commercial General Liability Insurance to include contractual liability, products/completed operations liability with a combined single limit of USD \$2,000,000 per occurrence. Such policy will be written on an occurrence form basis;

(b) If automobiles are used in the execution of the Contract, Automobile Liability Insurance with a minimum combined single limit of USD \$2,000,000 per occurrence. Coverage will include all owned, leased, non-owned and hired vehicles.

(c) Where applicable, "All Risk" Property Insurance, including Builder's Risk insurance, for physical damage to property which is assumed in the Contract.

(d) Workers' Compensation Insurance Coverage A - Statutory limits and Coverage B-Employer's Liability Insurance with limits of USD \$1,000,000 for bodily injury each accident or disease.

4.2 Prior to the commencement of this SUPPORT SERVICES AGREEMENT, HONEYWELL will furnish evidence of said insurance coverage in the form of a Memorandum of Insurance which is accessible at: <http://www51.honeywell.com/moi/>. All insurance required in this Article will be written by companies with a rating of no less than "A-, XII" by A.M. Best or equivalent rating agency. HONEYWELL will endeavor to provide a thirty (30) day notice of cancellation or non-renewal to the CUSTOMER. In the event that a self-insured program is implemented, HONEYWELL will provide to CUSTOMER adequate proof of financial responsibility.

5. HAZARDOUS SUBSTANCES, MOLD AND UNSAFE WORKING CONDITIONS

ESCO CONTRACT, Article 3.8, incorporated herein.

6. WARRANTY AND LIMITATION OF LIABILITY

6.1 ESCO CONTRACT, Section 2.4, incorporated herein.

6.2 HONEYWELL makes no representation or warranty, express, implied or otherwise, regarding Hazardous Substances or Mold. HONEYWELL shall have no duty, obligation or liability, all of which CUSTOMER expressly waives, for any damage or claim, whether known or unknown, including but not limited to property damage, personal injury, loss of income, emotional distress, death, loss of use, loss of value, adverse health effect or any special, consequential, punitive, exemplary or other damages, regardless of whether such damages may be caused by or otherwise associated with defects in the Services, in whole or in part due to or arising from any investigation, testing, analysis, monitoring, cleaning, removal, disposal, abatement, remediation, decontamination, repair, replacement, relocation, loss of use of building, or equipment and systems, or personal injury, death or disease in any way associated with Hazardous Substances or Mold.

7. INDEMNITY

ESCO CONTRACT Section 8.1 incorporated herein.

8. LIMITATION OF LIABILITY

8.1 ESCO CONTRACT Section 8.6.1 incorporated herein.

8.2 **NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, IF A PORTION OF THE SERVICES TO BE PROVIDED UNDER THIS SUPPORT SERVICES AGREEMENT INVOLVES THE INSTALLATION AND/OR MAINTENANCE OF SYSTEMS ASSOCIATED WITH SECURITY AND/OR THE DETECTION OF AND/OR REDUCTION OF RISK OF LOSS ASSOCIATED WITH FIRE, HONEYWELL'S TOTAL LIABILITY ARISING OUT OF OR AS A RESULT OF ITS PERFORMANCE UNDER THIS AGREEMENT SHALL NOT EXCEED THE AMOUNT OF THIS AGREEMENT.**

9. EXCUSABLE DELAYS

ESCO CONTRACT Section 5.2 incorporated herein.

10. PATENT INDEMNITY

ESCO CONTRACT Section 2.3 incorporated herein.

11. SOFTWARE LICENSE

ESCO CONTRACT Section 3.10 incorporated herein.

12. DISPUTE RESOLUTION

ESCO CONTRACT Article 12 incorporated herein.

ARTICLE 13. ACCEPTANCE

13.1 The terms and conditions of this SUPPORT SERVICES AGREEMENT are expressly limited to the provisions hereof, including HONEYWELL's Standard Terms and Conditions in this Part A, notwithstanding

receipt of, or acknowledgment by, HONEYWELL of any purchase order, specification, or other document issued by CUSTOMER. Any additional or different terms set forth or referenced in CUSTOMER's purchase order are hereby objected to by HONEYWELL and shall be deemed a material alteration of these terms and shall not be a part of any resulting order.

ARTICLE 14. MISCELLANEOUS

14.1 This SUPPORT SERVICES AGREEMENT represents the entire agreement between CUSTOMER and HONEYWELL for the Work described herein and supersedes all prior negotiations, representations or agreements between the Parties related to the work described herein other than the ESCO CONTRACT and the attachments and exhibits appended thereto.

14.2 None of the provisions of this SUPPORT SERVICES AGREEMENT shall be modified, altered, changed or voided by any subsequent Purchase Order or other document unilaterally issued by CUSTOMER that relates to the subject matter of this SUPPORT SERVICES AGREEMENT. This SUPPORT SERVICES AGREEMENT may be amended only by written instrument signed by both Parties.

14.3 ESCO CONTRACT Section 10.1 incorporated herein.

14.4 Any provision or part of this SUPPORT SERVICES AGREEMENT held to be void or unenforceable under any laws or regulations will be deemed stricken, and all remaining provisions will continue to be valid and binding upon HONEYWELL and CUSTOMER, who agree that this SUPPORT SERVICES AGREEMENT shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

14.5 Neither Party may not assign its rights or delegate its obligations under this SUPPORT SERVICES AGREEMENT, in whole or in part, without the prior written consent of the other. HONEYWELL may assign its right to receive payment to a third party.

PART B. Special Terms and Conditions

15. COVERAGE

15.1 CUSTOMER agrees to provide access to all Equipment included in the Covered Equipment a. HONEYWELL will be free to start and stop all primary equipment incidental to the operation of the mechanical, control, automation, and life safety system(s) as arranged with CUSTOMER's representative.

15.2 It is understood that the repair, replacement, and emergency service provisions apply only to the Equipment included in the Covered Equipment. Repair or replacement of non-maintainable parts of the system such as, but not limited to, ductwork, piping, shell and tube (for boilers, evaporators, condensers, and chillers), unit cabinets, boiler refractory material, heat exchangers, insulating material, electrical wiring, hydronic and pneumatic piping, structural supports and other non-moving parts, is not included under this SUPPORT SERVICES AGREEMENT. Costs to repair or replace such non-maintainable parts will be the sole responsibility of CUSTOMER.

15.3 HONEYWELL will not reload software, or make repairs or replacements necessitated by reason of negligence or misuse of the Equipment by persons other than HONEYWELL or its employees, or caused by lightning, electrical storm, or other violent weather or by any other cause beyond HONEYWELL's control. HONEYWELL will provide such services at CUSTOMER's request and at an additional charge. CUSTOMER is entitled to receive HONEYWELL's then current preferred-CUSTOMER labor rates for such services.

15.4 HONEYWELL may install diagnostic devices and/or software at HONEYWELL's expense to enhance system operation and support. Upon termination of this Agreement CUSTOMER may elect in writing either: 1) to pay HONEYWELL the depreciated value of the diagnostic devices and/or software installed under this section or 2) to have HONEYWELL remove these devices and return the system to its original operation. CUSTOMER agrees to provide, at its sole expense, connection to the switched telephone network for the diagnostic devices and/or software.

15.5 HONEYWELL will review the Services delivered on an annual basis, unless otherwise noted, to provide an equivalent level of service throughout the duration of this SUPPORT SERVICES AGREEMENT.

15.6 This SUPPORT SERVICES AGREEMENT assumes that the Equipment included in the Covered Equipment are in maintainable condition. If repairs are necessary upon initial inspection or initial seasonal start-up, repair charges will be submitted for approval. Should these charges be declined, those non-maintainable items will be eliminated from coverage under this SUPPORT SERVICES AGREEMENT and the price shall be adjusted accordingly.

15.7 In the event that the system or any equipment component thereof is altered, modified, changed or moved, this SUPPORT SERVICES AGREEMENT may be immediately adjusted or terminated, at HONEYWELL's sole option. HONEYWELL is not responsible for any damages resulting from such alterations, modifications, changes or movement

15.8 HONEYWELL is not responsible for maintaining a supply of, furnishing and/or replacing lost or needed chlorofluorocarbon (CFC) based refrigerants not otherwise required under this SUPPORT SERVICES AGREEMENT. CUSTOMER is solely responsible for the cost of material and labor of any such refrigerant not otherwise provided for under this Agreement at then current market rates.

15.9 Maintenance, repairs, and replacement of Equipment parts and components are limited to restoring to proper working condition. HONEYWELL is not obligated to provide replacement software, equipment, components and/or parts that represent a significant betterment or capital improvement to CUSTOMER's system(s) hereunder.

15.10 Unless otherwise specified, CUSTOMER retains all responsibility for maintaining LANs, WANs, leased lines and/or other communication mediums incidental or essential to the operation of the Equipment included in the Covered Equipment.

15.11 CUSTOMER will promptly notify HONEYWELL of any malfunction in the Equipment that comes to CUSTOMER's attention.

16. TERMS OF PAYMENT

16.1 CUSTOMER will pay or cause to be paid to HONEYWELL the full price for the Services as specified on the first page of this SUPPORT SERVICES AGREEMENT. HONEYWELL will submit monthly invoices to CUSTOMER in advance for Services to be performed during the subsequent billing period, and payment shall be due within twenty (20) days after CUSTOMER's receipt of each such invoice. Payments for Services past due more than five (5) days shall accrue interest from the due date to the date of payment at the rate of one and one-half percent (1.5%) per month, compounded monthly, or the highest legal rate then allowed. CUSTOMER will pay all reasonable attorney and/or collection fees incurred by HONEYWELL in collecting any past due amounts.

16.2 **Price Adjustment.** HONEYWELL may annually adjust, using SPI (Service Price Index issued by the United States Department of Labor, or its successor), the amounts charged for the Services.

17. TERMINATION

17.1 CUSTOMER may terminate this SUPPORT SERVICES AGREEMENT for cause if HONEYWELL defaults in the performance of any material term, or fails or neglects to carry forward the Services in accordance with the terms of this SUPPORT SERVICES AGREEMENT, after giving HONEYWELL written notice of its intent to terminate. If, within thirty (30) days following receipt of such notice, HONEYWELL fails to cure or perform its obligations, CUSTOMER may, by written notice to HONEYWELL, terminate this SUPPORT SERVICES AGREEMENT.

17.2 CUSTOMER may, at any time, terminate this SUPPORT SERVICES AGREEMENT for CUSTOMER's convenience and without cause. Upon receipt of written notice from CUSTOMER of termination for CUSTOMER's convenience, HONEYWELL shall:

1. cease operations as directed by CUSTOMER in the notice;
2. take actions that HONEYWELL deems necessary, or that the CUSTOMER may direct, for the protection and preservation of the work; and
3. except for the work directed to be performed prior to the effective date of termination as stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts or purchase orders.

In case of such termination for CUSTOMER's convenience, HONEYWELL shall be entitled to receive payment for Work executed prior to the termination notice, work executed pursuant to subsection 2 above, and costs incurred by reason of such termination, along with reasonable overhead and profit on the work performed.

17.3 HONEYWELL may terminate this SUPPORT SERVICES AGREEMENT for cause (including, but not limited to, CUSTOMER's failure to make payments as agreed herein) after giving CUSTOMER written notice of its intent to terminate. If, within thirty (30) days following receipt of such notice, CUSTOMER fails to make the payments then due, or otherwise fails to cure or perform its obligations, HONEYWELL may, by written notice to CUSTOMER, terminate this Agreement and recover from CUSTOMER payment for Services performed and for losses sustained for materials, tools, construction equipment and machinery, including, but not limited to, reasonable overhead, profit and applicable damages.

17.3 **Cancellation** - This SUPPORT SERVICES AGREEMENT may be canceled at HONEYWELL'S option in the event HONEYWELL equipment on CUSTOMER's premises is destroyed or substantially damaged. Likewise, this schedule may be canceled at CUSTOMER's option in the event CUSTOMER's premises are destroyed. In the event of such cancellation, neither party shall be liable for damages or subject to any penalty, except that CUSTOMER will remain liable for Services rendered to the date of cancellation.

18. DEFINITIONS

18.1 "Covered Equipment" means the equipment and software covered by the Services to be performed by HONEYWELL under this Agreement, and is identified in Attachments A, B and D.

"Services" means those services and obligations to be undertaken by HONEYWELL in support of, or to maintain, the Covered Equipment, as more fully detailed in Attachments A and D.

ARTICLE 19. APPROPRIATIONS AND ESSENTIAL USE

19.1 CUSTOMER reasonably believes that sufficient funds can be obtained to make all payments for the initial term, as described on the first page of this SUPPORT SERVICES AGREEMENT. CUSTOMER hereby covenants that it shall do all things lawfully within its power to obtain funds from which such payments may be made, including making provisions for such payments, to the extent necessary, in each budget submitted for the purpose of obtaining funding, using its bona fide best efforts to have such portion of the budget approved and exhausting all available administrative reviews and appeals in the event such portion of the budget is not approved. It is CUSTOMER's intent to make the payments for the initial term if funds are legally available therefore and in that regard CUSTOMER represents that (a) the use of the Equipment and Services is essential to its proper, efficient and economic functioning or to the services that is provided to its citizens; (b) CUSTOMER has an immediate need for and expects to make immediate use of substantially all the Equipment and Services, which need is not temporary or expected to diminish in the foreseeable future; and (c) the Equipment and Services shall be used by CUSTOMER only for the purpose of performing one or more of its governmental or proprietary functions consistent with the permissible scope of its authority.

19.2. In the event no funds or insufficient funds are appropriated and budgeted for the acquisition, retention or operation of the Equipment and Services, then CUSTOMER shall, not less than sixty (60) days prior to the end of such applicable fiscal period, in writing, notify HONEYWELL (and its assignee, if any) of such occurrence. This SUPPORT SERVICES AGREEMENT shall thereafter terminate and be rendered null and void on the last day of the fiscal period for which appropriations were made without penalty, liability or expense to CUSTOMER of any kind, except as to (i) the portions of the payments herein agreed upon for which funds have been appropriated and budgeted or are otherwise available, and (ii) CUSTOMER's other obligations and liabilities under this SUPPORT SERVICES AGREEMENT relating to, accruing or arising prior to such termination. In the event of such termination, CUSTOMER agrees to peaceably surrender possession of any Equipment (provided by HONEYWELL) to HONEYWELL (or its assignee, if any) on the date of such termination, packed for shipment in accordance with manufacturer's specifications and eligible for manufacturer's maintenance, and freight prepaid and insured to any location in the continental United States designated by HONEYWELL, all at CUSTOMER's expense. HONEYWELL (or its assignee, if any) may exercise all available legal and equitable rights and remedies in retaking possession of any Equipment provided by HONEYWELL under this SUPPORT SERVICES AGREEMENT.

