



MT. DIABLO UNIFIED SCHOOL DISTRICT
 James W. Dent Education Center
 1936 Carlotta Drive
 Concord, CA 94519-1397

BOARD OF EDUCATION
 Gary L. Eberhart, President
 April P. Treece, Vice President
 Richard W. Allen
 Paul P. Strange
 Linda K. Mayo

COPY
 PHASE TWO

BOARD OF EDUCATION

AGENDA

Tuesday, May 22, 2007

Closed Session 6:00 p.m.
 Regular Session 7:30 p.m.

SUPERINTENDENT
 Gary McHenry

ASSOCIATE SUPERINTENDENT
 Alan Young, Ed.D., Educational Services

ASSISTANT SUPERINTENDENTS
 Mildred Browne, Ed.D., Special Education
 Roger Bylund, Elementary Education
 Gloria Gamblin, Chief Financial Officer
 Richard C. Nicoll, Ph.D., Administrative Services
 Gail Isserman, Personnel Services
 Gregory J. Rolen, Esq., General Counsel

WELCOME

- * **Addressing the Board** -- To assure an orderly meeting and an equal opportunity for each speaker, persons wishing to address the Board must fill out a speaker card. Cards are available at the meeting and must be turned in to the president of the Board prior to the beginning of the meeting. In the interest of time, speakers are limited to three minutes each, or a total of thirty minutes for all speakers. If there are multiple speakers on any one subject, the public comment period may be moved to the end of the meeting.
- * **Meeting Ending Time** -- Adjournment time will be no later than 11:00 p.m. for all regular and special meetings unless extended to a specific time as determined by a majority of the Board.
- * **Record Keeping** -- For accuracy, all regular meetings of the Board of Education are recorded electronically. Recordings are kept on file for a period of no less than thirty days.
- * **Closed Session** -- The Board of Education may meet in closed session for discussion of labor negotiations, student discipline, personnel matters, litigation, and other matters as provided for under California state law.
- * **Radio** -- For the convenience of the public, Board meetings are broadcast during the school year over the Clayton Valley High School radio station KVHS (90.5 FM) starting at 7:30 p.m.

FUTURE MEETING DATE(S):

June 5, 2007	7:30 p.m.	Regular Board Meeting
June 19, 2007	7:30 p.m.	Regular Board Meeting
August 14, 2007	7:30 p.m.	Regular Board Meeting

****Note: Calendar of Future Board and Committee Meetings Attached****

CALL TO ORDER – 6:00 p.m.

1. **ANNOUNCEMENT:** In closed session, the Board will consider the items listed on the closed session agenda that follows.
2. **PUBLIC COMMENT** – The public may address the Board concerning items that are scheduled for discussion during closed session only. These presentations are limited to three minutes each, or a total of thirty minutes for all speakers.
3. **ADJOURN TO CLOSED SESSION**
CLOSED SESSION
 1. **Negotiations** - The Board may discuss negotiations or provide direction to its representatives regarding represented employees, pursuant to the EERA (Govt. Code Section 3549.1)
 Agency negotiators: Gail Isserman, Julie Braun-Martin and Dorothy Epps.
 Agencies: MDEA, CSEA, Local One M & O, Local One CST, MDSPA, and Supervisory.

Appointment of Vice Principal Elementary School

Strange moved, Allen seconded, and the Board voted 5-0-0 to appoint Michelle Batesole as Elementary Vice Principal, assigned to Highlands, effective July 1, 2007.

9.5 Appointment of Administrator, Coordinated School Support

Allen moved, Treece seconded, and the Board voted 5-0-0 to appoint Irene Preciado as Administrator, Coordinated School Support, effective July 1, 2007.

9.6 Appointment of Coordinator, Student/Community Services 9-12

Treece moved, Strange seconded, and the Board voted 5-0-0 to appoint Rosario Elmy as Coordinator, Student/Community Services 9-12, effective July 1, 2007.

9.7 Appointment of Coordinator, Student/Community Services 9-12

Strange moved, Mayo seconded, and the Board voted 5-0-0 to appoint Susan Valdez as Coordinator, Student/Community Services 9-12, assigned to Mt. Diablo High School, effective July 1, 2007.

9.8 Appointment of Coordinator, Student Services 6-8—PULLED

9.9 Award of Request for Proposal #1462

Treece moved, Mayo seconded, and the Board voted 4-0-1 (Strange, abstain) to award RFP #1462 to Tristar Risk Management for third-party claims administration of the district's Workers' Compensation Program. The three-year agreement totals \$644,800. Funding Source: Costs will be covered by savings in Workers' Compensation expenses.

Board comment Eberhart thanked Greg Rolan for his hard work and commitment on this project.

9.10 Exemption from Project Labor Agreement (PLA)

Mayo moved, Treece seconded, and the Board voted 5-0-0 to exempt the following two projects from having to be conducted under a Project Labor Agreement (PLA): 1) Phase 2 of the Energy Conservation Program and 2) installation of five classrooms and the Technology Center of Olympic High School. At its May 8 meeting the Board directed that for the next 12 months all construction projects of at least \$2 million in value are to be conducted under a Project Labor Agreement. As part of its action, the Board allowed that exemptions from this directive would be considered on an individual basis.

9.11 Legal Service Contracts

Strange moved, Treece seconded, and the Board voted 5-0-0 to exempt legal services providers from Board Policy 3600, which gives specified District administrators the authority to contract for personal consulting/independent services with any individual consultant, not to exceed \$25,000 per year. There is no impact to the General Fund. This is a cost saving measure to maintain current billable hour rates with legal services firms until June 30, 2009.

9.12 Approval of Contract Amendment between Cal-Air and the District for Energy Conservation Project Phase 2

Allen moved, Treece seconded, and the Board voted 5-0-0 to approve Phase 2 of the District's Energy Conservation Program with Cal-Air. A description of Phase 2 was presented to the Board for information on May 8, 2007. Fiscal Impact: \$3,879,401 Funding Source: Energy savings, rebates, and waste disposal savings; no net cost.

9.13 Approval of Comprehensive School Site Safety Plans for 2007-2008

Treece moved, Allen seconded, and the Board voted 5-0-0 to approve all the Comprehensive School Site Safety Plans in order to ensure compliance with Education Codes 32280-32288 and Board Policy and Administrative Regulation 0450.

Board comment Mayo noted that two schools had notable drops in suspensions and increases in attendance. She credited several programs for reducing student suspension: BEST, SARB, and ones designed to reduce bullying behavior. She credited the new phone notification system for improvements in student attendance. She noted that Peggy Marshburn, communications officer for the Contra Costa County Office of Education, told her that processes for responding to a Pandemic Flu may have to be added to the site safety plans in the future.

9.14 Public Presentation and Board's Acknowledgement of Receipt of Union's Successor Agreement Proposal

By law, school districts are required to "sunshine" collective bargaining proposals in open session of the Board. The articles from Public Employees Union, Local One Clerical, Secretarial and Technical Unit were submitted as an information item and will be returned at a later meeting for action. The original initial proposal was on the Board agenda for public presentation on January 9, 2007, and returned for public comment on January 23, 2007. Receipt of Local One Clerical, Secretarial and Technical Unit Successor Agreement articles was acknowledged.

9.15 Consider Approval of Reclassification Requests

McHenry reported that CSEA, CST, and M&O collective bargaining agreements outline a process for requesting position reclassifications. Multiple requests to reclassify positions have been made for the 2007-08 school year. A committee of representative staff reviewed the requests and recommended several positions for reclassification. He forwarded eight positions for Board consideration.

Board action Strange moved, Treece seconded, and the Board voted 5-0-0 to approve the following requests for reclassification.

- Instructional Assistant to Senior Instructional Assistant; range 356 to 388
- High School Registrar from range 424 to 468
- Principal Clerk to Senior Secretary; range 444 to 477
- Secretaries in C&I to Senior Secretary; range 424 to 477



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Y900

PHASE TWO

AMENDMENT NUMBER ONE
TO THE
PERFORMANCE CONTRACT
BETWEEN
CAL-AIR, INC.,
AND
THE MT. DIABLO UNIFIED SCHOOL DISTRICT

This Amendment ("Amendment") is to the Performance Contract ("Agreement") dated April 04, 2006 by and between CAL-AIR, INC., a California Corporation having its local office at 103 Woodmere Rd., Suite 110 Folsom, CA 95630 ("CAL-AIR, INC."), and the MT. DIABLO UNIFIED SCHOOL DISTRICT, having its District Office at 1936 Carlotta Dr., Concord, CA 94519 ("Customer").

Section 1. Amended Scope of Work

CAL-AIR, INC., shall provide all engineering and construction services necessary to complete the amended scope of work. The revised scope of work is listed in the attached Schedule 1- Amended Scope of Work Schedule.

Section 2. Amended Assured Performance Guarantee

The revised Assured Performance Guarantee is listed in the attached Schedule 2- Amended Assured Performance Guarantee Schedule including Exhibits 1-5.

Section 3. Amended Services

The revised Services are listed in the attached Schedule 3- Amended Services Schedule.

