PERFORMANCE CONTRACT ADDENDUM
PHASE 4

CUSTOMER NAME: **Rochester CUSD 3A**
DATE OF SUBMISSION: **March 8, 2024**

This Agreement, including all Attachments, Exhibits, and Schedules referenced herein (hereinafter the "Agreement") dated March 8th, 2024 (the "Effective Date") by and between Control Technology & Solutions, L.L.C., a Missouri limited liability company, and VEREGY, LLC, all doing business as "VEREGY" and collectively referred to herein as "VEREGY," with a principal place of business at 16647 Chesterfield Grove Road, Suite 200, Chesterfield, MO 63005, and Rochester CUSD 3A ("CUSTOMER") with a principal place of business at 4 Rocket Drive, Rochester IL 62563 (collectively the "Parties").

This Performance Contract Agreement Addendum #3 (the "Addendum") is incorporated as an addendum to the CTS Agreement executed June 18th, 2021 (the "Agreement"). The terms and conditions set forth in the Agreement shall apply to this Addendum.

SCOPE OF WORK

ECM-1: Plumbing Repairs

EC-1 Sanitary Pipe Replacement (See Sketch SK-1 for location)

- Demo out approximately 80 linear feet of existing 4" diameter sanitary sewer piping. Excavate concrete floor as required.
- Install new 4" diameter PVC sanitary sewer pipe and connect to existing sanitary sewer piping. Backfill and provide new concrete over new pipe. Provide new floor tiles over repaired area.

EC-1 Sanitary Pipe Reline (See Sketches SK-1 and SK-2 for locations)

- Power jet and mechanically clean existing 3", 4" and 6" diameter sanitary sewer piping as shown on sketches.
- Reline existing 3", 4" and 6" diameter sanitary sewer piping as shown on sketches. Reinstate all active connections into relined piping.
- Provide up to seven (7) new floor cleanouts as required to perform the reline work. Provide concrete repairs and new floor tiles.
- Provide camera inspection of above piping and turn over video of inspection to CUSTOMER. material and labor for the work.
- No jetting or cleaning, or relining work to be performed in 2" diameter and smaller sanitary sewer piping. No jetting, cleaning, or relining work to be performed in abandoned 4" diameter sanitary sewer piping at the ends of the three (3) west classroom wings.

High School J-Wing Domestic Water Service Shutoff Valve.

- Locate existing domestic water service line into J-wing.
- Demo floor inside J-wing office storage room as required to access existing domestic water service pipe into high school J-wing.
- Intercept exisitng domestic water service pipe and install new 4" shut off valve inside J-wing office storage room. Backfill excavated area. Provide new concrete and floor tile.
- Asbestos abatement by CUSTOMER.