19.3 Notwithstanding the foregoing, CUSTOMER agrees (a) that if this SUPPORT SERVICES AGREEMENT is terminated in accordance with the preceding paragraph, CUSTOMER shall not purchase, lease or rent equipment which performs the same functions as, or functions taking the place of, those performed by the Equipment or shall it enter into an agreement for any services similar to or that take the place of the Services provided under this SUPPORT SERVICES AGREEMENT, and shall not permit such functions to be performed by its own employees or by any agency or entity affiliated with or hired by CUSTOMER for the balance of the fiscal period in which such termination occurs or the next succeeding fiscal period thereafter, and (b) that it shall not, during the initial term, give priority in the application of funds to any other functionally similar equipment or services.

Energy Guarantee Special Provisions

These Special Provisions are incorporated herein by reference and made a part of the ESCO AGREEMENT.

1.1 Incorporated Documents - Attachment F, Attachment G, and Exhibits to Attachment G are hereby made an integral part of this SUPPORT SERVICES AGREEMENT, insofar as same is applicable to the work of the Energy Guarantee Auditing and Analysis Services, as if specifically written herein, and unless otherwise hereinafter specified.

1.2 Energy Guarantee Performance Period Auditing Activities -- In coordination with, or in addition to, any Energy Auditing and Analysis Services, HONEYWELL will perform Measurement & Verification (M&V) Plan as described in Attachment G.

1.3 Remote Diagnostics -- CUSTOMER shall allow HONEYWELL to perform remote diagnostics on all equipment associated with the Energy Guarantee for operational compliance with manufacturers' specifications, HONEYWELL specifications, requirements of Attachment F, and requirements of Attachment G.

HONEYWELL may install diagnostic devices at HONEYWELL's expense to monitor and/or enhance system operation and support. Upon termination of this Agreement, HONEYWELL may remove these devices and return the system to original operation.

1.4 Potential-To-Save -- Verification of an ECM's potential to generate the proposed energy cost avoidance is satisfied upon CUSTOMER's signing of Attachment J or an equivalent Delivery and Acceptance Certificate. (See Attachment F - Definitions: "Option A").

1.5 Energy Purchasing Alternatives -- It is understood that there is no requirement under this SUPPORT SERVICES AGREEMENT for HONEYWELL to perform evaluations of energy purchasing alternatives or perform rate negotiations with any utility or for the purchase of any energy source.

Switching from the respective electric and natural gas local distribution companies (LDCs) to the respective marketers/brokers/suppliers (SUPPLIERS) for the commodity portion of gas and electricity will be the result of Contract(s) between CUSTOMER and SUPPLIER(s). HONEYWELL does not assure the provision of gas or electricity, and all incentives and payments associated with the contract(s) between CUSTOMER and SUPPLIER(s) are the responsibility of the parties to that contract.

1.6 Utility Rebates -- It is understood that all utility rebates and/or refunds are the result of an agreement between CUSTOMER and the utility company, and HONEYWELL assumes no responsibility for either obtaining said rebates and/or refunds or for the quantity of said rebates and/or refunds.

It is further understood that any evaluation and presentation of options by HONEYWELL for potential utility rebates and credits available to CUSTOMER from utility companies is limited to those identified during negotiation and during installation. HONEYWELL shall have no obligation to assist CUSTOMER in securing identified rebates.

1.7 Recommendations -- It is understood that HONEYWELL will use its best professional judgment in evaluating energy use characteristics, but assumes no responsibility for financial performance related to any recommendations made by HONEYWELL after contract execution and implemented by CUSTOMER.

1.8 CUSTOMER Responsibilities for Documentation -- It is the responsibility of CUSTOMER to provide to HONEYWELL's Representative, at minimum, on a quarterly basis, except as modified below:

1.8.1 Verification that equipment installed to perform the ECMs has been properly maintained, including but not limited to provision of maintenance records.

1.8.2 Current status of the buildings (i.e., occupancy level and use, hours of operation, etc.).

1.8.3 Records of CUSTOMER initiated changes in equipment setpoints, start/stop conditions, usage patterns.

1.8.4 Records of CUSTOMER initiated changes in operation of mechanical-electrical systems, which may impact the ECMs.

1.8.5 Records regarding addition or deletion of equipment or building structure, which may impact the ECMs or the building energy consumption.

1.8.6 Copies of all utility information including monthly utility bills and utility summary data on a *monthly basis*, and access to utility accounts through an authorization by the CUSTOMER to the utility providers to allow the release of data to HONEYWELL's Representative.

1.9 CUSTOMER Responsibilities for Notification -- HONEYWELL and CUSTOMER shall divide responsibilities and risk as described in Attachment F and Attachment G.

It is the responsibility of CUSTOMER to notify HONEYWELL of all changes in production, occupancy, building load, conditioned building area, equipment operation, and scheduling, etc. from the Baseline Period. Deviation from the Baseline Period will result in Baseline Adjustments to normalize the Base Year energy use to current year conditions. It will be the responsibility of the CUSTOMER to investigate and correct any reported deficiencies in the current operations in the Facility that impact the ECMs.

1.10 CUSTOMER Responsibilities for Maintenance -- During the term of this SUPPORT SERVICES AGREEMENT, for all equipment provided or modified as per Attachment A -- Scope of Work, CUSTOMER shall perform ongoing maintenance and accomplish component replacement and equipment repairs in accordance with manufacturer's standards and practices and take all reasonable measures to insure the equipment is operating at full efficiency. Component replacement and equipment repairs must be accomplished in a timely fashion. Additionally, CUSTOMER shall insure such equipment is operated at all times in accordance with applicable manufacturer's specifications, HONEYWELL's specifications (see, Attachment A), and the requirements of Attachments F and G. For all non-HONEYWELL maintenance actions, CUSTOMER shall document and make available to HONEYWELL maintenance dates and tasks accomplished, the start date and duration of all deficient equipment operation and the subsequent corrective action and/or repair dates. Failure of CUSTOMER to operate the equipment per the specifications, repair any deficiencies in a timely manner, and perform the ongoing maintenance functions in accordance with the standards and practices during the Guarantee Period will allow HONEYWELL to adjust the Guarantee accordingly.

CUSTOMER shall replace any failed equipment or component no longer warranted by HONEYWELL or a HONEYWELL subcontractor, with equipment or components of equal or greater efficiency value than installed by HONEYWELL, for the Full Guarantee Term.

1.11 Energy Cost Avoidance -- Energy Cost Avoidance may also include, but is not limited to, savings from demand charges, power factor correction, taxes, ratchet charges, rate changes and other utility tariff charges that are reduced as a result of HONEYWELL's involvement to the extent permitted by the ESCO CONTRACT.

Energy Guarantee Auditing and Analysis Services

1.1 Scope – HONEYWELL will implement Energy Guarantee Auditing and Analysis Services for CUSTOMER’s facilities, energy conservation measures (ECMs), and/or utility meters in coordination with Attachment F – Energy Guarantee and Attachment G – Schedule of Savings. Attachment G, as used herein, includes the Exhibits to Attachment G. HONEYWELL will perform the services outlined in Section 1.4.

List of Covered Facilities, Meters, ECMs by Service Offering:

(a)	(b)	(c)	(d)
Facility	LDC-Meter # / Utility Type	ECMs (list only ECMs associated with meter listed in column (b))	Related M&V Offering Subsection
Montgomery County Correctional Facility	Electric – Meters 777996985 and 777998273	ECM2 DDC Upgrades ECM3 Variable Hood Controls	1.4.1 & 1.4.2
Montgomery County Correctional Facility	Gas – Meter 46346467	ECM1 Water Conservation ECM2 DDC Upgrades ECM3 Variable Hood Controls	1.4.1 & 1.4.2
Montgomery County Correctional Facility	Water Acct number 24-0324867-3	ECM1 Water Conservation	1.4.1 & 1.4.2

1.2 Coverage -- This SUPPORT SERVICES AGREEMENT includes all labor, travel, and expenses to perform the services and frequency described in Section 1.4 below. Services not explicitly described in Section 1.4, including but not limited to the CUSTOMER Responsibilities Provisions set forth in Article 5 of Attachment F and the Energy and Operational Cost Avoidance Guarantee Practices in Attachment G, are not included. It is understood that it will be the responsibility of the CUSTOMER to investigate and correct any deficiencies not covered under the SUPPORT SERVICES AGREEMENT.

1.3 Incorporated Documents - The Energy Guarantee Special Provisions, Attachment F – Energy Guarantee, Attachment G – Schedule of Savings, and Exhibits to Attachment G are hereby made an integral part of this SUPPORT SERVICES AGREEMENT unless otherwise hereinafter specified.

1.4 M&V Offerings -- In coordination with section 1.1 above, HONEYWELL will perform the Measurement & Verification (M&V) offerings checked below:

1.4.1 Retrofit Isolation Energy Audit for Option A Verified ECMs – HONEYWELL will provide *Option A* Energy Guarantee Auditing Services as detailed in Attachment F, Attachment G, and Exhibits to Attachment G for specific ECMs identified in Attachment G and/or Exhibits to Attachment G as using Option A methodologies for Measurement and Verification. HONEYWELL will provide this one-time determination of the quantity of energy avoidance of the CUSTOMER’s Facility for the First Guarantee Year only. Option A will be applied on an ECM-specific basis (i.e., isolated to the retrofit) and Energy Cost Avoidance for a Guarantee Year will be quantified and summarized on an ECM basis. After the ECM's Potential-to-Save has been verified (section 1.3) HONEYWELL shall either stipulate the quantity of Cost Avoidance or determine the Cost Avoidance from engineering calculations and measurement of specific variables. Utility bill auditing (Option C) and reconciliation of Option A results to utility meter bill data is not included. The Option A/B Retrofit Isolation Method was selected by CUSTOMER to provide an economical reconciliation method and to minimize the interactive effects on the determination of Cost Avoidance due changes to CUSTOMER’s Facility from the Baseline conditions.

HONEYWELL will provide a single (1) reporting submission of the determination of Energy Cost Avoidance for the First Guarantee Year. The Energy Cost Avoidance quantified in the First Guarantee Year will be stipulated as the annual energy Avoidance for each Guarantee Year of the remainder of the Term of the Guarantee.

The Energy Cost Avoidance will be derived using the applicable energy rates as defined in Attachment G.

Work Coverage: All ECMs

Term Coverage: Year 1 Monitoring; Year 2 to End of Term stipulated based on Year 1 Results

Option A Audit Report section will be submitted: Initial Measurement Quarterly
 Semi-Annually Annual Inspection

1.4.2 Energy Advisory Report–Level 2 (With Travel & On-Site Services) – In addition to the Level 1 Energy Advisory Report offering, HONEYWELL will conduct walk-through observations of the ECMs noted under Work Coverage for this section. It will be the responsibility of CUSTOMER to investigate deficiencies beyond the contracted site visit frequency. It will be the responsibility of CUSTOMER to correct the reported deficiencies.

The report will be limited to information that can be inferred from non-intrusive observations made during the allotted time for the walk-through observation and from the documents provided by the CUSTOMER to HONEYWELL per Level 1 Energy Advisory Report offering. During the walk-through, HONEYWELL will:

1. Verify through visual observation that each ECM is still installed.
2. Verify to the limits of visual observation that each ECM is still functional. Additional verification will be performed via service records provided per section 1.4.2.
3. Record current manual set points and manual settings. Record changes in the operation, control sequences and control set points of the ECMs from original installed conditions.
4. Record observations about the current status of the building (i.e. occupancy, use), compare to CUSTOMER records, and compare against the Baseline and required post-retrofit operating conditions.
5. Record observed addition or deletion of site equipment, which may impact the ECMs or the building energy consumption and compare to CUSTOMER's records.
6. Record observations regarding other changes on-site that may impact the ECMs or energy use. .

Site walk-through observations will be conducted: Quarterly Semi-Annually Annually.

Site walk-through observations are limited to no more than: one (1) trip(s) per year,
and limited to one (1) day(s) per trip.

Work Coverage: All ECMs

Term Coverage: Year 2 to End of Term

In conducting any walk-throughs HONEYWELL shall observe such rules and regulations as may be established by the Montgomery County Correctional Facility Board of Prison Inspectors and the Warden and that are provided to HONEYWELL in writing.

**ATTACHMENT E
PAYMENT SCHEDULE**

1. The following payment schedule has been established for the Work:

1.1 The payment schedule under Subparagraph 6.1.1 of the ESCO CONTRACT is reflected below. Payment shall be made net thirty (30) days of CUSTOMER's receipt of the invoice. If issues surrounding lack of payment are not remedied within ten (10) business days, HONEYWELL may suspend all Work until payment is made.

1.2 Total payments are: Two Million Four Hundred Thousand Dollars and No Cents, (\$2,400,000.00)

1.3 Payment shall be made as follows:

Draw Schedule	Percentage Due	Payment to Honeywell
Upon Contract Execution:	30.0%	\$720,000
30 days after Contract Execution:	8.0%	\$192,000
60 days after Contract Execution:	17.0%	\$408,000
90 days after Contract Execution:	16.0%	\$384,000
120 days after Contract Execution:	14.0%	\$336,000
150 days after Contract Execution:	7.0%	\$168,000
180 days after Contract Execution:	5.0%	\$120,000
210 days after Contract Execution:	3.0%	\$72,000
Total	100.0%	\$2,400,000

2. The following payment schedule has been established for Support Services as designated in the Support Services Agreement, Attachment D:

2.1 The first invoice will be issued upon completion of the Work and prior to commencement of Support Services and CUSTOMER shall pay or cause to be paid to HONEYWELL the full price for the Services as specified in Attachment D.

ATTACHMENT F ENERGY GUARANTEE

1. DEFINITIONS

When used in this ENERGY GUARANTEE, the following capitalized words shall have the meanings ascribed to them below:

“**Baseline**” is the description outlined in Attachment G that defines the Baseline Usage, Baseline Usage Unit Costs and related facilities, systems, or equipment operations and characteristics, and environmental conditions that are to be used as the benchmark for determining Cost Avoidance.

“**Baseline Period**” is the period of time (specified in Section 1 of Attachment G) coordinated with the Baseline Usage for the purpose of utility bill analysis (see "Option C") to allow the comparison of a Guarantee Year against a Baseline. The Baseline Period may not always be one contiguous element of time and may be different from a 365-day annual period. Baseline information from non-contiguous elements of time may be normalized and assigned to a specified Baseline Period.

“**Baseline Usage or Demand**” the calculated or measured energy usage (demand) by a piece of equipment or a site prior to the implementation of the ECMs. Baseline physical conditions, such as equipment counts, nameplate data, and control strategies, will typically be determined through surveys, inspections, and/or metering at the site.