Section 4. Amended Price and Payment Terms

The revised Price and Payment Terms are listed in the attached Schedule 4- Amended Price and Payment Schedule.

Section 5. Amended Project Schedule

The revised Project Schedule is listed in the attached Schedule 5- Amended Project Schedule

Section 6. Final Agreement

This Amendment, together with the other Contract Documents, shall constitute the full and final Agreement between the parties as to the subject matter hereof, shall supersede all prior agreements, communications and understandings regarding the subject matter hereof, and may not be amended or modified except by a writing evidencing said change or changes signed by the Parties. This Amendment shall be binding on the inure to the benefit of the successors and permitted assigns of the respective Parties.

Section 7. Applicable Law

This Amendment and the construction and enforceability thereof shall be interpreted under the laws of the State of California.

IN WITNESS WHEREOF, the Parties hereto subscribe their names to this instrument on the date written below.

WARNING: Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against Contractors if a complaint is filed within three years of the date of the alleged violation. Any questions concerning a Contractor may be referred to the Registrar, Contractors' State License Board, P. O. Box 26000, Sacramento, CA 95826. [California Business and Professions Code § 7030(a)]

Dated _____, 2007

CUSTOMER: MT. DIABLO UNIFIED SCHOOL DIST.

Signature: Mary McHenry

Printed Name: Gary McHenry

Title: Superintendent

CAL-AIR, INC.

Signature: [Signature]

Printed Name: Brian Hankow

Title: Sales & Project Development Manager

**AMENDED
SCOPE OF WORK SCHEDULE**

All Scope of Work items will remain identical to the original Agreement with the exception of the following.

SUMMARY OF WORK: The following summarizes the Work to be provided by Cal-Air under this Agreement, as further defined below:

Scope of Work Summary					
Site	Trash Management	Lighting	Hydronic Retrofit and Building Automation System	Solar Pool Heating System	Photovoltaic System
Fair Oaks Elem	X				
Pleasant Hill Elem	X		X		
Sequoia Elem	X				
Valhalla Elem	X				
Valley View Middle	X	X			
Cambridge Elem	X				
Crossroads Elem	X				
Delta View Elem	X				
Holbrook Elem	X		X		
Monte Gardens Elem	X				
Rio Vista Elem	X				
Woodside Elem	X				
Willow Creek Center	X				
Hidden Valley	X				
Strandwood Elem		X	X		
Loma Vista Adult Center		X			
Diablo View Middle		X			
Sequoia Middle		X	X		
Pine Hollow Middle		X	X		
Foothill Middle		X			
Eldorado Middle		X			
Glenbrook Middle		X			
Oak Grove Middle		X			
El Monte Elem			X		
Mountain View Elem			X		
Mt. Diablo Elem			X		
Shore Acres Elem			X		
Westwood Elem				X	
College Park High School				X	
Mt. Diablo High School				X	
Pleasant Hill Ed Center					X
Northgate High School					

1. Engineering Scope of Work

Cal-Air shall provide all necessary engineering and design services to complete the Pool Solar Heating scope of work for College Park High School, Mt. Diablo High School, Pleasant Hill Education Center and the photovoltaic system scope of work at Northgate High. The engineering will include all necessary documents required by the Division of the State Architect (DSA).

All other work in this project phase is excluded from Division of the State Architect (DSA) application and review. The basis for this is the nature of the scope of work being either; like-for like replacement (i.e.: Lighting or Hydronic retrofit) or modification not related to a School Building (i.e.: Trash Management).

2. General Lighting Scope of Work

Cal-Air will provide the lighting retrofit work that will include all necessary labor, materials, equipment, fixture cleaning, transportation and storage for all locations identified in the detailed lighting scope of work on the following page.

Lighting Scope of Work

Location	Existing Condition Description	Qty.	Proposed Retrofit Description	Qty.
STRANDWOOD ELEM				
MULTI-USE ROOM	90W PAR FLOOD -INC INDIRECT	44	NEW 1X4X4 WRAP FIXTURE HE EB, CONNECT TO EXISTING LIGHTING CIRCUITS	12
MULTI-USE ROOM	MANUAL SWITCHING	1	TIMEOUT SWITCH CONTROLS	1
LOMA VISTA ADULT CENTER				
MULTI-USE ROOM	250W MH LOWBAY	22	NEW 1X4X4 WRAP FIXTURE HE EB	20
MULTI-USE ROOM	70W HPS RECESSED	17	DISCONNECT AND ABANDON IN PLACE	17
MULTI-USE ROOM	MANUAL SWITCHING	1	TIMEOUT SWITCH CONTROLS	1
SEQUOIA MIDDLE				
GYM	250W MH HIGHBAY	15	NEW 1X4X3 T5HO FIXTURE PS EB	15
GYM	EXISTING 208V LIGHTING CIRCUITS	1	CONVERT TO 120V CIRCUITS	1
GYM	MANUAL SWITCHING	1	TIMEOUT SWITCH CONTROLS	1
PINE HOLLOW MIDDLE GYM	250W MH HIGHBAY	15	NEW 1X4X3 T5HO FIXTURE PS EB	15
GYM	EXISTING 208V LIGHTING CIRCUITS	1	CONVERT TO 120V CIRCUITS	1
GYM	MANUAL SWITCHING	1	TIMEOUT SWITCH CONTROLS	1
GLENBROOK MIDDLE GYM	250W MH HIGHBAY	15	NEW 1X4X3 T5HO FIXTURE PS EB	15
GYM	EXISTING 208V LIGHTING CIRCUITS	1	CONVERT TO 120V CIRCUITS	1
GYM	MANUAL SWITCHING	1	TIMEOUT SWITCH CONTROLS	1
EL DORADO MIDDLE GYM	250W MH HIGHBAY	15	NEW 1X4X3 T5HO FIXTURE PS EB	15
GYM	EXISTING 208V LIGHTING CIRCUITS	1	CONVERT TO 120V CIRCUITS	1
GYM	MANUAL SWITCHING	1	TIMEOUT SWITCH CONTROLS	1
OAK GROVE MIDDLE GYM	250W MH HIGHBAY	15	NEW 1X4X3 T5HO FIXTURE PS EB	15
GYM	EXISTING 208V LIGHTING CIRCUITS	1	CONVERT TO 120V CIRCUITS	1
GYM	MANUAL SWITCHING	1	TIMEOUT SWITCH CONTROLS	1
VALLEY VIEW MIDDLE GYM	250W MH HIGHBAY	15	NEW 1X4X3 T5HO FIXTURE PS EB	15
GYM	EXISTING 208V LIGHTING CIRCUITS	1	CONVERT TO 120V CIRCUITS	1
GYM	MANUAL SWITCHING	1	TIMEOUT SWITCH CONTROLS	1
DIABLO VIEW MIDDLE MULTI-USE ROOM	250W MH CANOPY	16	NEW 1X4X3 T5HO FIXTURE PS EB	16
MULTI-USE ROOM	MANUAL SWITCHING	1	TIMEOUT SWITCH CONTROLS	1
GYM	400W MH HIGHBAY	16	NEW 1X4X4 T5HO-FIXTURE PS EB	16
GYM	MANUAL SWITCHING	1	TIMEOUT SWITCH CONTROLS	1
FOOTHILL MIDDLE				
GYM	400W MH HIGHBAY	24	NEW 1X4X4 T5HO FIXTURE PS EB	24
GYM	MANUAL SWITCHING	1	TIMEOUT SWITCH CONTROLS	1
GYM	TOTAL FIXTURES =	246	FIXTURES RETROFITTED =	212

3. Hydronic Retrofit Scope of Work

Cal-Air will furnish and install the required hot water piping, valves, controls and specialties to retrofit the existing hot water heating systems with a hot-water reset function. This hot-water reset function will reduce natural gas use of the system by adjusting (resetting) the temperature of the hot water supply to the building in relation to the outside air temperature. As the outside air temperature increases, the temperature of the hot water supply to the building is lowered. Inversely, as the outside air temperature lowers, the temperature of the hot water supply to the building is increased. This is accomplished by the installation of a modulating three-way mixing valve placed in the hot water supply piping near the boiler.

The mixing valve is controlled by a Johnson Controls Building Automation System (BAS) which is programmed for the hot-water reset function. In addition to the BAS controlling the mixing valve, the system will also control the start/stop of the boiler and each hot water pump in accordance with the school's schedule. The BAS will be remotely accessible through an Ethernet connection provided by the Customer to each boiler room location. The BAS will consist of the following components:

- Johnson Controls Web Server NAE-35
- Three-Way Hot Water Mixing Valve with Actuator
- Control Panels for each Boiler, with Boiler's & Pumps Start/Stop
- Sensors for Supply & Return Water, OSA, Zone Temps
- Wire, Conduit, Communication Cable, etc.

