



1609 Heritage Commerce Ct.
Wake Forest, NC 27587
1-866-DG SKILL (347-5455)
Tel: 919-556-3056
Fax: 919-556-3596

March 3, 2009

Mr. Paul Kalv
Electric Director
City of Leesburg
2010 Griffin Rd
Leesburg, FL 34748

RE: PowerSecure Interactive Distributed Generation® (IDG®) Services
Proposal for new switchgear control section and controls to allow generation owned by the City of Leesburg, Florida, to run in parallel mode for peak load reduction.

Dear Paul:

We are pleased to submit this proposal to provide the City of Leesburg, Florida, (the "CITY") with PowerSecure Interactive Distributed Generation® (IDG®) Services quote to convert your (8) existing generators located at the Municipal Operations Center (MOC), Wastewater Operations and Influent (2) locations, Police, Wastewater Turnpike, Water Dept., City Hall, and Public Works. These locations have a total of 5,434 Stand By and 4,945 prime KW of rated generation. PowerSecure will provide a new switchgear, breakers, enclosures, controls, remote monitoring and dispatch capability for all (8) units. **This letter and the attached Exhibits A and B, B1, B2, and C will serve as our formal Agreement.**

PowerSecure will provide this IDG® System on a turnkey basis including:

- ✓ Engineering/Design
- ✓ NexGear® Advanced Paralleling Switchgear
- ✓ System Installation
- ✓ Equipment and Installation Warranties
- ✓ In-service Training
- ✓ ***Optional IDG® Management Services**
 - ✓ **Annual IDG® System Maintenance Services**
 - ✓ **Annual NexGear® Switchgear Maintenance Services**
 - ✓ **Annual NexGear Remote® Monitoring/Dispatch Services**
- ✓ **Optional Environmental Permitting Assistance**

***These items are included in Option 2 below**

A **Scope of Services** can be found in **Exhibit A**. **Exhibit B** includes our **Standard Terms and Conditions** for this project. Optional Annual IDG® Management Services are described in **Exhibit C**.



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A. Our **Quotation** for this project is as follows:

I. Turnkey Scope of Work per Exhibit A:*

Switchgear, controls, enclosure \$1,652,880.00

II. Annual Switchgear Maintenance Services per Exhibit C:

Switchgear Maintenance for all eight locations \$23,000.00
 Due at Project Completion, if desired by the City at that time.

III. Annual NexGearRemote® 24/7 Monitoring and Fuel Management Services

\$42,300.00
 Due at Project Completion, if desired by the City at that time.

IV. 5 Year Extended Warranty (all seven locations):***

\$70,000.00
 Due at Project Completion, if desired by the City at that time.

* Quote Good for 30 Days – Does Not Include Sales Tax
 ** Subject To Annual Escalation After Year Two.
 *** Consumables will be billed as an adder

B. Payment terms for costs associated with the Scope of Work (\$1,652,880.00) shall be as follows:

<u>Upon:</u>	<u>Terms:</u>
Agreement Signing	10% When Agreement signed by City (\$165,288.00)
Equipment Received on Site	80% When Equipment Received on Site (\$1,322,304.00)
In-Service Training & Owners Manuals	10% When Training and Manuals Delivered (\$165,288.00)
Total	100% \$1,652,880.00

C. Notwithstanding, the CITY and POWERSECURE understand and agree that this Agreement is subject to the availability of funds to the CITY to purchase the specified products/services. As used herein, a "nonappropriation" shall be defined as an occurrence wherein the CITY, in any fiscal period, does not allocate funds in its budget for the purchase of the specified products/services or other amounts owed pursuant to this Contract, from the source of funding which the CITY anticipates using to pay its obligations hereunder, and the CITY has no other funds, from sources other than ad valorem taxes, which it deems to be available to pay its obligations under this Contract. The CITY may terminate this Contract, with no further liability to the POWERSECURE, effective the first day of a fiscal period provided that:

- (a) a nonappropriation has occurred, and
- (b) the CITY has provided POWERSECURE with written notice of termination not less than fifteen (15) days before the proposed termination date.



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Upon the occurrence of such nonappropriation the CITY shall not be obligated for payment for any fiscal period for which funds have not been appropriated.

Please let us know if you have any questions. If you are in agreement with this letter and the attached Exhibits, please sign in the space allotted below and return a copy to me at your earliest convenience.