“**Baseyear or Base Year**” is equivalent to "Baseline" and may not always be one contiguous element of time and may be different from a 365-day annual period and is set forth in Attachment G, Section 1.3.1

“**Construction Phase or Period**” The time period between the start of Project installation and the date of Final Project Acceptance.

“**Construction Savings Period**” The time period between completion of installation and start of providing substantial benefit to CUSTOMER for each single specific ECM and Final Project Acceptance.

“**Commissioning Phase or Period**” The time period before Final Project Acceptance, when (1) the functional ability of the installed equipment or systems, and/or modified equipment or systems to operate in conformity with the design intent is documented and verified and (2) the Potential-to-Save of that equipment and systems is documented and verified for the first time.

“**Cost Adjustments**” means, for each year following the first year of the term of the Support Services Agreement (Attachment D), HONEYWELL may, in its sole discretion increase the annual Operational Cost Savings in an amount matching the percentage used to adjust the Support Services fee for that year in comparison with the prior year, which percentage is set forth in Attachment D, Section 16.2.

“**Cost Avoidance**” means the difference between the actual cost incurred during a selected time period versus what the cost *would have been* had the cost avoidance strategy not been implemented. Cost Avoidance may result from Energy Costs avoided or from Operational Costs avoided or both.

“**Covered Systems and Equipment**” as used in this Attachment F means the systems and equipment identified in Attachment A (Scope of Work) and Covered Equipment as defined in Attachment D (Support Services Agreement).

“**Energy Conservation Measure**” (ECM) is any one of the three items described in Attachment A (ECM # 1 Water Conservation; ECM # 2 DDC Upgrades; and DDC # 3 Variable Hood Controls), for the purpose of Energy or Operational Cost Avoidance.

“**Energy and Operational Cost Avoidance Guarantee Practices**” are those practices identified in Attachment G intended to achieve Energy and Operational Cost Avoidance as set forth in Attachment G.

“**Energy Auditing**” means the act of Measurement and Verification (M&V) to determine the Guaranteed Savings.

“**Energy Costs**” are, as applicable, the cost to CUSTOMER of electricity and any fuels to operate HVAC equipment, facility mechanical and lighting systems, and energy management systems, or the cost to CUSTOMER of water and sewer usage.

“Facilities” or “Facility” shall mean that building or buildings where the Energy and Operational Cost Avoidance will be realized.

“F.E.M.P.” shall mean the Federal Energy Management Program of the U.S. Department of Energy and its Measurement and Verification Guidelines for Federal Energy Projects (DOE/GO-102000-0960, September 2000). The F.E.M.P. guidelines classify measurement and verification approaches as Option A, Option B, Option C, and Option D, as defined herein. The F.E.M.P. Guideline was developed based on the International Performance Measurement and Verification Protocol (I.P.M.V.P.). The focus of the F.E.M.P. Guidelines is on choosing the option most appropriate for a specific project.

“Financing Document” refers to a document executed between CUSTOMER and a third-party financing entity providing for payments from CUSTOMER to third-party financing entity. This shall not include any capital financing incurred by CUSTOMER for any purpose other than energy savings and conservation in the Facility as it existed during the Baseline Year.

“Final Project Acceptance” refers to CUSTOMER’s acceptance of the installation of the ECMs as described in Attachment A.

“First Guarantee Year” is defined as the period beginning on the first (1st) day of the month following the date of Final Project Acceptance of the Work installed and ending on the day prior to the first (1st) anniversary thereof.

“Guarantee Period” is defined as the period beginning on the first (1st) day of the First Guarantee Year and ending on the last day of the final Guarantee Year. Also known as the "Measurement and Verification Phase" or "Performance Period".

“Guarantee Year” is defined as the First Guarantee Year and each of the successive twelve (12) month periods commencing on the anniversary of the commencement of the First Guarantee Year throughout the Term.

“Guaranteed Savings” is defined as the amount of avoided Energy and Operational Costs necessary to pay for the cost of the Work and Support Services incurred by CUSTOMER in each Guarantee Year [as identified in Section 3.1 hereof].

“Guaranteed Savings Reconciliation Report” is a report to be issued by HONEYWELL to CUSTOMER setting forth the calculations related to the Energy Guarantee as set forth in section 3.2 below.

“I.P.M.V.P.” is the acronym for International Performance Measurement and Verification Protocol (July 1997), providing an overview of current best practice techniques available for measurement and verification concerning performance contracts. This document is the basis for the F.E.M.P. Guideline.

“Measurement and Verification Plan” (M&V Plan) is defined as the plan providing details on how the Guaranteed Savings will be verified.

“Measurement and Verification Phase or Period” The time period designated to demonstrate the Energy and Operational Cost Avoidance achieved from the Retrofit. Also known as “Guarantee Period” or “Performance Period”.

“Operational Costs”, commonly referred to as O&M Costs, are the costs of operating and maintaining the Facility or Facilities, such as, but not limited to, inside and outside labor to repair and maintain affected systems and equipment, custodial supplies, replacement parts, deferred maintenance, lamp and ballast disposal, and new capital equipment.

“Option A” is a verification approach designed for projects in which the Potential-to-Perform needs to be verified, but permits ongoing, year-over-year performance to be stipulated based on results of the “Potential to Perform and Generate Savings” verification and engineering calculations. Option A involves procedures for verifying that:

- Baseline conditions have been properly defined; and
- The equipment and/or systems that were contracted to be installed have been installed; and
- The installed equipment components or systems, *at the end of the construction period*, meet the specifications of the contract in terms of quantity, quality, and rating; and

- The installed equipment is operating and performing in accordance with the specifications in the contract and meeting all functional tests.
- The “Potential-to-Perform and Generate Savings” may involve pre-retrofit and post-retrofit measurements or may be based on manufacturer and vendor data.

“**Option B**” is for projects in which the potential to perform and generate Savings needs to be verified; and actual performance needs to be measured (verified). Option B involves procedures for verifying the same items as Option A plus verifying actual performance of equipment component or system. Performance verification techniques involve engineering calculations with metering and monitoring for verifying that:

- The installed equipment components or systems, each year of the performance period, meet the specifications of the contract in terms of quantity, quality and rating, and operation and functional performance.

“**Option C**” is also for projects in which the potential to perform needs to be verified and actual performance during the term of the contract needs to be verified. Option C involves procedures for verifying the same items as Option A plus verifying achieved energy savings during the term of the contract using whole building utility meter analysis performance verification techniques.

“**Option D**” is a verification technique where calibrated simulations of the baseline energy use and/or calibrated simulations of the post-installation energy consumption are used to measure Savings from the Energy Conservation Measures. Option D can involve measurements of energy use both before and after the Retrofit for specific equipment or energy end use as needed to calibrate the simulation program. Periodic inspections of the equipment may also be warranted. Energy consumption is calculated by developing calibrated hourly simulation models of whole-building energy use, or equipment sub-systems in the baseline mode and in the post-installation mode and comparing the simulated annual differences for either an average year or for conditions that correspond to the specific year during either the baseline or post-installation period.

“**Performance Phase or Period**” is also known as the "Guarantee Period" or "Measurement and Verification Period".

“**Project**” means the Project identified in Section 1.2 of the Energy Savings and Conservation Contract for the Montgomery County Correctional Facility (also referred to as “ESCO CONTRACT”).

“**Potential-to-Save**” or “**Potential-to-Perform**” by an ECM is satisfied when a measure is properly installed and has the potential to generate predicted levels of Energy Cost Avoidance. Verification of an ECM's "Potential-to-Save" is satisfied upon CUSTOMER's signing of Attachment J or an equivalent Delivery and Acceptance Certificate. Also see "Option A".

“**Retrofit**” is the work provided by HONEYWELL as defined by each of the ECMs. Identified in Attachment A

“**Retrofit and Support Costs**” are the sum of (i) the price for the Work required to be paid by CUSTOMER pursuant to ESCO CONTRACT, Section 6.1.1; and (ii) the payments required to be made by CUSTOMER for Support Services.

“**Retrofit Isolation Method (RIM) or Approach**” is an Measurement and Verification approach that verifies the Guaranteed Savings using techniques that isolate energy use of the ECMs and affected systems separate from the energy use of the rest of the Facility. This method is used to mitigate the interactive energy effects of changes made to the Facility or Facilities outside of HONEYWELL's control.

“**Savings**” is defined as avoided, defrayed, or reallocated costs which, in the aggregate, constitute Guaranteed Savings.

“**Support Services**” are the services to be provided by HONEYWELL as described in Attachment D.

“**Term**” is the length of the Guarantee Period.

“**Total Guarantee Year Savings**” is defined as the summation of avoided Energy and Operational Costs realized by Facilities in each Guarantee Year as a result of the Retrofit and Support Services provided by HONEYWELL as well as Excess Savings, if any, carried forward from previous years.

2. TERM AND TERMINATION

2.1 **Guarantee Term.** The Term of this Guarantee Period shall commence on the first (1st) day of the month following the date of Final Project Acceptance of the Work installed pursuant to this ENERGY GUARANTEE and shall terminate at the end of the Guarantee Period unless terminated earlier as provided for herein. The Term of this Guarantee Period is defined in Section 1 of Attachment G.

2.2 **Guarantee Termination.** Given that both parties recognize that the energy and operational savings can only be achieved if the systems and equipment are properly maintained throughout the Guarantee Term, Customer agrees that the Guaranteed Savings set forth herein is dependent upon the continuation of the SUPPORT SERVICES AGREEMENT. CUSTOMER shall continue to contract with HONEYWELL for the Energy Auditing and Analysis Services set forth in this ENERGY GUARANTEE for the Term. Should the SUPPORT SERVICES AGREEMENT, be terminated in whole or in part for any reason prior to the end of the Term, the Guarantee for the Guarantee Year in which such termination becomes effective shall be prorated as of the effective date of such termination, with a reasonable adjustment for seasonal fluctuations in Energy and Operational Costs, and the Guarantee for all subsequent Guarantee Years shall be null and void.

3. **SAVINGS GUARANTEE**

3.1 **Guaranteed Savings.** HONEYWELL guarantees to CUSTOMER that the identified Facilities or Facility will realize the total energy and operational cost avoidance through the combined value of all ECMs over the Term as defined in Section 1 of Attachment G. In no event shall the Guaranteed Savings provided herein exceed the total installation, support services, and financing costs for the Work under this ENERGY GUARANTEE.

3.1.1 **Additional Savings Before Final Project Acceptance.** All Energy Cost Avoidance realized by CUSTOMER that result from activities undertaken by HONEYWELL prior to Final Project Acceptance, including any utility rebates or other incentives earned as a direct result of the installed Energy Conservation Measures or Support Services provided by HONEYWELL, will be applied toward the Guaranteed Savings for the First Guarantee Year.

3.1.2 **Additional Savings After Final Project Acceptance.** Additional energy and/or operational cost avoidance, including any utility rebates or other incentives that can be demonstrated, or earned, as a result of HONEYWELL's efforts that result in no additional costs to CUSTOMER beyond the costs identified in this Agreement will be included in the Guaranteed Savings Reconciliation Report for the applicable Guarantee Year(s).

3.1.3 **Cumulation of Savings.** The Guaranteed Savings in each Guarantee Year are considered satisfied if the Total Guarantee Year Savings for such Guarantee Year equals or exceeds the Retrofit and Support Costs for such Guarantee Year, or the amount identified in Section 1 of Attachment G hereto.

3.1.4 **Excess Savings.** In the event that the Total Guarantee Year Savings in any Guarantee Year exceed the Guaranteed Savings required for that Guarantee Year, such Excess Savings shall be carried forward and applied against Guaranteed Savings shortfalls in any future Guarantee Year. In the event HONEYWELL has previously paid CUSTOMER for a Guaranteed Savings shortfall in a past Guarantee Year, pursuant to Section 3.1.5, then Excess Savings in current Guarantee Year shall be billed to CUSTOMER (but only up to any amounts previously paid by HONEYWELL for a shortfall and CUSTOMER shall pay HONEYWELL within thirty (30) days after receipt of such bill, and any remaining Excess Savings shall be carried forward and applied against Guaranteed Savings shortfalls in any future Guarantee Year.

3.1.5 **Savings Shortfalls.** In the event that the Total Guarantee Year Savings in any Guarantee Year is less than the Guaranteed Savings required for that Guarantee Year, after giving credit for any Excess Savings carried forward from previous Guarantee Years pursuant to Section 3.1.4, HONEYWELL shall, upon receipt of written demand from CUSTOMER, compensate CUSTOMER the amount of any such shortfall, in such form as agreed to by the parties, limited by the value of the guarantee, within forty-five (45) days. Resulting compensation shall be HONEYWELL's sole liability for any shortfall in the Guaranteed Savings. In case of a shortfall, HONEYWELL reserves the right, subject to Customer approval, which shall not be unreasonably withheld, to implement additional operational improvements or conservation measures, at no cost to Customer, that will generate additional savings in future years of the Guarantee Term and HONEYWELL has the option of extending M&V analysis to verify successful performance.

3.2 **Savings Reconciliation Documentation.** HONEYWELL will provide CUSTOMER with a Guaranteed Savings Reconciliation Report after each Guarantee Year. CUSTOMER will assist HONEYWELL in generating

the Guaranteed Savings Reconciliation Report by providing HONEYWELL with copies of all bills pertaining to Energy Costs within two (2) weeks following the CUSTOMER's receipt thereof, together with access to relevant records relating to such Energy Costs. CUSTOMER will also assist HONEYWELL by permitting access to any maintenance records, drawings, or other data deemed necessary by HONEYWELL to generate the report. Data and calculations utilized by HONEYWELL in the preparation of its Guarantee Savings Reconciliation Report will be made available to CUSTOMER, along with such explanations and clarifications as CUSTOMER may reasonably request.

3.2.1 Acceptance of Guarantee Reconciliation. At the end of each Guarantee Year CUSTOMER will have forty-five (45) days to review the Guaranteed Savings Reconciliation Report and provide written notice to HONEYWELL of non-acceptance of the Guarantee Savings for that Guarantee Year. Failure to provide written notice within forty-five (45) days of the receipt of the Guaranteed Savings Reconciliation Report will deem it accepted by CUSTOMER.

3.2.2 Guaranteed Savings Reconciliation. Guaranteed Savings will be determined in accordance with the methodology(s), operating parameters, formulas, and constants as described below and defined in Attachment G and additional methodologies defined by HONEYWELL that may be negotiated with CUSTOMER at any time.

For reconciliation of Guaranteed Savings employing the method consistent with I.P.M.V.P. and/or F.E.M.P. Options A and B:

For each ECM, HONEYWELL will employ an M&V Plan which may be comprised of any or all of the following elements:

1. Pre-retrofit model of energy consumption or demand
2. Post retrofit measured energy consumption
3. Post-retrofit measured demand and time-of-use
4. Post-retrofit energy and demand charges
5. Sampling plan
6. Stipulated Values

The Savings will be derived from the measured data and engineering formulae included herein, and the applicable energy charges as defined in Attachment G. In some cases, energy usage and/or demand will be calculated from measured variables that directly relate to energy consumption, demand or cost, such as, but not limited to, measured flow, temperature, current, voltage, enthalpy or pressure.