The following table is a summary of the system at each of the ten sites:

Hydronic Retrofit System Summary Scope of Work		
Site	No. of Boilers	No. of Pumps
El Monte Elementary	3	3
Holbrook Elementary	4	4
Mountain View Elementary	1	1
Mt. Diablo Elementary	2	2
Pine Hollow Middle	1	1
Pleasant Hill Elementary	5	5
Sequoia Middle	4	4
Shore Acres Elementary	4	4
Strandwood Elementary	2	2
Westwood Elementary	3	3
Total	29	29

Hydronic Retrofit Scope of Work Exclusions

- Replacement, repair or warranty of the existing hydronic system; boilers, pumps, electrical wiring or control systems found in disrepair or not compliant to code.
- Ethernet network connections or network service.
- Overtime and shift labor as requested by Customer.
- Any items not specified in this scope.

4. Solar Pool Heating System Scope of Work

Cal-Air will furnish and install a solar assisted swimming pool heating system at three sites. The system will consist of the required solar pool panels mounted on the adjacent gymnasium roof, piping, pumps, controls, electrical wiring and conduit for a complete system. The solar panels will be installed on pressure treated wood sleepers set in roof sealant and attached to the existing roof with bolts. The piping material will be PVC schedule 40 and exposed on the roof and exterior wall of the gymnasium. The solar heating piping will interface with the existing pool piping in the pool equipment room.

Pool Solar Heating System Summary Scope of Work		
Site	Solar Pool Heating Panel Sq. Footage	Solar Pump HP
College Park High School	4,424	(2) 3 HP
Mt. Diablo High School	2,330	(1) 3 HP
Pleasant Hill Education Center	4,332	(2) 3 HP

Solar Pool Heating System Scope of Work Exclusions

- Replacement, repair or warranty of the existing pool system, boilers, pumps, electrical wiring, control systems or roof systems found in disrepair or not compliant to code.
- Replacement, repair or warranty of the existing roofing system found in disrepair.
- Overtime and shift labor as requested by Customer.
- Any items not specified in this scope.

5. Trash Management Scope of Work

Cal-Air will furnish and install new trash compactors with integrated hydraulic cart tipping systems at 14 sites. The new compactors will be placed in the same location as the debris boxes currently in use at each school. New six foot high chain link fencing will be installed to surround the compactor with a double main gate and a single gate for carts and personnel. Vinyl inserts in the chain link fencing will be provided to obscure vision of the compactor. Any existing chain link fencing which is appropriate for use will be incorporated into the new fencing. Existing concrete slabs will be re-used unless otherwise indicated below. A wireless telemetry device will be mounted on each compactor, which will allow the machine to be monitored remotely and emptied by the waste hauler on a just-in-time (rather than scheduled) basis. Each compactor is furnished with the following: automatic cart tipper integrated into the compactor's hydraulic system, four (per site) material handling carts, enclosed "doghouse" (hopper) with safety interlock, pressure gauge, multicycle timer, wireless computer, guide islands and wheel stops anchored to the concrete and deodorizer spray system.

Electrical conduits will be located where they will not be subject to vandalism or the conduits will be of rigid steel material.

Items which are specific to each site are as follows:

Cambridge Elementary School

Electrical connection in portable Building K-3, Panel KP1, trenching thru grass.
New 20' x 14' x 6" thick concrete slab.

Crossroads Elementary School

Electrical connection in electrical panel at rear classroom. Trench through dirt area and across asphalt area.

Delta View Elementary School

Electrical connection in storage room adjacent to kindergarten play area. Core drill through wall in room near Kindergarten play area to trash area.

Fair Oaks Elementary School

Trench through landscape and asphalt areas to connect to electric panel in classroom 26.
New 20' x 14' x 6" thick concrete slab.

Hidden Valley Elementary School

Trench through landscape area to concrete walkway. Saw cut walkway for connection in electric panel in storage room of teacher's lounge.

Holbrook Elementary School

Trench through asphalt area to connect to electrical panel on west side of multi-use room.

Monte Gardens Elementary School

Electrical connection in (480 volt) switch gear panels at rear of trash area

Pleasant Hill Elementary School

Trench to rear of multi-use room for electrical connection in panel MH1 (480 volt).

Rio Vista Elementary School

Trench to building. Run conduit on surface of building to room C12A. Connect electrical in panel inside of door.

Sequoia Elementary School

Mt. Diablo Unified School District - Phase II

Trench through asphalt area and connect electrical in cafeteria electric room.

Valhalla Elementary School

Saw cut walkway between cafeteria and trash area and connect to electrical panel room in cafeteria.

Valley View Middle School

Trench to existing electrical pull box across grass area near stadium lighting and through pull box to connect electrical at baseball fields panel on west side of baseball field.

Willow Creek Center

Trench from Willow Creek center building to existing pull box in landscaping area. Pull wiring in existing conduit across parking lot, trench along landscaped area along fence to trash area. 480 volt panel.

New 20' x 14' x 6" thick concrete slab.

Woodside Elementary School

Trench to multiuse sidewalk, saw cut sidewalk and connect electrical in multi-use electric room.

New 20' x 14' x 6" thick concrete slab.

Trash Management Scope of Work Exclusions

- Compactor locations other than locations specified herein.
- Overtime and shift labor as requested by Customer.
- Any items not specified in this scope.

6. Photovoltaic System Scope of Work

Cal-Air will furnish and install a photovoltaic (PV) system at Northgate High School which will be connected to the existing electrical system at the building's main distribution panel. The PV system will consist of photovoltaic modules mounted to the existing roof structure, combiner boxes, power inverters, disconnect switches, conduit and wiring as required for a complete system. The PV system will be provided with a monitoring system as required for the California Public Utilities (CPUC) Solar Initiatives incentive program. The monitoring system will be capable of remote access via a data network connection to be provided by the Customer. The PV modules will be mounted on the existing single ply roofing of the building. Cal-Air shall provide required engineering and documentation for Department of State Architect (DSA) permit approval. The following is a summary of the PV system:

Photovoltaic System Summary Scope of Work		
Site	Photovoltaic Modules	Total System Output (Max Kw)
Northgate High School	(180) 375 Watts DC each	57.2 Kw AC

Photovoltaic System Scope of Work Exclusions

- Testing, warranty, repair or replacement of existing systems found in disrepair or not compliant to code including but not limited to ducting, piping, electrical, roofing, structural systems.
- Ethernet network connections or network service.
- Overtime and/or shift labor as requested by the Customer.
- Any work not specifically stated above

**AMENDED
ASSURED PERFORMANCE GUARANTEE SCHEDULE**

All Assured Performance Guarantee items will remain identical to the original Agreement with the exception of the following.

1. GUARANTEE Subject to the terms and conditions of this Agreement, Cal-Air guarantees that the Customer will achieve \$6,313,998 of Total Guarantee Project Benefits during the Term of the Agreement for the scope of work for phase 2.

2. RECONCILIATION Within 60 days after the Completion Date, Cal-Air will calculate the Project Benefit achieved during the Installation Period and advise the Customer of the amount of such Project Benefits. Within 60 days after the Anniversary Date of Phase 2, Cal-Air will calculate the annual Project Benefits for all phases and provide a written Measurement & Verification Report for the Customer as outlined in Cal-Air's Measurement & Verification Overview. The results of the Measurement & Verification Report will be subject to the Project benefits Surplus or Shortfalls. Except by mutual agreement of the parties, no changes to the frequency or methods of reconciliation may be made during the Guarantee Term; but, if a utility providing energy to the Customer modifies its method of billing during the Guarantee Term, or if the Customer changes its utility suppliers or method of purchasing, Cal-Air may, after written authorization by the Customer, adjust the reconciliation methods to methods appropriate to the utility's revised method of billing.

3. CHANGES IN USE *No Change*

4. PROJECT BENEFIT SURPLUSES OR SHORTFALLS

If the Annual Project Benefits during a specific year of the Guarantee Term, plus amounts credited from savings during the Installation Period, and surpluses of earlier phases during the same year are less than the Annual Guaranteed Project Benefits for that year, Cal-Air shall apply the difference against any unpaid balances from the Customer then existing under the Agreement. If there are no unpaid balances from the Customer then existing under the Agreement, or at the Customer's written election, Cal-Air shall pay the Customer any remaining Project Benefit shortfalls within thirty (30) days of request, or where no written request is required, within thirty (30) days of the Reconciliation as described in section 2 above. Alternatively, but only upon the mutual agreement in writing of the parties, Cal-Air may also provide additional products or services, in the value of the shortfall, at no additional cost to the Customer. Where Project Benefit shortfalls have occurred, Cal-Air reserves the right, subject to the written approval of the Customer, which shall not be unreasonably withheld, to implement additional operational improvements or conservation measures, at no cost to the Customer, to implement additional operational improvements in future years of the Guarantee Term. Such payments, credits, products or services provided by Cal-Air shall be mutually agreed upon by the Customer and Cal-Air.