Thank you again for this opportunity. We look forward to hearing from you.

Sincerely,

Pete Schmutz
Vice President

C: SH, MSM

Accepted:

THE CITY OF LEESBURG, FLORIDA

BY: _____
Mayor

Date: _____

Attest: _____
City Clerk



Exhibit A
Interactive Distributed Generation® Services
City of Leesburg, FL
2010 Griffin Road, Leesburg FL

SCOPE OF POWERSECURE SERVICES

I. General

- A. PowerSecure (PS) will provide switchgear, controls and switchgear for (8) existing generators located at the Municipal Operations Center (MOC), Wastewater Operations and Influent locations, Wastewater Turnpike location, City Hall, Water Department, Police Dept., and Public Works. Addresses are as follows:

MOC –	2010 Griffin Road, Leesburg, Florida
Wasterwater Operations –	608 N. Canal St, Leesburg, Florida
Wastewater Influent –	608 N. Canal St, Leesburg, Florida
Wastewater Turnpike location –	1035 CR 470, Leesburg, Florida
City Hall –	501 West Meadow St, Leesburg, Florida
Water Dept. –	223 S 5 th Street, Leesburg, Florida
Police Dept –	115 East Magnolia St, Leesburg, Florida
Public Works –	550 South 14 th St., Leesburg, Florida

Note: The City of Leesburg will pull the required control wiring from the generator to the transfer switch prior to PS beginning any work on the project.

- B. PS will provide switchgear, power/control wiring and auxiliary equipment necessary for interconnection of the IDG® System at the customer's site per this proposal.
- C. PS will deliver the IDG® System project, as described in this Exhibit on a complete turnkey basis including:
1. Engineering/Design
 2. NexGear® Advanced Paralleling Switchgear
 3. System Installation
 4. Equipment and Installation Warranties
 5. In-service Training
 6. ***Optional** IDG® System Management Services
 - a. Annual IDG® System Maintenance Services
 - b. Annual NexGear® Maintenance Services
 - c. NexGear Remote® Monitoring/Dispatch Services
 7. **Optional** Environmental Permitting Assistance (see below)
- * These items are included in the no-up-front capital, all inclusive price option

Exhibit A
Interactive Distributed Generation® Services
City of Leesburg, FL
2010 Griffin Road, Leesburg FL

- B. The PS Project Manager will serve as the single point interface with *the City of Leesburg* during construction/start-up and will be present on-site for all critical activities and key construction milestones.

V. Equipment and Installation Warranties Training and Mgt Services

- A. The entire system will be warranted for One Year.
- B. A five year extended warranty is also offered.
- C. All inclusive price option includes extended warranty

A. In-Service Training

PS will provide onsite in-service training on the operation and maintenance of the IDG® System.

B. Additional Included IDG® Management Services

A. IDG® System Maintenance Services

- 1. PS will provide Maintenance Services on a continuous services agreement for the IDG® System.
- 2. Refer to Exhibit C for service details.

B. Annual *NexGear Remote*® Management Services

- 1. PS will provide, our *NexGear Remote*® Management Services including monitoring and dispatching of the IDG® System on a continuous services agreement.
- 2. Refer to Exhibit C for service details

VI. Optional Emissions/Environmental Permitting Assistance

- A. PowerSecure, will aid The City of Leesburg in the application of all environmental related permits that are required by the various federal and state agencies.
- B. PowerSecure will prepare all application documents for the above-mentioned permits and will allow/request Environmental Management of the City of Leesburg to review all documents prior to submission such to avoid conflicts or impacts to the environmental strategy of the City of Leesburg. Neither construction nor operation will be started until proper authority has been granted and evidence of that authority has been provided to appropriate officials within the City of Leesburg.



