

PERFORMANCE CONTRACT

This Performance Contract (this "Agreement") is made this 6th day of July, 2016
between:

PARTIES

JOHNSON CONTROLS, INC. ("JCI")
5770 Warland Drive
Cypress, CA 90630

and

United Laguna Woods Mutual ("Customer")
24351 El Toro Road
Laguna Woods, CA 92637

RECITALS

WHEREAS, the Customer desires to retain JCI to perform the work specified in Schedule 1 (Scope of Work) hereto (the "Work") relating to the installation of the improvement measures (the "Improvement Measures") described therein; and

WHEREAS, the Customer is authorized and empowered under applicable Laws (as defined below) to enter into this Agreement, and has taken all necessary action under applicable Laws to enter into this Agreement;

WHEREAS, the Customer has selected JCI to perform the Work after it determined JCI's proposal was the most advantageous to the Customer in accordance with all applicable procurement and other Laws; and

WHEREAS, Customer is authorized under its Articles and Bylaws to enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual promises set forth herein, the parties agree as follows:

AGREEMENT

1. **SCOPE OF THE AGREEMENT.** JCI shall perform the Work set forth in Schedule 1. After the Work is Substantially Complete (as defined below) and the Certificate of Substantial Completion is executed by the Customer and JCI, JCI shall provide the assured performance guarantee (the "Assured Performance Guarantee") and the measurement and verification services (the "M&V Services") set forth in Schedule 2 (Assured Performance Guarantee) as applicable. The Customer shall make payments to JCI for the Work and the M&V Services in accordance with Schedule 4 (Price and Payment Terms).

2. **AGREEMENT DOCUMENTS:** In addition to the terms and conditions of this Agreement, the following Schedules are incorporated into and shall be deemed an integral part of this Agreement:

Schedule 1 – Scope of Work
Schedule 2 – Assured Performance Guarantee
Schedule 3 – Customer Responsibilities
Schedule 4 – Price and Payment Terms
Attachment 1 – Notice to Proceed
Attachment 2 – Change Order
Attachment 3 – Certificate of Substantial Completion, Certificate of Final Completion
Attachment 4 – M&V Services Agreement

3. **NOTICE TO PROCEED; SUBSTANTIAL COMPLETION; M&V SERVICES.** This Agreement shall become effective on the date of the last signature on the signature page below. Subject to satisfying the confirmation of financing described below, JCI shall commence performance of the Work within ten (10) business days of receipt of the Customer's Notice to Proceed for the Facility Improvement Measures (FIMs), form of which is attached hereto as Attachment 1, and shall achieve Substantial Completion of the Work by the Substantial Completion date on which the Customer executes a Certificate of Substantial Completion in the form attached hereto as Attachment 3; and which will occur no later than March 31, 2017 notwithstanding delays beyond the control of JCI such as by Southern California Edison, the Customer, or VMSI..

For purposes of this Agreement, "Substantial Completion" means that JCI has provided sufficient materials and services to permit the Customer to operate the Improvement Measures. The M&V Services shall commence on the first day of the month following the month in which the Customer executes a Certificate of Substantial Completion and shall continue throughout the Guarantee Term, subject to earlier termination of the Assured Performance Guarantee as provided herein. The Customer acknowledges and agrees that if, for any reason, it (i) cancels or terminates receipt of M&V Services, (ii) fails to pay for M&V Services in accordance with Schedule 4, (iii) fails to fulfill any of the Customer's responsibilities necessary to enable JCI to complete the Work and provide the M&V Services, or (iv) otherwise cancels, terminates or materially breaches this Agreement, the Assured Performance Guarantee shall automatically terminate and JCI shall have no liability thereunder. Prior to commencement of the Work, JCI may request in writing that the Customer provide reasonable evidence that the Customer has made financial arrangements to fulfill the Customer's obligations under the Agreement. Thereafter, JCI may only request such evidence if (1) the Customer fails to make payments to JCI as the Agreement requires; (2) a change in the Work materially changes JCI's compensation under this Agreement; or (3) JCI identifies in writing a reasonable concern regarding the Customer's ability to make payment when due. The Customer shall furnish such evidence as a condition precedent to commencement or continuation of the Work or the portion of the Work affected by a material change. After the Customer furnishes the evidence, the Customer shall not materially vary such financial arrangements without prior notice to JCI.

4. **DELAYS AND IMPACTS.** If JCI is delayed in the commencement, performance, or completion of the Work and/or M&V Services by causes beyond its control and without its fault, including but not limited to inability to access property; concealed or unknown conditions encountered at the project, differing from the conditions represented by the Customer or otherwise disclosed by the Customer to JCI prior to the commencement of the Work; a Force Majeure (as defined below) condition; delays resulting from approvals from Southern California Edison (SCE) and/or any authority having jurisdiction over the Work (AHJ); and/or work beyond JCI's control; failure by the Customer to perform its obligations under this Agreement; or failure by the Customer to cooperate with JCI in the timely completion of the Work, JCI shall provide written notice to the Customer of the existence,

extent of, and reason for such delays and impacts. Under such circumstances, an equitable adjustment in the time for performance, price and payment terms, and the Assured Performance Guarantee shall be made.

5. **ACCESS.** The Customer shall provide JCI, its subcontractors, and its agents reasonable and safe access to all facilities and properties in the Customer's control that are subject to the Work and M&V Services. JCI agrees to comply with all of Customer's security protocol and sign-in procedures for vendors. JCI shall only access Customer's property during business hours (7:00 a.m. to 5:00 p.m. Monday through Friday (holidays excluded)), unless otherwise approved by Customer. The Customer further agrees to assist JCI, its subcontractors, and its agents to gain access to facilities and properties that are not controlled by the Customer but are necessary for JCI to complete the Work and provide the M&V Services. An equitable adjustment in the time for performance, price and payment terms, and Assured Performance Guarantee shall be made as a result of any failure to grant such access.
6. **PERMITS, TAXES, AND FEES.** Unless otherwise specified in Schedule 3 (Customer Responsibilities), JCI shall be responsible for obtaining all building permits required for it to perform the Work. Unless otherwise specified in Schedule 1 (Scope of Work), the Customer shall be responsible for obtaining all other permits, licenses, approvals, permissions and certifications, including but not limited to, all zoning and land use changes or exceptions required for the provision of the Work or the ownership and use of the Improvement Measures. JCI shall not be obligated to provide any changes to or improvement of the facilities or any portion thereof required under any applicable building, fire, safety, sprinkler or other applicable code, standard, law, regulation, ordinance or other requirement unless the same expressly regulates the installation of the Improvement Measures. Without limiting the foregoing, JCI's obligations with respect to the Work is not intended to encompass any changes or improvements that relate to any compliance matters (whether known or unknown) that are not directly related to the installation of the Improvement Measures or which have been imposed or enforced because of the occasion or opportunity of review by any governmental authority. The Customer shall be responsible for and shall pay when due all assessments, charges and sales, use, property, excise, or other taxes now or hereafter imposed by any governmental body or agency upon the provision of the Work or the M&V Services, implementation or presence of the Improvement Measures, the use of the Improvement Measures or payments due to JCI under this Agreement, other than taxes upon the net income of JCI. The Customer shall also be responsible for real or personal property taxes relating to equipment or material included in the Improvement Measures. Any fees, taxes, or other lawful charges paid by JCI on account of the Customer shall become immediately due from the Customer to JCI.
7. **WARRANTY.** JCI will perform the Work in a professional, workman-like manner and in accordance with applicable law and industry standards. JCI will promptly re-perform any non-conforming Work for no charge, as long as the Customer provides written notice to JCI within one (1) year following Substantial Completion or such other period identified in Schedule 1. If JCI installs or furnishes goods or equipment under this Agreement, and such goods or equipment are covered by an end-user warranty from their manufacturer, JCI will transfer the benefits of such warranty to the Customer. The foregoing remedy with respect to the Work, together with any remedy provided by goods or equipment manufacturers, shall be the Customer's sole and exclusive remedies for warranty claims. The Customer agrees that the one (1) year period following Substantial Completion, or such other period identified in Schedule 1, shall be a reasonable time for purposes of submitting valid warranty claims with respect to the Work. These exclusive remedies shall not have failed of their essential purpose so long as JCI transfers the benefits of any goods or equipment end-user warranty to the Customer and remains willing to re-perform any non-conforming Work for no charge within the one (1) year period described above or such other period identified in Schedule 1. **NO OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARE PROVIDED BY JCI.** This warranty does not extend to any Work that has been abused, altered, or misused, or repaired by the Customer or third parties without the supervision or prior written approval of JCI. Except with respect to goods or equipment manufactured by JCI and furnished to the Customer hereunder, for which JCI shall provide its express written manufacturer's warranty, JCI shall not be considered a merchant or vendor of goods or equipment.
8. **CLEANUP.** JCI shall keep the premises and the surrounding area free from accumulation of waste materials or rubbish caused by the Work and, upon completion of the Work, JCI shall remove all waste materials, rubbish, tools, construction equipment, machinery, and surplus materials.

9. SAFETY; COMPLIANCE WITH LAWS. JCI shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the performance of the Work and M&V Services. Each of JCI and the Customer shall comply with all applicable laws, ordinances, rules, regulations, and lawful orders of public authorities (collectively, "Laws") in connection with its performance hereunder.

10. ASBESTOS-CONTAINING MATERIALS AND OTHER HAZARDOUS MATERIALS.

Asbestos-Containing Materials: Neither party desires to or is licensed to undertake direct obligations relating to the identification, abatement, cleanup, control, removal or disposal of asbestos-containing materials ("ACM"). Consistent with applicable Laws, the Customer shall supply JCI with any information in its possession relating to the presence of ACM in areas where JCI undertakes any Work or M&V Services that may result in the disturbance of ACM. It is JCI's policy to seek certification for facilities constructed prior to 1982 that no ACM is present, and the Customer shall provide such certification for buildings it owns, or aid JCI in obtaining such certification from facility owners in the case of buildings that the Customer does not own, if JCI will undertake Work or M&V Services in the facility that could disturb ACM. If either the Customer or JCI becomes aware of or suspects the presence of ACM that may be disturbed by JCI's Work or M&V Services, it shall promptly stop the Work or M&V Services in the affected area and notify the other. As between the Customer and JCI, the Customer shall be responsible at its sole expense for addressing the potential for or the presence of ACM in conformance with all applicable Laws and addressing the impact of its disturbance before JCI continues with its Work or M&V Services, unless JCI had actual knowledge that ACM was present and acted with intentional disregard of that knowledge, in which case (i) JCI shall be responsible at its sole expense for remediating areas impacted by the disturbance of the ACM, and (ii) the Customer shall resume its responsibilities for the ACM after JCI's remediation has been completed.

Other Hazardous Materials: JCI shall be responsible for removing or disposing of any Hazardous Materials (as defined below) that it uses in providing Work or M&V Services ("JCI Hazardous Materials") and for the remediation of any areas impacted by the release of JCI Hazardous Materials. For other Hazardous Materials that may be otherwise present at the Customer's facilities ("Non-JCI Hazardous Materials"), the Customer shall supply JCI with any information in its possession relating to the presence of such materials if their presence may affect JCI's performance of the Work or M&V Services. If either the Customer or JCI becomes aware of or suspects the presence of Non-JCI Hazardous Materials that may interfere with JCI's Work or M&V Services, it shall promptly stop the Work or M&V Services in the affected area and notify the other. As between the Customer and JCI, the Customer shall be responsible at its sole expense for identifying, removing and disposing of Non-JCI Hazardous Materials from its facilities and the remediation of any areas impacted by the release of Non-JCI Hazardous Materials, unless JCI had actual knowledge that Non-JCI Hazardous Materials were present and acted with intentional disregard of that knowledge, in which case (i) JCI shall be responsible at its sole expense for the remediation of any areas impacted by its release of such Non-JCI Hazardous Materials, and (ii) the Customer shall remain responsible at its sole expense for the removal of Non-JCI Hazardous Materials that have not been released and for releases not resulting from JCI's performance of the Work or M&V Services. For purposes of this Agreement, "Hazardous Materials" means any material or substance that, whether by its nature or use, is now or hereafter defined or regulated as a hazardous waste, hazardous substance, pollutant or contaminant under applicable Law relating to or addressing public or employee health and safety and protection of the environment, or which is toxic, explosive, corrosive, flammable, radioactive, carcinogenic, mutagenic or otherwise hazardous or which is or contains petroleum, gasoline, diesel, fuel, another petroleum hydrocarbon product, or polychlorinated biphenyls. "Hazardous Materials" specifically includes mold and lead-based paint and specifically excludes ACM. JCI shall have no obligations relating to the identification, abatement, cleanup, control, removal, or disposal of mold, regardless of the cause of the mold.

Environmental Indemnity: To the fullest extent permitted by Law, but excepting instances where JCI had actual knowledge that Non-JCI Hazardous Materials were present and acted with intentional disregard of that knowledge, the Customer shall indemnify and hold harmless JCI and JCI's subcontractors, and their respective directors, officers, employees, agents, representatives, shareholders, affiliates, and assigns and successors, from and against any and all losses, costs, damages, expenses (including reasonable legal fees and defense costs), claims, causes of action or liability, directly or indirectly, relating to or arising from the Customer's use, or the storage, release, discharge, handling or presence of ACM, mold (actual or alleged and regardless of the cause of such condition) or Non-JCI Hazardous Materials on, under or about the facilities, or the Customer's failure to comply with this Section 10.

11. CHANGE ORDERS. The parties, without invalidating this Agreement, may request changes in the Work to be performed under this Agreement, consisting of additions, deletions, or other revisions to the Work ("Change Orders"). The price and payment terms, time for performance and, if necessary, the Assured Performance Guarantee, shall be equitably adjusted in accordance with the Change Order. Such adjustments shall be determined by mutual agreement of the parties. Any Change Order must be signed by an authorized representative of each party. If concealed or unknown conditions are encountered at the project, differing from the conditions represented by the Customer in the bid documents or otherwise disclosed by the Customer to JCI prior to the commencement of the Work, price and payment terms, time for performance and, if necessary, the Assured Performance Guarantee, shall be equitably adjusted. Claims for equitable adjustment may be asserted in writing within a reasonable time from the date a party becomes aware of a change to the Work by written notification. Failure to promptly assert a request for equitable adjustment, however, shall not constitute a waiver of any rights to seek any equitable adjustment with respect to such change.