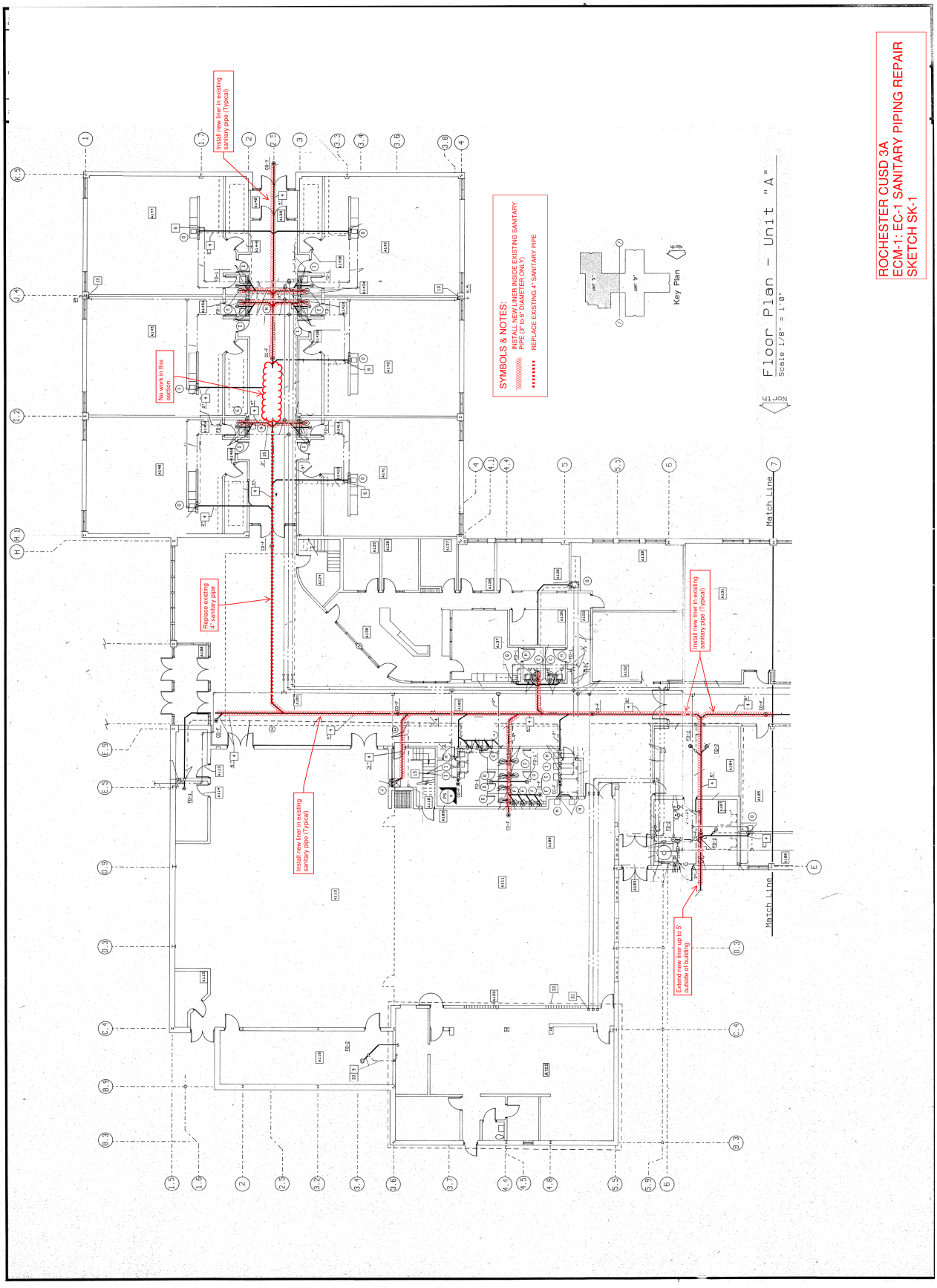
ECM-2: ES2-3 Indoor Air Quality Improvements