Exhibit A
Interactive Distributed Generation® Services
City of Leesburg, FL
2010 Griffin Road, Leesburg FL

VII. Not Included in Pricing for All Inclusive Options

- A. Permitting Fees and Expenses. These should be minimal based on the municipal nature of this project.
- B. Conductor (wiring) to connect generation to switchgear and switchgear to load. Conductor currently in place is expected to be sufficient for all installations. However, in the event that the conductor in place is not sufficient, any conductor needed will be billed as an adder to the project cost.
- C. This proposal includes backup generation to be provided during installation for the Water Dept., Wasterwater Influent and Operations (Canal Street), and Wastewater Turnpike facilities. Included in this proposal is 24 hours of fuel for each site. Any additional fuel needed will be billed as an adder to the project, to the extent that any additional installation time resulted from delays caused solely by the City of Leesburg. No other temporary generation is included in the pricing of this proposal. The expected outages per site for installation will be 12-24 hours.
- D. For the Public Works location, the parties agree to perform the following:

SEE Table on Page 5



Exhibit A
Interactive Distributed Generation® Services
City of Leesburg, FL
2010 Griffin Road, Leesburg FL

Task	Leesburg	PS	Description
1	X		Site preparation, pad pouring for new 500kW transformer
2	X		Primary Voltage conduit and Cable to new 500kVA transformer and Conduit and 600 V cabling from new 500kVA transformer to be routed to existing 300kVA transformer pad
3	X		Removal of existing 300kVA transformer
4	X		Testing of Leesburg 500kW CAT E/G to ensure on-board generator control functions
5	X		Transport of Leesburg 500kW CAT E/G to PW Site
6	X		500kW E/G: Site Preparation, pad pouring
7.a.1	X		Conduit placement from CAT 500kW E/G to existing transformer pad where NexGear will be placed for primary cable, control cable and house power
7.a.2	X		Procure, Install, and Terminate: (1) 20 Amp, 120V house power, (2) 20 Amp, 208V Battery Charger power, and (3) 40 Amp, 208V Block Heater power from Existing Distribution Panel to 500kW E/G
8.a.1	X		Procurement of primary cable from CAT 500kW E/G to existing transformer pad where NexGear will be placed
8.a.2	X		Pulling of primary cable from CAT 500kW E/G to existing transformer pad where NexGear will be placed
9.b.1	X		Procurement of house power cable from CAT 500kW E/G to existing transformer pad where NexGear will be placed
9.b.2	X		Pulling of house power cable from CAT 500kW E/G to existing transformer pad where NexGear will be placed
9.c.1		X	Procurement of control cable from CAT 500kW E/G to existing transformer pad where NexGear will be placed, and providing to Leesburg to pull (see Step 9.c.2)
9.c.2	X		Pulling of control cable from CAT 500kW E/G to existing transformer pad where NexGear will be placed
10	X		Termination of primary cable and house power at CAT 500kW E/G
11		X	Termination of control cable from CAT 500kW E/G to NexGear at the 500kW CAT E/G
12		X	Placement of NexGear on existing 300kVA transformer pad (post transformer removal)
13.a		X	Termination of primary cable from CAT 500kW E/G to the NexGear at the NexGear
13.b		X	Termination of house power cable from 500kW Transformer to the NexGear at the NexGear
13.c		X	Termination of control cable from CAT 500kW E/G to NexGear at the NexGear



**Exhibit B
Interactive Distributed Generation® Services
City of Leesburg, FL
2010 Griffin Road, Leesburg FL**

POWERSECURE - CONTRACT TERMS AND CONDITIONS

1. Description of Services

- 1.1 Subject to the conditions set forth in this Contract, POWERSECURE agrees to furnish labor, supervision, equipment, materials, and transportation necessary to provide the services described in the attached POWERSECURE proposal (the "Work").
- 1.2 POWERSECURE shall be entitled to rely on the accuracy of any information provided by Customer, which is hereby warranted by Customer to be accurate and correct. In the event of any unforeseen costs incurred due to the inaccuracy of any such information, the compensation payable to POWERSECURE shall be equitably adjusted to compensate for any such additional costs.
- 1.3 POWERSECURE shall exercise reasonable efforts to complete the Work in accordance with the estimated schedule specified in POWERSECURE's proposal.

2. Services Fee and Terms of Payment

Customer shall pay POWERSECURE the contract price specified in POWERSECURE's letter proposal (the "Contract Price") within 15 days from bill presentment. If Customer fails to pay Contract Price within 30 days from bill presentment, Customer shall be liable to POWERSECURE for reasonable attorney fees incurred in collection of any amount due and shall pay interest to POWERSECURE on the amount past due in the amount of 1.5% per month.

Any work beyond the scope of Work described herein requested by Customer and performed by POWERSECURE ("Additional Work") shall be billed to Customer at POWERSECURE's then current standard rates, unless otherwise agreed to in writing by the parties.

