Minutes of Regular Meeting

The Board of Trustees
Kilgore Junior College District

A Regular Meeting of the Board of Trustees of Kilgore Junior College District was held Monday, May 9, 2016, beginning at 6:30 PM in the Ballroom of the Charles K. & Lyde Devall Student Center with the following members present:

Scott Andrews
Joe Carrington
Lon Ford
Bob Heath
Brian Nutt
Karol Pruett, Secretary
Cecelia Sanders
James Walker, Vice President
Larry Woodfin, President

I. CALL TO ORDER
   A. Invocation and Pledge of Allegiance

      The meeting was called to order at 6:30pm by Larry Woodfin. Dr. Julie Fowler led the invocation and Larry Woodfin led the Pledge of Allegiance to the American Flag.

II. CITIZEN COMMENTS

    Citizens voicing concerns regarding sunsetting the Child Development & Education program & closing the Early Childhood Center:
    • Emily Arp
    • Alan Clark
    • Meggan Clark
    • Brandy Henry
    • Reagan Cole
    • Candace Gleghorn
    • Melody Mulanax

    Jennifer Adams – concerns regarding closing the Demonstration Farm and the Agriculture Science courses

III. STUDENT LEARNING & SUCCESS DATA
   A. Developmental Math Completion
      Presenter: Dr. Staci Martin
      Modular Math Information:
      • Cover material at an individualized pace
      • Courses divided into smaller portions of material or modules
      • Students watch short video, followed by homework problems. Assistance provided by math faculty
• If a student did not finish the course by the end of the semester, students received an “IP” grade, registered for the course again and did not have to start all over
• Completion of Developmental Math Within 2 years (all students): Year 2010-11: 15%; Year 2011-12: 19%; Year 2012-13: 16%; Year 2013-14: 26%
• Completion of Developmental Math Within 2 years (Pell & Non-Pell): Year 2010-11: Pell 16%, Non-Pell 15%; Year 2011-12: Pell 16%, Non-Pell 30%; Year 2012-13: Pell 15%, Non-Pell 18%; Year 2013-14: Pell 23%, Non-Pell 31%
• Completion of Developmental Math Within 2 years (by gender): Year 2010-11: Male 11%, Female 19%; Year 2011-12: Male 17%, Female 20%; Year 2012-13: Male 15%, Female 16%; Year 2013-14: Male 21%, Female 30%
• Completion of Developmental Math Within 2 years (African American): Year 2010-11: 8%, Year 2011-12: 13%, Year 2012-13: 7%, Year 2013-14: 15%
• Completion of Developmental Math Within 2 years (Hispanic): Year 2010-11: 22%, Year 2011-12: 25%, Year 2012-13: 23%, Year 2013-14: 29%
• Completion of Developmental Math Within 2 years (White): Year 2010-11: 19%, Year 2011-12: 20%, Year 2012-13: 21%, Year 2013-14: 32%

IV. CONSENT AGENDA
A. To consider approving the minutes of the April 11, 2016 regular board meeting.
B. To consider approval of personnel items submitted as follows:
   1. Recommendation to accept employee resignation as follows:
      a. Assistant Men's Basketball Coach, effective April 5, 2016 after eight months of service
      b. System Administrator, effective May 13, 2016 after nine years and eight months of service
      c. Assistant Women's Softball Coach, effective May 15, 2016 after eleven months of service
   2. Recommendation to accept employee retirement as follows:
      a. Music Instructor, effective December 31, 2016 after twenty-four years and three months of service
   3. Recommendation for renewal of employment contract as follows:
      a. Head Women's Softball Coach and Kinesiology Instructor, based upon the approved faculty salary schedule for the period of June 1, 2016 - May 31, 2017
   4. Recommendation of employment as follows:
      a. Police Officer, KCPD, effective April 20, 2016
      b. Assistant Men's Basketball Coach, Student Development, effective April 28, 2016
      c. Developmental English Instructor, Liberal & Fine Arts, effective September 1, 2016

Brian Nutt made the motion to approve the consent agenda as presented. Joe Carrington seconded the motion. The motion passed unanimously.