12. CUSTOMER FINANCING; TREATMENT; FEES. The parties acknowledge and agree that JCI is not making any representation or warranty to the Customer with respect to matters not expressly addressed in this Agreement, including, but not limited to:

- (a) The Customer's ability to obtain or make payments on any financing associated with paying for the Improvement Measures, related services, or otherwise;
- (b) The Customer's proper legal, tax, accounting, or credit rating agency treatment relating to this Agreement; and
- (c) The necessity of the Customer to raise fees or seek additional funding for any purpose.

The Customer is solely responsible for its obligations and determinations with respect to the foregoing matters. In addition, the parties acknowledge and agree that the Customer shall be responsible to comply, at its cost and expense, with all Laws that may be applicable to it relating to performance contracting, including, without limitation, any requirements relating to the procurement of goods and/or services and any legal, accounting, or engineering opinions or reviews required or obtained in connection with this Agreement.

13. INSURANCE. JCI shall maintain insurance in amounts no less than those set forth below in full force and effect at all times until the Work has been completed, and shall provide a certificate evidencing such coverage promptly following the full execution of this Agreement.

COVERAGES	LIMITS OF LIABILITY
Workmen's Compensation Insurance or self-insurance, including Employer's Liability	Statutory
Commercial General Liability Insurance	\$1,000,000 Per Occurrence \$2,000,000 Aggregate
Comprehensive Automobile Liability Insurance	\$1,000,000 Combined Single Limit

The above limits may be obtained through primary and excess policies, and may be subject to self-insured retentions.

Customer and its managing agent, Village Management Services, Inc., shall be named as additional insureds to JCI's general liability policy or policies by identifying such parties on the certificate of insurance and applicable additional insured policy endorsements. JCI's insurance policies shall not contain an exclusion for work performed in multi-family residential dwellings. The Customer shall obtain builder's risk insurance coverage for the Improvement Measures and shall at all times be responsible for any loss or casualty to the Improvement Measures. The Customer shall also maintain insurance coverage, of the types and in the amounts customary for the conduct of its business, throughout the term of this Agreement.

14. BONDS JCI shall provide the following bonds.

- i. A "Payment Bond" (material and labor bond) from a California admitted surety and in the form attached hereto, shall be provided by JCI for the Work within five (5) working days after the Work commencement date in the Notice to Proceed for the Work. The Payment Bond shall be for One Hundred Percent (100%)

of the Stipulated Sum indicated in Schedule 4, to satisfy claims of all claimants as defined in Civil Code Section 9100. The Payment Bond shall be maintained by JCI in full force and effect for the Work until the Work is fully completed and accepted and until all claims for materials and labor are paid, and as otherwise required by California law. The Payment Bond must be executed by an admitted Surety approved to conduct business in the State of California, pursuant to California Code of Civil Procedure Section 995.120. In addition, to the extent required by law, the Payment Bond must be accompanied by a certified copy of the certificate of authority of the insurer issued by the Insurance Commissioner of the State of California, a certificate from the Clerk of the County in which the Work is performed that the certificate of authority of the insurer has not been surrendered, revoked, cancelled, annulled, or suspended, or if it has that it has been renewed, and four copies of the insurer's most recent annual statement and quarterly statement filed with the Department of Insurance of the State of California.

- ii. A "Faithful Performance Bond" from a California admitted surety and in the form attached hereto shall be provided by JCI for the Work within five (5) working days after Work commencement date in the Notice to Proceed. The Faithful Performance Bond shall be for One Hundred Percent (100%) of the Stipulated Sum for the Work to guarantee faithful performance of all work, within the time prescribed, in a manner satisfactory to the Customer, and that all materials and workmanship shall be free from original or developed defects. The Faithful Performance Bond shall be in the form acceptable to the Customer and shall be maintained by JCI in full force and effect until the Work is fully completed and accepted and until all claims and disputes related to the Work and performance of this Agreement are resolved, and as otherwise required under California law. The Faithful Performance Bond shall name the Customer as the entity to which the Principal and Surety, as defined in the Faithful Performance Bond, are bound. The Performance Bond must be executed by an admitted Surety approved to conduct business in the State of California, pursuant to California Code of Civil Procedure Section 995.120. In addition, to the extent required by law, the Performance Bond must be accompanied by a certified copy of the certificate of authority of the insurer issued by the Insurance Commissioner of the State of California, a certificate from the Clerk of the County in which the Work is performed that the certificate of authority of the insurer has not been surrendered, revoked, cancelled, annulled, or suspended, or if it has that it has been renewed, and four copies of the insurer's most recent annual statement and quarterly statement filed with the Department of Insurance of the State of California.
- iii. The bonds required by this section shall meet the following criteria:
 1. Each bond shall name the Customer as obligee, JCI as principal, and the surety as obligor.
 2. Each bond shall be signed by the surety, JCI and a notary and the signature of the authorized agent of the surety shall be notarized.
 3. Should any bond become insufficient, JCI shall renew or amend the bond within ten (10) days after receiving notice from the Customer and/or post one or more additional, bond(s) to provide the bonding required herein.
 4. Should any surety at any time not be a California admitted surety, notice will be given to the Customer to that effect. No further payments shall be deemed due or shall be made until a qualified surety issues sufficient bonds as required herein.
 5. Changes in the work, extensions of time, or any other modifications to this Agreement shall in no way release JCI or the surety from its obligations. Notice of such changes, extension or modifications shall be waived by the surety by express language in the bonds to that effect.
 6. JCI is hereby authorized to obtain a Performance and Payment Bond from any subcontractors selected by JCI at its discretion and its sole cost and expense. Any bonds required by this subsection shall comply with the requirements set forth herein.

15. INDEMNIFICATION. To the fullest extent permitted by applicable Law, each party shall indemnify the other with respect to any third party claim, lawsuit, debt, demand, judgment or loss (including but not limited to reasonable attorneys' fees and costs) alleging bodily injury, including death, or property damage to the extent such injury or damage is caused by the negligence or willful misconduct of the indemnifying party. A condition precedent to any obligation of a party to indemnify the other pursuant to this Section 14 shall be for the indemnified party to promptly advise the indemnifying party in writing of the claim pursuant to the notice

provision of this Agreement.

- 16. LIMITATION OF LIABILITY.** NEITHER JCI NOR THE CUSTOMER WILL BE RESPONSIBLE TO THE OTHER FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, REMOTE, PUNITIVE, EXEMPLARY, LOSS OF PROFITS OR REVENUE, LOSS OF USE, OR SIMILAR DAMAGES, REGARDLESS OF HOW CHARACTERIZED AND REGARDLESS OF A PARTY HAVING BEEN ADVISED OF THE POSSIBILITY OF SUCH POTENTIAL LOSSES OR RELIEF, ARISING IN ANY MANNER FROM THIS AGREEMENT, THE WORK, THE IMPROVEMENT MEASURES, THE PREMISES, THE M&V SERVICES, OR OTHERWISE. WITHOUT LIMITING JCI'S EXPRESS OBLIGATIONS UNDER THE ASSURED PERFORMANCE GUARANTEE, JCI'S LIABILITY UNDER THIS AGREEMENT, REGARDLESS OF THE FORM OF ACTION, SHALL IN NO EVENT EXCEED TWICE THE AMOUNT OF THE PAYMENTS ACTUALLY RECEIVED BY JCI UNDER SCHEDULE 4. If this Agreement covers fire safety or security equipment, the Customer understands that JCI is not an insurer regarding those services, and that JCI shall not be responsible for any damage or loss that may result from fire safety or security equipment that fails to prevent a casualty loss. The foregoing waivers and limitations are fundamental elements of the basis for this Agreement between JCI and the Customer, and each party acknowledges that JCI would not be able to provide the work and services contemplated by this Agreement on an economic basis in the absence of such waivers and limitations, and would not have entered into this Agreement without such waivers and limitations.
- 17. FORCE MAJEURE.** Neither party will be responsible to the other for damages, loss, injury, or delay caused by conditions that are beyond the reasonable control, and without the intentional misconduct or negligence of that party. Such conditions (each, a "Force Majeure") include, but are not limited to: acts of God; acts of government agencies; strikes; labor disputes; fires; explosions or other casualties; thefts; vandalism; riots or war; acts of terrorism; electrical power outages; interruptions or degradations in telecommunications, computer, or electronic communications systems; changes in Laws; or unavailability of parts, materials or supplies.
- 18. JCI'S PROPERTY.** All materials furnished or used by JCI personnel and/or JCI subcontractors or agents at the installation site, including documentation, schematics, test equipment, software and associated media remain the exclusive property of JCI or such other third party. The Customer agrees not to use such materials for any purpose at any time without the express authorization of JCI. The Customer agrees to allow JCI personnel and/or JCI subcontractors or agents to retrieve and to remove all such materials remaining after installation or maintenance operations have been completed. The Customer acknowledges that any software furnished in connection with the Work and/or M&V Services is proprietary and subject to the provisions of any software license agreement associated with such software. Design documents, including drawings, plans and specifications, that were prepared specifically for this Project are excluded from this provision.
- 19. DISPUTES.** JCI and the Customer will attempt to settle any controversy, dispute, difference, or claim between them concerning the performance, enforcement, or interpretation of this Agreement (collectively, "Dispute") through direct discussion in good faith, but if unsuccessful, will submit any Dispute to non-binding mediation in Orange County, California. If the parties are unable to agree on a mediator or a date for mediation, either party may request JAMS, Inc. to appoint a mediator and designate the time and procedure for mediation. Such mediator shall be knowledgeable, to each party's reasonable satisfaction, with respect to matters concerning construction law. Neither JCI nor the Customer will file a lawsuit against the other until not less than sixty (60) days after the mediation referred to herein has occurred, unless one or both parties is genuinely and reasonably concerned that any applicable statute of limitations is on the verge of expiring. JCI AND THE CUSTOMER HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL AS TO ANY CLAIM OR CAUSE OF ACTION BASED UPON, ARISING OUT OF OR DIRECTLY OR INDIRECTLY RELATED TO THIS AGREEMENT, INCLUDING CONTRACT, TORT AND STATUTORY CLAIMS, AND EACH OF THE PARTIES HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN THEIR RELATED FUTURE DEALINGS UNDER THIS AGREEMENT.
- 20. GOVERNING LAW.** This Agreement and the construction and enforceability thereof shall be interpreted in accordance with the laws of the state where the Work is conducted.
- 21. CONSENTS; APPROVALS; COOPERATION.** Whenever the Customer's consent, approval, satisfaction or determination shall be required or permitted under this Agreement, and this Agreement does not expressly

state that the Customer may act in its sole discretion, such consent, approval, satisfaction or determination shall not be unreasonably withheld, qualified, conditioned or delayed, whether or not such a "reasonableness" standard is expressly stated in this Agreement. Whenever the Customer's cooperation is required by JCI in order to carry out JCI's obligations hereunder, the Customer agrees that it shall act in good faith and reasonably in so cooperating with JCI and/or JCI's designated representatives or assignees or subcontractors. The Customer shall furnish decisions, information, and approvals required by this Agreement in a timely manner so as not to delay the performance of the Work or M&V Services.

- 22. FURTHER ASSURANCES.** The parties shall execute and deliver all documents and perform all further acts that may be reasonably necessary to effectuate the provisions of this Agreement.
- 23. INDEPENDENT CONTRACTOR.** The relationship of the parties hereunder shall be that of independent contractors. Nothing in this Agreement shall be deemed to create a partnership, joint venture, fiduciary, or similar relationship between the parties.
- 24. POWER AND AUTHORITY.** Each party represents and warrants to the other that (i) it has all requisite power and authority to execute and deliver this Agreement and perform its obligations hereunder, (ii) all corporate, board, body politic, or other approvals necessary for its execution, delivery, and performance of this Agreement have been or will be obtained, and (iii) this Agreement constitutes its legal, valid, and binding obligation.
- 25. SEVERABILITY.** In the event that any clause, provision, or portion of this Agreement or any part thereof shall be declared invalid, void, or unenforceable by any court having jurisdiction, such invalidity shall not affect the validity or enforceability of the remaining portions of this Agreement unless the result would be manifestly inequitable or materially impair the benefits intended to inure to either party under this Agreement.
- 26. COMPLETE AGREEMENT.** It is understood and agreed that this Agreement including any and all exhibits, scope, guarantees, change orders, schedules and/or attachments contains the entire agreement between the parties relating to all issues involving the subject matter of this Agreement. No binding understandings, statements, promises or inducements contrary to this Agreement exist. This Agreement supersedes and cancels all previous agreements, negotiations, communications, commitments and understandings with respect to the subject matter hereof, whether made orally or in writing. Each of the parties to this Agreement expressly warrants and represents to the other that no promise or agreement which is not herein expressed has been made to the other, and that neither party is relying upon any statement or representation of the other that is not expressly set forth in this Agreement. Each party hereto is relying exclusively on the terms of this Agreement, its own judgment, and the advice of its own legal counsel and/or other advisors in entering into this Agreement. The Customer acknowledges and agrees that any purchase order issued by the Customer associated with this Agreement is intended only to establish payment authority for the Customer's internal accounting purposes. No purchase order shall be considered a counteroffer, amendment, modification, or other revision to the terms of this Agreement.
- 27. HEADINGS.** The captions and titles in this Agreement are for convenience only and shall not affect the interpretation or meaning of this Agreement.
- 28. COUNTERPARTS.** This Agreement may be executed in any number of counterparts, all of which when taken together shall constitute one single agreement between the parties.
- 29. NOTICES.** All notices or communications related to this Agreement shall be in writing and shall be deemed served if and when mailed by certified or registered mail: to Johnson Controls, Inc. at the address listed on the first page of this Agreement, ATTN: Regional Solutions Manager, with a copy to Johnson Controls, Inc., ATTN: General Counsel – Building Efficiency Americas, 507 East Michigan Street, Milwaukee, Wisconsin, 53202: and to the Customer at the address listed on the first page of this Agreement.