5. ENERGY SAVINGS DISPUTE *No Change*

6. Cal-Air's MEASUREMENT AND VERIFICATION OVERVIEW *No Change*

The stipulated utility rates are derived from the baseline utility bills as follows and are used in calculating energy cost savings for all ECMs of this project:

Electricity Baseline May 2005 - April 2006											
Site	# of Days	Max Peak KW	Max Part Peak KW	Max Off Peak KW	Max kW	Peak KWH	Part Peak KWH	Off Peak KWH	Total kWh	Elec Cost	\$/kWh
College Park HS	365	316	312	284	316	133,600	434,000	526,000	1,093,600	\$147,215	\$0.135
Diablo View Middle	365				0	63,960	189,360	297,600	550,920	\$73,501	\$0.133
El Monte Elem	365				0				186,600	\$25,419	\$0.136
El Dorado Middle	365				0				341,800	\$48,494	\$0.142
Foothill Middle	365				0				444,450	\$63,666	\$0.143
Glenbrook Middle	365				0	22,200	171,181	141,000	334,381	\$42,426	\$0.127
Holbrook Elem	365				0				219,186	\$31,140	\$0.142
Loma Vista Adult Center	365				0				441,480	\$64,221	\$0.145
Mountain View Elem	365	230	606	608	608	15,360	79,740	101,340	196,440	\$25,885	\$0.132
Mt. Diablo Elem	365				0	20,040	145,658	113,220	278,918	\$38,757	\$0.139
Mt. Diablo HS	365	1836	4230	2800	4230	128,400	544,199	546,400	1,218,999	\$164,991	\$0.135
Northgate HS (see note)	365	740	698	508	740	63,173	76,743	78,022	1,862,928	\$273,299	\$0.147
Oak Grove Middle	365				0	40,200	211,200	148,200	399,600	\$53,603	\$0.134
Pine Hollow Middle	365				0				378,000	\$53,758	\$0.142
Pleasant Hill Ed Center	365	1270	2511	2131	2511	97,200	360,720	417,120	875,040	\$116,529	\$0.133
Pleasant Hill Elem	365				0				165,200	\$21,291	\$0.129
Sequoia Middle	365				0				471,800	\$67,290	\$0.143
Shore Acres Elem	365				0				242,400	\$31,478	\$0.130
Strandwood Elem	365				0				150,400	\$20,194	\$0.134
Valley View Middle	365				0				372,820	\$52,698	\$0.141
Westwood Elem	365				0				136,560	\$17,882	\$0.131
Totals									10,361,522	\$1,433,736	\$0.138

Note: Northgate High School photovoltaic system (ECM-5) savings will be calculated using the PG&E rate schedule E19S dated March 1, 2007 in lieu of the composite \$/kWh.

Natural Gas Baseline May 2005 - April 2006

Site	# of Days	Therms	Gas Cost	\$/Therm
College Park HS (main meter)	365	81,285	\$100,688	\$1.24
Diablo View Middle	365	17,295	\$24,499	\$1.42
El Monte Elem	365	21,566	\$31,051	\$1.44
El Dorado Middle	365	17,601	\$24,983	\$1.42
Foothill Middle	365	20,165	\$28,847	\$1.43
Glenbrook Middle	365	25,340	\$36,180	\$1.43
Holbrook Elem	365	14,716	\$21,047	\$1.43
Loma Vista Adult Center	365	38,901	\$52,996	\$1.36
Mountain View Elem	365	16,639	\$21,019	\$1.26
Mt. Diablo Elem	365	16,507	\$23,681	\$1.43
Mt. Diablo HS (gym meter)	365	27,220	\$36,175	\$1.33
Oak Grove Middle	365	24,694	\$35,326	\$1.43
Pine Hollow Middle	365	29,286	\$40,379	\$1.38
Pleasant Hill Ed Center	365	116,253	\$141,950	\$1.22
Pleasant Hill Elem	365	26,072	\$33,616	\$1.29
Sequoia Middle	365	32,784	\$45,040	\$1.37
Shore Acres Elem	365	20,186	\$28,412	\$1.41
Shore Acres Elem	365	17,480	\$25,161	\$1.44
Strandwood Elem	365	19,399	\$27,830	\$1.43
Valley View Middle	365	16,348	\$23,400	\$1.43
Westwood Elem	365			
Totals		599,736	\$802,282	\$1.34

Summary of Year 1 Energy and Trash Savings by Energy Conservation Measure (ECM)

Site	Lighting Retrofit	Hydronic Retrofit and Building Automation System	Solar Pool Heating System	Trash Management	Photovoltaic System	Total Savings
Fair Oaks Elem				\$11,617		\$11,617
Pleasant Hill Elem		\$13,914		\$9,102		\$23,016
Sequoia Elem				\$10,102		\$10,102
Valhalla Elem				\$7,589		\$7,589
Valley View Middle	\$1,132			\$7,479		\$8,611
Cambridge Elem				\$8,580		\$8,580
Crossroads Elem				\$5,808		\$5,808
Delta View Elem				\$9,900		\$9,900
Holbrook Elem		\$6,892		\$5,403		\$12,296
Monte Gardens Elem				\$4,983		\$4,983
Rio Vista Elem				\$4,968		\$4,968
Woodside Elem				\$10,260		\$10,260
Willow Creek Center				\$9,000		\$9,000
Hidden Valley				\$20,356		\$20,356
Strandwood Elem	\$1,374	\$9,680				\$11,053
Coma Vista Adult Center	\$3,247					\$3,247
Diablo View Middle	\$3,116					\$3,116
Sequoia Middle	\$1,143	\$8,783				\$9,926
Pine Hollow Middle	\$1,139	\$8,754				\$9,893
Foothill Middle	\$3,181					\$3,181
Eldorado Middle	\$1,137					\$1,137
Glenbrook Middle	\$1,016					\$1,016
Oak Grove Middle	\$1,075					\$1,075
El Monte Elem		\$9,640				\$9,640
Mountain View Elem		\$3,747				\$3,747
Mt. Diablo Elem		\$6,523				\$6,523
Shore Acres Elem		\$9,870				\$9,870
Westwood Elem		\$8,761				\$8,761
College Park High School			\$16,569			\$16,569
Mt. Diablo High School			\$9,474			\$9,474
Pleasant Hill Ed Center			\$15,452			\$15,452
Northgate High School					\$17,120	\$17,120
Totals	\$17,560	\$86,564	\$41,495	\$125,146	\$17,120	\$287,886

The FEMP M&V methods proposed for the ECM technology categories in this Project scope are shown in Table 1 below.

Proposed M&V Methods

Proposed M&V Methods		
Energy Conservation Measure	M&V Method Electric	M&V Method Gas / Trash
ECM-1 Lighting Retrofits	FEMP LE-A-01	
ECM-2 Hydronic Retrofits and Building Automation System	Stipulated savings	FEMP GVL-C-01
ECM-3 Solar Pool Heating System	Stipulated electric cost.	FEMP GVL-C-01
ECM-4 Trash Management		Utility Bill Comparison
ECM-5 Photovoltaic System	FEMP GVL-B-01	

7. ECM 1-LIGHTING RETROFIT

- A. OBJECTIVES *No Change*
- B. DATA TO BE COLLECTED *No Change*
- C. STIPULATED PARAMETERS *No Change*
- D. PERIOD OF MONITORING *No Change*
- E. ANALYSIS METHOD *No Change*

F. BASELINE AND POST-RETROFIT ENERGY CONSUMPTION

Mount Diablo Unified School District Lighting Retrofit Energy Savings					
Site	Baseline kWh	Post-Retrofit kWh	Savings kWh	Composite Rate \$/kWh	Savings \$
Diablo View Middle	550,920	527,568	23,352	\$0.133	\$3,116
Eldorado Middle	341,800	333,789	8,012	\$0.142	\$1,137
Foothill Middle	444,450	422,240	22,210	\$0.143	\$3,181
Glenbrook Middle	334,381	326,370	8,012	\$0.127	\$1,016
Loma Vista Adult Center	441,480	419,161	22,320	\$0.145	\$3,247
Oak Grove Middle	399,600	391,589	8,012	\$0.134	\$1,075
Pine Hollow Middle	378,000	369,989	8,012	\$0.142	\$1,139
Sequoia Middle	471,800	463,789	8,012	\$0.143	\$1,143
Strandwood Elem	150,400	140,169	10,231	\$0.134	\$1,374
Valley View Middle	372,820	364,809	8,012	\$0.141	\$1,132
Totals	3,885,651	3,759,470	126,181		\$17,560

G. LIGHTING SAVINGS GUARANTEE

Subject to the terms and conditions of the Contract and this Assured Performance Guarantee Schedule, the annual Lighting savings will be guaranteed at \$17,560. If the post-installation one-time measurement confirms that the Calculated Net Annual Costs Savings meet or exceed the Savings Guaranteed amount of \$17,560, then Cal-Air's measurement requirements under ECM 1 shall be deemed satisfied for the Guarantee Term.

H. EQUIPMENT / SYSTEM AFFECTED

Lighting retrofit will be performed per the Scope of Work in Schedule 1.

I. M&V REQUIREMENTS *No Change*

8. ECM 2- HYDRONIC RETROFIT AND BUILDING AUTOMATION SYSTEM

A. OBJECTIVES

The objective of this M&V plan is to validate the energy savings realized by implementing the Hydronic Retrofit and Building Automation System retrofit that will result in operational cost savings. This retrofit consists of installation of a mixing valve in the hot water piping and a Building Automation System to control the mixing valve with a hot water reset strategy and to start/stop the boiler and pumps.