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Personnel Agenda

Kilgore Junior College District
Personnel Agenda
May 9, 2016

1. Recommendation to accept employee resignation as follows:
   A. Mr. Brad Witherspoon, Assistant Men’s Basketball Coach, effective April 5, 2016 after eight months of service
   B. Mr. Luke Saintignan, System Administrator, effective May 13, 2016 after nine years and eight months of service
   C. Ms. Devon Frazier, Assistant Women’s Softball Coach, effective May 15, 2016 after eleven months of service

2. Recommendation to accept employee retirement as follows:
   A. Ms. Sandra Siler, Music Instructor, effective December 31, 2016 after twenty-four years and three months of service

3. Recommendation for renewal of faculty contract as follows:
   A. Ms. Leslie Messina, Head Women’s Softball Coach and Kinesiology Instructor, based upon the approved faculty salary schedule for the period of June 1, 2016 – May 31, 2017

4. Recommendation of employment as follows:
   A. Name: Mr. Noe De La Cruz
      Position: Police Officer
      Location: KCPD
      Education: Bachelor of Applied Arts & Science
                 Stephen F. Austin State University
                 Nacogdoches, Texas
      Experience: Police Officer
                 City of Big Sandy
                 Big Sandy, Texas; 2013-2016
      Effective Date: April 20, 2016

Personnel Agenda cont. on next page
### Salary:

Note:

$1,311.95 per pay period which is equivalent to a 12 month salary of $31,487

Mr. De La Cruz replaces Ms. Brenda Galindo who resigned

### B. Name:

Matthew Wilson

### Position:

Assistant Men's Basketball Coach

### Location:

Student Development

### Education:

Master of Education
Baylor University
Waco, Texas

Master of Business Administration
Rice University
Houston, Texas

Bachelor of Business Administration
American University
Washington, DC

### Experience:

Assistant Men's Basketball Coach
Eastern New Mexico University
Portales, New Mexico; 2014-2016

Graduate Assistant
Baylor University
Waco, Texas; 2012-2014

Part Time Associate Head Coach
Episcopal High School
Bellaire, Texas; 2010-2012

### Effective Date:

April 28, 2016

### Salary:

Note:

$812.50 per pay period which is equivalent to a 12 month salary of $19,500

Mr. Wilson replaces Mr. Brad Witherspoon who resigned
ENERGY SERVICES CONTRACT

This is an Energy Services Contract (this "Contract") by and between Schneider Electric Buildings Americas, Inc. ("ESCO") and Kilgore Junior College District ("Customer"), dated May 9, 2016 (the "Date of Commencement") whereby ESCO agrees to provide and perform the energy conservation measures ("ECMs") set forth in the attached schedules and exhibit(s) which are listed below and incorporated fully herein, subject to the terms and conditions set forth herein:

Schedule A: Scope of Work
Schedule B: Page Intentionally Left Blank Schedule C: Performance Guarantee
Schedule D: Measurement & Verification ("M&V") Plan
Schedule E: Customer Responsibilities for Performance Guarantee Exhibit A: Page Intentionally Left Blank

Kilgore Junior College District
By
(Signature)
Print Name
Title

Schneider Electric Buildings Americas, Inc.
By
(Signature)
Print Name
Title

DEFINITIONS

1. "Actual Savings" is defined as the sum of the total savings realized using the procedures defined in Schedule D plus all adjustments and non-measured savings.

2. "Annual Savings Guarantee" is the amount of energy savings guaranteed by ESCO for a twelve (12) month period beginning on the Savings Guarantee Commencement Date and any subsequent twelve (12) month anniversary thereafter.

3. "Change Order" is defined as a written change in the Project executed by both parties.

4. "Contract Documents" consist of this Contract with the terms and conditions set forth herein, the Schedules identified above, other documents listed in the Contract and any mutually agreed upon written modification issued after execution of this Contract. The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by ESCO. The Contract Documents are correlative and complimentary, and ESCO'S performance shall be required only to the extent consistent with the Contract Documents.

5. "Date of Commencement" is the date provided above.

6. "Day" as used herein shall mean calendar day unless otherwise specifically designated.

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7. "Excess Savings" is the amount of Actual Savings in excess of the Performance Guarantee to date including any savings achieved during construction.

8. "Financing Agreement" means the financing arrangement that Customer will utilize to provide the funds to pay the Contract Sum. (See Article 2)

9. "Guarantee Year" is the twelve (12) month period beginning on the Savings Guarantee Commencement Date and each subsequent twelve (12) month anniversary thereafter.