UNITED LAGUNA WOODS MUTUAL

Signature:  _____

Printed Name: Lenny Ross

Performance Contract [Rev 15] 04/08
Johnson Controls, Inc. – Proprietary
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JOHNSON CONTROLS, INC.

Signature: _____

Printed Name: Bradley Harlow

Title: President

Date: 7/6/16

Title: Area General Manager

Date: _____

Signature: Juanita Skillman

Printed Name: Juanita Skillman

Title: Secretary

Date: Juanita Skillman
7/6/16

SCOPE OF WORK

Scope of Work General

JCI shall furnish and install the scope of work as herein defined including the design, engineering, permitting, procurement, and implementation.

The following is a summary of the facility improvement measures (FIM) included for the project:

- FIM 1 – Photovoltaic System
- FIM 2 – Domestic Hot Water Heaters for Stand-alone Laundries

JCI shall provide the necessary engineering plans, calculations and documents for permit issuance from the Authority Having Jurisdiction (AHJ) based on the scope of the work described in this schedule.

The Customer acknowledges that previous permit applications that JCI was not involved with are not the responsibility of JCI.

In the case where a portion of the project is exempt from all or part of the permitting process, JCI shall follow the procedures prescribed by the AHJ.

Johnson Controls, Inc. Initials: _____

Customer Initials: _____

FIM 1 - Photovoltaic System

This Measure is for the installation of photovoltaic (PV) systems which are connected to the existing site's electrical system and will generate useable electricity using solar energy. The PV system shall include JA Solar multicrystalline silicon photovoltaic modules, Sunny Boy inverters, Unirac Panel racking system, Locus data acquisition and monitoring system. System components may be substituted for other components, but shall be of equal quality.

Table 1.1 – PV Generating Sites

Site	Array ID & Location	Location of Electrical Point of Connection
Carport Area with Laundry Buildings L50 and L52	Located on Carport Roofs	Main electrical services located at the two associated Laundry Buildings
Carport Area with Laundry Buildings L80 and L81	Located on Carport Roofs	Main electrical services located at the two associated Laundry Buildings
Carport Area with Laundry Buildings L88 and L90	Located on Carport Roofs	Main electrical service located at the two associated Laundry Buildings
Carport Area with Laundry Buildings L91 and L92	Located on Carport Roofs	Main electrical service located at the two associated Laundry Buildings

Total PV System Size will be a nominal of 809 kWDC and may vary based on final construction conditions.

Note: This is the planned list of carport locations and Laundry Buildings electric services planned for PV Generating Sites. However, the final lists and locations may be changed based on SCE approvals for the NEM Aggregation applications and/or the final construction conditions.

The PV systems for each of the above will be rack mounted arrays on the existing carport roofs with Unirac racking systems (or equal) mounted to the Carport structure.

The scope of work for this measure includes the following:

1. Engineering of PV systems
2. Applications for Net Metering Aggregation and Utility Interconnection from the electrical utility Southern California Edison (SCE) for each of the above listed PV generating sites and the Customer benefitting sites associated with the generating sites.
3. Installation of PV arrays on rack mounted systems on each of the above listed sites. The roof mounted systems consists of prefabricated system of metal racks to be secured to the carport structures to support the PV modules which are tilted five (5) degrees from horizontal.
4. Installation of multicrystalline silicon photovoltaic modules, electrical connections and interconnection to the existing electrical service located at the associated laundry buildings for each of the sites.

Warranty:

There is a period of one year of warranty starting at the time of substantial completion, as identified in item 7 above in the Agreement section. Inverters will be furnished with manufacturer's standard warranty of ten years, and an extended warranty of 5 years. The extended warranty will be passed on to the Customer in the project submittal documents.

Clarifications

- JCI has included the panel service upgrade for the eight (8) associated laundry buildings identified in the table above for the electric panel upgrades for the Pushmatic or General Electric (GE) electric panels, as applicable. These panel upgrades will be providing the interconnection for the Photovoltaic systems.
- JCI has not included repair or replacement of any other existing electrical equipment. Existing electrical systems have been reviewed with SCE and has been assumed to be rated for the PV connections. In the

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Schedule 1

event the electrical service, after the upgrades, is found to be deficient for the purpose of this project, the Customer and JCI agree to negotiate in good faith to identify and implement a remedy for the issue.

- Repair or replacement of defective electrical equipment and the electrical distribution system, except the equipment described in the Scope of Work is excluded.
- Correction of any existing applicable building code violation except the equipment described in the Scope of Work is excluded.
- Electrical wiring and associated conduit will be installed on the carport roofs and buried as needed to connect the new PV systems to the associated electrical services at the associated laundry buildings
- The trenching in existing concrete areas will include cutting and removing the existing concrete for the trenching work, and new concrete will be poured to replace the concrete where it was removed for the trenching.
- The trenching in grass areas and landscaped areas will include replanting the existing grass and plants in the trenched areas. JCI will coordinate with the Landscape staff for this work.
- No additional modifications or redesign of the existing electrical system is included except that clearly identified in this scope of work.
- The latest edition of the National Electrical Code® is applicable for the design and installation of this project per the latest California Building Codes unless the Authority Having Jurisdiction is utilizing an earlier version. Any newer issues of the National Electrical Code® are not expected to be applicable for the period effecting the design and installation of this project. If the Authority Having Jurisdiction (AHJ) requires any newer codes to be applied, then the Customer is responsible for any additional cost that may arise.
- Southern California Edison Net Energy Metering (NEM) Aggregation program applies for the Photovoltaic System interconnection and generating/benefitting sites as defined herein. The following are further clarifications for the Net Energy Metering Aggregation:
 - The existing SCE TOU-GS-1A rate schedule that is applicable to all of the Customer's electric meters to be included in this NEM Aggregation will continue to be in place following the implementation per the present SCE documentation. If for some unknown reason SCE decides to revise this rate schedule, this is beyond the control of JCI and as such JCI will not be liable for any savings revisions.
 - The SCE Schedule NEM NET ENERGY METERING, SCE U338-E (Advice 3282-E), Cal. PUC Sheet No. 57518-E, Date Filed Oct 2, 2015, Effective Date Nov 1, 2015 (Reference <http://www.sce.com/nem>) is the overruling document applicable to the SCE processes and approvals.
 - The SCE NEM NET ENERGY METERING document noted above sets the time frame for this program to end either when the SCE NEM trigger level is reached, or July 1, 2017; whichever occurs first. If there are delays from SCE, City of Laguna Woods, and AHJ in providing approvals, or any delays from the Customer that results in not meeting these SCE deadlines, JCI cannot be held responsible.
 - The SCE NET ENERGY METERING AGGREGATION ACCOUNT INFORMATION Form 14-937 and the SCE NET ENERGY METERING (NEM) GENERATING FACILITY INTERCONNECTION APPLICATION Form 14-957 will be prepared by JCI, with the assistance of the Customer, for the NEM Aggregation applications.
 - JCI will prepare the SCE Interconnection applications, with the assistance of the Customer, for the SCE Interconnection approvals.
- There will be very limited times that power may need to be shut down and will be localized to the immediate area of the specific electrical work, JCI has excluded providing temporary power.

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FIM 2 - Domestic Hot Water Heaters for Stand-alone Laundries

- A. Domestic Hot Water Heaters for Stand-alone Laundries: This Measure is to remove the existing electric domestic hot water heaters located at the Customer's laundry facilities and replace them with new electric domestic hot water heaters. The one hundred seventy-five (175) stand-alone laundry facilities existing electric hot water heaters will be removed, and will be replaced with one (1) electric hot water heater each, Rheem Marathon model MR20230 or equal. The complete list of the Laundry Facilities is provided in Table 1.2 below.

1. Disconnect and remove existing equipment and dispose of properly. The Customer retains salvage rights.
2. Disconnect and remove existing exposed wiring from equipment back to the existing electrical subpanel. Any existing wiring in concealed walls will be abandoned in place.
3. Disconnect existing water piping from the existing hot water heater(s), and demo as needed for removal of the existing hot water heaters and installation of the new hot water heaters.
4. Install new electrical wiring and EMT conduit from electrical subpanel to the new electric hot water heaters. Provide and install new circuit breakers at the existing electrical subpanels for the new hot water heaters installation, if needed.
5. Install new cold water and hot water piping to connect the new hot water heaters to the existing cold water and hot water piping as needed for installing the new hot water heaters only. Install new piping insulation on the new hot water and cold water piping in accordance with 2012 International Energy Conservation Code IECC.
6. Equipment start-up, testing, and system check out.
7. Provide Operation & Maintenance manuals for new equipment.

Warranty:

There is a period of one year of warranty starting at the time of substantial completion, as identified in item 7 above in the Agreement section. The hot water heaters have a one year manufacturer warranty with an extended 5 year warranty for the tank. The extended warranty will be passed on to the Customer in the project submittal documents

- B. Electric Panel Replacement for Obsolete Pushmatic Electrical Panels: This scope of work is for eighty-two (82) laundry facilities with existing Pushmatic electrical panels, and applies to the laundry facilities listed in the Table 1.2 below. The existing Pushmatic electrical panels will be removed and replaced with new General Electric (GE) or equal electric panels rated for 200 amp service; applicable for eighty (80) of the existing Pushmatic panels. Two (2) of the eighty-two (82) Laundry Buildings will have the Pushmatic panels removed and replaced with new 400 Amp panels and service; this is applicable to Laundries L50 and L52. The complete list of the Laundry Facilities with the Pushmatic electric panels is provided in Table 1.3 below.

1. Replacement of Existing Pushmatic Electric Panels with New 200 Amp Electric Panels
(This scope is applicable to 80 Laundry Buildings and is not applicable for the Laundry Buildings listed in item 2. Below - L50 and L52)
 - a. JCI will prepare the SCE applications for the service panel replacements, with the assistance of the Customer, for the SCE service work involved with the panel replacements. The Customer has final responsibility in submitting the applications as the actual SCE customer.
 - b. JCI will work with the Customer to schedule SCE for the SCE work involved with the panel replacement for the transformer to the new panels. The Customer has final responsibility for SCE scheduling and work as the actual SCE customer.
 - c. Disconnect and remove the existing Pushmatic electric panels and dispose of properly. The Customer retains salvage rights for any demoed equipment.
 - d. Install new GE, or equal, electric panels rated for 200 amps for 240 volts/120 volts and install new GE breakers to re-connect the existing circuits.

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- e. Equipment start-up, testing, and system check out.
- f. Provide Operation & Maintenance manuals for new equipment.

C. Replacement of two (2) of the existing Pushmatic panels and six (6) of the GE Electric Panels with New 400 Amp Electric Panels with Dual 400 Amp Line side lugs for future line side connection: This scope is applicable to Laundry Buildings L50, L52, L80, L81, L88, L90, L91, and L92 only. (Note that the remaining existing Pushmatic electric panels will be replaced and upgraded as identified in Item B above to accommodate the installation of the new DHW heaters.)

- a. JCI will prepare the SCE applications for the service panel replacements, with the assistance of the Customer, for the SCE service work involved with the panel replacements
- b. JCI will work with the Customer to schedule SCE for the SCE work involved with the panel replacement for the transformer to the new panels. The Customer has final responsibility for SCE scheduling and work as the actual SCE customer.
- c. Disconnect and remove the existing Pushmatic or GE electric panels and dispose of properly. The Customer retains salvage rights for any removed equipment.
- d. Install new GE, or equal, electric panels rated for 400 amps for 240 volts/120 volts and install new GE breakers to re-connect the existing circuits.
- e. Equipment start-up, testing, and system check out.
- f. Provide Operation & Maintenance manuals for new equipment.

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Table 1.2 – Listing of United Laguna Woods Mutual Laundry Buildings