FEMP GVL-C-01 Method is proposed as the basis for natural gas savings. The electrical savings resulting from this measure will be as stipulated by calculations which will be provided in the M&V report.

B. DATA TO BE COLLECTED

- (1) Monthly natural gas bills - meter numbers and account numbers for each site are listed in Section F below.
- (2) Monthly Heating Degree Days (HDD), if necessary, for any baseline adjustments for natural gas meters that include space heating and domestic hot water load

C. STIPULATED PARAMETERS

- (1) Baseline natural gas consumption and composite gas utility rate as stipulated in Section F below
- (2) Electric savings of the hot water pumps will be as stipulated in Section F below.

D. PERIOD OF MONITORING

Cal-Air will conduct a natural gas utility bill comparison for a period of one year.

E. ANALYSIS METHOD

Upon project's completion, monthly natural gas utility bills will be collected and compared to the baseline gas consumption. The savings will be calculated as the difference between the baseline and the post-retrofit gas consumption. The energy cost savings will be calculated by multiplying the natural gas consumption savings by the stipulated utility rate.

The existing natural gas meters are not dedicated meters covering only hydronic heating loads. For most sites heating and other miscellaneous loads are also included in the monthly gas consumption. Therefore, baseline adjustments might be necessary to account for energy use changes to the existing heating or other natural gas systems. If adjustments are necessary, Cal-Air will collect the monthly heating degree days for the closest weather station to account for heating load changes. Any baseline adjustments will be explained and disclosed in the M&V Report.

The electric savings for this measure will be as stipulated by calculations due to the relative small amount in comparison to the natural gas savings.

F. BASELINE AND POST-RETROFIT ENERGY CONSUMPTION

Mount Diablo Unified School District Hydronic Retrofit Natural Gas Energy Savings							
Site	Meter Number	Account Number	Baseline Therms	Post-Retrofit Therms	Savings Therms	Composite Rate \$/Therm	Savings \$
El Monte Elementary	210869V	4605906505	21,566	15,167	6,399	\$1.440	\$9,213
Holbrook Elementary	31350979	4605906485	14,716	10,202	4,514	\$1.430	\$6,456
Mountain View Elementary	4238530X	4605906595	16,639	14,633	2,006	\$1.263	\$2,534
Mt. Diablo Elementary	30469780	4605906560	16,639	12,572	4,067	\$1.435	\$5,835
Pine Hollow Middle	33638407	4605906545	29,286	23,081	6,205	\$1.379	\$8,555
Pleasant Hill Elementary	27625906	4605906200	26,072	15,730	10,342	\$1.289	\$13,334
Sequoia Middle	28306916	4605906175	32,784	27,124	5,660	\$1.374	\$7,776
Shore Acres Elementary	29799462	4605906015	20,186	13,893	6,293	\$1.407	\$8,858
Strandwood Elementary	39881105	4605906150	17,480	11,568	5,912	\$1.439	\$8,510
Westwood Elementary	39846268	4605906660	16,348	10,746	5,602	\$1.431	\$8,018
Totals			211,715	154,716	56,999		\$79,089

Mount Diablo Unified School District Hydronic Retrofit Electric Energy Savings					
Site	Baseline kWh	Post-Retrofit kWh	Savings kWh	Composite Rate \$/kWh	Savings \$
El Monte Elementary	186,600	183,463	3,137	\$0.136	\$427
Holbrook Elementary	219,186	216,113	3,073	\$0.142	\$437
Mountain View Elementary	196,440	187,237	9,203	\$0.132	\$1,213
Mt. Diablo Elementary	278,918	273,963	4,955	\$0.139	\$688
Pine Hollow Middle	378,000	376,604	1,396	\$0.142	\$199
Pleasant Hill Elementary	165,200	160,697	4,503	\$0.129	\$580
Sequoia Middle	471,800	464,739	7,061	\$0.143	\$1,007
Shore Acres Elementary	242,400	234,607	7,793	\$0.130	\$1,012
Strandwood Elementary	150,400	141,688	8,712	\$0.134	\$1,170
Westwood Elementary	136,560	130,889	5,671	\$0.131	\$743
Totals			55,505		\$7,476

G. HYDRONIC RETROFIT AND BUILDING AUTOMATION SYSTEM SAVINGS GUARANTEE

Subject to the terms and conditions of the Contract and this Assured Performance Guarantee Schedule, the annual Hydronic Retrofit and Building Automation System savings will be guaranteed at \$86,564. If the post-retrofit verification confirms that the Calculated Net Annual Costs Savings meet or exceed the Savings Guaranteed amount of \$86,564, then Cal-Air's measurement requirements under ECM 2 shall be deemed satisfied for the Guarantee Term.

H. EQUIPMENT / SYSTEM AFFECTED

Equipment is outlined in the Scope of Work indicated in Schedule 1.

I. M&V REQUIREMENTS

Subject to the parties' rights under Section 6, above, after acceptance of this ECM 2, no further measurement of this ECM will be required of Cal-Air for the remainder of the Guarantee Term. Cal-Air will continue to monitor the systems and report on an annual basis for the duration of the Guarantee Term.

9. ECM 3- SOLAR POOL HEATING SYSTEM

A. OBJECTIVES

The objective of this M&V plan is to validate the energy savings realized by implementing the Solar Pool Heating system that will result in operational cost savings. These systems consists of installation of a solar assisted pool heating system which will reduce the need to operate the natural gas fired pool heating boilers.

FEMP GVL-C-01 Method is proposed as the basis for natural gas savings. The additional electrical costs resulting from this measure will be as stipulated by the calculations which will be provided in the M&V report.

B. DATA TO BE COLLECTED

- (1) Monthly natural gas bills - meter numbers and account numbers for each site are listed in Section F below.
- (2) Monthly Heating Degree Days (HDD), if necessary, for any baseline adjustments for natural gas meters that include pool heating systems.

C. STIPULATED PARAMETERS

- (1) Baseline natural gas consumption and composite gas utility rate as stipulated in Section F below.
- (2) Electrical usage for the solar pumps as stipulated in Section F below.
- (3) Pool temperature setpoint is 82 degrees F or lower.

D. PERIOD OF MONITORING

Cal-Air will conduct a natural gas utility bill comparison for a period of one year.

E. ANALYSIS METHOD

Upon project's completion, monthly natural gas utility bills will be collected and compared to the baseline gas consumption. The savings will be calculated as the difference between the baseline and the post-retrofit gas consumption. The energy cost savings will be calculated by multiplying the natural gas consumption savings by the stipulated utility rate.

The existing natural gas meters are not dedicated meters covering only pool heating loads. For most sites heating and other miscellaneous loads are also included in the monthly gas consumption. Therefore, baseline adjustments might be necessary to account for energy use changes to the existing heating or other natural gas systems. If adjustments are necessary, Cal-Air will collect the monthly heating degree days for the closest weather station to account for heating load changes. Any baseline adjustments will be explained and disclosed in the M&V Report.

The electric costs for this measure will be as stipulated by calculations due to the relative small amount in comparison to the natural gas savings.

F. BASELINE AND POST-RETROFIT ENERGY CONSUMPTION

Mount Diablo Unified School District Pool Solar Natural Gas Energy Savings											
Site	Meter Number	Account Number	Baseline Therms	* Pool Heating Therms	* Adjusted Baseline Therms	Post-Retrofit Therms	Savings Therms	Composite Rate \$/Therm	Savings \$	Solar Pump Electric Costs	Net Savings \$
College Park High School	001400A	4605906110	81,285	NA	NA	66,856	14,429	\$1.239	\$17,873	\$1,304	\$16,569
Mt. Diablo High School	002579A	4605906340	27,220	37,569	64,789	57,170	7,619	\$1.329	\$10,126	\$652	\$9,474
Pleasant Hill Ed Center	25951178	4605906190	116,253	NA	NA	102,530	13,723	\$1.221	\$16,756	\$1304	\$15,452
Totals			224,758			226,556	35,771		\$44,755	\$3,260	\$41,495

* The baseline therm usage for Mt. Diablo High is adjusted to reflect pool heating which did not occur during the baseline period.

G. POOL SOLAR SAVINGS GUARANTEE

Subject to the terms and conditions of the Contract and this Assured Performance Guarantee Schedule, the annual Pool Solar System savings will be guaranteed at \$41,495. If the post-retrofit verification confirms that the Calculated Net Annual Costs Savings meet or exceed the Savings Guaranteed amount of \$41,495, then Cal-Air's measurement requirements under ECM 3 shall be deemed satisfied for the Guarantee Term.

H. EQUIPMENT / SYSTEM AFFECTED

Equipment is outlined in the Scope of Work indicated in Schedule 1.