For reconciliation of Guaranteed Savings employing the method of utility bill analysis consistent with F.E.M.P. Option C:

Energy usage for the Facility for such Guarantee Year will be summarized and compared with the adjusted Baseline Period energy usage for the Facility through use of energy accounting software (Attachment B). The difference between the adjusted Baseline Period energy usage and the Guarantee Year energy usage will be the Energy Avoidance. The difference between the adjusted Baseline Period energy usage multiplied by the applicable energy rate as defined in Attachment G, and the Guarantee Year energy usage multiplied by the applicable energy rate as defined in Attachment G, will be used to calculate the Energy Cost Avoidance. Energy Cost Avoidance may also include, but are not limited to, Savings from demand charges, power factor correction, taxes, ratchet charges, rate changes and other utility tariff charges that are reduced as a result of HONEYWELL's involvement. A Baseline will be specified (Section 1 of Attachment G) for the purpose of utility bill analysis.

And for those energy audits employing the method consistent with I.P.M.V.P. and/or F.E.M.P. Option D:

For each Energy Conservation Measure, HONEYWELL will employ an M&V Plan that may be comprised of any or all of the following elements:

1. Pre-retrofit model of energy consumption or demand
2. Post retrofit model of energy consumption or demand
3. Post retrofit measured energy consumption
4. Post-retrofit measured demand and time-of-use
5. Post-retrofit energy and demand charges
6. Sampling plan
7. Stipulated Values

The Savings will be derived from a calibrated simulation of either the whole-building or of sub-systems in the building to determine the difference in the performance of the specific equipment being replaced. This method may entail as needed one-time measurements of the performance of the energy consuming systems in the building in order to calibrate the simulation model. Energy usage for each Facility for such Guarantee Year will be derived through the use of simulation programs.

3.3 Operational Cost Avoidance. The agreed-upon Operational Cost Avoidance as described in Attachment G (Schedule of Savings) will be deemed realized upon execution of this ESCO CONTRACT and will begin to accrue on the date of the completion and acceptance of each Retrofit improvement or on the commencement date for Support Services (Article 6.2.3), whichever comes first. These Savings are representative of information provided by CUSTOMER consisting of either whole or partial budgeted operational costs and as such, it is hereby understood and agreed that CUSTOMER is wholly responsible for assuring that these budgeted Operational Costs are accurate and achievable. Implementation of this ENERGY GUARANTEE (including, as applicable, the SUPPORT SERVICES AGREEMENT) allows for the reallocation or defrayal of such budgeted Operational Costs. CUSTOMER acknowledges and agrees that, if it did not enter into this ENERGY GUARANTEE, it would have to take future steps to achieve the same ends as does the work included in Attachment A of this ENERGY GUARANTEE, and that, in doing so, it would incur operational costs of at least equal to the operational costs stated in Attachment G per year over the life of the contract.

3.4 Base Year Adjustments. Baseline Period shall be adjusted to reflect: changes in occupied square footage; changes in energy-consuming equipment, including any repairs or improvements made to the equipment as part of this Agreement; changes in the Facility or Facilities; changes in Energy and Operational Cost Avoidance Guarantee Practices adversely affecting energy consumption and/or demonstrated operational changes; changes in weather between the Baseline Period and the Guarantee Year; and documented or otherwise conclusively established metering errors for the Baseline Period and/or any Guarantee Year adversely affecting energy usage measurement.

3.4.1 Facility Operational Changes. Except in the case of emergencies, CUSTOMER agrees it will not, without the consent of HONEYWELL's Representative: make any significant deviations from the applicable Energy and Operational Cost Avoidance Guarantee Practices; put any system or item of equipment in a permanent "on" position, if the same would constitute a deviation from the applicable Energy and Operational Cost Avoidance Guarantee Practices; or assume manual control of any energy management system or item of equipment, if the same would constitute a deviation from the applicable Energy and Operational Cost Avoidance Guarantee Practices.

3.4.2 Hours and Practices. To achieve these energy savings, HONEYWELL and CUSTOMER agree upon the Energy and Operational Cost Avoidance Guarantee Practices listed in Attachment G.

3.4.3 Activities and Events Adversely Impacting Savings. CUSTOMER shall promptly notify HONEYWELL of any activities known to CUSTOMER which adversely impact HONEYWELL's ability to realize the Guaranteed Savings and HONEYWELL shall be entitled to reduce Guaranteed Savings by the amount of any such adverse impact to the extent that such adverse impact of those activities is beyond HONEYWELL's reasonable control.

3.4.3.1 If for any reason any facility and/or utility meter covered under this ESCO CONTRACT is materially unoccupied, closed, or discontinued, CUSTOMER shall promptly notify HONEYWELL within fifteen (15) days of this change. The Savings will be deemed realized for the Facility or Facilities or meters, and the Guarantee will be adjusted accordingly. HONEYWELL will provide written notice of such adjustment to CUSTOMER.

3.5 Guarantee Adjustment. HONEYWELL's Guaranteed Savings obligations under this ENERGY GUARANTEE are contingent upon: (1) CUSTOMER following the Energy and Operational Cost Avoidance Guarantee Practices set forth herein and in Attachment G; (2) no alterations or additions being made by CUSTOMER to any of the Covered Systems and Equipment without prior notice to and agreement by HONEYWELL; (3) CUSTOMER sending all current utility bills to HONEYWELL within two (2) weeks after receipt by CUSTOMER, if CUSTOMER fails to provide current utility bills for a period of time in excess of six (6) months HONEYWELL will send CUSTOMER written notice that it must send HONEYWELL copies of the utility bills and, if CUSTOMER still fails to comply within thirty (30) days, HONEYWELL may, at its sole discretion, deem the Guaranteed Savings obligation met during that period and any successive periods, and (4) HONEYWELL's ability to render services not being impaired by circumstances beyond its control. To the extent CUSTOMER defaults in or fails to perform fully any of its obligations under this Agreement, HONEYWELL may, in its sole discretion, adjust its Guaranteed Savings obligation; provided, however, that no adjustment hereunder

shall be effective unless HONEYWELL has first provided CUSTOMER with written notice of CUSTOMER's default(s) or failure(s) to perform and CUSTOMER has failed to cure its default(s) or failure(s) to perform within thirty (30) days after the date of such notice.

4. EXTENT OF CONTRACTUAL GUARANTEE

4.1 Status of the HONEYWELL Proposal. CUSTOMER's Request for Proposal, HONEYWELL's proposal and any other documents submitted by HONEYWELL to CUSTOMER prior to negotiation of this ENERGY GUARANTEE are expressly excluded from, and are not a part of, this ENERGY GUARANTEE. The Parties agree that although the HONEYWELL Proposal may have contained scope items, Guaranteed Savings and M&V Plan other than those stated in this ENERGY GUARANTEE, the Scope of Work (Attachment A), Schedule of Savings (Attachment G), and M&V Plan were developed jointly by the Parties through negotiation. CUSTOMER has chosen to purchase the Scope of Work set forth in Attachment A. The CUSTOMER accepts the Energy Guarantee and Schedule of Savings and agrees to the M&V Plan set forth in Attachments F and G.

5. CUSTOMER RESPONSIBILITIES PROVISIONS

5.1. Equipment Subject to these Provisions. Equipment affecting the performance of the Energy Guarantee includes B (1) equipment provided as per Attachment A -- Scope of Work, (2) modifications made to existing equipment as outlined in Attachment A -- Scope of Work, (3) existing or new equipment not provided or modified under this ESCO CONTRACT but materially affected by the work provided per Attachment A -- Scope of Work and consuming energy or water via utility meters covered by this ESCO CONTRACT, and (4) Covered Equipment as defined in Attachment D..

5.2. CUSTOMER Maintenance and Replacement Responsibilities. During the Term, for all equipment covered by this ENERGY GUARANTEE, CUSTOMER shall perform ongoing maintenance and accomplish component replacement and equipment repairs in accordance with manufacturers' standards and practices and take all reasonable measures to insure the equipment is operating at full efficiency. Component replacement and equipment repairs must be accomplished in a timely fashion. Additionally, CUSTOMER shall insure such equipment is operated at all times in accordance with applicable manufacturer's specifications, HONEYWELL's specifications, and the requirements of Attachments F and G contained herein. For all non-HONEYWELL maintenance actions, CUSTOMER shall document and make available to HONEYWELL maintenance dates and tasks accomplished, the start date and duration of all deficient equipment operation and the subsequent corrective action and/or repair dates. Failure of CUSTOMER to operate the equipment per the specifications, repair any deficiencies in a timely manner, and perform the ongoing maintenance functions in accordance with the standards and practices during the Guarantee Period will allow HONEYWELL to adjust the Energy Guarantee accordingly.

5.2.1. CUSTOMER shall replace any vandalized or any failed equipment or component no longer warranted by HONEYWELL, or the manufacturer, with equipment or components of equal or greater efficiency value than installed by HONEYWELL, for the full Term.

5.2.2. CUSTOMER shall be responsible to investigate and correct any reported deficiencies not covered under the Support Services Agreement (Attachment D).

5.3. CUSTOMER Granted Access for Remote Diagnostics. CUSTOMER shall allow HONEYWELL to perform remote diagnostics on all equipment associated with this ENERGY GUARANTEE for operational compliance with the manufacturer's specifications, and the requirements of Attachment D, Attachment F and Attachment G contained herein. CUSTOMER shall provide one or both of the following described in section 5.3.1 or 5.3.2, as applicable.

5.3.1. Dial-In Remote Access: CUSTOMER is responsible for implementation and costs for first-time installation and on-going maintenance and subscription fees for two (2) dedicated phone lines and two (2) modems at each front-end computer and one (1) dedicated phone line at each controller not hardwire connected to a front-end computer.

5.3.2. TCP/IP Remote Access: CUSTOMER is responsible for implementation and costs for remote Honeywell access through CUSTOMER's firewall(s) to the controllers and front-end computer(s) by one (1) designee of HONEYWELL's Representative, including, but not limited to, a dedicated static IP address, installation and on-

going maintenance and subscription and licensing fees for access hardware and software and one (1) station license dedicated to the remote user.

5.4. CUSTOMER Reporting Responsibilities. CUSTOMER shall report to HONEYWELL in writing within fifteen (15) days of the following changes or events. The ENERGY GUARANTEE or the realized Energy Cost Avoidance will be adjusted accordingly. Failure to do so will result in adjustment of the ENERGY GUARANTEE.

- (1) any additional energy source or change in existing energy source or supplier that CUSTOMER may negotiate during the term of this ENERGY GUARANTEE and/or,
- (2) any material change in system or equipment status, including replacement of, addition to, or modification of existing energy and/or water consuming systems or equipment and/or,
- (3) any long term temporary (equal to or greater than 10 days) or permanent changes in operating schedules and/or,
- (4) any facility and/or utility meter covered under this ENERGY GUARANTEE that becomes materially unoccupied, closed, or discontinued and/or,
- (5) any material change in the payment schedule, such as due to refinancing or variable interest rate.

5.5. CUSTOMER Governmental Unit Reporting Responsibilities. CUSTOMER is solely responsible for reports to be submitted to any governmental agency or governmental unit.

5.6. CUSTOMER Provided Documentation. It will be the responsibility of CUSTOMER to provide to the M&V specialist on a minimum monthly basis (unless noted otherwise):

- (1) Verification that equipment installed to perform the ECMs has been properly maintained, including but limited to provision of maintenance records.
- (2) Current status of the buildings (i.e., occupancy level and use, hours of operation, etc.).
- (3) Records of customer initiated changes in equipment setpoints, start/stop conditions, usage patterns.
- (4) Records of customer initiated changes in operation of mechanical systems, which may impact the ECMs.
- (5) Records regarding addition or deletion of equipment or building structure, which may impact the ECMs or the building energy consumption.
- (6) Copies of monthly utility bills and utility summary data on a *monthly* basis, and access to utility accounts through an authorization by CUSTOMER to the Utility to allow the release of data to HONEYWELL's Representative.

CUSTOMER Provided Documentation shall be sent to:

HONEYWELL
101 Columbia Road
Morristown, N.J. 07962
Attention: Frank Capittummino, Measurement & Verification Specialist

5.7. CUSTOMER Rebate Responsibilities. It is understood that all energy rebates and/or refunds are the result of an agreement between CUSTOMER and the utility company and HONEYWELL assumes no responsibility for obtaining said rebates and/or refunds. It is understood that said rebates and/or refunds are not included in the ENERGY GUARANTEE.

5.8. Material Changes in Energy Units and Cost Avoidance.

5.8.1. Reported Material Changes. CUSTOMER shall deliver to HONEYWELL a written notice describing and explaining all actual or proposed Material Changes in the Premises or in the operations in the Premises and their anticipated effect on energy use. CUSTOMER's notice must be delivered to HONEYWELL no less than seven (7) days before any actual or proposed Material Change occurs.

5.8.1.1. For purposes of this provision, a Material Change is defined as any change in the following which reasonably could be expected to increase or decrease energy used at the Facility or Facilities by a value more than five percent (5%) of the Guaranteed Savings per utility meter or submeter:

- (1) manner of use of the Facility or Facilities by CUSTOMER;
- (2) hours of operation of any equipment or facilities or energy systems contained in the Facility or Facilities;
- (3) occupancy of the Facility or Facilities;
- (4) structure of the Facility or Facilities;

- (5) types of equipment used in the Facility or Facilities; or
- (6) conditions affecting energy use in the Facility or Facilities.

5.8.2. Unreported Material Changes. In the absence of any Material Change in the Premises or in their operations, energy consumption and demand should not change from year to year. Therefore, if energy consumption and demand per utility meter or submeter for any month increases by five percent (5%) of the Guaranteed Savings per meter or more from the energy consumption and demand for the same month of the *preceding* contract year after adjustment for changes to climactic conditions, then such increase shall be deemed to have resulted from a Material Change, except where such increase is due to equipment malfunction, faulty repair or other acts of negligence by HONEYWELL.

5.8.3. Prison Population. For the purposes of determination of whether a change in prisoner population constitutes a Material Change within the terms of this ENERGY GUARANTEE requiring notice or report to HONEYWELL, the following if not exceeding more than an average of five percent during any calendar quarter shall not constitute a Material Change: a) any decrease in inmate population; and b) changes in other inmate populations. In no event shall any change in inmate population resulting from inmates serving Work Release or DUI ("Driving Under Influence") sentences be considered to be a Material Change.