The prices for the Work and any Additional Work are exclusive of federal, state, municipal or other sales or use tax if applicable. If POWERSECURE is required by applicable law to pay or collect any such taxes on account of Work provided in fulfilling this contract, then such amount shall be reimbursed to POWERSECURE. Unless a Sales Tax Certificate is provided to POWERSECURE, the invoice will include a line item for sales tax.

3. Customer's Obligations

- 3.1 Customer shall be responsible to provide necessary access to and around the work site to enable POWERSECURE to perform the Services proposed herein. POWERSECURE shall have the right to suspend Work and recover additional costs in the event that there is inadequate access to the work site, or in the event that continuing with the Work might jeopardize the safety of any person or property.



Exhibit B
Interactive Distributed Generation® Services
City of Leesburg, FL
2010 Griffin Road, Leesburg FL

3.2 Customer shall provide any necessary plans, specifications, drawings, or information that may be necessary or useful in the performance of the Work and any Additional Work at no cost to POWERSECURE.

4. **Permits and Regulatory Requirements**

POWERSECURE shall comply with all applicable codes, laws, regulations, and ordinances in force during the term of this Agreement. POWERSECURE shall obtain and pay for all permits and licenses required by law that are associated with POWERSECURE'S performance of the Work.

5. **Limitation of Liability**

The remedies set forth in this Contract are Customer's sole and exclusive remedies. Neither POWERSECURE nor its employees, its subcontractors or suppliers shall be liable for any indirect, special, incidental, exemplary, or consequential loss or damage of any nature arising out of or in connection with their performance or non-performance hereunder. In no event shall POWERSECURE's liability arising out of or in connection with the performance or non-performance of the Work or any Additional Work exceed the total of the Contract Price as set forth in POWERSECURE's proposal. The provisions of this Section 5 shall apply whether such liability arises in contract, tort (including negligence), strict liability, or otherwise.

6. **Insurance**

POWERSECURE shall maintain throughout this Agreement the following insurance:

A. Comprehensive General Liability. POWERSECURE shall purchase and maintain Commercial General Liability coverage on forms no more restrictive than the latest editions of the Commercial General Liability policies of the Insurance Services Office (ISO). The Commercial General Liability policy shall provide minimum limits of \$1,000,000 per occurrence combined single limit that includes coverage for bodily and personal injury and property damage liability for premises, operations, products and completed operations*, independent contractors, contractual liability covering the agreement, contract or lease, broad form property damage coverages, and property damage resulting from explosion, collapse or underground exposures (x,c,u).

B. Business Automobile Liability. POWERSECURE shall purchase and maintain Business Automobile Liability coverage on forms no more restrictive than the latest editions of the Business Automobile Liability policies of the Insurance Services Office



Exhibit B
Interactive Distributed Generation® Services
City of Leesburg, FL
2010 Griffin Road, Leesburg FL

(ISO). The Business Automobile Liability policy shall provide minimum limits of \$1,000,000 per occurrence combined single limit that includes coverage for claims for bodily injury and property damage arising from the use of motor vehicles, including on-site and off-site operations, and owned, non-owned and hired vehicles, and employee non-ownership use.

C. Workers' Compensation. POWERSECURE shall purchase and maintain Workers' Compensation insurance for all workers' compensation obligations imposed by state law and with employers liability limits of at least \$100,000 each accident and \$100,000 each employee with \$500,000 policy limit for disease.

7. **Force Majeure**

In no event shall POWERSECURE be responsible for any damages arising out of any failure to perform or delay due to any cause beyond POWERSECURE's reasonable control. In such event, POWERSECURE shall be entitled to an extension of time as necessary to overcome the cause of the failure to perform or delay.

8. **Use of Subcontractors**

POWERSECURE shall be permitted to use subcontractors to perform the work specified herein. Notwithstanding the use of subcontractors, POWERSECURE shall continue to be responsible for the quality of the work and any Additional Services under the provisions of Section 4.

9. **Non-Waiver**

The failure of either party to insist upon the performance of any term or condition of this Contract or to exercise any right hereunder on one or more occasions, shall not constitute a waiver or relinquishment of its right to demand future performance of such term or condition, or to exercise such right in the future.