10. "Implementation Contract" means those portions of this Contract that refer to the Project.

11. "Performance Guarantee" is the sum of the Annual Savings Guarantee for each year of the guarantee term as set forth in Schedule C or unless terminated earlier in accordance with the Contract Documents.

12. "Performance Period" is defined as the period beginning on the Savings Guarantee Commencement Date and extending through the time period as defined in the Performance Guarantee.


14. "Savings Guarantee Commencement Date" means the first day of the first utility billing period following the month in which ESCO delivers to Customer the project warranty letter.

15. "Substantial Completion" refers to and shall mean the date the individual scopes of work are sufficiently implemented in accordance with the Contract Documents that Customer may utilize the Project for the use for which it is intended, and is fully complete except for minor items, adjustments and/or corrections.

16. "Warranty Period" is as defined in Article 4.3.

17. "Work" means the services required by the Contract Documents, whether completed or partially completed and, includes all labor, materials, equipment and services provided or to be provided by ESCO to fulfill ESCO'S obligations. The Work may constitute the whole or a part of the Project.
TERMS AND CONDITIONS OF IMPLEMENTATION PORTION OF CONTRACT

ARTICLE 1 – DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

1.1 ESCO projects it will achieve Substantial Completion of the Work within 130 days from Date of Commencement (the "Contract Time"), subject to adjustments of this Contract Time as provided in the Contract Documents.

ARTICLE 2 – CONTRACT SUM AND PAYMENTS

2.1 The total of all implementation contract payments shall be $804,759.00 (the "Contract Sum"). Construction progress payments shall be made to ESCO monthly based on the percentage completion of items delineated on a "Schedule of Values" completed during the prior month. The Schedule of Values will be developed by ESCO and provided to Customer at the beginning of project implementation. The Schedule of Values will be based upon the project cost less the project mobilization payment.

2.2 The payments shall be taken from an escrow account set up in accordance with Customer's project financing agreement. ESCO may submit “Payment Request Forms” and payments shall be made to ESCO on a monthly basis during construction. Customer shall promptly forward Payment Request Form to the escrow agent requesting payment to ESCO in an amount equal to the value of services rendered since the last interim payment as shown on the Schedule of Values provided during installation. If any payment is over ten (10) days late from the due date stated on the invoice, Customer shall pay to ESCO a 1% late penalty per month and ESCO reserves the right to terminate this Contract due to non-payment upon seven (7) days prior written notice.

2.3 Within ten (10) days of the Date of Commencement, Customer shall make payment to ESCO for expenses incurred to date and project mobilization expenses ("Project Mobilization Payment") in the amount of 10% of the implementation contract payment total of the Contract Sum.

2.4 For the initial one (1) year beginning at the Savings Guarantee Commencement Date, Customer shall receive the services as described in the Performance Assurance Support Services Agreement ("PASS Agreement") at no additional cost. Thereafter, the PASS Agreement shall automatically renew for a period of one (1) year, whereby Customer can maintain the current service or upgrade the level of service as provided for in Schedule B.

2.5 Payments may be withheld on account of (1) Defective Work not remedied, (2) claims filed by third parties, (3) failure of ESCO to make payments properly to the "Subcontractor(s)" or for labor, materials or equipment, or (4) repeated failure to carry out the Work in accordance with the Contract Documents.

2.6 Final payment shall not become due until ESCO has delivered to Customer a complete release of all liens arising out of this Contract covering all labor, materials, and equipment for which a lien could be filed, or a bond satisfactory to Customer to indemnify Customer against such lien.

2.7 The making of final payment shall constitute a waiver of claims by Customer except those arising from (1) liens, claims, security interests or encumbrances arising out of the Contract and which are unsettled, (2) failure of the Work to comply with the requirements of the Contract Documents, or (3) terms of special warranties required by the Contract Documents.

ARTICLE 3 – CUSTOMER

3.1 Except for permits and fees, which are the responsibility of ESCO under the Contract Documents, Customer shall secure and pay for necessary approvals, easements, assessments and charges required.

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for the use or occupancy of permanent structures or permanent changes in facilities.