United Mutual - Laguna Woods Village (1 of 2)					
175 Laundry Buildings Total					
Laundry Facility	Street Address	Street Address	Laundry Facility	Street Address	Street Address
L1	24412 CALLE ARAGON	LAGUNA WOODS, CA 92653	L51	24171 CALLE ARAGON	LAGUNA WOODS, CA 92653
L2	24412 CALLE ARAGON	LAGUNA WOODS, CA 92653	L52	24171 CALLE ARAGON	LAGUNA WOODS, CA 92653
L3	24351 CALLE ARAGON	LAGUNA WOODS, CA 92653	L53	23532 AVENIDA SEVILLA	LAGUNA WOODS, CA 92653
L4	24351 CALLE ARAGON	LAGUNA WOODS, CA 92653	L54	23532 AVENIDA SEVILLA	LAGUNA WOODS, CA 92653
L5	24352 AVENIDA CASTILLA	LAGUNA WOODS, CA 92653	L55	23421 AVENIDA CARMEL	LAGUNA WOODS, CA 92653
L6	24352 AVENIDA CASTILLA	LAGUNA WOODS, CA 92653	L56	23421 AVENIDA CARMEL	LAGUNA WOODS, CA 92653
L7	24222 VIA CASTILLA	LAGUNA WOODS, CA 92653	L57	23541 AVENIDA SEVILLA	LAGUNA WOODS, CA 92653
L8	24222 VIA CASTILLA	LAGUNA WOODS, CA 92653	L58	24441 AVENIDA CASTILLA	LAGUNA WOODS, CA 92653
L9	24222 VIA CASTILLA	LAGUNA WOODS, CA 92653	L59	24441 AVENIDA CASTILLA	LAGUNA WOODS, CA 92653
L10	24221 VIA CASTILLA	LAGUNA WOODS, CA 92653	L60	23421 AVENIDA CARMEL	LAGUNA WOODS, CA 92653
L11	24221 VIA CASTILLA	LAGUNA WOODS, CA 92653	L61	23421 AVENIDA CARMEL	LAGUNA WOODS, CA 92653
L12	24451 CALLE ARAGON	LAGUNA WOODS, CA 92653	L62	23562 AVENIDA SEVILLA	LAGUNA WOODS, CA 92653
L13	24451 CALLE ARAGON	LAGUNA WOODS, CA 92653	L63	23562 AVENIDA SEVILLA	LAGUNA WOODS, CA 92653
L14	24581 CALLE CADIZ	LAGUNA WOODS, CA 92653	L64	23572 AVENIDA SEVILLA	LAGUNA WOODS, CA 92653
L15	24581 CALLE CADIZ	LAGUNA WOODS, CA 92653	L65	24451 AVENIDA CASTILLA	LAGUNA WOODS, CA 92653
L16	24541 CALLE ARAGON	LAGUNA WOODS, CA 92653	L66	24451 AVENIDA CASTILLA	LAGUNA WOODS, CA 92653
L17	24541 CALLE ARAGON	LAGUNA WOODS, CA 92653	L67	24451 AVENIDA CASTILLA	LAGUNA WOODS, CA 92653
L18	24522 CALLE ARAGON	LAGUNA WOODS, CA 92653	L68	24671 AVENIDA CASTILLA	LAGUNA WOODS, CA 92653
L19	24522 CALLE ARAGON	LAGUNA WOODS, CA 92653	L69	24442 AVENIDA CASTILLA	LAGUNA WOODS, CA 92653
L20	24651 CALLE ARAGON	LAGUNA WOODS, CA 92653	L70	24452 AVENIDA CASTILLA	LAGUNA WOODS, CA 92653
L21	24651 CALLE ARAGON	LAGUNA WOODS, CA 92653	L71	24452 AVENIDA CASTILLA	LAGUNA WOODS, CA 92653
L22	24651 CALLE ARAGON	LAGUNA WOODS, CA 92653	L72	24602 AVENIDA CASTILLA	LAGUNA WOODS, CA 92653
L23	24622 CALLE ARAGON	LAGUNA WOODS, CA 92653	L73	24672 AVENIDA CASTILLA	LAGUNA WOODS, CA 92653
L24	24622 CALLE ARAGON	LAGUNA WOODS, CA 92653	L74	24672 AVENIDA CASTILLA	LAGUNA WOODS, CA 92653
L25	24721 VIA ESTRADA	LAGUNA WOODS, CA 92653	L75	23622 AVENIDA SEVILLA	LAGUNA WOODS, CA 92653
L26	24721 VIA ESTRADA	LAGUNA WOODS, CA 92653	L76	23622 AVENIDA SEVILLA	LAGUNA WOODS, CA 92653
L27	24721 VIA ESTRADA	LAGUNA WOODS, CA 92653	L77	23692 AVENIDA SEVILLA	LAGUNA WOODS, CA 92653
L28	24621 VIA ESTRADA	LAGUNA WOODS, CA 92653	L78	23742 AVENIDA SEVILLA	LAGUNA WOODS, CA 92653
L29	24621 VIA ESTRADA	LAGUNA WOODS, CA 92653	L79	23742 AVENIDA SEVILLA	LAGUNA WOODS, CA 92653
L30	24521 VIA ESTRADA	LAGUNA WOODS, CA 92653	L80	24582 CALLE CADIZ	LAGUNA WOODS, CA 92653
L31	24521 VIA ESTRADA	LAGUNA WOODS, CA 92653	L81	24582 CALLE CADIZ	LAGUNA WOODS, CA 92653
L32	24362 AVENIDA MAJORCA	LAGUNA WOODS, CA 92653	L82	24722 CALLE CADIZ	LAGUNA WOODS, CA 92653
L33	24332 AVENIDA MAJORCA	LAGUNA WOODS, CA 92653	L83	24722 CALLE CADIZ	LAGUNA WOODS, CA 92653
L34	24332 AVENIDA MAJORCA	LAGUNA WOODS, CA 92653	L84	23821 AVENIDA SEVILLA	LAGUNA WOODS, CA 92653
L35	24322 AVENIDA MAJORCA	LAGUNA WOODS, CA 92653	L85	23821 AVENIDA SEVILLA	LAGUNA WOODS, CA 92653
L36	24282 AVENIDA MAJORCA	LAGUNA WOODS, CA 92653	L86	24781 CALLE ARAGON	LAGUNA WOODS, CA 92653
L37	24282 AVENIDA MAJORCA	LAGUNA WOODS, CA 92653	L87	24781 CALLE ARAGON	LAGUNA WOODS, CA 92653
L38	24242 AVENIDA MAJORCA	LAGUNA WOODS, CA 92653	L88	24722 VIA ESTRADA	LAGUNA WOODS, CA 92653
L39	24242 AVENIDA MAJORCA	LAGUNA WOODS, CA 92653	L89	24722 VIA ESTRADA	LAGUNA WOODS, CA 92653
L40	24192 AVENIDA MAJORCA	LAGUNA WOODS, CA 92653	L90	24722 VIA ESTRADA	LAGUNA WOODS, CA 92653
L41	24192 AVENIDA MAJORCA	LAGUNA WOODS, CA 92653	L91	23911 AVENIDA SEVILLA	LAGUNA WOODS, CA 92653
L42	24361 AVENIDA MAJORCA	LAGUNA WOODS, CA 92653	L92	23911 AVENIDA SEVILLA	LAGUNA WOODS, CA 92653
L43	24311 AVENIDA MAJORCA	LAGUNA WOODS, CA 92653	L93	23911 AVENIDA SEVILLA	LAGUNA WOODS, CA 92653
L44	24311 AVENIDA MAJORCA	LAGUNA WOODS, CA 92653	L94	24092 AVENIDA MAJORCA	LAGUNA WOODS, CA 92653
L45	24191 AVENIDA MAJORCA	LAGUNA WOODS, CA 92653	L95	24092 AVENIDA MAJORCA	LAGUNA WOODS, CA 92653
L46	24191 AVENIDA MAJORCA	LAGUNA WOODS, CA 92653	L96	24022 AVENIDA MAJORCA	LAGUNA WOODS, CA 92653
L47	24191 AVENIDA MAJORCA	LAGUNA WOODS, CA 92653	L97	24022 AVENIDA MAJORCA	LAGUNA WOODS, CA 92653
L48	24172 CALLE ARAGON	LAGUNA WOODS, CA 92653	L98	24022 AVENIDA SEVILLA	LAGUNA WOODS, CA 92653
L49	24172 CALLE ARAGON	LAGUNA WOODS, CA 92653	L99	24022 AVENIDA SEVILLA	LAGUNA WOODS, CA 92653
L50	24171 CALLE ARAGON	LAGUNA WOODS, CA 92653	L100	24201 AVENIDA SEVILLA	LAGUNA WOODS, CA 92653

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United Mutual - Laguna Woods Village (2 of 2)

175 Laundry Buildings Total

Laundry Facility	Street Address	Street Address	Laundry Facility	Street Address	Street Address
L101	24381 AVENIDA SEVILLA	LAGUNA WOODS, CA 92653	L1398	25311 RONDA MENDOZA	LAGUNA WOODS, CA 92653
L102	24381 AVENIDA SEVILLA	LAGUNA WOODS, CA 92653	L140	25311 RONDA MENDOZA	LAGUNA WOODS, CA 92653
L103	24381 AVENIDA SEVILLA	LAGUNA WOODS, CA 92653	L141	25311 RONDA MENDOZA	LAGUNA WOODS, CA 92653
L104	24381 AVENIDA SEVILLA	LAGUNA WOODS, CA 92653	L142	24142 AVENIDA SEVILLA	LAGUNA WOODS, CA 92653
L105	24381 AVENIDA SEVILLA	LAGUNA WOODS, CA 92653	L143	25151 VIA MENDOZA	LAGUNA WOODS, CA 92653
L106	24381 AVENIDA SEVILLA	LAGUNA WOODS, CA 92653	L144	25151 VIA MENDOZA	LAGUNA WOODS, CA 92653
L107	24381 AVENIDA SEVILLA	LAGUNA WOODS, CA 92653	L145	25241 RONDA SEVILLA	LAGUNA WOODS, CA 92653
L108	24381 AVENIDA SEVILLA	LAGUNA WOODS, CA 92653	L147	25241 RONDA SEVILLA	LAGUNA WOODS, CA 92653
L109	24381 VIA ALHAMBRA	LAGUNA WOODS, CA 92653	L148	25241 RONDA SEVILLA	LAGUNA WOODS, CA 92653
L110	25112 VIA MENDOZA	LAGUNA WOODS, CA 92653	L149	25251 RONDA SEVILLA	LAGUNA WOODS, CA 92653
L111	24381 VIA ALHAMBRA	LAGUNA WOODS, CA 92653	L150	25231 RONDA SEVILLA	LAGUNA WOODS, CA 92653
L112	24381 VIA ALHAMBRA	LAGUNA WOODS, CA 92653	L151	23972 AVENIDA MAJORCA	LAGUNA WOODS, CA 92653
L113	23912 AVENIDA SEVILLA	LAGUNA WOODS, CA 92653	L152	23942 AVENIDA MAJORCA	LAGUNA WOODS, CA 92653
L114	23912 AVENIDA SEVILLA	LAGUNA WOODS, CA 92653	L153	23942 AVENIDA MAJORCA	LAGUNA WOODS, CA 92653
L115	23912 AVENIDA SEVILLA	LAGUNA WOODS, CA 92653	L154	23942 AVENIDA MAJORCA	LAGUNA WOODS, CA 92653
L116	23841 AVENIDA MAJORCA	LAGUNA WOODS, CA 92653	L155B	24161 CALLE ARAGON	LAGUNA WOODS, CA 92653
L117	23841 AVENIDA MAJORCA	LAGUNA WOODS, CA 92653	L156	24161 CALLE ARAGON	LAGUNA WOODS, CA 92653
L118	23912 AVENIDA SEVILLA	LAGUNA WOODS, CA 92653	L157	24161 CALLE ARAGON	LAGUNA WOODS, CA 92653
L119	23842 AVENIDA MAJORCA	LAGUNA WOODS, CA 92653	L201	23602 VIA MARIPOSA WEST	LAGUNA WOODS, CA 92653
L120	23842 AVENIDA MAJORCA	LAGUNA WOODS, CA 92653	L202B	23602 VIA MARIPOSA WEST	LAGUNA WOODS, CA 92653
L121	23842 AVENIDA MAJORCA	LAGUNA WOODS, CA 92653	L203	23662 VIA MARIPOSA EAST	LAGUNA WOODS, CA 92653
L122	23812 AVENIDA MAJORCA	LAGUNA WOODS, CA 92653	L204B	23662 VIA MARIPOSA EAST	LAGUNA WOODS, CA 92653
L123	24182 CALLE ARAGON	LAGUNA WOODS, CA 92653	L205	23662 VIA MARIPOSA EAST	LAGUNA WOODS, CA 92653
L124	24182 CALLE ARAGON	LAGUNA WOODS, CA 92653	L206	23782 VIA MARIPOSA EAST	LAGUNA WOODS, CA 92653
L125	24182 CALLE ARAGON	LAGUNA WOODS, CA 92653	L207B	23782 VIA MARIPOSA EAST	LAGUNA WOODS, CA 92653
L126	24992 VIA LOS ALTOS	LAGUNA WOODS, CA 92653	L208	23782 VIA MARIPOSA EAST	LAGUNA WOODS, CA 92653
L127	24992 VIA LOS ALTOS	LAGUNA WOODS, CA 92653	L209B	23972 RONDA GRANADA	LAGUNA WOODS, CA 92653
L128	24992 VIA LOS ALTOS	LAGUNA WOODS, CA 92653	L210	23972 RONDA GRANADA	LAGUNA WOODS, CA 92653
L129	25152 VIA LOS ALTOS	LAGUNA WOODS, CA 92653	L211	23892 RONDA GRANADA	LAGUNA WOODS, CA 92653
L130	25252 RONDA MENDOZA	LAGUNA WOODS, CA 92653	L212	23891 RONDA GRANADA	LAGUNA WOODS, CA 92653
L131	25312 RONDA MENDOZA	LAGUNA WOODS, CA 92653	L216	23891 RONDA GRANADA	LAGUNA WOODS, CA 92653
L132	24292 VIA ALHAMBRA	LAGUNA WOODS, CA 92653	L217B	23891 RONDA GRANADA	LAGUNA WOODS, CA 92653
L133	24292 VIA ALHAMBRA	LAGUNA WOODS, CA 92653	L218	23891 RONDA GRANADA	LAGUNA WOODS, CA 92653
L134	24292 VIA ALHAMBRA	LAGUNA WOODS, CA 92653	L219	23831 VIA MARIPOSA EAST	LAGUNA WOODS, CA 92653
L135	25252 RONDA SEVILLA	LAGUNA WOODS, CA 92653	L223	23612 VIA MARIPOSA EAST	LAGUNA WOODS, CA 92653
L136	25252 RONDA SEVILLA	LAGUNA WOODS, CA 92653	L225B	23661 VIA MARIPOSA EAST	LAGUNA WOODS, CA 92653
L137	25311 RONDA MENDOZA	LAGUNA WOODS, CA 92653	L226	23661 VIA MARIPOSA EAST	LAGUNA WOODS, CA 92653
L138	25311 RONDA MENDOZA	LAGUNA WOODS, CA 92653	Note: Laundries with a "B" denote attached bathroom facility sites.		