10. **Governing Law**

The laws of the State of Florida shall govern this Contract and venue shall lie only in the court of appropriate subject matter jurisdiction in and for Lake County, Florida.

Exhibit B
Interactive Distributed Generation® Services
City of Leesburg, FL
2010 Griffin Road, Leesburg FL

11. **Warranty**

11.1 **Standard PowerSecure Warranty**

POWERSECURE warrants that the installation services performed and the materials provided by POWERSECURE or subcontractors as part of the Work shall be free from defects in material and workmanship for a period of one year from the completion of the Work or any Additional Work. In the event that Customer notifies POWERSECURE of any defect in materials or workmanship that is covered by this warranty within such twelve (12) month period, POWERSECURE shall correct the defect at its own expense. POWERSECURE shall not be responsible for any problems or defects attributable to improper operation, maintenance, or use of the Work or any Additional Work, or attributable to any cause beyond POWERSECURE's reasonable control. THE WARRANTIES SET FORTH ABOVE ARE EXCLUSIVE, AND NO OTHER WARRANTIES OR REMEDIES OF ANY KIND, WHETHER STATUTORY, WRITTEN, ORAL, EXPRESS, OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY, AND FITNESS FOR A PARTICULAR PURPOSE, OR WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE, SHALL APPLY. TO THE MAXIMUM EXTENT PERMITTED, POWERSECURE HEREBY ASSIGNS TO CUSTOMER ALL EXPRESS AND IMPLIED WARRANTIES FROM THE MANUFACTURER OF ANY PARTS AND EQUIPMENT INSTALLED BY POWERSECURE AS A PART OF THE WORK (see Manufacturer's warranties for details). POWERSECURE MAKES NO ADDITIONAL WARRANTY FOR ANY PARTS OR EQUIPMENT SUPPLIED HEREUNDER. Except as provided in Section 8, POWERSECURE shall not be responsible for any work done by others or for any loss, damage, cost or expense arising out of or resulting from such work, unless authorized by POWERSECURE in advance.

11.2 **Refer to Exhibit B1 for NexGear Standard Warranty and Exhibit B.2 for NexGear Optional Extended Warranty.**

12. **Entire Agreement**

This Contract embodies the entire agreement between POWERSECURE and Customer. Any purchase order or acknowledgement issued by Customer is issued only for administrative purposes and any additional or conflicting terms and conditions appearing therein shall be void and of no effect. The parties shall not be bound by or liable for any statement, writing, representation, promise, inducement, or understanding not set forth above. In the event of any conflict between a proposal letter and the terms of this Contract, this Contract shall control. No changes, modifications, or amendments to any terms and conditions in this Contract are valid or binding unless agreed to by the parties in writing by their authorized representatives.

(City of Leesburg)

(Date)



Exhibit B.1
Interactive Distributed Generation® Services
City of Leesburg, FL
2010 Griffin Road, Leesburg FL

NexGear Switchgear
Standard Warranty
Selling Policy PS1000-1 Applies

Coverage

PowerSecure warrants its NexGear Switchgear against defective parts and workmanship for a period of one year from the date of start-up (not to exceed eighteen months from the date of shipment). If the purchaser notifies PowerSecure of any failures to conform to this warranty within the warranty period, PowerSecure will correct the nonconformity at its option by repairing or replacing the defect part(s).

Duration

The warranty period is twelve (12) months from the date of start-up or eighteen (18) months from the date of shipment, whichever comes first. For these purposes, date of start-up is defined as the date when the manufacturer's authorized service engineer starts the equipment and certifies that is in proper working order per specifications. Customer acceptance does not alter this date. Start-up cannot exceed one year from the shipment date.

Models Covered

All PowerSecure switchgear systems are covered by this warranty unless otherwise stated in writing and signed by a duly-authorized officer of PowerSecure.

Owner's Responsibility

Product must be kept free of debris, foreign matter, and excess moisture. All service, repairs, and/or modifications must be performed by an authorized PowerSecure service technician. Preventative maintenance must be performed on all applicable components according to industry standards and the instructions supplied in the owner's manual. The costs of this maintenance are the owners responsibility unless otherwise contracted to PowerSecure under a separate agreement. Failure to follow this procedure will void the balance of the warranty.