I. M&V REQUIREMENTS

Subject to the parties' rights under Section 6, above, after acceptance of this ECM 3, no further measurement of this ECM will be required of Cal-Air for the remainder of the Guarantee Term. Cal-Air will continue to monitor the systems and report on an annual basis for the duration of the Guarantee Term.

10. ECM 4- TRASH MANAGEMENT

A. OBJECTIVES

The objective of this M&V plan is to validate the trash savings realized by installing new Trash Compactors at fourteen (14) sites. The compactor will reduce the number of weekly services, thus reducing the trash management cost. Utility bill comparison is proposed as the basis for this M&V Plan.

B. DATA TO BE COLLECTED

Monthly trash bills for the 14 sites listed in Schedule 1 will be collected for one year.

C. STIPULATED PARAMETERS

The baseline trash cost indicated under Section F below are stipulated. They have been calculated from utility bills provided by the customer and the current service level (number of pickups per week) and costs per pick-up provided by the waste hauler.

D. PERIOD OF MONITORING

Cal-Air will conduct a trash utility bill comparison for a period of one year.

E. ANALYSIS METHOD

Upon project's completion, monthly trash utility bills will be collected and compared to the baseline monthly trash cost. The savings will be calculated as the difference between the baseline cost and the post-retrofit trash cost. Should the number of students increase or activities that have potential to generate more trash occur during the post-retrofit year, the Cal-Air will adjust the baseline. Any baseline adjustments will be explained and disclosed in the M&V Report.

F. BASELINE AND POST-RETROFIT TRASH COST

Mount Diablo Unified School District Trash Management Savings			
Site	Trash Baseline Cost	Trash Post-Retrofit Cost	Trash Cost Savings
Cambridge Elem	\$16,080	\$7,500	\$8,580
Crossroads Elem	\$10,368	\$4,560	\$5,808
Delta View Elem	\$15,720	\$5,820	\$9,900
Fair Oaks Elem	\$17,057	\$5,441	\$11,617
Hidden Valley	\$29,325	\$8,969	\$20,356
Holbrook Elem	\$11,223	\$5,820	\$5,403
Monte Gardens Elem	\$11,223	\$6,240	\$4,983
Pleasant Hill Elem	\$17,057	\$7,955	\$9,102
Rio Vista Elem	\$10,368	\$5,400	\$4,968
Sequoia Elem	\$17,057	\$6,954	\$10,102
Valhalla Elem	\$13,940	\$6,351	\$7,589
Valley View Middle	\$16,613	\$9,134	\$7,479
Willow Creek Center	\$16,080	\$7,080	\$9,000
Woodside Elem	\$16,080	\$5,820	\$10,260
Totals	218,190	\$93,044	\$125,146

G. TRASH MANAGEMENT SAVINGS GUARANTEE

Subject to the terms and conditions of the Contract and this Assured Performance Guarantee Schedule, the annual trash management savings will be guaranteed at \$125,146. If the post installation verification (utility bill comparison) confirms that the Calculated Net Annual Costs Savings meet or exceed the Savings Guaranteed amount of \$125,146, then Cal-Air's measurement requirements under ECM 4 shall be deemed satisfied for the Guarantee Term.

H. EQUIPMENT / SYSTEM AFFECTED

Equipment is outlined in the Scope of Work indicated in Schedule 1.

I. M&V REQUIREMENTS

Subject to the parties' rights under Section 6, above, after acceptance of this ECM 4, no further measurement of this ECM will be required of Cal-Air for the remainder of the Guarantee Term. Cal-Air will continue to monitor the systems and report on an annual basis for the duration of the Guarantee Term.

11. ECM 5- PHOTOVOLTAIC SYSTEM

A. OBJECTIVES

The objective of this M&V plan is to validate the energy savings realized by installation of a new photovoltaic system at Northgate High School. The Photovoltaic system will generate electrical energy for use at the site thus reducing the electrical utility cost.

FEMP GVL-B-01 Method is proposed as the basis for this M&V Plan. This method utilizes short term measurement taken at the component level for performance and operation factors and a system model for calculation of the savings.

B. DATA TO BE COLLECTED

Photovoltaic system output will be measured by the monitoring system as required by the California Public Utilities' California Solar Initiative incentive program.

C. STIPULATED PARAMETERS

The electricity cost, for usage and demand, indicated in PG&E's rate schedule E19S effective March 1, 2007 is stipulated as the baseline electricity cost. The normal (30-year average) solar radiation and weather data in the form of Typical Meteorological Year (TMY2) data as recorded for the site's location is stipulated as the basis for the weather conditions.

D. PERIOD OF MONITORING

Cal-Air will conduct the photovoltaic monitoring for a period of two years as required by the California Public Utilities' California Solar Initiative incentive program.

E. ANALYSIS METHOD

The analysis which will be used to verify the photovoltaic system performance will use the same weather conditions and solar radiation in both the baseline and post-installation scenarios. A computer based simulation program such as "RETScreen International Photovoltaic Simulation" (Canada Natural Resources) or "PVWatts" (National Renewables Energy Laboratory) will be utilized to determine hourly system output. The system's performance will be correlated to the PG&E time-of-use rate schedule E19S to determine actual savings based on the time when the system produced the electricity. The post installation data used for the analysis will be based on a 30 day period of actual system output as measured by the photovoltaic monitoring system.

F. BASELINE AND POST-RETROFIT ELECTRICITY COST

Mount Diablo Unified School District Photovoltaic System Savings					
Site	Baseline kWh	Post-Retrofit kWh	Savings kWh	PG&E Rate Schedule	Savings \$
Northgate High School	1,862,928	1,768,863	94,065	E19S	\$17,120

G. PHOTOVOLTAIC SYSTEM SAVINGS GUARANTEE

Subject to the terms and conditions of the Contract and this Assured Performance Guarantee Schedule, the annual photovoltaic system savings will be guaranteed at \$17,120. If the post installation verification confirms that the Calculated Net Annual Costs Savings meet or exceed the Savings Guaranteed amount of \$17,120, then Cal-Air's measurement requirements under ECM 5 shall be deemed satisfied for the Guarantee Term.

H. EQUIPMENT / SYSTEM AFFECTED

Equipment is outlined in the Scope of Work indicated in Schedule 1.

I. M&V REQUIREMENTS

Subject to the parties' rights under Section 6, above, after acceptance of this ECM 5, no further measurement of this ECM will be required of Cal-Air for the remainder of the Guarantee Term. Cal-Air will continue to monitor the systems and report on an annual basis for the duration of the Guarantee Term.

11 OPERATIONAL SAVINGS

No operating costs savings are included in phase 2 of the project.

12 UTILITY REBATE DISPOSITION *No Change*

The following Exhibits and Attachment are attached and made part of this Schedule:

- Exhibit 1 Annual Reconciliation & Guaranteed Project Benefit Allocation - *Attached*
- Exhibit 2 Non-Measured Project Benefits - *Not Used*
- Exhibit 3 Responsibilities of Cal-Air and Customer - *Attached*
- Exhibit 4 Unit Utility Rates and Costs- *Attached*
- Exhibit 5 Primary Operations Schedules Pre & Post Retrofit- *Attached*
- Exhibit 6 Calculation of Base Line and Project Benefits - *No Change*
- Attachment A PG&E Published Lighting Wattage Tables - *No Change*

Annual Reconciliation & Guaranteed Project Benefit Allocation				
Year	Utility Cost Savings	Trash Cost Savings	Operational Cost Savings	Total Guaranteed Project Benefits
Implementation	\$ -	\$ -	\$ -	\$ -
1	\$162,739	\$125,146	\$0	\$287,886
2	\$179,013	\$128,901	\$0	\$307,914
3	\$196,914	\$132,768	\$0	\$329,682
4	\$216,606	\$136,751	\$0	\$353,357
5	\$227,436	\$140,853	\$0	\$368,290
6	\$238,808	\$145,079	\$0	\$383,887
7	\$250,748	\$149,431	\$0	\$400,180
8	\$263,286	\$153,914	\$0	\$417,200
9	\$276,450	\$158,532	\$0	\$434,982
10	\$290,273	\$163,288	\$0	\$453,560
11	\$304,786	\$168,186	\$0	\$472,973
12	\$320,026	\$173,232	\$0	\$493,258
13	\$336,027	\$178,429	\$0	\$514,456
14	\$352,828	\$183,782	\$0	\$536,610
15	\$370,470	\$189,295	\$0	\$559,765
Totals	\$3,986,410	\$2,327,589		\$6,313,998

CUSTOMER: Mt. Diablo Unified School Dist.

Initials: MM

CAL-AIR, INC.