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Table 1.3 – Listing of United Laguna Woods Mutual Laundry Buildings with Pushmatic Panels

United Mutual - Laguna Woods Village Pushmatic Breaker List					
Laundry Facility	Address	Subpanel Breaker Type	Laundry Facility	Address	Subpanel Breaker Type
L1	24412 CALLE ARAGON	Pushmatic	L42	24361 AVENIDA MAJORCA	Pushmatic
L2	24412 CALLE ARAGON	Pushmatic	L43	24311 AVENIDA MAJORCA	Pushmatic
L3	24351 CALLE ARAGON	Pushmatic	L44	24311 AVENIDA MAJORCA	Pushmatic
L4	24351 CALLE ARAGON	Pushmatic	L45	24191 AVENIDA MAJORCA	Pushmatic
L5	24352 AVENIDA CASTILLA	Pushmatic	L46	24191 AVENIDA MAJORCA	Pushmatic
L6	24352 AVENIDA CASTILLA	Pushmatic	L47	24191 AVENIDA MAJORCA	Pushmatic
L7	24222 VIA CASTILLA	Pushmatic	L48	24172 CALLE ARAGON	Pushmatic
L8	24222 VIA CASTILLA	Pushmatic	L49	24172 CALLE ARAGON	Pushmatic
L9	24222 VIA CASTILLA	Pushmatic	L50	24171 CALLE ARAGON	Pushmatic
L10	24221 VIA CASTILLA	Pushmatic	L51	24171 CALLE ARAGON	Pushmatic
L11	24221 VIA CASTILLA	Pushmatic	L52	24171 CALLE ARAGON	Pushmatic
L12	24451 CALLE ARAGON	Pushmatic	L53	23532 AVENIDA SEVILLA	Pushmatic
L13	24451 CALLE ARAGON	Pushmatic	L54	23532 AVENIDA SEVILLA	Pushmatic
L14	24581 CALLE CADIZ	Pushmatic	L55	23421 AVENIDA CARMEL	Pushmatic
L15	24581 CALLE CADIZ	Pushmatic	L56	23421 AVENIDA CARMEL	Pushmatic
L16	24541 CALLE ARAGON	Pushmatic	L57	23541 AVENIDA SEVILLA	Pushmatic
L17	24541 CALLE ARAGON	Pushmatic	L58	24441 AVENIDA CASTILLA	Pushmatic
L18	24522 CALLE ARAGON	Pushmatic	L59	24441 AVENIDA CASTILLA	Pushmatic
L19	24522 CALLE ARAGON	Pushmatic	L60	23421 AVENIDA CARMEL	Pushmatic
L20	24651 CALLE ARAGON	Pushmatic	L61	23421 AVENIDA CARMEL	Pushmatic
L21	24651 CALLE ARAGON	Pushmatic	L62	23562 AVENIDA SEVILLA	Pushmatic
L22	24651 CALLE ARAGON	Pushmatic	L63	23562 AVENIDA SEVILLA	Pushmatic
L23	24622 CALLE ARAGON	Pushmatic	L64	23572 AVENIDA SEVILLA	Pushmatic
L24	24622 CALLE ARAGON	Pushmatic	L65	24451 AVENIDA CASTILLA	Pushmatic
L25	24721 VIA ESTRADA	Pushmatic	L66	24451 AVENIDA CASTILLA	Pushmatic
L26	24721 VIA ESTRADA	Pushmatic	L67	24451 AVENIDA CASTILLA	Pushmatic
L27	24721 VIA ESTRADA	Pushmatic	L68	24671 AVENIDA CASTILLA	Pushmatic
L28	24621 VIA ESTRADA	Pushmatic	L69	24442 AVENIDA CASTILLA	Pushmatic
L29	24621 VIA ESTRADA	Pushmatic	L70	24452 AVENIDA CASTILLA	Pushmatic
L30	24521 VIA ESTRADA	Pushmatic	L71	24452 AVENIDA CASTILLA	Pushmatic
L31	24521 VIA ESTRADA	Pushmatic	L72	24602 AVENIDA CASTILLA	Pushmatic
L32	24362 AVENIDA MAJORCA	Pushmatic	L73	24672 AVENIDA CASTILLA	Pushmatic
L33	24332 AVENIDA MAJORCA	Pushmatic	L74	24672 AVENIDA CASTILLA	Pushmatic
L34	24332 AVENIDA MAJORCA	Pushmatic	L75	23622 AVENIDA SEVILLA	Pushmatic
L35	24322 AVENIDA MAJORCA	Pushmatic	L76	23622 AVENIDA SEVILLA	Pushmatic
L36	24282 AVENIDA MAJORCA	Pushmatic	L77	23692 AVENIDA SEVILLA	Pushmatic
L37	24282 AVENIDA MAJORCA	Pushmatic	L78	23742 AVENIDA SEVILLA	Pushmatic
L38	24242 AVENIDA MAJORCA	Pushmatic	L79	23742 AVENIDA SEVILLA	Pushmatic
L39	24242 AVENIDA MAJORCA	Pushmatic	L123	24182 CALLE ARAGON	Pushmatic
L40	24192 AVENIDA MAJORCA	Pushmatic	L124	24182 CALLE ARAGON	Pushmatic
L41	24192 AVENIDA MAJORCA	Pushmatic	L125	24182 CALLE ARAGON	Pushmatic

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Clarifications:

- JCI will be responsible for the plumbing and electrical work that is a part of this scope as described herein for removal of the existing hot water heaters and the installation of the new hot water heaters.
- Facilities not included in the upgrade of electrical panel scope are assumed to have adequate capacity, meet all applicable codes and be in good working condition.
- JCI will be responsible for the electrical work that is a part of this scope as described herein for removal of the existing Pushmatic electrical panels or GE electrical panels and replacement with the new electrical panels for the eighty-two (82) Laundry Facilities with Pushmatic panels and the Laundry facilities associated with the PV sites. However, all work and charges involved with the SCE work for the electrical panel replacements and upgrades will be the responsibility of the Customer. JCI will work with the Customer to assist in the SCE applications but the ultimate responsibility, costs, and interface for SCE work will be the Customer's responsibility.
- JCI will perform patching and painting to repair any sheetrock work required for the specific work areas touched by this scope of work only. However, the Customer will provide the paint to insure that the matching paint is used. Any other sheetrock repairs, patching, and painting not specific to this scope of work is not included.
- The scope of work for this measure does not include analysis, evaluation or remedies for the systems beyond the scope described above.
- JCI will provide a total of eight (8) hours of customer training inclusive of all of the FIMs.

Exclusions

- Unknown permits, fees, or processes required by local or oversight jurisdiction and/or utilities.
- Repair or replacement of existing switches, breakers, wiring, etc. is excluded unless the failure is a direct result of JCI action.
- Repair or replacement of defective existing plumbing piping, electrical systems, electrical distribution system, or equipment that is not a part of this specific scope. (JCI will identify the location of defective equipment and notify the Customer).
- Repair or upgrades required to bring adjacent Electrical and Mechanical systems up to code, or to rectify existing code violations is not included in this scope.
- Resolution of existing design, service, and or distribution conditions known or unknown
- Temporary power is excluded
- Temporary hot water is excluded

General Clarifications and Exclusions

The following are general clarifications and exclusions which apply to all measures. In the event that conditions require inclusion of these items in the scope of work, JCI and the Customer agree to negotiate in good faith a fair and equitable solution.

During the construction phase of the project there may be periods when it is not possible to maintain conditions in accordance with standard levels. Included are such issues as, but are not limited to: temperature, air circulation, odor control, sound level, electrical service, etc. JCI and the Customer will coordinate activities to minimize the inconvenience to occupants.

Items indicated within Schedule 1 are subject to change during final engineering and design. If the items in Schedule 1 are changed during final engineering and design the savings guarantee will be modified accordingly.

This scope of work for FIM 1 and FIM 2 will be performed after receipt of each associated notice to proceed, during regular business hours. Monday through Friday between the hours of 7:00 a.m. and 5:00 p.m. Overtime, premium time or shift labor is not included in this scope of work.

Exclusions

- Any work not specifically delineated within this scope of work.
- Warranty, repair or replacement of existing systems in disrepair or not compliant to current codes (including, but

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Schedule 1

not limited to, requirements of Americans with Disabilities Act (ADA) or Fire & Life Safety system requirements).

- Remedies for encounters with unforeseen/undocumented site conditions
- Residents' relocation and/or temporary housing, furniture or sensitive equipment removal and/or relocation
- Inspection fees, laboratory or testing fees.
- Delays caused by SCE or Customer's failure to complete SCE requirements in a timely manner.
- Overtime and shift labor if requested by the Customer is excluded. (JCI will coordinate access and system shutdowns with the Customer prior to and concurrent with construction activities)
- When documentation is not available that suspected areas are free of asbestos containing materials (ACMs) the Customer will be responsible for providing spot testing and abatement, as necessary, of the work area
- Unknown and previously implemented permits, fees, or processes implemented by the Customer that may be required by local or oversight jurisdiction and/or utilities

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Johnson Controls, Inc. Initials: _____

Customer Initials: _____

ASSURED PERFORMANCE GUARANTEE

OVERVIEW

The Performance Guarantee for the Facility Improvement Measures (FIMs) described in Schedule 1 above will have fifteen (15) years of Measurement and Verification (M&V) that takes effect on the day the Certificate of Final Completion for the Performance Contract is approved by the Customer and JCI. This will be continued for one hundred-eighty (180) consecutive months with an annual report provided each year within 60 days following the anniversary date of the commencement of the Performance Period. The specific details of the M&V processes, the IPMVP procedures, and savings are described in detail in the following sections. The utility rates applied to the energy savings calculations are based on a 3 year average of the SCE rates for 2014, 2015, and 2016 since the 2016 rates are artificially low based on the CPUC requirements for SCE to account for the past higher rates in the previous years. The details of the utility rates are provided below. Additionally, an open meeting for the M&V Workshop was held on May 31, 2016 for the Customer with the attendance of eight of the eleven Boards members and many residents in attendance. The Workshop described in detail the M&V methodology to be applied and the procedures and details of the savings calculations. The workshop meeting was openly published for the knowledge of all of the residents of the association with an open invitation for them to attend. The two FIMs considered for this Project are the Solar Photovoltaic System and the Domestic Hot Water Heaters. Customer acknowledges that for the Domestic Hot Water Heaters (a) the existing domestic hot water heaters are oversized for the present washing machines hot water requirements and technology, and (b) the new hot water system proposed by JCI is designed to, among other things, reduce water heating capacity to a level that reasonably approximates current and anticipated demand.

I. PROJECT BENEFITS

A. Certain Definitions. For purposes of this Agreement, the following terms have the meanings set forth below:

Annual Project Benefits are the portion of the projected Total Project Benefits to be achieved in any one year of the Guarantee Term.

Annual Project Benefits Realized are the Project Benefits actually realized for any one year of the Guarantee Term.

Annual Project Benefits Shortfall is the amount by which the Annual Project Benefits do not meet the Annual Project Benefits Realized in any one year of the Guarantee Term.

Annual Project Benefits Surplus is the amount by which the Annual Project Benefits Realized exceed the Annual Project Benefits in any one year of the Guarantee Term.

Baseline is the mutually agreed upon data and/or usage amounts that reflect conditions prior to the installation of the Improvement Measures as set forth in Section IV below.

Installation Period is the period beginning on JCI's receipt of the Customer's Notice to Proceed and ending on the commencement of the Guarantee Term.

Measured Project Benefits are the utility savings and cost avoidance calculated in accordance with the methodologies set forth in Section III below.

Non-Measured Project Benefits are identified in Section II below. The Non-Measured Project Benefits have been agreed to by the Customer and will be deemed achieved in accordance with the schedule set forth in the Total Project Benefits table below. The Customer and JCI agree that: (i) the Non-Measured Project Benefits may include, but are not limited to, future capital and operational costs avoided as a result of the Work and implementation of the Improvement Measures, (ii) achievement of the Non-Measured Project Benefits is outside of JCI's control, and (iii) the Customer has evaluated sufficient information to conclude that the Non-Measured Project Benefits will occur and bears sole responsibility for ensuring that the Non-Measured Project Benefits will be realized. Accordingly, the Non-Measured Project Benefits shall not be measured or monitored by JCI at any time during the Guarantee Term, but rather shall be deemed achieved in accordance with the schedule set forth in the Total Project Benefits table below.

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Schedule 2

First Year Annual Project Benefits are the Measured Project Benefits plus the Non-Measured Project Benefits to be achieved during the first year of this Agreement.

Total Project Benefits are the projected First Year Project Benefits to be achieved, and multiplied by the entire term of this Agreement, with annual agreed to escalation.

Anniversary and Start of Performance Period – The start of the performance period takes effect on the day the Certificate of Final Completion for the Performance Contract is approved by the Customer and JCI. The anniversary date of the commencement of the Performance Period is applied to define the time for the start of each year for the number of years of M&V for the term of the energy performance guarantee.

B. Project Benefits Summary. Subject to the terms and conditions of this Agreement, JCI and the Customer agree that the Customer will be deemed to achieve a total of \$49,028 in First Year Non-Measured Project Benefits and JCI guarantees that the Customer will achieve a total of \$289,782 in First Year Measured Project Benefits for a First Year Total of \$338,810 as set forth in the First Year Annual Project Benefits table below. The first year shall be understood to mean the first year after notice of completion for all scope items.

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Total First Year Project Benefits

Table 2.1 – Summary of Measured and Non-measured Project Benefits

FIM	Year	Measured Project Utility Savings (kWh)	Measured Project Benefits (\$)	Non Measured Project Benefits (\$)	Annual Project Benefits
All FIMS	Installation Period	Annual	Year 1	Year 1	Year 1
FIM 1 – Photovoltaics System	Not Applicable	1,236,030 kWh	\$221,199	\$0	\$221,199
FIM 2 – DHW Heaters for Stand-Alone Laundry		421,836 kWh	\$68,583	\$49,028	\$117,611
	Totals	1,657,866 kWh	\$289,782	\$49,028	\$338,010

Notes:

- (1) The FIM Measured Benefits are based on the baseline annual utility savings in kWh and the related utility rates for the applicable performance year as defined in Section IV – Baseline Calculations and Utility Rates below.
- (2) The FIM Savings as defined above are for information purposes. For the annual guarantee savings, the lump sum savings are considered and if one individual FIM has a shortfall, the overage from other FIMs will be considered to make up the complete savings amount. The details of the measured savings are defined in Item IV Baseline Calculations and Utility Rates below.
- (3) Non-measured benefits for Year 2 through Year 10 is based on the information described in detail in Item II - Non-Measured Project Benefits below. For Year 11 through 15, there are no Non-measured Benefits.
- (4) The Guarantee Term is defined as Fifteen (15) years.