Standard Warranty Limitations

PowerSecure will not be liable for damage or accidents caused by improper storage, improper application, or without the protection normally accepted by the industry, failure of some other part of the system causing the product to fail, vandalism, alteration, improper maintenance (in accordance with industry standards and the instructions supplied in the owner's manual) and all other forces outside the PowerSecure factory.

All service requests conforming to this warranty must be authorized by the PowerSecure factory service department and must be performed by an authorized PowerSecure service technician. Warranty service is dispatched out of the PowerSecure factory service department in Wake Forest, NC by calling 1-866-DG-SKILL. Unauthorized service will void the balance of the warranty.

Premium labor (overtime/holiday/weekend) is provided under this warranty only at the discretion of PowerSecure.

This warranty may not be transferred to a subsequent owner without the written approval of PowerSecure.

This warranty does not cover special, incidental or consequential damages including but not limited to rental equipment and/or any expenses, losses, or costs due to down time of product.

PowerSecure coverage does not include failure caused by flood, water, weather, freezing, heat, earthquake, fire, wind, storm, lightning, volcanic eruption, dust, war, sabotage, vandals, riot, theft, explosion, or any other act(s) by nature or man.

Any implied or statutory warranties, including any warranty of merchantability or fitness of purchase, is expressly limited to the duration of this warranty.

This warranty is only valid in the United States.

There are no other warranties, expressed or implied, beyond what is stated herein. The foregoing warranty is in lieu of any other representations or warranties, expressed or implied, which are hereby expressly disclaimed and waived by the buyer. Any modification of the warranties set forth herein must be in writing and signed by a duly-authorized officer of PowerSecure.

This warranty gives the owner specific legal rights. The owner may also have other rights which vary from state to state. Some states do not allow limitations on how long an implied warranty lasts, or the exclusion or limitation of incidental or consequential damages, therefore some of the above limitations may not apply.

WARRANTY START DATE: _____

AUTHORIZED: _____



**Exhibit B.2
Interactive Distributed Generation® Services
City of Leesburg, Fl
2010 Griffin Road, Leesburg Fl**

**NexGear Switchgear
Extended Warranty
Selling Policy PS1000-1 Applies**

Coverage

PowerSecure warrants its NexGear Switchgear against defective parts and workmanship for a period of "X" (described below) months from the date of start-up. If the purchaser notifies PowerSecure of any failures to conform to this warranty within the warranty period, PowerSecure will correct the nonconformity at its option by repairing or replacing the defect part(s).

Duration

The warranty period is "X" months from the date of start-up or "X" + 6 months from the date of shipment, whichever comes first. For these purposes, date of start-up is defined as the date when the manufacturer's authorized service engineer starts the equipment and certifies that is in proper working order per specifications. Customer acceptance does not alter this date. Start-up cannot exceed one year from the shipment date.

Specific Exclusions

PowerSecure shall warranty items per the agreement for the extended amount of time with the following exceptions: Warranty for Protective Relays and Electronic Trip Units shall be for 3 years. Warranty for PLC's and Touch Screens shall be for 2 years. PowerSecure reserves the right to replace obsolete or discontinued warranty items with equivalent new or refurbished items at the discretion of PowerSecure. Excessive use, negligence, and consumable items are not covered by warranty.

Owner's Responsibility

Product must be kept free of debris, foreign matter, and excess moisture. All service, repairs, and/or modifications must be performed by an authorized PowerSecure service technician. Preventative maintenance must be performed on all applicable components according industry standards and the instructions supplied in the owner's manual. The costs of this maintenance are the owners responsibility unless otherwise contracted to PowerSecure under a separate agreement. Failure to follow this procedure will void the balance of the warranty.

Standard Warranty Limitations

PowerSecure will not be liable for damage or accidents caused by improper storage, improper application, or without the protection normally accepted by the industry, failure of some other part of the system causing the product to fail, vandalism, alteration, improper maintenance (in accordance with industry standards and the instructions supplied in the owner's manual) and all other forces outside the PowerSecure factory.

All service requests conforming to this warranty must be authorized by the PowerSecure factory service department and must be performed by an authorized PowerSecure service technician. Warranty service is dispatched out of the PowerSecure factory service department in Wake Forest, NC

by calling 1-866-DG-SKILL. Unauthorized service will void the balance of the warranty.