3.2 If with the Warranty Period, ESCO fails to correct Work that is not in material accordance with the requirements of the Contract Documents ("Defective Work") or repeatedly fails to carry out the Work in accordance with the Contract Documents, Customer, upon seven (7) days prior written notice to ESCO, and if ESCO does not correct or diligently commence to correct such failure within such notice period, may order ESCO to stop the Work, or any portion thereof, until the cause for such order has been eliminated. However, the right of Customer to stop the Work shall not give rise to a duty on the part of Customer to exercise this right for the benefit of ESCO or any other person or entity.

3.3 Customer agrees to repair or replace as necessary any defective existing equipment that is intended to be reused.

3.4 Information under Customer's control shall be furnished by Customer with reasonable promptness as requested by ESCO.

3.5 Customer shall notify ESCO in writing of any or all uses or restrictions in usage of all areas of Customer's facility.

3.6 The foregoing are in addition to any other duties and responsibilities of Customer set forth herein or in any other Contract Documents, including but not limited to those duties and responsibilities set forth in Schedule E.

ARTICLE 4 – ESCO

4.1 ESCO shall supervise and direct the Work, using ESCO's skill and attention. ESCO shall be solely responsible for and have control over means, methods, techniques, sequences and procedures and for coordinating all portions of the Work under the Contract, unless Contract Documents give other specific instructions concerning these matters.

4.2 Unless otherwise provided in the Contract Documents, ESCO shall provide and pay for labor, materials, tools, equipment and machinery necessary for the proper execution and completion of the Work.

4.3 ESCO warrants to Customer for a period of one (1) year from the date of Substantial Completion that the materials and equipment manufactured by ESCO will be of good quality and new unless the Contract Documents require or permit otherwise, and further warrants that the Work will conform to the requirements of the Contract Documents and will be free from defects, except for those inherent in the quality of the Work the Contract Documents require or permit. Work, materials, or equipment not conforming to these requirements may be considered defective. ESCO's warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed by or for ESCO, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage. ESCO shall repair or replace defective material or equipment and re-perform Work to correct any defect within the Warranty Period. ESCO does not warrant products not manufactured by ESCO, but it will pass on to Customer any manufacturer's warranty to the extent permitted. THE FOREGOING WARRANTIES AND REMEDIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES AND REMEDIES WHETHER STATUTORY, EXPRESS OR IMPLIED (INCLUDING ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE AND ALL WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OR TRADE), AND ESCO WILL NOT BE RESPONSIBLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES OF CUSTOMER. ESCO'S RESPONSIBILITY IN WARRANTY OR CONTRACT SHALL NOT EXCEED THE CONTRACT PRICE PAID FOR THE SPECIFIC PRODUCT OR SERVICE THAT GIVES RISE TO THE CLAIM EXCLUDING THIRD PARTY CLAIMS FOR PERSONAL INJURY, DEATH OR PROPERTY DAMAGE OR AS MAY BE REQUIRED BY LAW.

4.4 Unless otherwise provided in the Contract Documents, ESCO shall pay sales, consumer, use, and
other similar taxes which are legally enacted when bids are received or negotiations concluded, whether or not effective or merely scheduled to go into effect, and shall secure and pay for the building permit and other permits, licenses and inspections necessary for proper execution and completion of the Work.

4.5 ESCO shall comply with and give notices required by laws, ordinances, rules, regulations, and lawful orders of public authorities bearing on performance of the Work.

4.6 ESCO shall keep the premises and surrounding areas free from accumulation of waste materials or rubbish caused by operations under the Contract. At completion of the Work, ESCO shall remove from and about Project waste materials, rubbish, ESCO'S tools, equipment, machinery and surplus material.

4.7 ESCO shall provide Customer access to the Work in preparation and progress wherever located.

4.8 ESCO shall pay all royalties and license fees, shall defend suits or claims for infringement or patent rights, and shall hold Customer harmless from loss on account thereof.

4.9 Except to the extent of the negligence or willful misconduct of Customer, its agents, representatives, employees, officers, directors or assigns, ESCO shall indemnify and hold harmless Customer, and agents and employees thereof from and against all third party claims, damages, losses and expenses, including, but not limited to, reasonable attorney's fees, arising out of or resulting from performance of the Work provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), but only to the extent caused in whole or in part by negligent acts or omissions of ESCO, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable.