Within sixty (60) days of the commencement of the Guarantee Term, JCI will calculate the Measured Project Benefits achieved during the Installation Period plus any Non-Measured Project Benefits applicable to such period and advise the Customer of same. Any Project Benefits achieved during the Installation Period may, at JCI's discretion, be allocated to the Annual Project Benefits for the first year of the Guarantee Term. Within sixty (60) days of each anniversary of the commencement of the Guarantee Term, JCI will calculate the Measured Project Benefits achieved for the applicable year plus any Non-Measured Project Benefits applicable to such period and advise the Customer of same.

The Customer acknowledges and agrees that if, for any reason, it (i) cancels or terminates receipt of M&V Service Agreement, (ii) fails to pay for M&V Service Agreement in accordance with Attachment 4, (iii) fails to fulfill any of its responsibilities necessary to enable JCI to complete the Work and provide the M&V Services, or (iv) otherwise cancels, terminates or materially breaches this Agreement, the Assured Performance Guarantee shall automatically terminate and JCI shall have no liability hereunder.

C. Project Benefits Shortfalls or Surpluses.

- a. Project Benefits Shortfalls. If an Annual Project Benefits Shortfall occurs during any one year of the Guarantee Term, JCI shall pay to the Customer the amount of such shortfall..
- b. Project Benefits Surpluses. If an Annual Project Benefits Surplus occurs for any one year of the Guarantee Term, JCI will apply the amount of such surplus to offset any subsequent Annual Project Benefit Shortfall during the Guarantee Term,

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Customer Initials: _____

- c. **Additional Improvements.** Where an Annual Project Benefits Shortfall has occurred, JCI may, subject to the Customer's approval (which approval shall not be unreasonably withheld, conditioned, or delayed), implement additional Improvement Measures, at no cost to the Customer, which may generate additional Project Benefits in future years of the Guarantee Term.

D. Energy Savings Dispute. To remedy a dispute over the Annual Project Benefits, both parties will mutually agree to select a disinterested third party engineer and agree to abide by the independent Engineer's report.

- (i) **Engineers Credentials.** The Engineer shall be a California registered Professional Engineer (PE) in good standing. In addition, the Engineers shall be certified by the Association of Energy Engineers with the designations of a Certified Energy Manager (CEM) and Certified Measurement & Verification Professional (CMVP),
- (ii) **Engineers Compensation.** If the third party engineer's review indicates a shortfall of greater than ten (10%) of JCI's Annual Benefit Report, JCI, will reimburse the Customer for all reasonable costs for the third party engineer's review costs.
- (iii) **JCI's Compensation.** If the third party engineer's review does not indicate an error of more than a ten (10%) percent shortfall of JCI's Annual Project Benefits, the Customer will be responsible for all of JCI's reasonable engineering costs to substantiate the savings report.

II. NON-MEASURED PROJECT BENEFITS

FIM 1 – Photovoltaics Systems

There are no Non-Measured Benefits applicable to the Photovoltaic Systems FIM.

FIM 2 –Domestic Hot Water Heaters for Stand-alone Laundries

1. The installation of the new Domestic Hot Water Heaters will provide the customer with all new equipment that will replace existing equipment that would have exceeded its useful life and would have resulted in being replaced in the next ten (10) years. The Customer presently has a planned annual replacement program for the existing hot water heaters based on a planned life cycle time. This will result in avoiding these costs to the Customer with not needing the annual expenses for Domestic Hot Water Heater replacements.
2. The following summarizes these savings:
 - Annual Capital Avoidance Savings - \$49,028
 - Based on replacing 10% per year for an average of thirty-five (35) hot water heaters at \$1,400.80 each
 - This includes an annual 3% escalation for labor and material

The Customer agrees that the Non-Measured Project Benefits are reasonable and that the installation of the Improvement Measures will enable the Customer to take actions that will result in the achievement of such Non-Measured Project Benefits.

Johnson Controls, Inc. Initials: _____

Customer Initials: _____

III. MEASUREMENT AND VERIFICATION METHODOLOGIES

The following is a brief overview of the measurement and verification methodologies applicable to the Improvement Measures set forth below. JCI shall apply these methodologies, as more fully detailed in the guidelines and standards of the International Measurement and Verification Protocol (IPMVP), in connection with the provision of M&V Services hereunder.

Option A

Retrofit Isolation: Key Parameter Measurement

Measured Project Benefits are determined by partial field measurement of the energy use of the system(s) to which an Improvement Measure was applied separate from the energy use of the rest of the facility.

Partial measurement means that some but not all parameters will be measured. Careful review of the design and installation of Improvement Measures is intended to demonstrate that the stipulated values fairly represent the probable actual values. Agreed-upon values will be shown in the measurement and verification plan. Engineering calculations using measurements and stipulations are used to calculate Measured Project Benefits for the duration of the Guarantee Term.

Measured Project Benefits from the following Improvement Measures will be calculated using Option A:

- FIM 2 – Domestic Hot Water Heaters for Stand-alone Laundries

Option B

Retrofit Isolation: All Parameter Measurement

Measured Project Benefits are determined by field measurement of the energy use of the systems to which an Improvement Measure was applied separate from the energy use of the rest of the facility. Short-term, long-term or continuous measurements are taken. Engineering calculations using short term, long-term or continuous measurements are used to calculate the Measured Project Benefits.

Measured Project Benefits from the following Improvement Measures will be calculated using Option B:

- FIM 1 – Photovoltaics System

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CHANGES IN USE OR CONDITION; ADJUSTMENT TO BASELINE AND/OR ANNUAL PROJECT BENEFITS

The Customer agrees to notify JCI, within fourteen (14) days, of (i) any actual or intended change, whether before or during the Guarantee Term, in the use of any facility, equipment, or Improvement Measure to which this Schedule applies; (ii) any proposed or actual expansions or additions to the premises or any building or facility at the premises; (iii) a change to utility services to all or any portion of the premises; or (iv) any other change or condition arising before or during the Guarantee Term that reasonably could be expected to change the amount of Project Benefits realized under this Agreement.

Such a change, expansion, addition, or condition would include, but is not limited to: (a) changes in the primary use of any facility, Improvement Measure, or portion of the premises; (b) changes to the hours of operation of any facility, Improvement Measure, or portion of the premises; (c) changes or modifications to the Improvement Measures or any related equipment; (d) changes to the M&V Services provided under this Agreement; (e) failure of any portion of the premises to meet building codes; (f) changes in utility suppliers, utility rates, method of utility billing, or method of utility purchasing; (g) insufficient or improper maintenance or unsound usage of the Improvement Measures or any related equipment at any facility or portion of the premises (other than by JCI); (h) changes to the Improvement Measures or any related equipment or to any facility or portion of the premises required by building codes or any governmental or quasi-governmental entity; or (i) additions or deletions of Improvement Measures or any related equipment at any facility or portion of the premises.

Such a change or condition need not be identified in the Baseline in order to permit JCI to make an adjustment to the Baseline and/or the Annual Project Benefits. If JCI does not receive the notice within the time period specified above or travels to either the Customer's location or the project site to determine the nature and scope of such changes, The Customer agrees to pay JCI, in addition to any other amounts due under this Agreement, the applicable hourly consulting rate for the time it took to determine the changes and to make any adjustments and/or corrections to the project as a result of the changes, plus all reasonable and documented out-of-pocket expenses, including travel costs. Upon receipt of such notice, or if JCI independently learns of any such change or condition, JCI shall calculate and send to the Customer a notice of adjustment to the Baseline and/or Annual Project Benefits to reflect the impact of such change or condition, and the adjustment shall become effective as of the date the change or condition first arose. Should the Customer fail to promptly provide JCI with notice of any such change or condition, JCI may make reasonable estimates as to the impact of such change or condition and as to the date on which such change or condition first arose in calculating the impact of such change or condition, and such estimates shall be conclusive.

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Customer Initials: _____

IV. BASELINE CALCULATIONS AND UTILITY RATES

The unit utility costs for the Baseline period are set forth below as "Base Utility Cost" and shall be used for all calculations made under this Schedule. The Base Utility Cost shall be escalated annually by the actual utility cost escalation but such escalation shall be no less than the customer agreed to "floor" escalation rate of five percent (5%).

Table 2.2 United Laguna Woods Mutual Baseline Information

BASELINE OPERATIONS INFORMATION FOR UNITED LAGUNA WOODS MUTUAL	
MEASURE	BASELINE INFORMATION
Domestic Hot Water Heater Replacements	SCE (Electricity Bills)
Photovoltaic Systems	Solar irradiance for the most recent typical meteorological year period from a local weather station for reference and adjusted average Typical Meteorological Year 3 (TMY3) weather data

Table 2.3 United Laguna Woods Mutual Annual Electric Utilities Costs Summary

Total Combined Electric Bills for all of United Laguna Woods Mutual SCE Meters			
Year	Total Cost (\$)	Total Usage (kWh)	Total No. Electric Meters
2014	\$405,767	2,110,761	207
2015	\$387,389	2,084,999	207

The SCE Electric Utility Rates Applicable for the Baseline Energy Savings Calculations are based on the three year average of the SCE TOU GS-1A rates for 2014, 2015, and 2016 as shown in the table below:

Table 2.4 – Three Year Average Table for SCE TOU-GS-1A Rates

2016 Rates Effective May 2, 2016															
Average of 2016, 2015, and 2014 Rates															
(TOU-A)	Consumption							Demand					Customer Charge	On/Off	
	Tax Rate 0.00%	Summer			Winter			Summer		Winter		All			
		On-Peak	Mid-Peak	Off-Peak	On-Pk	Mid-Peak	Off-Peak	All k Wh	On-Peak	Mid-Peak	On-Peak	Mid-Peak	Max / Facility		
	Delivery	\$ 0.07044	\$ 0.07044	\$ 0.07044		\$ 0.07044	\$ 0.07044		\$ -	\$ -	\$ -		\$ -	\$ 0.810	1
	Utility Generation	\$ 0.15566	\$ 0.11435	\$ 0.08689		\$ 0.08501	\$ 0.07471			\$ -	\$ -		\$ -	per day	100.00%
	DWR Energy Credit	\$ (0.00052)	\$ (0.00052)	\$ (0.00052)		\$ (0.00052)	\$ (0.00052)		\$ 0.00	\$ 0.00			\$ 0.00		100.00%
	Single Phase Service												\$ -	per month	1
	Voltage Discount (2-50 kV)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						\$ -		1
	Voltage Discount (50-220 kV)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						\$ -		1
	Voltage Discount (220 kV)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						\$ -		1
	TOU Meter													per month	1
	Other (State Tax)	\$ 0.00029	\$ 0.00029	\$ 0.00029	\$ -	\$ 0.00029	\$ 0.00029	\$ 0.00000	\$ 0.00000	\$ 0.00000	\$ 0.00000	\$ 0.00000	\$ 0.00000		1
	Taxes	\$ 0.00000	\$ 0.00000	\$ 0.00000	\$ 0.00000	\$ 0.00000	\$ 0.00000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.810	per day
	SCE [TOU-GS-1-A]														
	Site Table headers →														
Type of Rate:	On-Peak	Mid-Peak	Off-Peak	On-Pk	Mid-Peak	Off-Peak		On-Peak	Mid-Peak	On-Peak	Mid-Peak	Max / Facility			
TOU	Season Definition	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
	Summer						x	x	x	x					
	Winter	x	x	x	x	x					x	x	x		

Note: The 2016 rates are based on the SCE TOU GS-1A rates effective May 2, 2016.

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Customer Initials: _____

Schedule 2

The Baseline electric rates applied to the energy savings for each of the FIMs is as noted in the following tables:

Table 2.5 – Summary of SCE Utility Rates Applied for Baselines

Laundry Facilities	Category	Summer On Peak	Summer Mid Peak	Summer Off Peak	Winter Mid Peak	Winter Off Peak		
DHW Heaters	Months	4	4	4	8	8		
	Hours/Day	6	9	9	13	11		
	No. Week Days	5	5	5	5	5		
	Weekend Hrs	0	0	48	0	48		
							Average \$/kWh	
							\$ 0.158	

Solar PV	Category	Summer On Peak	Summer Mid Peak	Summer Off Peak	Winter Mid Peak	Winter Off Peak		
	Months	4	4	4	8	8		
	Hours/Day	6	5.8	2	10	2		
	No. Week Days	5	5	5	5	5		
	Weekend Hrs/Day	0	0	12	0	12		
							Average \$/kWh	
							\$ 0.170	

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V. PRIMARY OPERATIONS SCHEDULE PRE & POST RETROFIT

The schedules and operations information as shown in the table below will be the basis of the pre retrofit baseline and post retrofit which will be used for the project to calculate savings.

Table 2.6 – Hours of Operational Availability

Area Type	Existing Hours (Pre-Retrofit)	Proposed Hours (Post-Retrofit)
Laundry Room Operation	Available 8760	Available 8760

VI. MEASUREMENT & VERIFICATION ACTIVITIES

The M&V plan for this project will utilize a combination of Option A and Option B protocols based on IPMVP M&V guidelines, and installation commissioning (non-measured). The measures planned for an Option A approach will include pre and post measurements of a sampling of the affected equipment, and a visual inspection of a sampling of the affected equipment during the performance period. The measures planned for an Option B approach will be monitored throughout the performance period using periodic measurements of the key performance variables. The table below lists the planned M&V option for each of the measures included in this project.

Table 2.7 - M&V Plan Summary

M&V Options By Facility Improvement Measure			
FIM	FIM Description	Option	M&V Method
1	Solar Photovoltaic Systems	B	Continuous measurement of solar insolation and electrical power output & comparison to modeled energy production.
2	Domestic Hot Water Heater Replacement	A	Based on collected data during audit with savings calculation based on industry standard program.

The level of verification will vary by FIM due to the difference in expected energy savings from each measure. Measures that have higher dollar savings, or include more complex and variable components, warrant a more rigorous M&V approach, and will be monitored more frequently or with greater scrutiny. Measures that feature smaller energy savings, or more stable and predictable components, will be measured only once during the pre and post installation period and will be agreed upon thereafter.

Each of the measures is listed below with a brief description of the planned M&V activities.