Premium labor (overtime/holiday/weekend) is provided under this warranty only at the discretion of PowerSecure. This warranty may not be transferred to a subsequent owner without the written approval of PowerSecure.

This warranty does not cover special, incidental or consequential damages including but not limited to rental equipment and/or any expenses, losses, or costs due to down time of product.

PowerSecure coverage does not include failure caused by flood, water, weather, freezing, heat, earthquake, fire, wind, storm, lightning, volcanic eruption, dust, war, sabotage, vandals, riot, theft, explosion, or any other act(s) by nature or man.

Any implied or statutory warranties, including any warranty of merchantability or fitness of purchase, is expressly limited to the duration of this warranty.

This warranty is only valid in the United States.

There are no other warranties, expressed or implied, beyond what is stated herein. The foregoing warranty is in lieu of any other representations or warranties, expressed or implied, which are hereby expressly disclaimed and waived by the buyer. Any modification of the warranties set forth herein must be in writing and signed by a duly-authorized officer of PowerSecure.

This warranty gives the owner specific legal rights. The owner may also have other rights which vary from state to state. Some states do not allow limitations on how long an implied warranty lasts, or the exclusion or limitation of incidental or consequential damages, therefore some of the above limitations may not apply.

WARRANTY START DATE: _____

"X" MONTHS WARRANTY: _____

AUTHORIZED: _____



**Exhibit C
IDG® Management Services Agreement
City of Leesburg, Florida**

PowerSecure IDG® Management Services Agreement

I. Location and Description

A. PowerSecure shall install Switchgear and controls at the following locations:

MOC –	2010 Griffin Road, Leesburg, Florida
Wastewater Operations –	608 N. Canal St, Leesburg, Florida
Wastewater Influent –	608 N. Canal St, Leesburg, Florida
Wastewater Turnpike location –	1035 CR 470, Leesburg, Florida
City Hall –	501 West Meadow St, Leesburg, Florida
Water Dept. –	223 South 5 th Street, Leesburg, Florida
Police Dept –	115 East Magnolia St, Leesburg, Florida
Public Works –	550 South 14 th St., Leesburg, Florida

II. Scope of Services

A. PowerSecure (PS) proposes to furnish the following list of comprehensive services on an ongoing basis to serve Customer's IDG® System.

1. Remote Monitoring Services

PowerSecure will provide our Remote Monitoring/Dispatch Service for the duration of this Agreement.

- a. Install all necessary equipment and software as described within this proposal.
- b. Provide communications to each IDG® System Enclosure.
- c. Receive Utility signals and start/stop the IDG® Systems accordingly.
- d. Interactively monitor generator sites and provide status reports.
- e. Supply monthly summary reports to Customer.

2. Maintenance Services

1. Provide a Bi-Annual switchgear walkthrough and system check.
2. Provide visual inspection of the switchgear and go through functional operation to include cleaning and vacuuming out the switchgear. Please note a shutdown will need to be required.
3. Every third year provide an infrared scan and report
4. Provide a basic report of findings and recommendations.



**Exhibit C
IDG® Management Services Agreement
City of Leesburg, Florida**

Additional Tests:

In addition, when the Bi-Annual walkthrough is performed, all filters will be changed and any damaged light bulbs will be replaced as well as the emergency lighting tested.

Bi-Annually the system will be transferred to its alternate source and the breakers, relays, and switches will be exercised.

A maintenance log will be kept locally for customer review as well as a copy at PowerSecure. All testing completed will be presented in report form bi-annually, along with any problems found as a result of the infrared inspections. All problems found will be immediately reported to the customer.

III. Term

The Term of this agreement is continuous for 15 years from date of completion of the Final Commissioning/Start-up. The City will have the option at the end of each 2-year period from the date of Final Commissioning/Start-up to purchase all equipment owned by PowerSecure for the original turnkey purchase price reduced by 2.5% per year.

CUSTOMER and POWERSECURE understand and agree that this Agreement is subject to the availability of funds to the CUSTOMER to purchase the specified products/services. As used herein, a "nonappropriation" shall be defined as an occurrence wherein the CUSTOMER, in any fiscal period, does not allocate funds in its budget for the purchase of the specified products/services or other amounts owed pursuant to this Contract, from the source of funding which the CUSTOMER anticipates using to pay its obligations hereunder, and the CUSTOMER has no other funds, from sources other than ad valorem taxes, which it deems to be available to pay its obligations under this Contract. The CUSTOMER may terminate this Contract, with no further liability to the POWERSECURE, effective the first day of a fiscal period provided that:

- (a) a nonappropriation has occurred, and
- (b) the CUSTOMER has provided POWERSECURE with written notice of termination not less than fifteen (15) days before the proposed termination date.