4.10 NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, ESCO SHALL NOT BE LIABLE IN CONTRACT, IN TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY) OR OTHERWISE FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES WHATSOEVER. The remedies of Customer set forth herein are exclusive where so stated and the total cumulative liability of ESCO with respect to this Contract or anything done in connection therewith, such as the use of any product covered by or furnished under the Contract, whether in contract, in tort (including negligence or strict liability) or otherwise, shall not exceed the contract price for the specific product, equipment, material or service work performed that gives rise to the claim, excluding third party claims for personal injury, death or property damage or as may be required by law.

ARTICLE 5 – DISPUTE RESOLUTION

5.1 To the extent allowed by applicable law, any controversy or claim arising out of or relating to this Contract, or Contract Documents, or any breach thereof, shall be settled by binding arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

5.2 The arbitration proceeding location shall be in the county in which the Project is located.

ARTICLE 6 – SUBCONTRACTS

A Subcontractor is a person or entity who has a direct contract with ESCO to perform a portion of the Work at the site.

6.1 Unless otherwise stated in the Contract Documents or the bidding requirements ESCO, if requested in writing by Customer, shall furnish in writing to Customer the names of the Subcontractors to whom ESCO plans to award Work. Contracts between ESCO and Subcontractors shall (1) require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to ESCO by the terms of the Contract Documents, and to assume all the obligations and responsibilities which ESCO.
by the Contract Documents, assumes toward Customer, and (2) allow to the Subcontractor the benefit of all rights, remedies and redress afforded to ESCO by these Contract Documents.

ARTICLE 7 – CHANGES IN THE WORK

7.1 Customer may request order changes in Work consisting of additions, deletions or modifications, whereby, the Contract Sum and Contract Time shall be adjusted accordingly. Such changes in the Work shall be authorized by written Change Order that shall be mutually agreed to and signed by Customer and ESCO. The parties shall negotiate in good faith and use their best efforts to execute any Change Order, and any Change Order must be fully executed in writing by Customer and ESCO prior to any actual changes being implemented.

7.2 Notwithstanding anything to the contrary contained in the Contract Documents, changes to the Contract Sum and Contract Time shall be changed only by Change Order.

7.3 The cost or credit to Customer from a change in the Work shall be determined by mutual agreement and, in the absence of a mutual agreement being reached within a reasonable amount of time after the request for such Change Order was made, the cost or credit to Customer shall be decided by the dispute resolution process as provided in the Contract Documents.

7.4 In the event of any suspension or delay due to the acts or omissions of Customer or Customer directives to stop Work for any reason, through no fault of ESCO, the Contract Time for Substantial Completion shall be extended to reflect such period of interruption and the Contract Sum shall be equitably adjusted to recover ESCO’S costs of demobilization, delay and remobilization related to such suspension or delay. ESCO agrees it will cooperate with Customer and mitigate such costs to the extent and effort commercially reasonable. If such suspension or delay continues for more than ninety (90) consecutive days, through no act or fault of ESCO, ESCO may terminate this Contract and recover from Customer payment for Work executed, including reasonable overhead and profit, costs incurred by reason of such termination and damages.

ARTICLE 8 – TIME

8.1 The date of Substantial Completion is the date certified by ESCO in accordance with Article 9.3.

8.2 If ESCO is delayed at any time in progress of the Work by changes ordered in the Work, by labor disputes, fire, unusual delay in deliveries, abnormal adverse weather conditions not reasonably anticipated, unavoidable casualties or any other causes which are beyond the control of ESCO, then the parties hereto agree to execute a Change Order allowing for a mutually agreeable extension of time for performance of ESCO’S Work to cover such delay.

ARTICLE 9 – PAYMENTS AND COMPLETION

9.1 Payments shall be made as provided in Article 2 of the Contract.

9.2 Payments may be withheld on account of (1) Defective Work not remedied, (2) claims filed by third parties, (3) failure of ESCO to make payments properly to the Subcontractors or for labor, materials or equipment, or (4) repeated failure to carry out the Work in accordance with the Contract Documents.

9.3 Upon Substantial Completion, ESCO will issue a certificate of Substantial Completion to Customer.

9.4 Final payment shall not become due until ESCO has delivered to Customer a complete release of all liens arising out of this Contract covering all labor, materials, and equipment for which a lien could be filed, or a bond satisfactory to Customer to indemnify Customer against such lien.