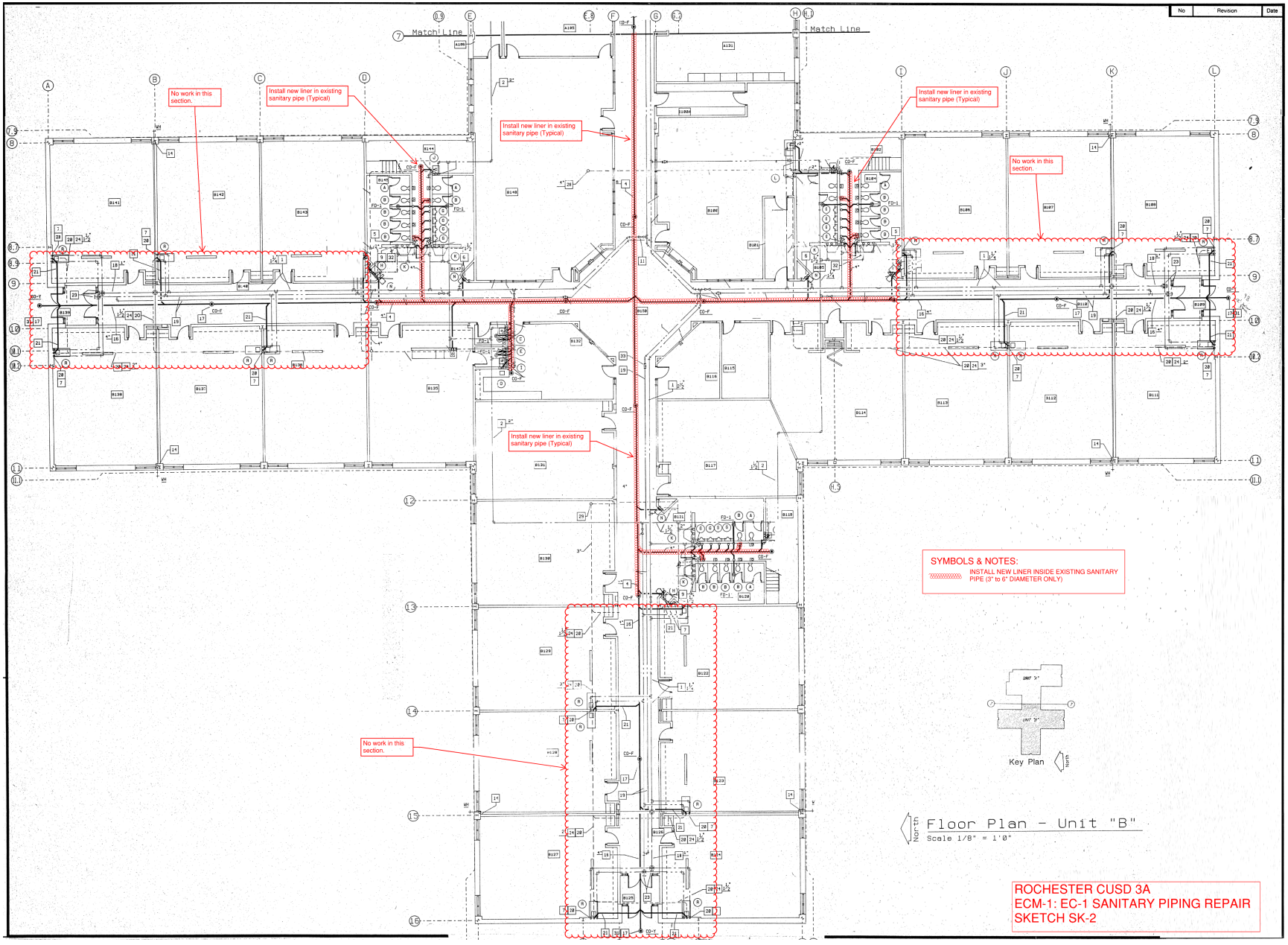
- Furnish and install 2-part foam sealing for approximately 1000 linear feet of roof / wall joints.
- Furnish and install new external insulation with vapor barrier on existing sheet metal supply air ductwork for AHU-7 and AHU-8, No insulation work on exisitng externally insulated flexible ductwork, or return air ductwork.
- Identify and repair supply air ductwork leak on AHU-8.
- Remove and reinstall ceiling tiles as required to perform the work.

General Requirements:

O&M manuals will be prepared and submitted before final payment. VEREGY will provide owner training on systems installed, as necessary.

It is our understanding that CUSTOMER parking areas will be available for staging of materials, storage, and contract parking. Access to restrooms will be available, but CUSTOMER has asked this to be limited to designated restrooms.