Upon the occurrence of such nonappropriation the CUSTOMER shall not be obligated for payment for any fiscal period for which funds have not been appropriated.



**Exhibit C
IDG® Management Services Agreement
City of Leesburg, Florida**

IV. Comments and Clarifications

- A. Costs associated with installing a communication connection to the Switchgear is included in the above price and will not be billed to the Customer.
- B. Where Cellular or telephone service is used as the secondary means of communication, quality and coverage is standard coverage as offered by the provider. PowerSecure does not make any claims to quality, consistency, or geographical coverage of the system.
- C. Inputs are based on instantaneous reading(s) of the associated parameter. Data Logging is not provided.
- D. Provision will be made for real-time electrical and mechanical output data transmission to the MOC and to the Environmental Services Operation Center for the three Water and Wastewater generators.
- E. Any direct costs for emergency response and repairs by PowerSecure employees or its affiliates (not covered by standard or extended warranty) are not included in the proposal.
- F. PowerSecure will be responsible for maintaining all equipment that they install/own and the City will be responsible for maintaining all existing equipment, not installed by PowerSecure.

V. Other Terms and Conditions

- A. PowerSecure is not responsible for delays in delivery or rendering of services due to fires, strikes, accidents, acts of God, or other causes beyond our control. In no case will PowerSecure be responsible for incidental or consequential damages due to late delivery of equipment or services.
- B. Limited Liability – No Liability or Consequential Damages. In no event shall PowerSecure or its suppliers accept or be liable for any damages whatsoever (including, without limitation, damages for loss of business profits, business interruption, loss of business information, loss of electric savings, or other pecuniary loss) arising out of the use of or inability to use PowerSecure products or services included in this proposal, even if PowerSecure has been advised of the possibility of such damages.
- C. Customer shall be responsible for obtaining all necessary environmental permits (if necessary) for the DG system, as required by state, federal, and local governments.
- D. PowerSecure is not responsible for costs associated with fuel spills. Fuel suppliers will be responsible for all costs associated with fuel spills due to their negligence.



**Exhibit C
IDG® Management Services Agreement
City of Leesburg, Florida**

- E. This Agreement does not establish any additional warranty coverage, or lengthen any existing warranty term, on the Integrated Distributed Generation® System (including but not limited to the switchgear, controls, and engine generator).
- F. Customer will allow accessibility and right-of-way provisions as necessary for any of the services described herein.
- G. The price quoted herein may not be modified without the express written authority between both parties.
- H. This Proposal is expressly conditioned upon your acceptance of these terms and conditions, unless specifically modified from this Proposal.

VI. CUSTOMER Responsibilities

- A. The scope of Remote Monitoring, and Maintenance described herein is a fairly comprehensive set of services which typically results in very little need for owner interface with the IDG® System.
- B. It is advisable that selected electrical maintenance staff become familiar with certain limited characteristics of the IDG® System in order to aid PowerSecure in troubleshooting system problems, should any occur. These characteristics will be covered during our In-Service Training.
- C. Maintenance of engine generators and ancillary equipment owned and installed by the Customer.
- D. Other Customer responsibilities include:
 - 1. Weekly brief visual inspection of each IDG® System Enclosure to look for:
 - a. Vandalism
 - b. Liquid Leaks of any kind (stains or puddles in the enclosure or on the concrete pad)
 - c. Damage caused by severe weather
 - 2. Brief visual inspection after any actual IDG® System operation for Standby, Load Management or Load Curtailment use to look for signs of overheating, leaks, weather damage.
 - 3. In the event of an IDG® System failure, PowerSecure may request (but not require) the assistance of CUSTOMER electrical maintenance personnel to aid in the troubleshooting of failure. This assistance could involve: (1) visual inspection, (2) manually starting and IDG® System under PowerSecure supervision over the telephone, (3) manually resetting selected protective functions, or similar tasks.
 - 4. Verifying other physical conditions.