9.5 The making of final payment shall constitute a waiver of claims by Customer except those arising from (1) liens, claims, security interests or encumbrances arising out of the Contract and which are

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Exhibit #1 cont. on next page
unsettled, (2) failure of the Work to comply with the requirements of the Contract Documents, or (3) terms of special warranties required by the Contract Documents.

ARTICLE 10 – PROTECTION OF PERSONS AND PROPERTY

10.1 ESCO shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the performance of the Contract. ESCO shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to (1) employees on the Work and other persons who may be affected thereby, (2) the Work and materials and equipment to be incorporated therein, and (3) other property at the site or adjacent thereto.

10.2 ESCO shall give notices and comply with applicable laws, ordinances, rules, regulations and lawful orders of public authorities bearing on safety of persons and property and their protection from damage, injury or loss.

10.3 The scope of work or service to be performed by ESCO pursuant to this Contract, and the compensation to be paid to ESCO hereunder for Work or services performed, expressly exclude any Work or service of any nature associated or connected with the identification, abatement, cleanup, control or removal of environmentally hazardous materials beyond what is specifically defined and identified in Schedule A of this Contract. "Hazardous Materials" to include, but not be limited to, asbestos and PCBs discovered in or on the premises. Customer agrees that all duties and obligations in connection with any hazardous materials located in or on the premises, other than those defined in Schedule A, are strictly the responsibility of Customer. Customer warrants and represents to the best of Customer’s knowledge there are no hazardous materials in or on the premises which will affect, be affected by, come in contact with, or otherwise impact upon or interfere with the Work to be performed by ESCO pursuant to this Contract.

10.4 Should ESCO become aware or suspect the presence of hazardous materials beyond those to be addressed in Schedule A during performance of its Work under this Contract, ESCO will be authorized to cease Work in the affected area immediately, and will promptly notify Customer of the conditions discovered. Should ESCO stop Work because of the discovery or suspicion of hazardous materials, the time for performance of ESCO’S Work or service will be extended to cover the period required for abatement, cleanup, or removal of the hazardous materials. ESCO will not be held responsible for any claims, damages, costs, or expenses of any kind associated with the period during which ESCO has stopped Work as a result of hazardous materials. If appropriate, ESCO will be entitled to an equitable adjustment of the Contract Sum for any increased costs or other charges incurred by ESCO in connection with the existence of its rights under this paragraph.

10.5 Customer will be responsible for taking all necessary steps to correct, abate, clean up, or control hazardous materials not addressed by ESCO in Schedule A in accordance with all applicable statutes and regulations. Customer specifically agrees, to the extent allowed by state law, to indemnify and to hold ESCO, its officers, agents and employees harmless from and against any and all claims, demands, damages, or causes of action in any way arising out of the release of hazardous materials into the air, soil, or any water system or water course, or any actions taken in connection with same, or any failure to act.

ARTICLE 11 – INSURANCE AND BONDS

11.1 ESCO shall maintain adequate levels and types of insurance coverage appropriate to its business and profession and as may be required by applicable law and the Contract Documents. Such insurance shall be in companies authorized to do business in the jurisdiction in which the Project is located with an A.M. Best’s rating of at least A- VII and as a minimum shall include Workers’ Compensation and Employer’s Liability at statutory limits, Automobile Liability covering all owned, hired and other non-owned vehicles and Commercial General Liability covering public liability, property damage and completed operations with limits not less than $2,000,000 per occurrence. Certificates of such insurance shall be provided to Customer prior to commencement of the Work.

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Exhibit #1 cont.

11.2 If required in the Contract Documents, and upon Customer's request and expense, ESCO shall provide payment and performance bonds for 100% of the Contract Sum to secure the faithful performance of the Work, compliance with the terms of this Contract and to insure ESCO'S payment obligations to its Subcontractors and suppliers related to the Work. Notwithstanding any provision to the contrary herein, any payment and performance bonds associated with this Contract guarantee only the performance of the installation portion of the Contract, and shall not be construed to guarantee the performance of: (1) any efficiency or energy savings guarantees, (2) any support or maintenance service agreement, or (3) any other guarantees or warranties with terms beyond one (1) year in duration from the completion of the installation portion of the Contract.