5.8.4. Adjustments for Material Changes. In the event of any increase or decrease in energy consumption and demand for any month resulting from a reported or unreported Material Change, the amount of that increase shall be subtracted from, or that decrease shall be added to, the total energy consumption and demand for that month prior to the calculation of energy savings pursuant to Attachments F and G.

5.8.4.1. If a reported or unreported Material Change affected energy consumption and demand in the same calendar month in the preceding year, the *next preceding* 12 month period where a Material Change has not occurred will be used to compute the value of the Material Change and the energy savings for the current month.

--- End of Attachment F ---

ATTACHMENT G
SCHEDULE OF SAVINGS

All definitions contained in Attachment F (ENERGY GUARANTEE) are incorporated by reference.

1. Schedule of Savings

The total Cost Avoidance over the Term is equal to or greater than \$2,468,666 as defined in the table below:

YEAR	ENERGY	OPERATIONAL	TOTAL
1	\$216,919	\$19,452	\$236,371
2	\$223,193	\$1,582	\$224,775
3	\$229,650	\$1,345	\$230,995
4	\$236,295	\$1,143	\$237,438
5	\$243,133	\$971	\$244,104
6	\$250,170	\$826	\$250,996
7	\$257,413	\$702	\$258,115
8	\$264,866	\$597	\$265,463
9	\$272,538	\$507	\$273,045
10	\$246,933	\$431	\$247,364
TOTALS	\$2,441,110	\$27,556	\$2,468,666

or the sum of the Retrofit and Support Costs for such Guarantee Year, whichever is less. Provided further, in no event shall the Guaranteed Savings provided herein exceed the total installation, maintenance, and financing costs for the Work under this Agreement. Pro forma budget neutral or positive cash flows are not guaranteed.

The Term of the Guarantee Period is ten (10) years, subject to the provisions of Attachment F.

1.1 Energy Savings. The first year amount of energy savings is the sum of the below listed ECMs. The Schedule of Savings in Paragraph 1 above does not include the absolute increase in energy use due to implementation of measures to increase environmental comfort as directed by CUSTOMER, and other Baseline adjustments as set forth in Subparagraph 1.3.1.1. The Cost Avoidance is based on the listed Energy and Operational Cost Avoidance Guarantee Practices contained in Section 1.3 herein.

Att A No. [a]	ECM Description	Electric Year 1	Non-Electric Year 1	Water Year 1	Total Year 1
1	Water Conservation	\$0	\$25,369	\$176,053	\$201,422
2	Controls	\$3,346	\$1,531	\$0	\$4,877
3	Kitchen Hood Controls	\$2,465	\$8,155	\$0	\$10,620
Totals		\$5,811	\$35,055	\$176,053	\$216,919

[a] Att A: Attachment A, Scope of Work.

CUSTOMER agrees that the Baseline for the unit cost of energy will be adjusted each year of the Guarantee Period. This annually adjusted value of energy unit cost is stipulated as the new Baseline in each succeeding year. CUSTOMER agrees that Cost Adjustments are stipulated to be an escalation of 2.0% per year for the unit cost of electric, 2.5% per year for natural gas and 3.0% for water used in the determination of Cost Adjustments for each year. Baseline energy unit costs are as follows;

Electric \$.0938/kWh
Natural Gas \$.948/therm
Water/Sewer \$9.241/kGal

Baseline utility unit costs are agreed upon by the Parties.

1.2 Operational Cost Savings. The Savings are based on the listed Energy and Operational Cost Avoidance Guarantee Practices contained in Section 1.3 herein. The Savings in Operational Costs described below and identified in Section 1 are deemed satisfied upon execution of the ESCO CONTRACT. CUSTOMER acknowledges

ATTACHMENT G
SCHEDULE OF SAVINGS

and agrees that, if it did not enter into the ESCO CONTRACT, it might have taken future steps to achieve the same ends as the Work included in Attachment A, and that, in doing so, it would incur Operational Costs of at least the amount per year over the life of the Performance Period as presented below and in the Schedule of Savings. CUSTOMER agrees that, by entering into the ESCO CONTRACT, it will avoid future Operational Costs in at least these amounts.

Further, CUSTOMER acknowledges that Savings in Operational Costs categorized as capital cost avoidance are part of, or are causally connected to Scope of Work specified in Attachment A (i.e., the ECMs being implemented), and are documented by industry standard engineering methodologies acceptable to CUSTOMER.

CUSTOMER agrees that the Baseline for the unit cost of operations will be adjusted each year of the Guarantee Period as Cost Adjustments. This annually adjusted value of operational unit cost resulting from Cost Adjustments is stipulated as the new Baseline in each succeeding year.

The following operational cost avoidance Savings were identified, reviewed, and agreed to by the Parties.

OSD#	Operational Savings Description (OSD)	Att. A Ref.	Cost Avoidance Category (O&M, Capital,)	1 st Year Cost Avoidance
1	Water Conservation	A1	O&M	\$19,452
Total				\$19,452

[a] O&M: operations and maintenance.

1.3 Energy and Operational Cost Avoidance Guarantee Practices:

1.3.1 **BASELINE Operating Parameters** are the Facility(s) and system(s) operations measured and/or observed before commencement of the Work. The data summarized will be used in calculation of the Baseline energy consumption and/or demand and for calculating Baseline adjustments for changes in Facility operation that may occur during the Guarantee Period. HONEYWELL and CUSTOMER agree that the Baseline Operating Parameters specified in this section are representative of equipment operating characteristics during the Baseline Period.

The Baseline Period is from November 1, 2007 to October 31, 2008.

The Baseline consists of the Baseline Conditions and Baseline Operating Parameters collected from the Baseline Period and modified by Baseline Adjustments, as necessary, as defined herein and by the Exhibits to Attachment G-1.

Baseline operating parameters are stipulated in <Baseline Operating Parameters> attached hereto and incorporated herein as Exhibit G-1. See Energy Savings Calculations, attached hereto and incorporated herein as Exhibit G-4 for further information regarding stipulated baseline parameters.

1.3.1.1 **Pre-Retrofit Baseline Adjustments:** The following describes the adjustments that have been made during the determination of the Baseline prior to the determination of the projected cost avoidance and the guaranteed Energy Cost Avoidance. The adjustments are due to the Project included in Attachment A, or other known events, which increase energy use prior to application of the ECMs.

There are currently no known pre-Retrofit adjustments to the Baseline

Routine and non-routine future post-Retrofit baseline adjustments are discussed in section 1.4.4.

1.3.2 **GUARANTEE PERIOD Operating Parameters** of the Facility(s) and system(s) after completion of Work. CUSTOMER agrees to operate, or cause to effect the Work in such manner that is in accordance with the

ATTACHMENT G
SCHEDULE OF SAVINGS

Guaranteed Period Operating Parameters. The data summarized will be used in the calculation of the post-retrofit energy consumption and/or demand. HONEYWELL and CUSTOMER agree that the proposed operating parameters specified in this section are representative of equipment operating characteristics during the Guarantee Period. And, further, they agree to be reasonable and may be used in calculation of the Energy Cost Avoidance, as if the Facility is actually operating in accordance with the Operating Parameters outlined in this section.

Guarantee Period Operating Parameters are stipulated in <Guarantee Period Operating Parameters> attached hereto and incorporated herein as Exhibit G-1.

1.3.2.1 Post-Retrofit Baseline Adjustments: The following describes known future events, events not captured in section 1.3.1.1., which generally increase energy use compared to the Baseline Period. This energy use is added to the Baseline to determine an adjusted Baseline against which the Energy Cost Avoidance will be determined. Energy increases are variable and dependent on actual use of equipment.

There are currently no known post-Retrofit adjustments to the Baseline.

1.3.3 Operational Cost Avoidance: The following parameters, methodologies, and/or calculations were used in determining the Operational Costs and/or avoided costs due to Retrofit and Support Services implementation and are agreed to be reasonable and may be used in the calculation of the Energy Cost Avoidance.

Operational Cost Avoidance methodology and/or calculation details are attached hereto and are incorporated herein as the exhibits outlined in the following table.

1.3.4 Other energy and operating savings measures: The following measures were not included in the Guaranteed Savings but may be used during the Term in the determination of realized Energy Cost Avoidance, or calculation of performance versus the Guaranteed Savings, or to show value-add to CUSTOMER: N/A.

1.4 Guarantee Savings Measurement and Verification Plan

1.4.1 Measurement and Verification Methodology(s):

Energy Conservation Measure	Electric Savings Verification Method	Fuel Savings Verification Method	Water Savings Verification Method
Water Conservation	N/A	OPTION A	OPTION A
Controls	OPTION A	OPTION A	N/A
Kitchen Hood Controls	OPTION A	OPTION A	N/A

1.4.2 Energy Cost Avoidance: The following describes the Measurement and Verification procedures, formulas, and stipulated values which may be used in the calculation of Energy Cost Avoidance. The calculation of Energy Cost Avoidance is based upon the utility rates stipulated in section 1.1 herein and listed in Exhibit G-2 as Avoided \$/unit. Energy Cost Avoidance may also include, but is not limited to, savings from demand charges, power factor correction, taxes, ratchet charges, rate changes and other utility tariff charges that are reduced as a result of HONEYWELL's involvement. CUSTOMER is responsible for procuring a ratchet reset from the local utility company, as applicable. In case any ratchets are not reset the following adjustment will be made: Energy Cost Avoidance will be calculated as if the ratchet has been reset at the end of the installation of electrical demand reducing ECMs. If CUSTOMER purchases power at an auction, CUSTOMER will not be responsible to obtain a ratchet reset.

1.4.3 Specific ECM M&V Plan(s): The following describes the Measurement and Verification procedures, formulas, and stipulated values which may be used in the determination of Energy Cost Avoidance and/or performance against the Guarantee for this each specific ECM in addition to the general Energy Cost Avoidance procedure outlined in 1.4.2.

ATTACHMENT G
SCHEDULE OF SAVINGS

1.4.3.1 Table of Specific ECM M&V Plan Exhibits:

A description of options are included in the Measurement and Verification Options Matrix, attached hereto and incorporated herein as Exhibit G-6.

1.4.4 Constants: The constants and/or stipulated values defined in the Exhibits to Attachment G, or as defined herein are mutually agreed to by CUSTOMER to be reasonable and may be used in the determination of the Energy Cost Avoidance.

1.4.5 Exhibits and Schedules: The following Exhibits are attached hereto and are made a part of this Agreement by reference.

1.4.5.1 Exhibits

Exhibit G-1	Baseline Operating and Guarantee Operating Parameters
Exhibit G-2	Utility Use, Utility Unit Costs
Exhibit G-3	Known Future Baseline Adjustments - Reserved
Exhibit G-4	Energy Calculations
Exhibit G-5	Operations Cost Avoidance Calculations
Exhibit G-6	M&V Plans
Exhibit G-7	Data-logging Results

EXHIBIT G-1 BASELINE and Guarantee Operating Parameters

MCCF
Baseline and Guarantee Period Operating
Parameters

	Baseline Parameters							
	General Occupancy		HVAC Enable		Heating		Cooling	
	Time Open	Time Close	Time On	Time Off	Occupied Set Point (°F)	Unoccupied Set Point (°F)	Occupied Set Point (°F)	Unoccupied Set Point (°F)
Gymnasium (North and South)	7:00 AM	10:00 PM	ALL	All	72	72	NA	NA

	Guarantee Period Parameters							
	General Occupancy		HVAC Enable		Heating		Cooling	
	Time Open	Time Close	Time On	Time Off	Occupied Set Point (°F)	Unoccupied Set Point (°F)	Occupied Set Point (°F)	Unoccupied Set Point (°F)
Gymnasium (North and South)	7:00 AM	10:00 PM	7:00 AM	10:00 PM	72	60	NA	NA

This new schedule will not effect any inmate housing area.
Equipment that will follow this new schedule is HV-1 and HV-2, which serve the North and South Gymnasiums

**ATTACHMENT G
SCHEDULE OF SAVINGS**

EXHIBIT G-2: Utility Use, Utility Unit Costs

Montgomery County Correctional Facility
Energy Savings Summary

BASELINE					
Utilities	kWh	Natural Gas therms	Oil Gallons	Water Gallons	\$/yr
Electric	5,041,125				\$ 508,564
Natural Gas		245,320			\$ 356,533
Oil			0		\$ -
Water/Sewer				54,868,300	\$ 307,487
Total:	5,041,125	245,320	0	54,868,300	\$ 1,172,584

No.	Description	Energy Savings		Energy Savings							
		Total Energy Savings	% of Baseline Total Utility Cost	Electric kWh	Electric kWh % Baseline	Electric \$	Electric \$ % baseline	Gas therms	therms % baseline	Gas \$\$	Gas \$ % baseline
1	Water Conservation	\$201,422	17.2%	0	0.0%	\$0	0.0%	26,751	10.9%	\$25,369	7.1%
2	DDC Upgrades	\$4,877	0.4%	35,672	0.7%	\$3,346	0.7%	1,614	0.7%	\$1,531	0.4%
3	Variable Hood Controls	\$10,620	0.9%	26,276	0.5%	\$2,465	0.5%	8,600	3.5%	\$8,155	2.3%
	Total:	\$216,919	18.5%	61,949	1.2%	\$5,811	1.1%	36,965	15.1%	\$35,055	9.8%

Energy Savings

Electric	\$5,811	\$508,564	1.14%
Natural Gas	\$35,055	\$356,533	9.83%
Water	\$176,053	\$307,487	57.26%
Total	\$216,919	\$1,172,584	18.50%

Projected

Electric	\$6,431	\$508,564	1.26%
Natural Gas	\$38,947	\$356,533	10.92%
Water	\$188,483	\$307,487	61.30%
Total	\$233,861	\$1,172,584	19.94%

EXHIBIT G-3: Baseline Adjustments Reserved

ATTACHMENT G
SCHEDULE OF SAVINGS

EXHIBIT G-4: Energy Savings Calculations

See Energy Calculations

Exhibit G-4 Attached

EXHIBIT G-5: Operations Cost Avoidance Calculations

**MONTGOMERY COUNTY CORRECTIONAL FACILITY
WATER CONSERVATION RETROFIT PROGRAM**

Scope of Work Description	Quantity	Estimated Part Savings per Unit (dollars)	Estimated Annual O & M Savings (dollars)
Electronic 2.4 GPF Flush Valve Retrofit - Combination Toilet/Sink Unit	534	\$22.00	\$11,748
1.6 GPF Flushometer Toilet New 1.6 GPF Flush Valve	30	\$7.75	\$233
1.0 GPF Urinal Valve	5	\$3.00	\$15
1.0 GPM Electronic Faucet Retrofit for Mechanical Valve	534	\$12.00	\$6,408
1.0 GPM Faucet Restrictor	76	\$2.00	\$152
New 4" Center Set Metering Faucet	28	\$2.00	\$56
2.0 GPM Electronic Shower Retrofit	60	\$14.00	\$840
Annual O & M Savings =			\$19,452

