

*Intellectual Proprietary Trade Secret Information*

The content of the materials below constitute Proprietary Trade Secrets of EUS under federal and state law. See, e.g.: ORC 1333.61 et seq. Any use of the information contained herein except by EUS shall constitute misappropriation and result in EUS seeking appropriate remedies, including injunction against any use, damages and attorney fees.

**Letter of Intent By Brecksville-Broadview Heights City School District to Effective Utility Services to Develop an Agreement for the Installation of General Primary Electric Service**

The intent of the EUS Utility Cost Reduction program is to reduce Brecksville-Broadview Heights City School District’s cost of electric energy at various sites without the expense of buying, owning or operating electric equipment that serves its facilities from FirstEnergy’s delivery system.

**Infrastructure**

Equipment: 15-kV distribution equipment for High School, Middle School, Elementary School, Board Office and Football Field. Install conduit for fiber cable to Elementary School. Replace CEI poles and overhead conductors with new wiring to be underground. High voltage equipment in Middle School and Elementary School moved to outside. Effective Utility Services, LLC will design, build, own, operate and maintain the equipment.

**Costs:**

Deposit \$ 15,000

Energy Conditioning Fee: kWh price paid by the School to EUS for energy passing through the equipment. Monthly minimum kWh of approximately 300,000-kWh at a Conditioning Fee of approximately 1.71¢/kWh. After surpassing the maximum kWh of 36,000,000, the Conditioning Fee will be reduced to approximately 0.40¢/kWh.

Early Termination: And Purchase Option Early termination fee is calculated by multiplying the annual minimum kWh times the total number of years in the Agreement, less years completed, plus 1.6 years. In formula, buy-out = annual conditioning fee x (contract length – years completed + 1.6). Option to purchase is 80% of the final year termination fee.

**Preliminary Payment Terms:<sup>1</sup>**

Deposit: If the project cannot be established with a minimum of \$ 39,000/year savings, there is no cost to the School. If a project with \$39,000 /year savings is demonstrated to the School’s satisfaction in its sole discretion, and the School decides not to proceed with said project, the School will pay EUS’ expenses to date; not to exceed \$7,000. Expenses include engineering, legal, travel and administrative and will be documented for the School’s review.

Conditioning Fee Services Billing: Monthly, due at same time as CEI bill  
Agreement Term: To be determined. Typically 10-years.  
Maintenance: During the term of the agreement, all maintenance and repair provided by EUS.

Agreement The Agreement will be completed concurrent with preparing preliminaries such as FirstEnergy fees and requirements as well as site selection.

IN WITNESS WHEREOF, the Parties, by their duly-authorized representatives, have executed this Letter of Intent as of the Signature Date.

Effective Utility Systems

Brecksville-Broadview Heights City School District

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Michael D. Spacek, PE

Name: \_\_\_\_\_

Title: Director of Energy Services

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

<sup>1</sup>Agreement predicated upon financial review