Johnson Controls, Inc. Initials: _____

Customer Initials: _____

Option A:**FIM 2 Domestic Hot Water Heaters for Stand-alone Laundries****M&V Activity during the Installation:**

- **Installation Check:** A spot inspection of the retrofit installation will be made for the purpose of verifying the installation is complete; the correct equipment has been installed, and the proposed energy savings are being generated.
- **Key Variable to Be Measured:** The actual hours of laundry operation.
 - Pre-retrofit: Laundry usage for the baseline is based on the data from the laundry collections obtained during the detailed audit. Additional data for the pre-retrofit is based on kW readings on sample hot water heaters for identifying laundry hot water usage.
 - Post-retrofit: Laundry usage will be compared to baseline based on additional laundry collections data supplied by the Customer. Comparison data will be obtained from sample hot water heaters using kW readings to verify laundry hot water usage.
- **Agreed Upon Variables:** Heat Loss of Existing Hot Water Heaters
 - The heat loss of the hot water heaters is calculated using an industry standard program 3Eplus® by North American Insulation Manufacturers Association to calculate the heat loss rate for the Hot Water Heaters.
 - The calculated heat loss rate is 21.08 Btu/hour/square feet, based on the hot water temperature setpoint of 140°F and the average ambient temperature of 69°F.
 - The surface area of the 50 gallon hot water heaters are 27.9 square feet each, for the 80 gallon hot water heaters are 35.2 square feet each, and for the 20 gallon hot water heaters are 9.9 square feet each.
 - The standby losses from the hot water heaters are constant so that the hours of operation are 8,760 hours annually
- **Energy Savings Calculations:**
 - The energy savings for this FIM was developed using industry standard program, and the energy savings calculation is presented below.

Annual Energy Savings (kWh) = [(Heat Loss Rate (Existing DHW Heaters) x DHW Heater Surface Area in square feet) (Existing DHW Heaters)) - (Heat Loss Rate (New DHW Heaters)) x DHW Heater Surface Area in square feet) (New DHW Heaters)) / 3413 kW per Btu] x Annual Hours of Standby Losses

 - The energy savings and cost savings for this FIM will be revised, if the number and/or size of the existing water heaters are found to be different. Upon completion of the retrofit, energy savings and cost savings will be reported in the post installation report.

M&V Activity during the Annual Performance Period:

- **Maintenance Record Check:** JCI will request and review the maintenance records. Any deviation and its impact will be reported in the annual performance report.
- **Conduct Visual Site Walkthrough:** JCI Staff will conduct annual visual site walkthrough to ensure that the installed domestic hot water heaters are operating.
- **Energy Savings Calculation:** The achieved energy saving and its energy cost saving reported in the post-installation report will be escalated and reported in the Annual Performance Period Report.

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Option B:**FIM 1 Photovoltaic System**

The Option B M&V methodology will be used, and will include verification of energy productions using metered data. The objective of the measurement and verification (M&V) plan is to ensure the benefits listed in this agreement are realized, and to provide accurate and timely reporting of the Photovoltaic (PV) System performances. The Following M&V activities and deliverables are included in the scope of work during the installation period and the M&V term.

- Monitoring the PV system installation and verifying the initiation of the remote performance tracking system. This includes on-site spot inspections of the installation as well as remote system analysis through an energy production tracking website. Trend data records maintained in the ordinary course of system operation shall be used and relied upon by JCI in connection with Project Benefit calculations. JCI will use commercially reasonable efforts to ensure the integrity of the data collected to calculate the required metrics. In the event data are lost due to equipment failure, power failure or other interruption in data collection, transmission or storage, JCI will use reasonable engineering methods to estimate or replace the lost data
- Verifying the installed data acquisition system is in accordance with the specified scope herein as required to track the variables impacting the generation of electricity are installed and operating as designed.
- As soon as each discrete PV system is commissioned and becomes operational, JCI will initiate periodic performance tracking of energy generation.
- JCI will also track irradiance (measured in global horizontal plane) for the purpose of normalizing production targets based on the amount of solar radiation received at the system site over the course of each year. The normalized energy generation target will be established each year by adjusting the modeled energy generation in relation to the amount of solar radiation actually received. The actual (metered) kWh production will be compared against the normalized kWh production to determine if the guaranteed kWh production has been met.
- JCI will periodically monitor system performance throughout the performance period to verify system output meets expectations, to record performance data, to monitor system efficiency, and to account for any failures. The frequency of monitoring activities will fluctuate depending on past performance and reporting commitments, but generally will include remote data collection for each system at least once per month, and more frequently if needed as listed below.
 - Weekly Production Monitoring
 - Monthly (Performance Calculation)
 - Quarterly (Surplus or Shortfall Projection)
- In addition JCI will also track Undelivered Energy to account for energy that was not produced due to factors beyond the control of JCI. Those factors may include the Customer's O&M responsibilities as defined elsewhere herein, local utility outages, and outages due to Force Majeure.
- JCI will provide an annual Measurement and Verification Report that will be the basis of the annual reconciliation process, (as presented below), where the system performance is established and agreed upon by both parties. The annual normalization and undelivered energy calculations, if necessary, will also be included in the annual report. The report will be delivered within 60 days after the end of each year of the performance period.
 - Annual Reconciliation: The energy production guarantee shall assume the baseline (reference) solar irradiance as shown in the table below (Table - Baseline Incident Radiation and Modeled Energy for Energy Year 1). JCI will trend on an hourly basis the solar irradiance and the amount of

Johnson Controls, Inc. Initials: _____

Customer Initials: _____

Schedule 2

energy being produced. On an annual basis, the average kWh produced per kWh/m² of solar irradiance will be calculated and the savings will be adjusted accordingly:

$$kWh_{Adj} = (kWh_{produced})_{actual} \left(\frac{kWh/m^2_{reference}}{kWh/m^2_{actual}} \right)_{irradiance}$$

- JCI will also work closely with the Customer's staff throughout the year to optimize system performance. JCI will share system efficiency information with the appropriate staff to address under-performing systems quickly and to establish maintenance schedules that will maintain performance. Annual cleaning of the equipment is required to maintain the highest efficiency levels.
- JCI will verify that the O&M and (once a year) PV panel washing has been done to ensure maximum energy production by the PV systems.
- JCI will not be responsible for loss of energy production, during equipment down time, except Year 1, during JCI warranty period. After Year 1, adjustments will be made to down-time period due to equipment failure, adjusted based on collected irradiance data.

--

The following considerations will also be taken for FIM:

Baseline Incident Radiation is based on TMY 3 data (Typical Meteorological Year based on last 30 years of history) at Santa Ana John Wayne Airport. Using the industry standard software for the Photovoltaic industry, PVsyst, an energy model was engineered to calculate the yearly energy production. This data is presented in Table 2.8 below:

Table 2.8 - Baseline Incident Radiation and Modeled Energy for Energy Year 1

Month	Array A	
	Baseline GHI Radiation (kWh/m ²)	Modeled Energy for Energy Year 1 (kWh/kWp)
January	96.4	71.6
February	93.8	67.3
March	163.5	114.3
April	182.2	123.5
May	185.9	123.1
June	214.7	130.5
July	225.9	148.3
August	202.5	123.9
September	165.5	112.7
October	116.9	76.9
November	103.9	72.9
December	89.1	65.7
Annual	1,840.3	1230.7

Johnson Controls, Inc. Initials: _____

Customer Initials: _____

Schedule 2

JCI will provide a Photovoltaic monitoring system as a part of the scope of work in Schedule 1 above. During the Years that M&V is to be provided for the Photovoltaic System as described herein, the Customer will provide the monitoring of the Photovoltaic System as described in item 18 under Schedule 3 - Customer Responsibilities. Modeled energy for each energy year reflects Photovoltaic array degradation of 0.5%/year of year 1 modeled energy. The annual production is listed below in Table 2.9:

Table 2.9 - Modeled Energy

Energy Year	Modeled Energy (kWh/kWp)
1	1,230.7
2	1,224.5
3	1,218.4
4	1212.3
5	1206.3
6	1200.2
7	1194.2
8	1188.3
9	1182.3
10	1176.4
11	1170.5
12	1164.7
13	1158.9
14	1153.1
15	1147.3

Johnson Controls, Inc. Initials: _____

Customer Initials: _____

VII. MEASUREMENT & VERIFICATION SERVICES

JCI will provide the M&V Services set forth below in connection with the Assured Performance Guarantee.

1. During the Installation Period, a JCI Performance Assurance Specialist will track Measured Project Benefits. JCI will report the Measured Project Benefits achieved during the Installation Period, as well as any Non-Measured Project Benefits applicable to the Installation Period, to the Customer within 60 days of the commencement of the Guarantee Term.
2. Within 60 days of each anniversary of the substantial commencement of the Guarantee Term, JCI will provide the Customer with an annual report containing:
 - A. An executive overview of the project's performance and Project Benefits achieved to date;
 - B. A summary analysis of the Measured Project Benefits accounting; and
 - C. Depending on the M&V Option, a detailed analysis of the Measured Project Benefits calculations.
3. During the Guarantee Term, a JCI Performance Assurance Specialist will monitor the on-going performance of the Improvement Measures, as specified in this Agreement, to determine whether anticipated Measured Project Benefits are being achieved. In this regard, the Performance Assurance Specialist will periodically assist the Customer, on-site or remotely, with respect to the following activities:
 - A. Review of maintenance records information furnished by the Customer
 - B. Advise the Customer's designated personnel of any performance deficiencies based on such information;
 - C. Coordinate with the Customer's designated personnel to address any performance deficiencies that affect the realization of Measured Project Benefits; and
 - D. Inform the Customer of opportunities to further enhance project performance and of opportunities for the implementation of additional Improvement Measures.
4. For specified Improvement Measures utilizing an "Option A or B" M&V protocols, JCI will:
 - A. Conduct pre and post installation measurements required under this Agreement;
 - B. Monitor the PV Systems via the Data Acquisition System (DAS). Monitored data from DAS shall be provided by the Customer to JCI in a timely manner as a part of the O&M and monitoring to be provided by, or contracted by, the Customer.
 - C. Analyze actual as-built information and adjust the Baseline and/or Measured Project Benefits to conform to actual installation conditions.

Johnson Controls, Inc. Initials: _____

Customer Initials: _____

CUSTOMER RESPONSIBILITIES

This section contains items that are the responsibility of the Customer.

In order for Project Benefits to be achieved under the EPC with respect to the Work, the assured performance guarantee, and the M&V Services, the Customer shall be responsible for coordinating and assisting JCI in getting the followings requests and activities accomplished. The Customer will use best efforts to perform the following and will provide documents to the extent currently in the Customer's possession:

1. Providing JCI, its subcontractors, and its agents' reasonable and safe access to all facilities and properties that are subject to the Work and M&V Services provided scheduled in advance with the Customer per construction schedule agree to between the Customer and JCI project manager
2. Providing JCI, its subcontractors, and its agents' reasonable temporary space for staging and implementing the work at each location, including space for laydown areas and dumpsters as needed
3. Coordinating shut down and scheduling of affected locations during installation, including timely shutdowns of affected equipment as needed to accomplish the Work and M&V Services per construction schedule agreed to between the Customer and JCI project manager..
4. Providing timely reviews and approvals of the Notice to Proceed, financing documents, design submissions, proposed change orders, applications, and other project documents.
5. Providing the following information, if necessary and/or if available, with respect to the project and project sites as soon as practicable following JCI's request:
 - a. Surveys describing the property, boundaries, topography and reference points for use during construction, including existing service and utility lines
 - b. Known concealed physical conditions at the project site
 - c. Temporary and permanent easements, zoning and other requirements and encumbrances affecting land use, or necessary to permit the proper design and construction of the project and enable JCI to perform the Work
 - d. A legal description of the project site
 - e. As-built and record drawings of existing structures at the project site
 - f. Environmental studies, reports, and impact statement describing the environmental conditions, including hazardous conditions or materials, in existence at the project sites.
 - g. Securing and executing all necessary agreements with adjacent land or property owners, utility companies that are required to enable JCI to perform the Work, if needed.
6. Customer will be responsible for compensating Southern California Edison (SCE) for the planned Electrical infrastructure upgrades that will be performed by SCE.
7. JCI and Customer will be responsible for timely completion and submittal of the SCE applications and scheduling with SCE for the service panel replacement that are included in this scope of work. JCI will provide assistance by preparing the SCE applications for the service panel replacements, with the assistance of the Customer, for the SCE service work involved with the panel replacements. The Customer has final responsibility in submitting the applications as the actual SCE customer.
8. Providing assistance to JCI in obtaining any permits, approvals, and licenses that are JCI's' responsibility to obtain as set forth in the Contract
9. Properly maintaining, and performing appropriate preventative maintenance on all equipment and building systems that JCI did not install affecting the assured performance guarantee in material compliance with O&M manuals. Including the PV systems.

Johnson Controls, Inc. Initials: _____

Customer Initials: _____

Schedule 3

10. Providing the utility bills, and/or on-line access, reports, and similar information reasonably necessary for administering JCI's obligations under the assured performance guarantee upon receipt and/or generation or JCI's request therefore.
11. Provide monthly laundry collections reports to the extent that data is available
12. Use best efforts to promptly notify JCI of any change in use or condition described herein or any other matter of which the Customer has knowledge that may impact the assured performance guarantee
13. Communicating and coordinating all shutdowns to residents per construction schedule agreed to between the Customer and JCI's project manager
14. Coordination with residents for any required temporary electrical service shutoffs and restoration to power as planned per construction schedule agreed to between the Customer and JCI's project manager.
15. Access to resident areas, as needed, during normal business hours to perform the contracted scope of work per construction schedule agreed to between the Customer and JCI's project manager
16. Notifications necessary to have residents remove personal property, if needed, for access to areas of retrofit work. JCI or their subcontractors will not move residents' property.
17. The Customer will provide tree trimming of the specific trees that are identified by JCI's Project Manager that are required for trimming to limit shading for the Photovoltaic Systems. The tree trimming needs to be completed by August 15, 2016.
18. The Customer will perform testing for asbestos and lead at the locations at the Laundry Facilities that include the eighty (80) Laundry Facilities with Pushmatic Panels for replacements, and the eight (8) electrical panel replacements for the PV sites, that are to be performed by JCI, as identified by the JCI Project Manager. If any asbestos, lead, or any other hazardous materials are identified, the Customer shall be responsible for abatement. This testing must be performed and completed, and any abatement completed, if required for the eight panels associated with the PV by August 30, 2016 and the remainder by October 30, 2016.
19. The Customer shall contract with a third party, to provide the O&M Services set forth below during the 15-Year Performance Period so that JCI can provide the Assured Performance Guarantee for the Photovoltaics System defined in Schedule 2. Provide direct access and monthly reports for JCI to the monitoring data from the Data Acquisition System for the Photovoltaic Systems. Annual reports will be provided to JCI 30 days before of the anniversary date of the performance period year.