Annual Savings	O & M ² Domestic Water
year 1	\$19,452
year 2	\$1,582
year 3	\$1,345
year 4	\$1,143
year 5	\$971
year 6	\$826
year 7	\$702
year 8	\$597
year 9	\$507
year 10	\$431
10 Year Total	\$27,554

² O & M savings assumes parts deferment costs reduces 15% per year

Montgomery County Correctional Facility
 Controls Upgrades
 Setback Savings HV-1 and HV-2 (North and South GYM)

Heating Energy Savings Calculation

Bin OA Temp	Weather Hrs	Indoor Temp (F)		Delta T (F)		UA (BTU/hr/F)	Conduction Heat Load(MMBTUs)		Outdoor Air Heating Heat Load(MMBTUs)		Total Heat Load(MMBTUs)		Savings (MMBTUs)
		Existing	Proposed	Existing	Proposed		Existing	Proposed	Existing	Proposed	Existing	Proposed	
A	B	C	D	E	F	G	H	I	J	K	L	M	N
						From Data Sheet Calculations	=G*B*E /1,000,000	=G*F*B /1,000,000	=1.08* Outdoor Air CFM *E*B /1,000,000	= J * 10%	=H + J	=K + I	=L - M
52.5	128	72	60	19.5	7.5	4,059	10.1	4	2.7	0	12.8	4.2	8.7
47.5	166	72	60	24.5	12.5	4,059	16.5	8	4.4	0	20.9	8.9	12.0
42.5	172	72	60	29.5	17.5	4,059	20.6	12	5.5	1	26.1	12.8	13.3
37.5	455	72	60	34.5	22.5	4,059	63.7	42	17.0	2	80.7	43.3	37.4
32.5	309	72	60	39.5	27.5	4,059	49.5	34	13.2	1	62.7	35.8	26.9
27.5	227	72	60	44.5	32.5	4,059	41.0	29.9	10.9	1	51.9	31.0	20.9
22.5	112	72	60	49.5	37.5	4,059	22.5	17.0	6.0	1	28.5	17.5	10.8
17.5	116	72	60	54.5	42.5	4,059	25.7	20.0	6.8	1	32.5	20.7	11.8
12.5	30	72	60	59.5	47.5	4,059	7.2	5.8	1.9	0	9.2	6.0	3.2
	1,715												145

Thermal Savings	145	MMBTU
Heater Efficiency	81%	
Fuel Savings	179	D Therms

#REF!

Fan Motor Electric Energy Savings Calculation

Motor kW	Hours	kWh Savings
13.4	2,948	39,635

Hours = 52 weeks*(7 days* 9 hours)* 90%
 Motor kW= BHP x (.746)

Annual Electric Savings	39,635	(kWh)
Annual Gas Savings	179	(D therm)

Assumptions:
 Current operation is 24/7, 365 days per year
 Heating is used at all temperatures below 55F balance point.
 Proposed Unoccupied hours are from 10-pm to 7am Monday thru Sunday
 Unoccupied bin hours allow for 1 hour warm-up.
 Bin Maker Plus software used with Philadelphia TMY-2 weather data
 Heating season is from October to April
 no cooling capabilities for HV-1 and HV-2

MCCF
ECM: Kitchen Hood Ventilation Controls-Cooling Mode

Summer Operation

					Baseline	Proposed "High"	Proposed "Low"
Bin Temp	Hours	Space		Delta T	Total BTUs	Total BTUs	Total BTUs
		Temperature					
97.5	3	75		22.5			
92.5	52	75		17.5			
87.5	104	75		12.5			
82.5	477	75		7.5			
77.5	656	75		2.5			
72.5	907	75		2.5			
67.5	619	75		7.5			
62.5	983	75		12.5			
57.5	625	75		17.5			
	4426				-	-	-
Assumptions							
	0.48	operational Ratio "High"			-	BTUs Saved	
	0.53	operational Ratio "Low"			12,000.00	BTUs/Ton	
	1.40	Kw per Ton			-	kWh Saved	

Electrical Savings

		VFD Operation		Power Input Ratio		kWh
		% Speed	Hrs/yr			
MUA and Exhaust Fan	12.25 HP	100%	467	1.05		4,792
Fan Load Factor		90%	500	0.81		3,943
kW for Fan	9.75 kW	80%	600	0.60		3,525
Hours of operation	4426 hours	70%	2859	0.43		12,029
Existing kWh	43,154	Total	4,426			24,290
kWh saved	18,864					

Notes:

No Savings for Cooling, since units do not have cooling.
 Hours of operation of existing fan are 24-7 (measured)
 VFD speed savings are based on all MUA and Hood EF fans

Montgomery County Correctional Facility
Energy Savings Summary

BASELINE			
Millions	Electricity	5,041,125	\$
	Natural Gas	245,320	\$
	Oil	0	\$
	Water	54,668,000	gals
	Total	5,041,125	\$
	Water	307,487	gals
	Total	5,041,125	\$

No.	Description	Energy Savings		Energy Savings		Energy Savings		Energy Savings		Energy Savings		Energy Savings		Energy Savings	
		Total Energy Savings	% of Baseline	Total Utility Cost	Electricity kWh	Electricity % Baseline	Electricity \$	Therms	Therms % Baseline	Gas \$	Gas % Baseline	Water Gallons	Water % Baseline	Carbon	Carbon % Baseline
1	Water Conservation	\$201,422	172%	0	0.0%	30	26,751	10.9%	\$26,369	2.1%	19,051,369	34.7%	\$176,053	57.3%	\$19,452
2	DDC Thermostats	\$4,872	0.4%	35,672	0.7%	\$3,466	1,614	0.7%	\$1,531	0.4%	0	0.0%	\$0	0.0%	\$0
3	Variable Hood Controls	\$10,620	0.9%	26,276	0.5%	\$2,465	8,600	3.5%	\$8,156	2.3%	0	0.0%	\$0	0.0%	\$0
	Total	\$216,918	18.5%	61,949	1.2%	\$5,811	36,965	16.1%	\$35,055	2.8%	19,051,369	34.7%	\$176,053	57.3%	\$19,452

Energy Savings	
Electricity	\$5,811 1.14%
Natural Gas	\$35,055 9.83%
Water	\$176,053 57.26%
Total	\$216,918 \$1,172,584 18.50%

Projected	
Electricity	\$5,431 1.26%
Natural Gas	\$36,947 10.82%
Water	\$182,483 61.10%
Total	\$233,861 \$1,172,584 19.94%

EXHIBIT G-5: Operations Cost Avoidance Calculations

**MONTGOMERY COUNTY CORRECTIONAL FACILITY
WATER CONSERVATION RETROFIT PROGRAM**

Scope of Work Description	Quantity	Estimated Part Savings per Unit (dollars)	Estimated Annual O & M Savings (dollars)
Electronic 2.4 GPF Flush Valve Retrofit - Combination Toilet/Sink Unit	534	\$22.00	\$11,748
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1.0 GPF Urinal Valve	5	\$3.00	\$15
1.0 GPM Electronic Faucet Retrofit for Mechanical Valve	534	\$12.00	\$6,408
1.0 GPM Faucet Restrictor	76	\$2.00	\$152
New 4" Center Set Metering Faucet	28	\$2.00	\$56
2.0 GPM Electronic Shower Retrofit	60	\$14.00	\$840
Annual O & M Savings =			\$19,452

Annual Savings	O & M ² Domestic Water
year 1	\$19,452
year 2	\$1,582
year 3	\$1,345
year 4	\$1,143
year 5	\$971
year 6	\$826
year 7	\$702
year 8	\$597
year 9	\$507
year 10	\$431
10 Year Total	\$27,554

² O & M savings assumes parts deferment costs reduces 15% per year

EXHIBIT G-6: M&V Plans

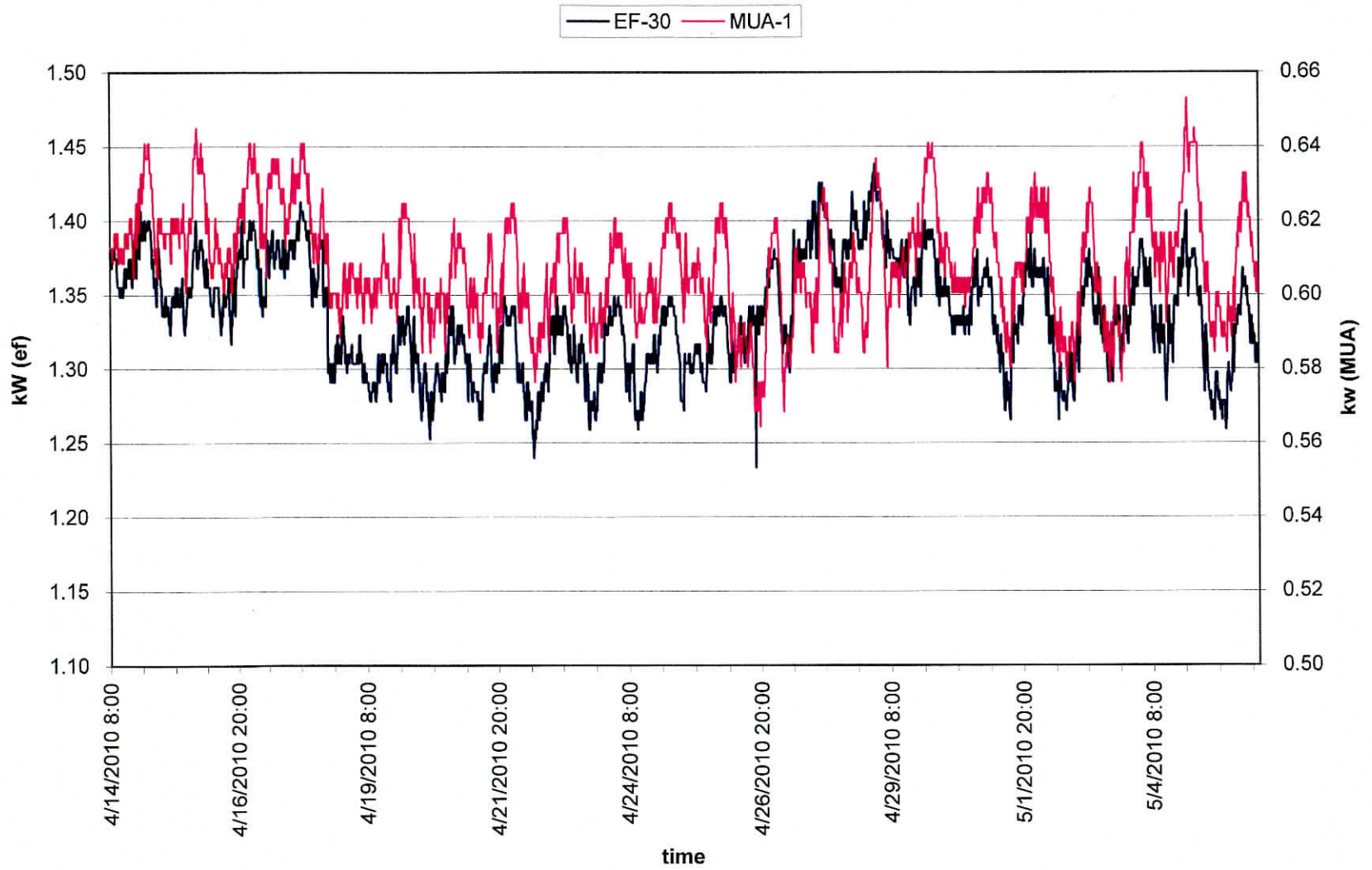
The following table displays a summary of ECM specific Verification Parameters for Pre and Post retrofit measurements, and lists guarantee term measurements that will be taken

ECM	IPMVP ¹ M&V Option	Baseline M&V	Post-Retrofit M&V	Annual M&V
#1 Water Conservation	Option A	Detailed fixture count. Existing flows are measured using a sampling plan.	Detailed fixture count. Flow measurements are taken after installation using a sampling plan.	Visual inspections of conditions. Check replacement inventory, interview staff for maintenance and operational problems.
#2 and 3 DDC System Upgrade for AHUs and Kitchen Ventilation Equipment	Option A	Spot/short-term measured electricity consumption of key parameters as presented in CEA	Agreed-to savings based on detailed survey, engineering calculations, and performance verification through key monitored parameters.	Visual inspections of equipment conditions and operational schedules verified. Interview staff for maintenance and operational problems.