Initials: BJ

Primary Operations Schedules Pre & Post Retrofit

PRE & POST RETROFIT LIGHTING ANNUAL OPERATING HOURS		
ROOM /ACTIVITY	ANNUAL HOURS W/O OCCUPANCY SENSORS	ANNUAL HOURS W/ SENSORS
CUSTODIAN (MAIN)	2500	2000
CUSTODIAN (SECONDARY)	2000	1600
CLASSROOMS	1900	1500
WORK ROOMS	2000	1600
CLASSROOM OFFICES	1600	1300
ADMIN OFFICES	2500	2000
STAFF LOUNGE	2000	1600
SERVER RM	2000	1600
HALLWAYS (MAIN)	3500	2800
HALLWAYS (SECONDARY)	2500 2000	2000
MAIN RESTROOMS	2000	1600
SMALL RESTROOMS	1000	800
CLOSETS	600	480
STORAGE - ACTIVE	1000	800
STORAGE - INACTIVE	600	480
KITCHENS	2000	1600
KITCHEN HOOD	1000	800
LOCKER, SHOWER ROOMS	1000	800
TEAM, TRAINING ROOMS	2000	1600
COACHES OFFICES	1200	960
LIBRARY	2000	1600
STAGE	2500	2000
GYM, MU	1200	960
WEIGHTS	3500	2800
MECHANICAL/ELECT RMS (ACTIVE)	1900	1500
MECHANICAL/ELECT RMS (INACTIVE)	2500	2000
EXTERIOR CLASSROOM WALLPACKS	500	400

No Change

PRE & POST RETROFIT HVAC PARAMETERS

PRE RETROFIT HVAC OPERATING HOURS (All areas except Gym and Admin areas*)		
DAY	TIME ON	TIME OFF
MONDAY	5:00 AM	7:00 PM
TUESDAY	5:00 AM	7:00 PM
WEDNESDAY	5:00 AM	7:00 PM
THURSDAY	5:00 AM	7:00 PM
FRIDAY	5:00 AM	7:00 PM
SATURDAY	OFF	OFF
SUNDAY	OFF	OFF
HOLIDAYS	5:00 AM	7:00 PM
Hours/Week	70	
Weeks/Year	52	
Hours/Year	3,640	

No Change

* Gym and Admin Areas Pre-Retrofit Operating Hours are 8,760 Hours/Year

POST RETROFIT BOILER AND PUMP OPERATING HOURS		
DAY	TIME ON	TIME OFF
MONDAY	6:00 AM	4:00 PM
TUESDAY	6:00 AM	4:00 PM
WEDNESDAY	6:00 AM	4:00 PM
THURSDAY	6:00 AM	4:00 PM
FRIDAY	6:00 AM	4:00 PM
SATURDAY	OFF	OFF
SUNDAY	OFF	OFF
HOLIDAYS	OFF	OFF
Hours/Week	50	(Excludes 1 week in
Weeks/Year	38	Spring, 11 weeks in
Hours/Year	1900	Summer, 2 weeks in
		Winter for Holidays)

PRE & POST RETROFIT HVAC TEMPERATURE SETPOINTS	
MODE	SETPOINT RANGE
HEATING-OCCUPIED PERIODS	70 Deg F
HEATING-UNOCCUPIED PERIODS	55 Deg F
COOLING-OCCUPIED PERIODS	74 Deg
COOLING-UNOCCUPIED PERIODS	95 Deg F

No Change

CUSTOMER: Mt. Diablo Unified School Dist.

CAL-AIR, INC.

Initials: MM

Initials: BJ

AMMENDED SERVICES SCHEDULE

All Services will remain identical to the original Agreement with the exception of the following.

1. **SCOPE OF SERVICE.** Cal-Air and the Customer agree that the services checked below will be provided by Cal-Air at the Customer's facility.

- Primary Air Conditioning Equipment (PRIME)
- Primary Air Conditioning Equipment (Basic)
- Fire Detection and Management Systems (Premium)
- Fire Detection and Management Systems (Basic)
- Facility Operations
- Reciprocating Air Conditioning Equipment (Premium)
- Reciprocating Air Conditioning Equipment (Basic)
- Associated Air Conditioning and Heating Covered Equipment (Premium)
- Associated Air Conditioning and Heating Covered Equipment (Basic)
- Maintenance Management Services
- Primary Heating Covered Equipment (Premium)
- Primary Heating Covered Equipment (Annual, Basic)
- Automatic Temperature Controls (Premium)
- Automatic Temperature Controls (Basic)
- Training
- Facility Management Systems (Premium)
- Building Automation Systems (Annual, Basic)
- Security Management Systems (Premium)
- Security Management Systems (Basic)
- Assured Performance Guarantee Reporting Services
- Performance Consulting Service
- Trash Compactor Management Services

1. BUILDING AUTOMATION SYSTEM SERVICE SCOPE OF WORK (Ten school sites)

BASIC ANNUAL PROGRAMMING

1. School Year Scheduling
3. Holiday Scheduling

2. TRASH COMPACTOR MANAGEMENT SCOPE OF WORK (14 SITES)

1. On-site collection of compactor machine data (energies, cycle times, etc)
2. Remote access of information via POTS line or wireless connection
3. Information processed by computer

4. Analysis of information by technician
5. Determination of optimal times to empty compactor
6. Issuing haul orders (with order #) by phone and fax to waste hauler
7. Troubleshooting equipment problems
8. Savings reports
9. System hardware and software upgrades
10. Computer maintenance including repair and replacement of equipment if needed
11. Interface with waste hauler

3. MEASUREMENT AND VERIFICATION SCOPE OF WORK

1. Collect data related to Assured Performance Guarantee, including but not limited to: Operating calendar, schedules, HVAC setpoints and utility bills.
2. Prepare calculations and perform utility bill comparisons to determine performance of installed measures.
3. Prepare and deliver annual performance report to Customer.
4. Provide technical support and details to Customer for clarification and understanding of annual report and performance of the project's targets.
5. Remote performance monitoring of the photovoltaic system via the internet. Report monitoring results in annual M&V report.

4. EXTENDED SERVICE OPTIONS FOR PREMIUM AND PRIME COVERAGES. On-site repair services will be provided during Cal-Air's normal business hours, unless one of the following options is checked:

- 24-5 Extended Service—Cal-Air will provide on-site response 24 hours a day, 5 days a week (Monday thru Friday, except Cal-Air holidays)
- 24-7 Extended Service—Cal-Air will provide on-site response 24 hours a day, 7 days a week (including holidays)

5. DEFINITIONS. The terms used in this Services Schedule shall be defined as follows:

- (a) **COVERED EQUIPMENT** means the equipment for which services are to be provided under this Services Schedule and installed under Schedule 1 and any other Covered Equipment Lists attached to this Services Schedule.
- (b) **EQUIPMENT FAILURE** means the sudden and accidental failure of moving parts or electric or electronic components that are part of the Covered Equipment and that are necessary for its operation.
- (c) **SCHEDULED SERVICE VISITS** include labor required to perform inspections and preventive maintenance on Covered Equipment.
- (d) **SCHEDULED SERVICE MATERIALS** include materials required to perform Scheduled Service Visits on Covered Equipment.
- (e) **REPAIR LABOR** includes labor necessary to restore Covered Equipment to working condition following an equipment failure and excludes total equipment replacement due to obsolescence or unavailability of parts.

- (f) **REPAIR MATERIALS** include materials necessary to restore Covered Equipment to working condition following an equipment failure and excludes total equipment replacement due to obsolescence or unavailability of parts. At Cal-Air's option, Repair Materials may be new, used, or reconditioned. All Repair Materials are covered by the warranty as described below.
- (g) **BASIC COVERAGE** includes Scheduled Service Visits, plus Scheduled Service Materials if otherwise noted in this Services Schedule, for Covered Equipment.
- (h) **PREMIUM LEVEL COVERAGE** includes BASIC COVERAGE as well as Repair Labor, plus Repair Material if otherwise noted in this Services Schedule, for Covered Equipment.
- (i) **EXTENDED SERVICE** includes extended service for repairs and is available only if Customer has PREMIUM or PRIME coverage. The price for Extended Service, if chosen by Customer, is part of the total price Customer will pay. Should a defect be found during an Extended Service visit that Cal-Air is not responsible for under this Services Schedule; Customer agrees to pay Cal-Air's standard fee for any services rendered. Should Repair Labor or Repair Materials be performed in periods beyond the Extended Service period, Customer agrees to pay Cal-Air's standard fee for any services rendered beyond the Extended Service period. **PRIME LEVEL COVERAGE** includes BASIC COVERAGE as well as Repair Labor, plus Repair Materials if otherwise set forth in this Services Schedule, for Covered Equipment consisting of centrifugal, absorption, or screw chillers. **PRIME LEVEL COVERAGE** also includes Repair Labor, and Repair Materials if otherwise set forth in this Services Schedule, for diagnosed imminent equipment failure as well as actual equipment Failure, and the following:
 - (i) Cal-Air will analyze diagnostic tests including PreVue Vibration Analysis and spectrochemical oil analysis megohm readings. All diagnostic tests must be performed at Cal-Air-prescribed frequencies and to Cal-Air-specified test standards. Coverage will include Repair Labor and Repair Material for heat exchanger tubes if an Eddy Current Analysis; acceptable to Cal-Air, has been performed in the three years prior to this Services Agreement Schedule and is provided to Cal-Air, or such a test will be performed as part of this Services Agreement Schedule.
 - (ii) Should Cal-Air's analysis suggest the existence or the possibility of equipment deterioration outside anticipated or acceptable conditions, Cal-Air may, with written approval by the Customer, take corrective steps necessary to prevent further deterioration or breakdown of the Covered Equipment. Performance of any corrective steps under this PRIME coverage is not a guarantee that equipment failure or downtime will not occur.