ARTICLE 12 – TERMINATION OF THE CONTRACT

12.1 If Customer fails to make payments to ESCO as required in this Contract, through no fault of ESCO, ESCO may, upon seven (7) days written notice to Customer, terminate the Contract and recover from Customer payment for all Work executed and for proven loss with respect to materials, equipment, tools, and machinery, including reasonable overhead, profit and damages applicable to the Project.

12.2 If Customer (1) fails or neglects to maintain Customer responsibilities as set forth in Schedule E, or (2) fails to fulfill any of its other obligations or responsibilities under the Contract Documents, ESCO may, after delivery of written notice and providing Customer seven (7) days to cure, terminate the Contract, including, but not limited to the termination of any obligation of ESCO to provide the Performance Guarantee.

12.3 If ESCO breaches a material provision of this Contract, Customer, after delivery of written notice and providing ESCO seven (7) days to cure such breach, may make good such deficiencies and may deduct the cost thereof from the payment then or thereafter due ESCO.

12.4 Any remedies provided for in this Article 12, shall not be exclusive of any additional remedies available to a party pursuant to this Contract, in equity or in the law.

ARTICLE 13 – OTHER CONDITIONS OR PROVISIONS

13.1 If any provision of this Contract shall be held to be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired thereby.

13.2 Nothing herein shall be deemed to establish a relationship of principal and agent between ESCO and Customer, or any of their respective agents or employees, and this Contract and the Contract Documents may not be construed as creating any form of legal association or arrangement that would impose liability upon one party for the act or failure to act of the other party.

13.3 This Contract shall be governed by the laws of the state where the Project is located.

13.4 As between Customer and ESCO, any applicable statute of limitation shall commence to run and any alleged cause of action shall be deemed to have accrued (1) not later than the date of Substantial Completion for acts or failures to act occurring prior to the relevant date of Substantial Completion, or (2) not later than the date of the relevant act or failure to act by either party for acts or failures to act occurring after the date of Substantial Completion.

13.5 This Contract sets forth the entire understanding between the parties and supersedes all prior oral or written understandings relating to the subject matter herein. This Contract may not be altered or modified except by a written instrument signed by a duly authorized representative of each party.

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Exhibit #1 cont. on next page
**SCHEDULE A: SCOPE OF WORK**

Customer hereby acknowledges and agrees that the scope of work shall be limited to, and Contractor shall only perform, the following:

ECRM NO.: 1

ECRM NAME: Air Handling Unit Replacement

ECRM DESCRIPTION

This ECRM involves installing 3 new air handling units in place of the existing 4 air handling units. These units will be equipped with variable frequency drives (VFD) to modulate fan speed according to the load requirements of each space. Each unit will provide minimum fan speed so that all terminal units receive sufficient air flow. The units will be re-piped in the correct configuration. The chilled water system will be flushed and chemically treated to remove any existing debris. Existing duct work will be modified to accommodate new equipment. All sensors and control devices will be provided to control the equipment according to the sequence of operation.

**AHU Replacement**

<table>
<thead>
<tr>
<th>Unit</th>
<th>Type</th>
<th>Building</th>
<th>Location</th>
<th>SA Fan HP</th>
</tr>
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<tbody>
<tr>
<td>AHU-1</td>
<td>VAV, CHW</td>
<td>ATC</td>
<td>Mech Rm 1st Floor</td>
<td>7.5</td>
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<tr>
<td>AHU-2</td>
<td>VAV, CHW</td>
<td>ATC</td>
<td>Mech Rm 2nd Floor</td>
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<td>AHU-3</td>
<td>VAV, CHW</td>
<td>ATC</td>
<td>Mech Rm Shop Mezz</td>
<td>7.5</td>
</tr>
</tbody>
</table>

ECRM NO.: 2

ECRM NAME: Variable Air Volume (VAV) Fan Power Box (FPB) Installation

ECRM DESCRIPTION

This ECRM will provide 24 new VAV FPB terminal units with electric heat. These units will replace the existing VAV boxes and forced air heaters currently located in the spaces. Local temperature sensors in each space will allow the VAV FPB to modulate to maintain room temperature and enable electric heat when needed. The VAV FPB will be set to ensure minimum airflow is allowed into the space at all times to comply with indoor air quality regulations. The air distribution system has been redesigned to account for architectural modifications and changes to building load. New duct work will be provided to connect the existing heating system with the new VAV FPB's where needed.