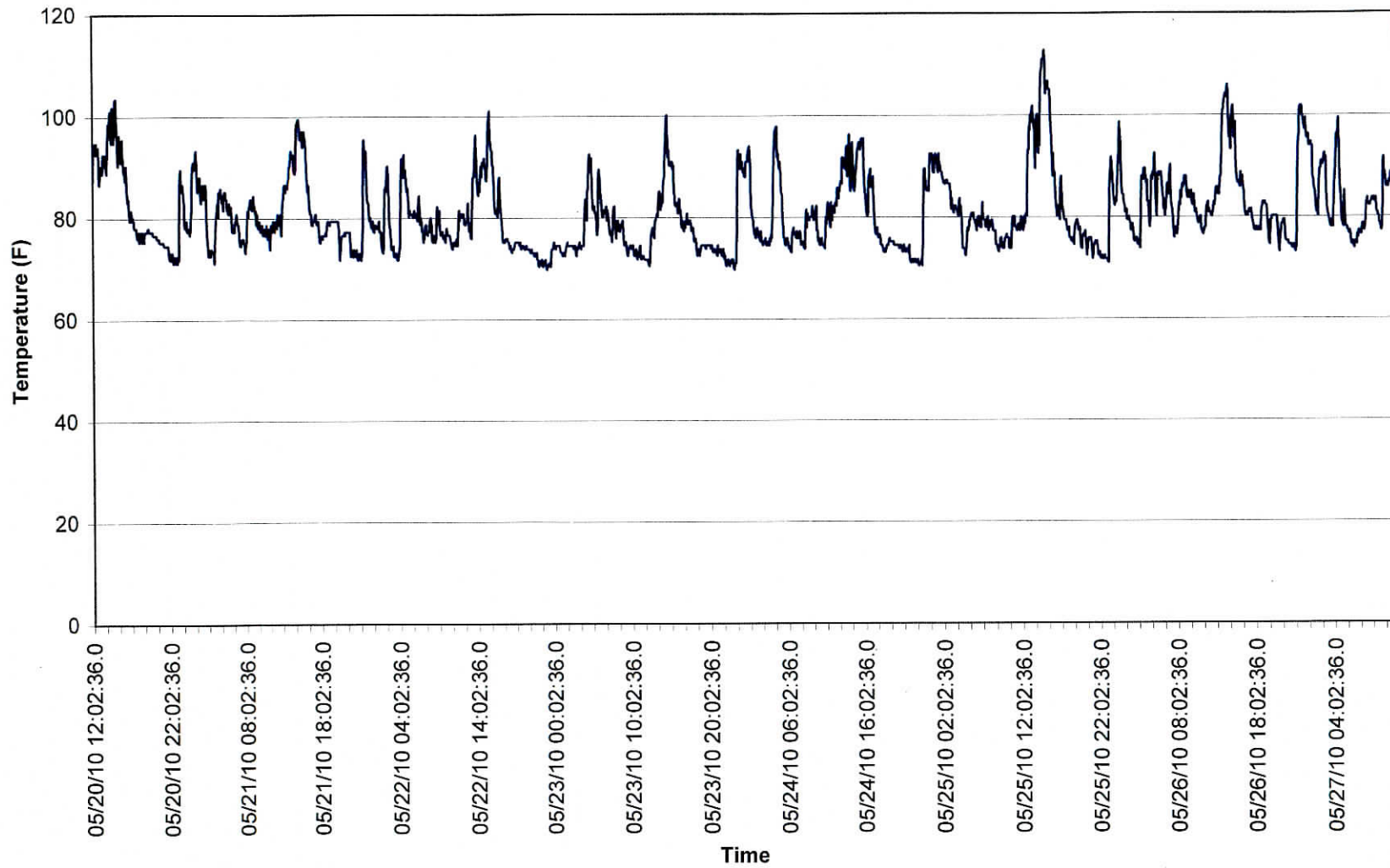
EXHIBIT G-7: Data Loggers

See, Exhibit G-7 parts 1 and 2

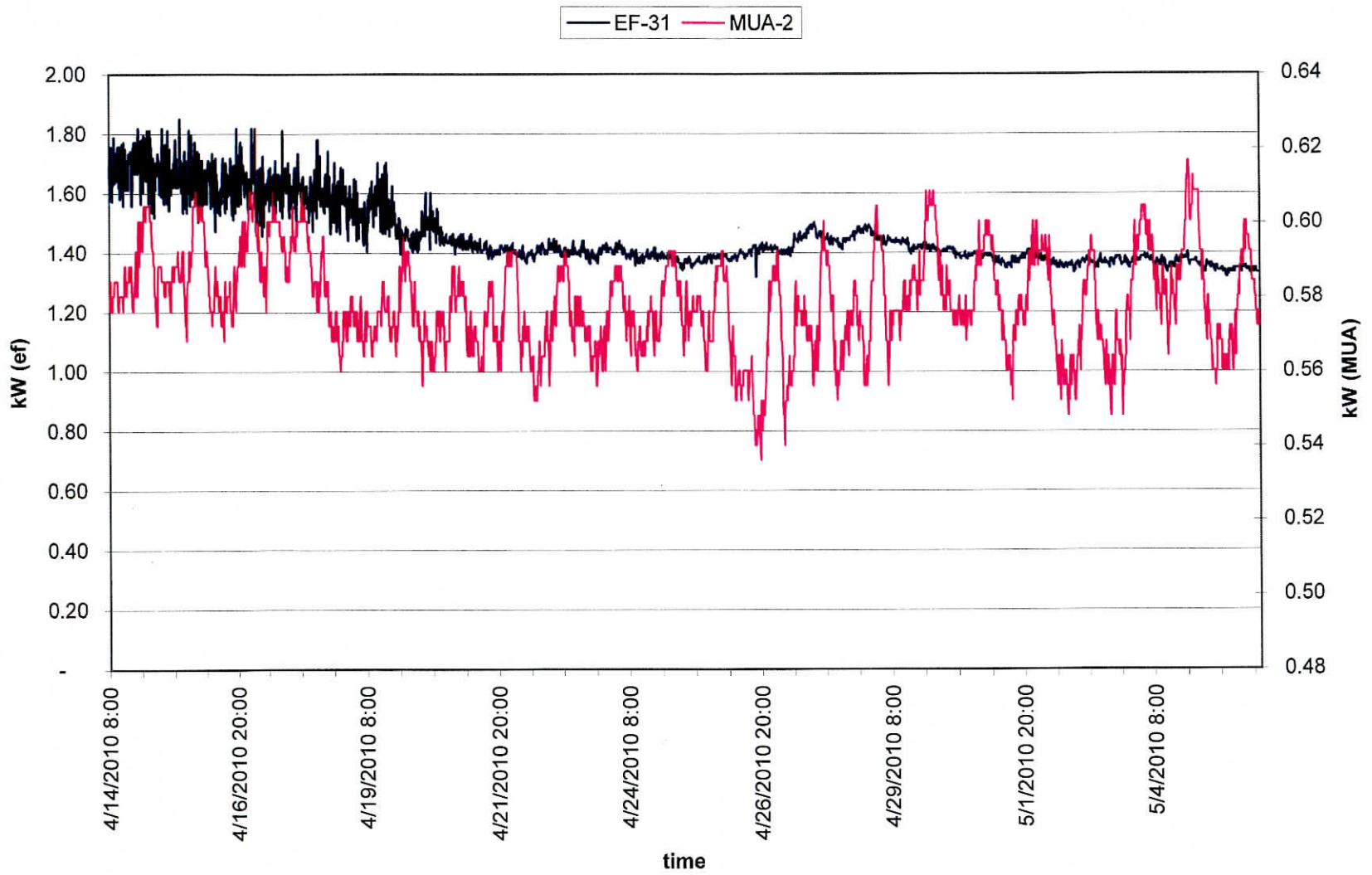
MCCF: EF-30 and MUA-1 Profile



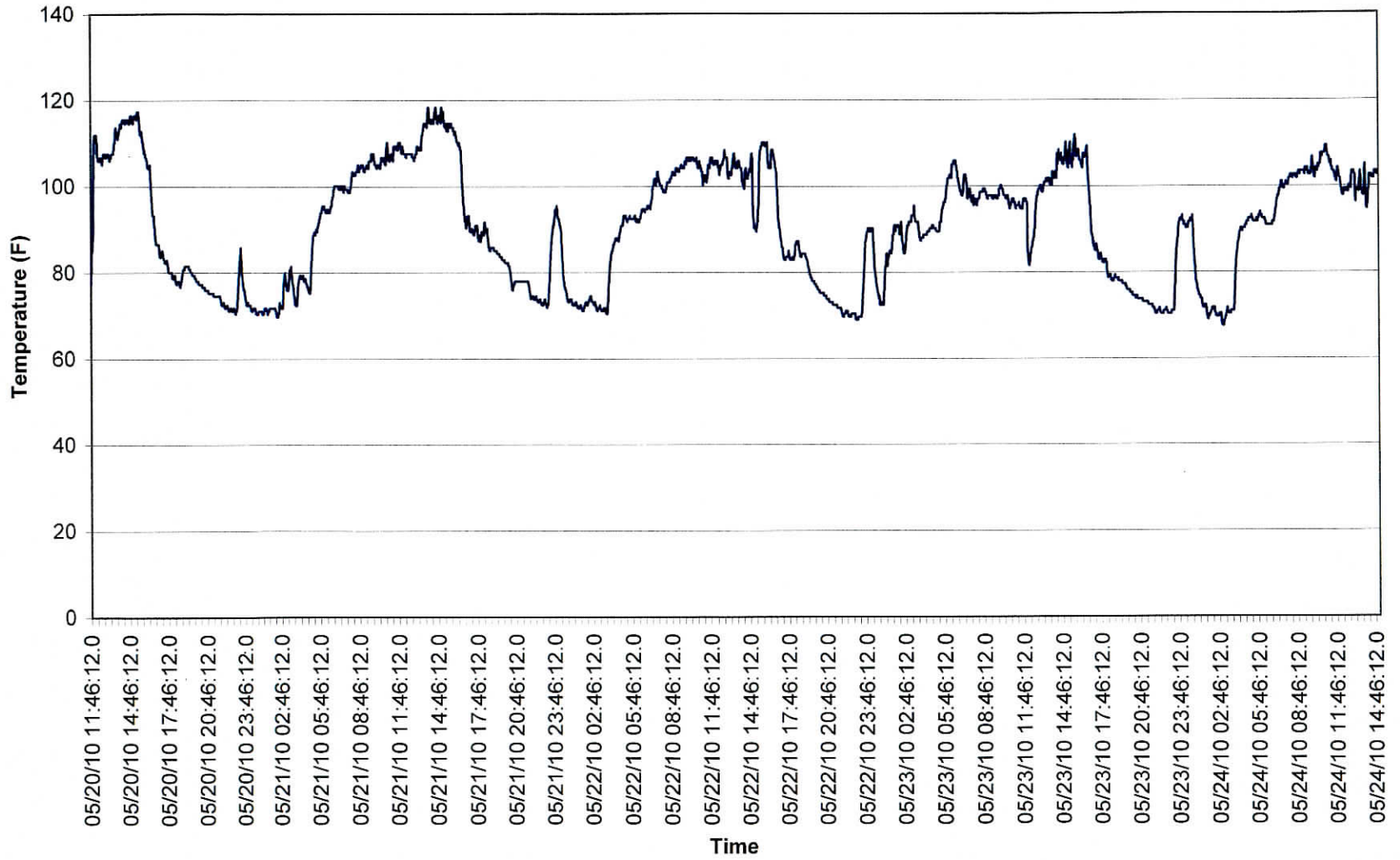
MCCF: EF-30 Exhaust Air Temp



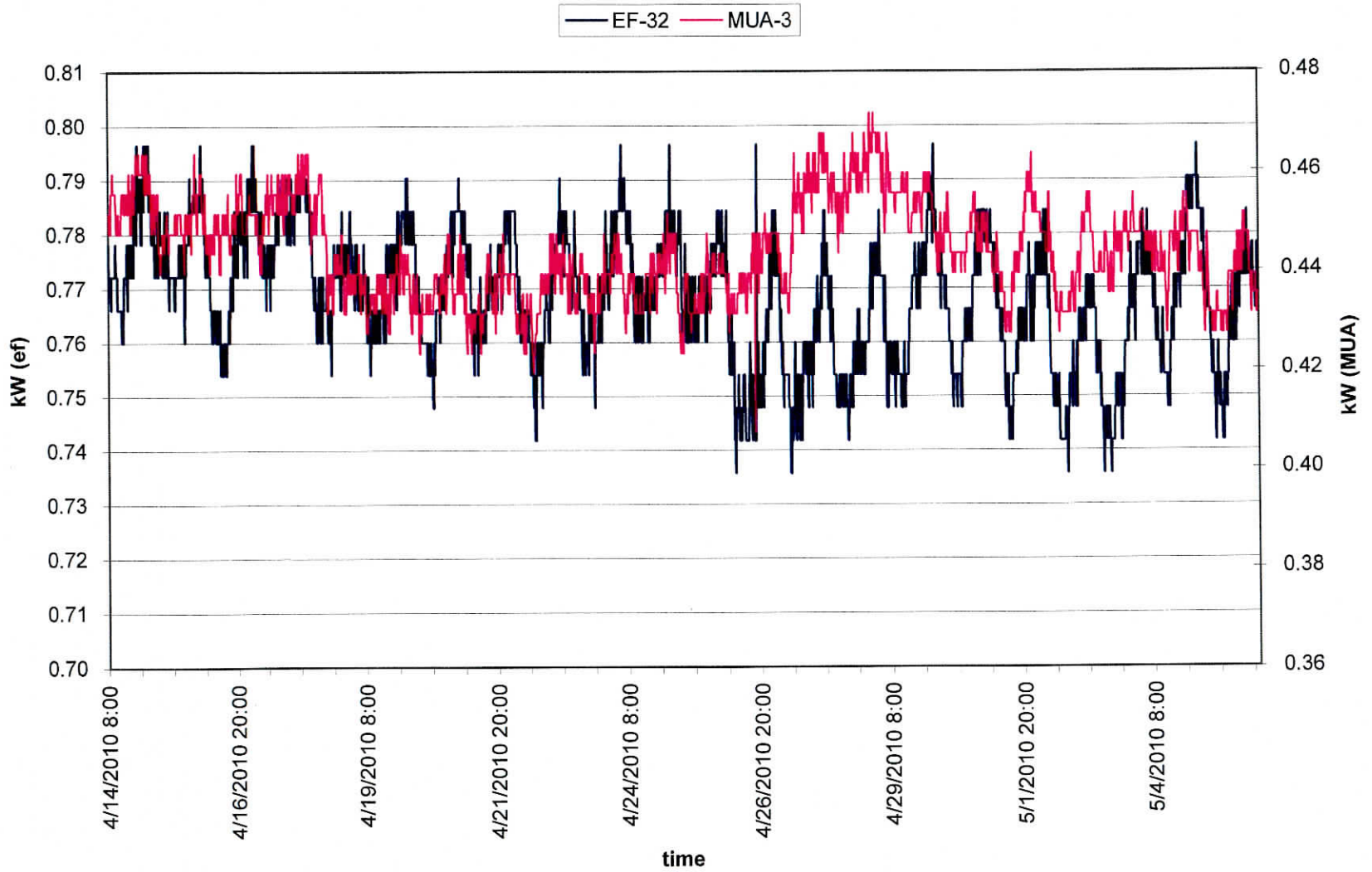
MCCF: EF-31 and MUA-2 Profile



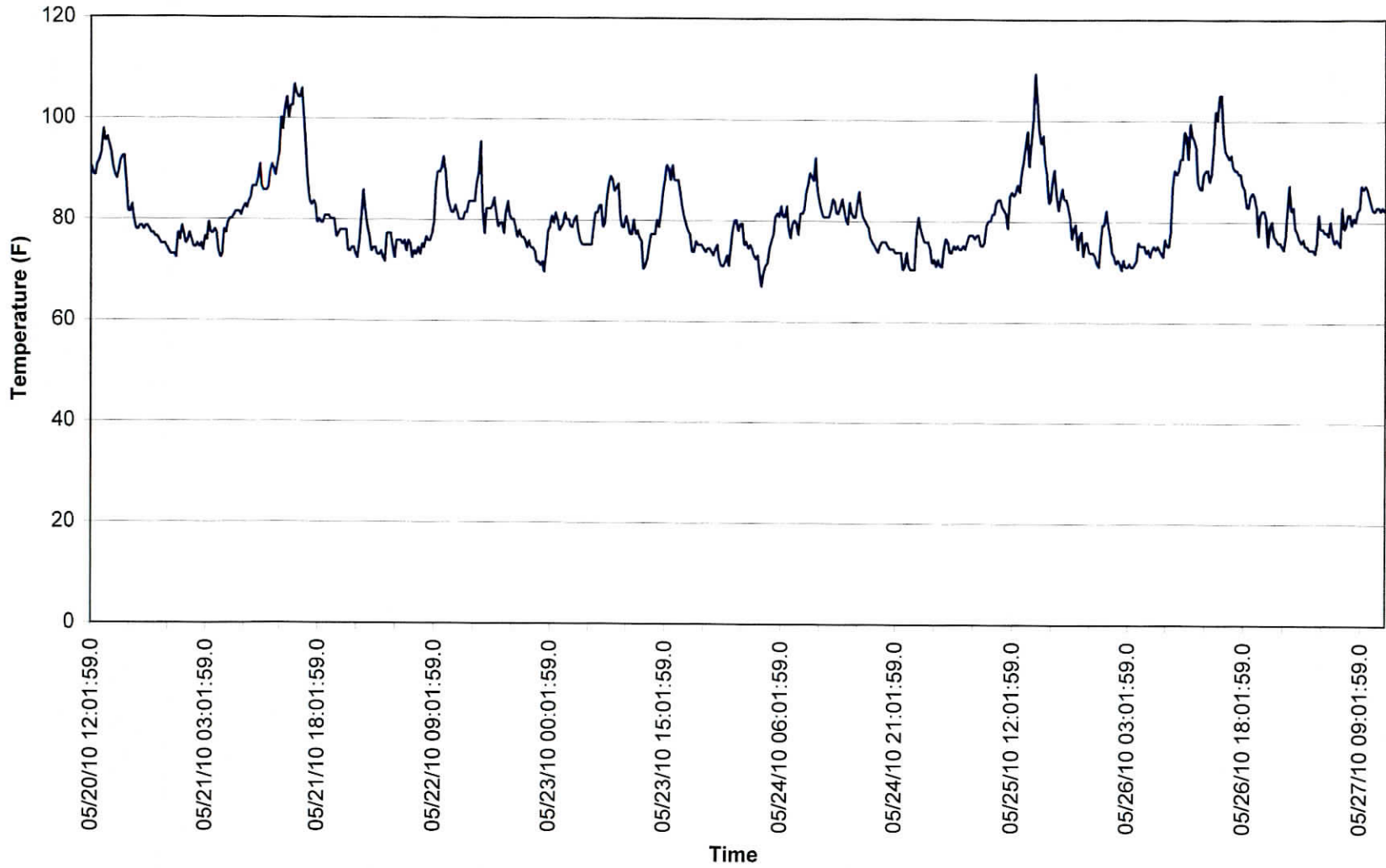
MCCF: EF-31 Exhaust Air Temp



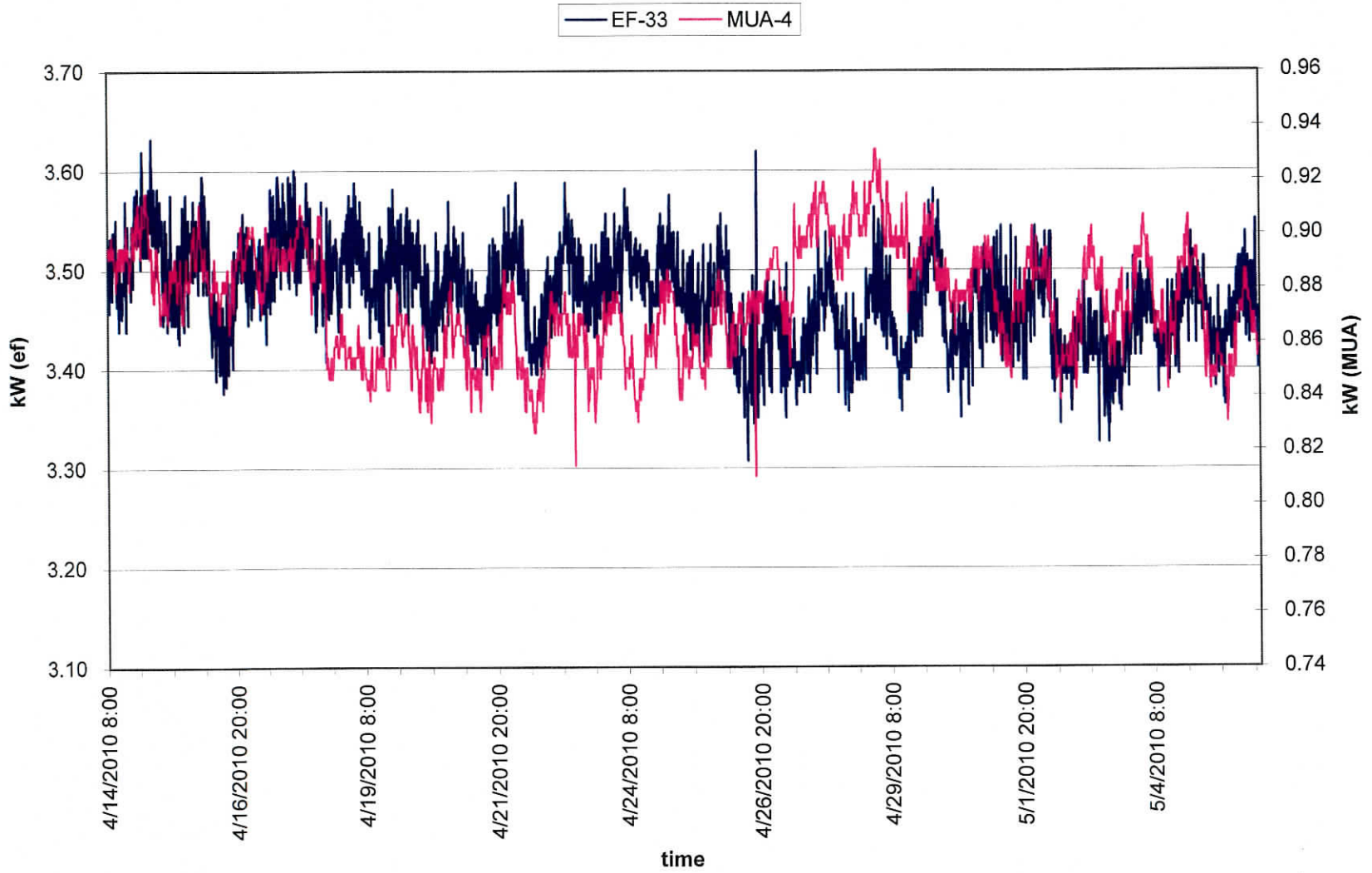
MCCF: EF-32 and MUA-3 Profile



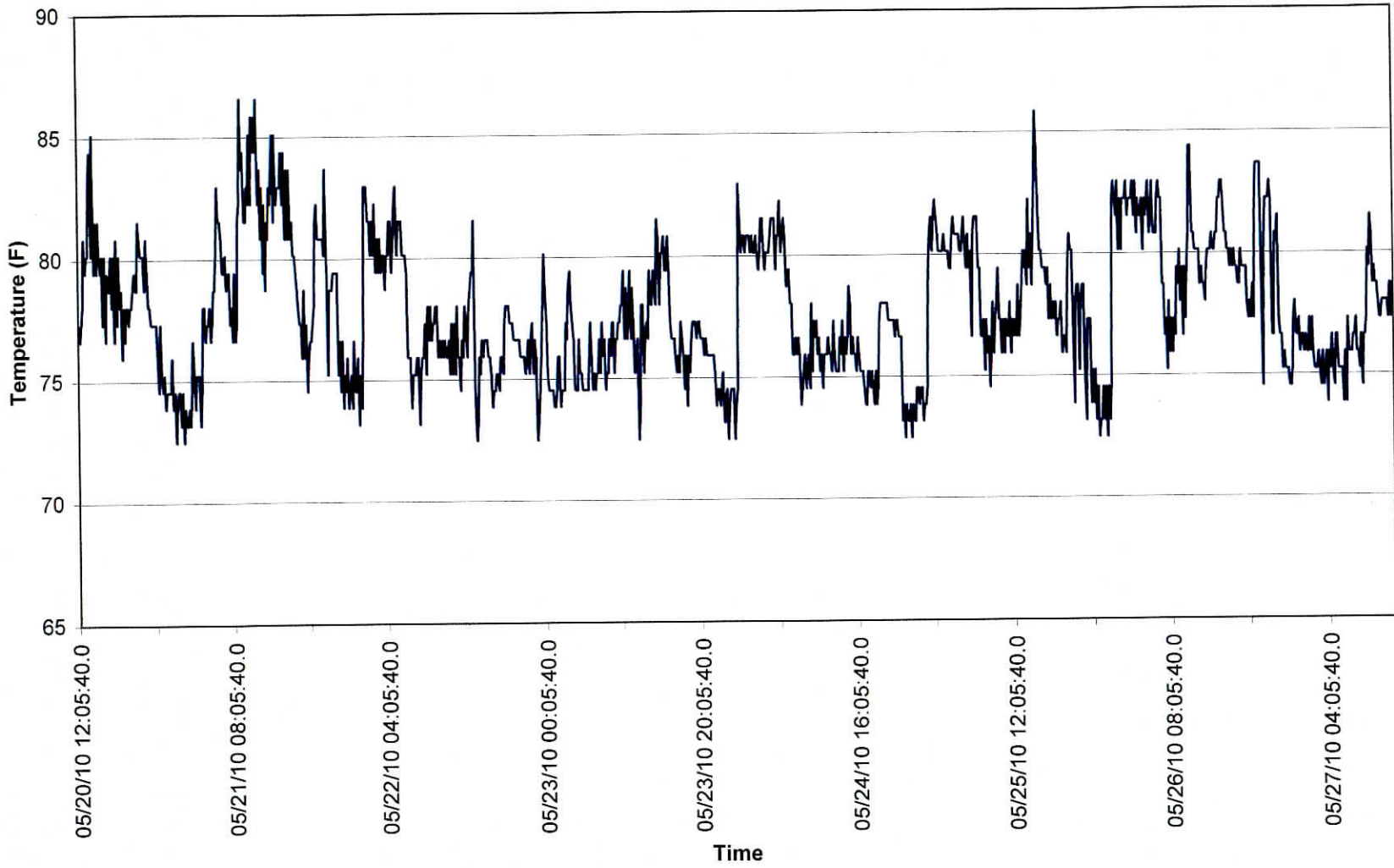
MCCF: EF-32 Exhaust Air Temp



MCCF: EF-33 and MUA-4 Profile



MCCF: EF-33 Exhaust Air Temp



ATTACHMENT H

ARRA COMPLIANCE

By executing the ESCO CONTRACT, the Parties intend to enter into a contract complying with requirements of the American Renewal and Reinvestment Act of 2009 (Pub. L., 111-5), and any regulations and requirements related to it as may be in effect as of the date the ESCO Contract is executed. Insofar as the Contract Documents might otherwise be construed as not in compliance therewith, the Parties agree that the Contract Documents shall be interpreted as including such provisions as may be required to be in the Contract Documents and to give those required provisions full force and effect as though they were set forth in the Contract Documents.

ATTACHMENT I

GUARANTEED ENERGY SAVINGS ACT COMPLIANCE

1. By executing the ESCO CONTRACT, the Parties intend to enter into a Guaranteed Energy Savings Contract and otherwise to comply with all requirements of Pennsylvania's Guaranteed Energy Savings Act, Act of May 10, 1996, P.L. 153, No. 29, as amended, 73 P.S. § 1646.1 *et seq.* (hereinafter referred to as "GESA"), and any regulations and requirements related to it as may be in effect as of the date of the ESCO Contract is executed.

2. HONEYWELL hereby represents that it is a Qualified Provider to serve as an Energy Service Company pursuant to GESA and that it is not aware of any proceeding in which its qualification to serve as a Qualified Provider may be debarred, suspended or withdrawn.

3. HONEYWELL represents that its representations set forth in its Response to the County's Request for Proposal were, to the best of its knowledge, information and belief, true and correct.

4. The ECMs as identified in Schedule G (SCHEDULE OF SAVINGS) are intended to constitute "a facility alteration designed to reduce energy consumption or operating costs" within the meaning of the term "Energy conservation measure" in section 2 of GESA.

5. The Parties intend that the Contract Documents comply with the required contract provisions set forth in section 4 of GESA. Insofar as they might otherwise be construed as not in compliance therewith, the Parties agree that the Contract Documents shall be interpreted as including such provisions as may be required to be in the Contract Documents and to give those required provisions full force and effect as though they were set forth in the Contract Documents.