ROCHESTER CUSD 3A
ECM-1: EC-1 SANITARY PIPING REPAIR
SKETCH SK-1
Floor Plan - Unit "A"
Scale 1/8" = 1'0"
Key Plan
SYMBOLS & NOTES:
INSTALL NEW LINER INSIDE EXISTING SANITARY PIPE (3" to 6" DIAMETER ONLY)
REPLACE EXISTING 4" SANITARY PIPE
Install new liner in existing sanitary pipe (Typical)
No work in this section.
Replace existing 4" sanitary pipe
Install new liner in existing sanitary pipe (Typical)
Install new liner in existing sanitary pipe (Typical)
Extend new liner up to 5' outside of building
Match Line
Match Line
NORTH


No work in this section.
Install new liner in existing sanitary pipe (Typical)
Install new liner in existing sanitary pipe (Typical)
Install new liner in existing sanitary pipe (Typical)
No work in this section.
Install new liner in existing sanitary pipe (Typical)
No work in this section.
Match Line
Match Line
SYMBOLS & NOTES:
INSTALL NEW LINER INSIDE EXISTING SANITARY PIPE (3" to 6" DIAMETER ONLY)
Key Plan
North
Floor Plan - Unit "B"
Scale 1/8" = 1'0"
ROCHESTER CUSD 3A
ECM-1: EC-1 SANITARY PIPING REPAIR
SKETCH SK-2

District Responsibilities:

Provide access to all work areas as required by VEREGY and partners **between the hours of 7:00am and 5:00pm Monday through Friday in a continuous eight (8) hour shift when school is not in session**. VEREGY will not be responsible for any damage to equipment, furniture or materials left in rooms except as provided in the Agreement.

Final cleaning of the building will be the CUSTOMER's responsibility.

INSTALLATION SCHEDULE

Mobilization and installation of projects are not to be interruptive to classes and school activities. VEREGY to mobilize contractors as soon as possible in coordination with the CUSTOMER and CUSTOMER activities.

Substantial completion is targeted by fall of 2024. This project excludes overtime hours.

PAYMENT SCHEDULE

TOTAL ADD for Addendum Scope of Work: Not to Exceed $584,148.00 Dollars

The project shall be invoiced on a monthly basis for the work completed and equipment ordered for the project. These progress invoices shall be submitted at the end of the month.

A mobilization fee will be due upon contract execution for 10% of the contract price.

CUSTOMER to hold final payment until final Substantial Completion has been accepted by the CUSTOMER.

SCHEDULE OF SAVINGS

The total energy and operational cost avoidance over the Term of the contract is equal to or greater than $804,499.28 as defined in the following:

- Annual Energy Cost Savings are not less than $733.00 as listed in 1.1.
- Annual Operational Cost Savings are not less than $29,207.00 as listed in 1.2.

Annual Reconcillation and Savings Allocation				
Year	Cost (Includes Equipment)	Utility Cost Savings	Operational Cost Savings	Cumulative
0	$ (584,148.00)	$ -	$ -	$ (584,148.00)
1		$ 733.00	$ 29,207.00	$ (554,208.00)
2		$ 754.99	$ 30,083.21	$ (523,369.80)
3		$ 777.64	$ 30,985.71	$ (491,606.45)
4		$ 800.97	$ 31,915.28	$ (458,890.20)
5		$ 825.00	$ 32,872.74	$ (425,192.46)
6		$ 849.75	$ 33,858.92	$ (390,483.79)
7		$ 875.24	$ 34,874.69	$ (354,733.86)
8		$ 901.50	$ 35,920.93	$ (317,911.43)
9		$ 928.55	$ 36,998.56	$ (279,984.32)
10		$ 956.41	$ 38,108.52	$ (240,919.39)
11		$ 985.10	$ 39,251.78	$ (200,682.51)
12		$ 1,014.65	$ 40,429.33	$ (159,238.53)
13		$ 1,045.09	$ 41,642.21	$ (116,551.23)
14		$ 1,076.44	$ 42,891.48	$ (72,583.31)
15		$ 1,108.73	$ 44,178.22	$ (27,296.36)
16		$ 1,141.99	$ 45,503.57	$ 19,349.20
17		$ 1,176.25	$ 46,868.68	$ 67,394.13
18		$ 1,211.54	$ 48,274.74	$ 116,880.41
19		$ 1,247.89	$ 49,722.98	$ 167,851.28
20		$ 1,285.33	$ 51,214.67	$ 220,351.28
Total	**$ (584,148.00)**	**$ 19,696.06**	**$ 784,803.22**	**$ 220,351.28**

1.1 **Energy Savings**. The annual guarantee of energy cost avoidance is the sum of the below listed ECMs. The savings are based on the listed Energy and operational Cost Avoidance Guarantee Practices contained in Section 1.3 herein.