6. INITIAL EQUIPMENT INSPECTION FOR PREMIUM OR PRIME COVERAGES. Cal-Air will inspect the Covered Equipment within 45 days of the date of this Services Schedule or as seasonal or operational conditions permit. Cal-Air will advise Customer if Cal-Air finds any Covered Equipment not in working order or in need of repair. With the Customer's written approval, Cal-Air will perform the work necessary to put the Covered Equipment in proper working condition as part of the Services.

7. CUSTOMER OBLIGATIONS AND COMMITMENTS TO Cal-Air. The Customer warrants that, to the best of Customer's knowledge, all Covered Equipment is in good working condition and the Customer has given Cal-Air all information of which Customer is aware concerning the condition of the Covered Equipment. The Customer agrees that, during the term of this Services Schedule, the Customer will:

- (a) operate the Covered Equipment according to the manufacturer's recommendations;
- (b) keep accurate and current work logs and information on the Covered Equipment as recommended by the manufacturer;
- (c) provide an adequate environment for Covered Equipment as recommended by the manufacturer or as recommended by Cal-Air, including adequate space, electrical power, air conditioning, and humidity control;

- (d) notify Cal-Air promptly of any Covered Equipment malfunction, breakdown, or other condition affecting the operation of the Covered Equipment;
- (e) allow Cal-Air to start and stop, periodically turn off, or otherwise change or temporarily suspend equipment operations so that Cal-Air can perform the services required under this Services Schedule, except that Cal-Air shall take no such action at times that would interfere with Customer's operations;
- (f) provide proper condenser and boiler water treatment, as necessary, for the proper functioning of Covered Equipment, if such services are not Cal-Air's responsibility under this Services Agreement Schedule;
- (g) Cal-Air shall keep accurate and current work logs and information on the Covered Equipment as recommended by the manufacturer; and
- (h) Cal-Air shall provide proper condenser and boiler water treatment, as necessary, for the proper functioning of Covered Equipment, if such services are Cal-Air's responsibility under this Services Agreement Schedule.

The Customer acknowledges that its failure to meet these obligations will relieve Cal-Air of any responsibility for any breakdown, or any necessary repair or replacement, of any Covered Equipment and may require adjustments under Schedule 2, Assured Performance Guarantee Schedule.

8. CHANGES TO COVERED EQUIPMENT. To the extent permitted under the Performance Contract, the Customer retains the right to make changes or alterations to the Covered Equipment. If, in Cal-Air's opinion, such changes or alterations substantially affect Cal-Air's services or obligations, Cal-Air shall have the right to make appropriate changes to the scope or to the price of this Services Schedule or to both.

9. ACCESS. The Customer will give Cal-Air full access to all equipment that is either Covered Equipment or associated with it when Cal-Air requests such access, except that such access shall not be required at times that would interfere with Customer's operations. If access cannot be provided, Cal-Air's obligations under this Services Schedule will be suspended until such access to the equipment is provided. Matters affecting Cal-Air's access to the equipment may include, but are not limited to, the removal, replacement, repair, refinishing, restoration, reconstruction, or other remedial actions taken by the Customer with respect to Covered Equipment or to the Customer's facility. Suspension of Cal-Air's duties for this reason will not cancel or suspend any of the Customer's obligations under this Services Schedule.

10. EXCLUSIONS. Cal-Air's services under this Services Agreement Schedule do not include:

- (a) supplies, accessories, or any items normally consumed during the use of Covered Equipment, such as ribbons, bulbs, and paper;
- (b) calls resulting from lack of operator-level preventive maintenance, site-related problems, or operator error;
- (c) service calls due to failures resulting from acts of God, abuse or misuse of Covered Equipment, or alterations, modifications, or repairs to Covered Equipment not performed or provided by Cal-Air;
- (d) the furnishing of materials and supplies for painting or refinishing Covered Equipment;
- (e) electrical work to the Customer's facility necessary because of Covered Equipment;
- (f) service calls resulting from attachments made to Covered Equipment or other equipment not covered by this Services Schedule;
- (g) the repair or replacement of ductwork, casings, cabinets, structural supports, tower fill/slats/basin, hydronic and pneumatic piping, and vessels, gaskets, and piping not normally replaced or maintained on a scheduled basis, and removal of oil from pneumatic piping;

- (h) service calls resulting from the effects of erosion, corrosion, acid cleaning, or damage from unexpected or especially severe freezing weather that is beyond what is prevented by Cal-Air's normal maintenance;
- (i) work caused by any operation of, adjustments to, or repair to, Covered Equipment by others not authorized in advance by Cal-Air;
- (j) work caused by the negligence of others, including but not limited to equipment operators and water treatment companies;
- (k) service calls due to failures caused by improper environmental conditions affecting Covered Equipment or electrical power fluctuations, if due to conditions beyond Cal-Air's control, and service calls required because Cal-Air had previously been denied access to the Covered Equipment; and
- (l) disposal of hazardous wastes. Hazardous wastes remain the property and the responsibility of the Customer even when removed from equipment or replaced by Cal-Air as provided by the terms of this Services Schedule. The Customer shall be responsible for the proper storage and disposal of hazardous wastes. This includes, but is not limited to, used oil, contaminated or uncontaminated refrigerant, and PCBs.

11. PRICE The total price for Cal-Air's Services during the Term of this Service Schedule is \$731,718. This amount will be paid to Cal-Air in annual installments of \$39,342 escalated at 3% annually as shown on the following chart. These payments will be due and payable when the Customer receives Cal-Air's invoice and in advance of the services Cal-Air is to provide.

Year	Annual Installment
1	\$ 39,342
2	\$ 40,522
3	\$ 41,738
4	\$ 42,990
5	\$ 44,280
6	\$ 45,608
7	\$ 46,976
8	\$ 48,386
9	\$ 49,837
10	\$ 51,332
11	\$ 52,872
12	\$ 54,459
13	\$ 56,092
14	\$ 57,775
15	\$ 59,508
Total	\$ 731,718

Dated _____, 2007

CUSTOMER: MT. DIABLO UNIFIED SCHOOL DIST.

Signature: Mary McHenry

Printed Name: Gary McHenry

Title: Superintendent

CAL-AIR, INC.

Signature: [Signature]

Printed Name: Brian Naylor

Title: SALES & Project Development Manager

AMMENDED PRICE AND PAYMENT TERMS SCHEDULE

- 1. The Customer shall make payments to Cal-Air for Work performed, as well as payments for Services rendered pursuant to the Services Schedule.

The price to be paid by the Customer for the Work of this Amendment shall be \$3,879,401.00. Monthly progress payments (including payment for materials delivered to Cal-Air and work performed on and off-site) shall be made to Cal-Air as follows:

The payments are due on the 15th of every month and are considered late if not received by the 30th of each month. A late fee will be charged to any unpaid balance in the amount of 8.5% annual interest.

The payment schedule is as follows:

Payment Number One, Upon Execution of Agreement: Ten (10%)

Payment Number Two, Upon Ordering Major Equipment: Twenty (20%)

Monthly Progress Payments, Cal-Air will prepare a Project Construction Schedule and Schedule of Values based upon the Scope of Work. Cal-Air will invoice the Customer monthly, based upon percentage of work complete.

Final Payment thirty days after the completion of the Work: Five Percent (5%),

Final payment, constituting the entire unpaid balance for the Work, shall be made to Cal-Air within 30 days after the Completion Date. Payments may be withheld on account of any breach of this Agreement by Cal-Air and claims by third parties (including Cal-Air subcontractors and material suppliers), but only to the extent that written notice has been provided to Cal-Air and Cal-Air has failed, within ten days of the date of receipt of such notice, to provide adequate security to protect Customer from any loss, cost, or expense related to such claims.

- 2. CUSTOMER PURCHASE ORDERS. The Customer acknowledges and agrees that any purchase order issued by Customer, in accordance with this Agreement, is intended only to establish payment authority for the Customer's internal accounting purposes. No purchase order shall be considered to be a counteroffer, amendment, modification, or other revision to the terms of this Agreement. No term or condition included in the Customer's purchase order will have any force or effect.

Dated - , 2007.

CUSTOMER: MT. DIABLO UNIFIED SCHOOL DIST.

Signature: Mary McHenry

Printed Name: Gary McHenry

Title: Superintendent

CAL-AIR, INC.

Signature: [Signature]

Printed Name: Brian Nantaw

Title: Sales & Project Development Manager

Project Schedule

Project Schedule:

Based upon the Customer's and Cal-Air's approval of this Agreement the project scope is expected to be completed within a ten month duration commencing with the approval of this Agreement. Cal-Air's project managers and the Customer shall work closely to develop a mutually agreeable project Schedule. It is anticipated that the project will begin in the spring of 2007 with construction through the summer and fall with completion in the winter of 2007/2008.