6. Insofar as GESA or any rules or regulations may now require any submission to comply with its provisions, the Parties agree to cooperate in preparing the necessary documentation and in submitting it to the designated official or agency.

**ATTACHMENT J
PROJECT ACCEPTANCE**

Project Final Acceptance Procedure:

As portions of the Project near completion, the Honeywell Project Manager will start the Project Close-Out Process. The Honeywell Project Manager shall use the Scope-of-Work (SOW) listed in Attachment A as the basis for the Close-Out Process and shall demonstrate to the Owner's Representative that each separate item of the SOW is substantially complete. The sign off process will be by portion of the Scope of Work or by individual Energy Conservation Measure (ECM). After each portion of the Scope of Work has been demonstrated and a "Punch List" detailing minor deficiencies, if any, is generated, the Owner's Representative shall execute the Delivery and Acceptance Certificate to acknowledge substantial completion and Honeywell will complete the "Punch List" within two weeks. Execution of this Delivery and Acceptance Certificate signifies the start of the warranty provided in the Agreement for this portion of the Work.

Schedule of Acceptance: The acceptance process will follow the following schedule:

All ECMs by: _____

OR

School/Building/Facility by: _____
School/Building/Facility by: _____

OR

ECM #	ECM Name	Acceptance Date

Support Services: Honeywell will start the support services of the Facility in accordance with the Service Agreement per Attachment D when the Final Delivery and Acceptance Certificate is signed.

FINAL DELIVERY AND ACCEPTANCE CERTIFICATE

Project Name _____

Agreement Effective Date: _____

Scope-of-Work (SOW) Item/Energy Conservation Measure (ECM): _____

To: Honeywell International Inc.

Reference is made to the above listed Agreement between the undersigned and Honeywell International Inc. and to the Scope of Work as defined in Attachment A herein. In connection therewith, we confirm to you the following:

1. The Scope of Work (SOW) Item/ Energy Conservation Measure (ECM) referenced above and also listed in Attachment A of the Agreement has been demonstrated to the satisfaction of the Owner's Representative as being substantially complete
2. All of the Work has been delivered to and received by the undersigned and that said Work has been examined and /or tested and is in good operating order and condition and is in all respects satisfactory to the undersigned and as represented, and that said Work has been accepted by the undersigned and complies with all terms of the Agreement. Consequently, you are hereby authorized to invoice for the Final Payment, as defined in Attachment E, The Payment Schedule.

Owner Name: _____

By: _____
(Authorized Signature)

(Printed Name and Title)

(Date)