ECM Description:
ECM-2: ES2-3 Indoor Air Quality Improvements – Reduced outside air infiltration will reduce heating and cooling energy consumption.

1.2 **Operational Cost Savings.** The annual guarantee of operational cost avoidance strategies are listed below. The Savings are based on the listed Energy and Operational Cost Avoidance Guarantee practices contained in Section 1.3 herein. The operational cost savings identified below are deemed satisfied upon contract execution.

Operational Savings Descriptions:
ECM-1: Plumbing Repairs - The EC-1 underground sanitary sewer line is failing and is at the end of its useful life. The new shut off valve for the high school domestic water is expected to avoid future costs due to improved ability to shut off water during a pipe break.

ECM-2: ES2-3 Indoor Air Quality Improvements - The ES2-3 air quality improvements are expected to reduce ongoing repairs due to outside air infiltration and related moisture damage.

Total project cost of $584,148 / 20 years = $29,207 in Year 1. Operational cost savings are expected to increase by 3% per year.

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 date summarized will be used in the calculation of the baseline energy consumption and/or demand and for calculating baseline adjustments for changes in facility operation that occur during the Guarantee Period. VEREGY and CUSTOMER agree that the operating parameters specified in this section are representative of equipment operating characteristics during the Base Year specified in this Agreement.

Baseline Operating Parameters: Current scheduled program parameters per Alpha Controls.

1.3.2 PROPOSED Operating Parameters of the facility(s) and system(s) after completion of Work. The data summarized will be used in the calculation of the post-retrofit energy consumption and/or demand. VEREGY and CUSTOMER agree that the proposed operating parameters specified in this section are representative of equipment operating characteristics during the Guarantee Period specified in this Agreement.

Occupied: Heat settings 70°F ± 3°F, Cool settings 75°F ± 3F.
Unoccupied: Heat settings 64°F ± 3°F, Cool settings 82°F ± 3°F. Fan set to auto and ventilation off.

1.3.3 Operational Cost Avoidance. The following methodologies and/or calculations were used in determining the Operational Costs and/or avoided costs due to the Retrofit implementation. This section is to document standard formulas and/or a brief explanation of how the Operational Cost Savings is supposed to be generated.

Based on replacement costs of existing systems as well as maintenance expenditures on existing systems.

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	Other Utility Savings Verification Method
ECM-1: Plumbing Repairs	N/A	N/A	N/A
ECM-2: ES2-3 Indoor Air Quality Improvements	Option A -Mutually Agreed Savings	Option A -Mutually Agreed Savings	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 the energy cost avoidance. The calculation of energy cost avoidance is based upon the utility rate paid during the Guarantee Year, or the Baseline Period utility rate, whichever is higher and/or as defined heretofore. 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 the VEREGY involvement.

1.4.3 Constants: The following constants and/or stipulated values are agreed to be reasonable and may be used in the calculation of the energy cost avoidance.

Typical weather conditions based on National Weather Service statistics.