Daily:

- Real-time Performance Monitoring and Alert Triage
- Product Warranty Administration (creating/tracking/logging)
- 24/7 Customer Support by third party O&M provider (if contracted with third party O&M contractor)

Annually:

- Inverter inspections, maintenance, and thermal scans
- DC wiring and electrical equipment inspection, maintenance, thermal scans, and performance testing (Current at Maximum Power (Imp) & Operating Circuit Voltage (Voc) on 100% of the strings);
- Solar module inspection and thermal scans
- Array racking and component inspection and maintenance
- Inspection, cleaning, and maintenance of meters and sensors
- Pyranometer calibration;
- Removal of material within arrays and Balance of System (BOS)
- Repairs and replacements as required
- Maintenance summary report

Johnson Controls, Inc. Initials: _____

Customer Initials: _____

- Annual Module washing – water will be trucked in for washing

The Customer Maintenance Responsibilities

Existing Equipment and Systems Not Included in EPC

The Customer directly maintains, or manages third parties who maintain, existing facilities, systems, and equipment. This will continue to be the approach after completion of this project.

It is understood and agreed to that the Customer will continue to maintain its existing equipment and systems over the Guarantee Term.

New Equipment and Systems

Domestic Hot Water Heaters for Stand-alone Laundries

After the projects warranty period as described in the contract, it is understood and agreed to that the Customer will continue to maintain the new Laundry Facility Hot Water Heaters equipment and systems installed as part of this project as instructed in the operations and maintenance procedures and manuals that will be provided to the Customer during the construction process. JCI will provide operations and maintenance manuals as part of the standard construction process for this project. Maintenance in material compliance with the O&M Manuals is required to ensure the performance of the equipment and systems is kept at the expected level from acceptance of equipment through the duration of the contract.

Photovoltaic Systems

For the period of time the Measurement and Verification (M&V), and Guarantee, is being provided by JCI; the Customer agrees to maintain the Photovoltaic Operation and Maintenance (O&M) as described in Item 19 above. If the Customer does not continue the M&V Agreement, and maintain the O&M, the JCI Guarantee will no longer be in effect.

Johnson Controls, Inc. Initials: _____

Customer Initials: _____

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Johnson Controls, Inc. Initials: _____

Customer Initials: _____

PRICE AND PAYMENT TERMS

The Customer shall make payments to JCI pursuant to this Schedule 4.

1. **Work:** The Guaranteed Maximum Price (GMP) for the Work shall be **\$3,794,951**.
(Pricing is valid until July 15, 2016. JCI must receive the Notice to Proceed (NTP), Attachment 1, once the completed and sign customer credit application form has been received, by June 29, 2016.)
2. **Payments:** Including payment for materials delivered to JCI and work performed on and off-site shall be made to JCI as follows:
 - A payment of 35% of the GMP for mobilization, project development, and material procurement at the time of Notice to Proceed.
 - Monthly progress payment based upon percent of work completed as defined by the project schedule of values for work. JCI may provide invoices for the remaining payments on a monthly basis, and shall be based upon the percentage of work completed to date. Such invoices will be paid once the work is inspected to ensure the work is in compliance with and in furtherance of the Agreement, including the guarantees provided herein. Such inspection, approval and payment by the Customer with respect to each invoice shall be done within thirty (30) days of the Customer's receipt of such invoice. In the event that the Customer raises an issue regarding the compliance of the work, the Customer shall pay all amounts that are not in dispute within such thirty (30) day period. The payments will continue up to ninety five percent (95%) percent of the total price. The final five (5%) percent shall be billed once the Final Notice of Completion is approved by the Customer.
 - Payments can be made two ways:

Remit via Wire Transfer
JP Morgan Chase
One First National Plaza
Chicago, IL 60670
Credit to Johnson Controls Inc.
Job Number 6PZ7-0012
ABA# 071-000013 Depositor Acct #55-14347
Account type: Checking

or

Remit via Overnight
JP Morgan Chase Bank
14800 Frye Rd TX1-0029
Fort Worth, TX 76155
Attn: Johnson Controls Inc. PO Box 730068
Phone 817-399-5042

3. **Planned Services Agreement and for Post Construction Measurement & Verification Services.**
The JCI M&V Services for the 15-Year M&V, as detailed on Schedule 2 of this Agreement, is a total cost of **\$266,376**. Refer to Attachment 4 for additional information for the M&V Services Agreement and detailed Payment schedule. These payments will be due and payable when the Customer receives JCI's invoice and in advance of the services JCI is to provide, and shall be made throughout the 15-Year Guarantee Term.

Johnson Controls, Inc. Initials: _____

Customer Initials: _____

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Johnson Controls, Inc. Initials: _____

Customer Initials: _____

NOTICE TO PROCEED

Johnson Controls, Inc.
 5770 Warland Drive
 Cypress, CA 90630
 ATTN: Bradley Harlow

Re: Notice to Proceed for: United Laguna Woods Mutual Energy Services Project

Dear Mr. Harlow:

This Notice to Proceed is being issued by United Laguna Woods Mutual ("Customer") to Johnson Controls, Inc. ("JCI") pursuant to that certain Performance Contract entered into between the Customer and JCI for the purpose of notifying JCI to commence work under such contract.

- In the event that this Notice to Proceed is delivered by the Customer prior to the execution of the Performance Contract by the Customer and JCI, the Customer understands and expects JCI will incur significant costs and expenses in complying with this Notice to Proceed. In the event the Performance Contract is not executed by the parties, for any reason, the Customer agrees to pay JCI for its costs and fees incurred in complying with this Notice to Proceed on a time and material basis. The Customer also agrees JCI shall be entitled to an overhead of 11% and profit of 8% of total cost consistent with the base contract. The Customer agrees to pay amounts billed by JCI no later than five (5) days after the Customer receives JCI's payment application. JCI will continue to submit payment applications to the Customer until the Performance Contract is executed. Once the Performance Contract is executed, JCI will begin submitting its payment applications to the Customer in accordance with the terms and conditions set forth therein. Any amounts already paid by the Customer will be credited towards the Performance Contract price.

This Notice to Proceed authorizes work described by Schedule 1 of the contract.

By signing and dating this Notice to Proceed, the parties hereto agree to these terms and represent and warrant they have the authority to execute this Notice to Proceed on behalf of their respective organizations.

UNITED LAGUNA WOODS MUTUAL

Signature: Lenny Ross

Name: Lenny Ross

Title: President

Date: 7/6/16

Signature: Juanita Skillman

Name: Juanita Skillman

Title: Secretary

Date: 7/6/16

**ACKNOWLEDGED & AGREED TO:
 JOHNSON CONTROLS, INC.**

Signature: _____

Bradley Harlow

Area General Manager

Date: _____

Johnson Controls, Inc. Initials: _____

Customer Initials: _____

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Johnson Controls, Inc. Initials: _____

Customer Initials: _____

CHANGE ORDER

Performance Contract dated _____, 20____ between Johnson Controls, Inc. and Customer	Change Order No. _____	Date (mo/day/yr) _____
Customer: United Laguna Woods Mutual		
The above referenced Performance Contract is hereby modified to the extent described below in accordance with the Terms and Conditions of the CHANGE ORDERS section thereof.		
Scope of Work changed as follows:		
Total amount of this Change Order	\$ _____	
Total Performance Contract amount as revised by this Change Order		
The time for completion is: <input type="checkbox"/> increased, <input type="checkbox"/> decreased, <input type="checkbox"/> unchanged.		(mo, day, yr)
The new completion date resulting from this Change Order is:		
[check if applicable] Assured Performance Guarantee changed as follows:		
Unless specifically changed by this Change Order, all terms, conditions and provisions of the above referenced Performance Contract remain unchanged and in full effect.		
JOHNSON CONTROLS, INC.	CUSTOMER	
Signature:	Signature:	
Printed Name: Bradley Harlow	Printed Name:	
Title: Area General Manager	Title:	

- Any change order will have overhead of 11% and profit of 8% of total cost consistent with the base contract

Johnson Controls, Inc. Initials: _____

Customer Initials: _____

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Johnson Controls, Inc. Initials: _____

Customer Initials: _____

CERTIFICATE OF SUBSTANTIAL COMPLETION
ADD ADDITIONAL CERTIFS AS REQUIRED

PARTIES: JOHNSON CONTROLS, INC. ("JCI")
 5770 Warland Drive
 Cypress, CA 90630
 ATTN: Bradley Harlow

UNITED LAGUNA WOODS MUTUAL ("Customer")
 24351 El Toro Road
 Laguna Woods, CA 92637

PROJECT: United Laguna Woods Mutual Performance Contract dated _____, 2016 between JCI and Customer

By executing this Certificate of Substantial Completion, the Customer acknowledges the following:

- a. The work set forth in the Performance Contract is substantially complete.
- b. The Customer has received the manuals, warranty information, and training required under the Performance Contract.
- c. The following punch list items must be completed by JCI (check as applicable):

☐ punch list attached
☐ punch list complete
- d. Upon completion of the punch list items, or if such punch list items are complete, JCI and the Customer shall sign the Certificate of Final Completion attached hereto.

Dated _____, 20____

United Laguna Woods Mutual:

JOHNSON CONTROLS, INC.

Signature: _____

Signature: _____

Printed Name: Len Ross

Printed Name: Bradley Harlow

Title: President

Title: Area General Manager

Signature: _____

Signature: _____

Name: Juanita Skillman

Name: Sandra Spencer

Title: Secretary

Title: Project Assurance Manager

Johnson Controls, Inc. Initials: _____

Customer Initials: _____

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Johnson Controls, Inc. Initials: _____

Customer Initials: _____

CERTIFICATE OF FINAL COMPLETION

PARTIES: JOHNSON CONTROLS, INC. ("JCI")
5770 Warland Drive
Cypress, CA 90630

UNITED LAGUNA WOODS MUTUAL ("Customer")
24351 El Toro Road
Laguna Woods, CA 92637

PROJECT: United Laguna Woods Mutual; Performance Contract dated _____, 2016 between JCI and Customer

By executing this Certificate of Final Completion, the Customer acknowledges the following:

- a. The work set forth in the Performance Contract has been reviewed and determined by the Customer to be fully complete.
- b. The Customer accepts the work as complete and hereby releases JCI's obligations under any performance and payment bonds posted for the project as of the date set forth below.

Dated _____, 20____
United Laguna Woods Mutual:

JOHNSON CONTROLS, INC.

Signature: _____


Signature: _____

Printed Name: Len Ross

Printed Name: Bradley Harlow

Title: President

Title: Area General Manager

Signature: 

Signature: _____

Name: Juanita Skillman

Name: Sandra Spencer

Title: Secretary

Title: Project Assurance Manager

Johnson Controls, Inc. Initials: _____

Customer Initials: _____

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Johnson Controls, Inc. Initials: _____

Customer Initials: _____

M&V SERVICES AGREEMENT

United Laguna Woods Mutual ("Customer")
24351 El Toro Road
Laguna Woods, CA 92637

M&V Scope of Services: JCI ("JCI") and the Customer (collectively the "Parties") agree Services, as defined in Assurance Performance Guarantee (Schedule 2), will be provided by JCI at the Customer's facility. Terms and Conditions of this Agreement are as set forth in the Performance Contract and incorporated by this reference and cover the rights and obligations of both the Customer and JCI. This Service Agreement and the Price and Payment Terms are set forth fully herein (collectively the "Agreement").

Term: This Agreement takes effect on the day the Certificate of Final Completion for the Performance Contract is approved by the Customer and JCI, and will continue for one hundred eighty (180) consecutive months ("Original Term").

Price and Payment Terms: The total Contract Price for JCI's M&V Services during the Original Term is **\$266,376**. These amounts will be paid to JCI in fifteen (15) installments of (see following table). These payments will be due and payable within fifteen (15) days of the invoice date and such timely payment by the Customer shall be a condition precedent to JCI's obligation to perform its Services. A penalty of one and a half percent (1.5%) of the amount due per month shall accrue for payments received after the payment due date. If the Customer elects to cancel M&V Services, the Customer must do so in writing within 30 days of the renewal date, otherwise full service will continue for the remainder of the year and the Customer will be responsible for payment of the full year.

Year	Measurement & Verification Services
	Annual Amount
1	\$16,201
2	\$14,642
3	\$15,081
4	\$15,533
5	\$15,999
6	\$16,479
7	\$16,974
8	\$17,483
9	\$18,008
10	\$18,548
11	\$19,104
12	\$19,677
13	\$20,268
14	\$20,876
15	\$21,502
Total	\$266,376

Johnson Controls, Inc. Initials: _____

Customer Initials: _____

Scope of Work**Measurement & Verification Services**

The M&V scope of work is described in detail in Schedule 2 of the Performance Contract agreement under the heading "Detailed Description of M&V Activities and Deliverables". Please refer to that section for the specific work to be completed under this service agreement.

JOHNSON CONTROLS, INC.

Signature: _____

Name: Bradley Harlow

Title: Area General Manager

Date: _____

UNITED LAGUNA WOODS MUTUALSignature: Lenny Ross

Name: Lenny Ross

Title: President

Date: 7/6/16Signature: Juanita Skillman

Name: Juanita Skillman

Title: Secretary

Johnson Controls, Inc. Initials: _____

Customer Initials: _____