ECM-2: ES2-3 Indoor Air Quality Improvements			
Builidng Envelope Sealing Outside Air Infiltration Savings Calculation			
Facility Assumptions			
A	Average Leak Thickness	0.0625	inches, assuming 1/16" gap on average
B	Perimeter Length	1,008	feet, total perimeter being sealed
C	Leak Area (in^2)	756	in^2 total leak area (A * B * 12)
Infiltration Assumptions			
E	Stack Coefficient	0.0015	From ASHRAE Book of Fundamentals 2001, Pg 26.22
F	Building Shelter Class	2	From ASHRAE Book of Fundamentals 2001, Pg 26.22
G	Wind Coefficient	0.0092	From ASHRAE Book of Fundamentals 2001, Pg 26.22
H	Average Winter Temperature	34	From Illinois State Climatologist
J	Winter Wind Speed	9	From Illinois State Water Survey 2004
K	Average Infiltration Rate	674.6	CFM, [C * (E * (68 - H) + G * J * 2)^0.5]
L	% Infiltration Reduction	90%	
M	Infiltration Saved	607.1	CFM, (K * L)
Heating Savings			
N	Heating Balance Point	55	F
P	HDD at Balance Point	3,406	From Illinois Statewide Technical Reference Manual, V11.0 Pg 50
Q	% of Building That is Heated	80%	Adjusted to account for above ceiling space
R	Heating System Efficiency	82%	Estimate Seasonal Efficiency
S	Infiltration Therms/Year	523	Therms, (1.08 * M * P * 24 / R / 100,000 * Q)
Cooling Savings			
T	Cooling Balance Point	55	F
U	CDD at Balance Point	2,666	From Illinois Statewide Technical Reference Manual, V11.0 Pg 50
V	% of Building That is Cooled	80%	Adjusted to account for above ceiling space
W	Cooling System Efficiency	10.0	EER, estimate seasonal efficiency
X	Infiltration kWh/Year	3,729.2	kWh, (1.08 * M *U * 24 / 1000 / W)
Savings Summary			
Y	Heating Energy Savings	523	Therms, (S)
Z	Cooling Energy Savings	3,729	kWh, (X)
AA	Natural Gas Cost	$ 0.511	per Therm, From Phase 1 Contract
BB	Electric Cost	$ 0.125	per kWh, From Phase 1 Contract
CC	Natural Gas Cost Savings	$ 267.21	(Y * AA)
DD	Electric Cost Savings	$ 466.15	(Z * BB)
EE	**Total Energy Cost Savings**	**$ 733.36**	(CC + DD)

FINAL DELIVERY AND ACCEPTANCE CERTIFICATE

Project Name _____

Agreement Effective Date: _____

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

To: VEREGY

Reference is made to the above listed Agreement between the undersigned and VEREGY 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, including all punch list items generated during the Project Acceptance Procedure.

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 C, The Payment Schedule.

Owner Name: _____

By: _____
(Authorized Signature)

_____
(Printed Name and Title)

_____
(Date)

FORM ALLOCATION OF SECTION 179D DEDUCTION

ADDRESS OF GOVERNMENT-OWNED BUILDING: Project Name: _____ Project Street: _____ Project City, State & Zip Code: _____	
AUTHORIZED REPRESENTATIVE OF THE OWNER OF THE GOVERNMENT-OWNED BUILDING: Owner Name: _____ Representative Name: _____ Representative Title: _____ Representative Street Address: _____ Representative City, State & Zip: _____ Representative Phone Number: _____	
AUTHORIZED REPRESENTATIVE OF DESIGNER RECEIVING THE ALLOCATION OF THE SECTION 179D DEDUCTION: Designer Name: _____ Representative Name: _____ Representative Title: _____ Representative Street Address: _____ Representative City, State & Zip: _____ Representative Phone Number: _____	
PROJECT COST: _____	
DATE PROJECT PLACED IN SERVICE: _____	
AMOUNT OF SECTION 179D DEDUCTION ALLOCATED TO THE DESIGNER: Building Envelope: _____ Lighting System: _____ HVAC System: _____ TOTAL: _____	

Under penalties of perjury, I declare that I have examined this allocation, including accompanying documents, and to the best of my knowledge and belief, the facts presented in support of this allocation are true, correct and complete.

AUTHORIZED REPRESENTATIVE OF OWNER OF GOVERNMENT-OWNED BUILDING:

_____
By: _____
Dated: _____

AUTHORIZED REPRESENTATIVE OF DESIGNER:

_____
By: _____
Dated: _____

APPROVALS:

The parties hereby execute this Agreement as of the date first set forth herein by the signatures of their duly authorized representatives:

Veregy		**Rochester CUSD 3A**	
By	_____	By	_____
Name	_____	Name	_____
Title	_____	Title	_____
Date	_____	Date	_____