ECRM NO.: 3

ECRM NAME: Evaporative Cooler Replacement

ECRM DESCRIPTION

A new evaporative cooler will be provided and installed in place of the existing unit serving the welding shop area. The new unit will match the specifications of the existing unit. A curb adaptor will be provided to account for change in dimensions of the new machine.

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May 9, 2016 Minutes

Page 4046
ECRM NO.: 4

ECRM NAME: Building Automation System

A Schneider Electric Building Automation System (BAS) is to be installed at the facilities listed below. The Schneider Electric system will include control and monitoring parameters as outlined below for each facility. The BAS will be controllable through a web enabled interface accessed through the customer’s WAN/LAN. The web enabled interface will provide system access for up to 7 simultaneous users. Control zones will be programmed for temperature setup and temperature setback, along with unoccupied dew point setup monitoring, and optimized schedules. Permanent scheduling, holiday scheduling, and temporary scheduling capabilities for each control zone will be provided.

ESCO will provide site-specific on-site training for BAS operation. This includes, but is not limited to, system architecture, controller and override operation, control drawings, device replacement, product overview and demonstration, logging on and off, system passwords, screen layout, software toolbars and menus, graphic page navigation and use, scheduling (regular, temporary, and special), and basic troubleshooting.

This scope of work is limited to the Kilgore College ATC Building.

SCOPE OF WORK

A new Schneider Electric BAS shall be installed with direct digital control of the new mechanical equipment including VAV Air Handling Units, Fan Powered Boxes, and Evaporative Cooler as well as the existing Chilled Water Plant equipment and exhaust fans. For all units being replaced under the mechanical scope of work, new valves shall be provided for Hydronic coils and new electronic actuators shall be provided for dampers. New VFDs shall be provided for the VAV Air Handling Unit supply air fans.

Communicating network thermostats shall be provided and installed to operate the existing packaged roof top air handling equipment that is to remain.

Exhaust fans serving restrooms and general exhaust which are not interlocked, life-safety processes, lighting circuits, or controlled through local switches, will be controlled through the BAS matching the schedules of the HVAC equipment serving the same space.

Communication to the central workstations will be provided through the client’s wide area network. Control parameters are as follows:

<table>
<thead>
<tr>
<th>Chilled Water Plant</th>
<th>Monitoring Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control Points</td>
<td>Monitoring Points</td>
</tr>
<tr>
<td>Chiller Enable/Disable</td>
<td>Chiller Alarm</td>
</tr>
<tr>
<td>Chilled Water Pump Command (x2)</td>
<td>Chilled Water Pump Status (x2)</td>
</tr>
<tr>
<td></td>
<td>Chilled Water Supply Temperature</td>
</tr>
<tr>
<td></td>
<td>Chilled Water Return Temperature</td>
</tr>
<tr>
<td></td>
<td>Chiller Run Load Amperage</td>
</tr>
</tbody>
</table>

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Variable Volume Air Handling Units\(^1\) (Typical of 3)

<table>
<thead>
<tr>
<th>Control Points</th>
<th>Monitoring Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply Fan Command</td>
<td>Supply Fan Unsuppressed Feedback</td>
</tr>
<tr>
<td>Supply Fan With Balanced Command</td>
<td>Supply Air Temperature</td>
</tr>
<tr>
<td>Balanced Water Valve Actuation</td>
<td>Humidity Air Temperature</td>
</tr>
<tr>
<td>Exhaust Air Damper Actuation</td>
<td>Mixed Air Temperature</td>
</tr>
<tr>
<td></td>
<td>Supply Air Static Pressure</td>
</tr>
<tr>
<td></td>
<td>Space Humidity</td>
</tr>
<tr>
<td></td>
<td>Presence Unit Alarm Status</td>
</tr>
</tbody>
</table>

Fan Powered VAV Boxes with Electric Reheat\(^1\) (Typical of 24)

<table>
<thead>
<tr>
<th>Control Points</th>
<th>Monitoring Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume Damper Actuation</td>
<td>Airflow Measurement</td>
</tr>
<tr>
<td>Fan Command</td>
<td>Supply Temperature</td>
</tr>
<tr>
<td>Electric Reheat Commercial</td>
<td>Mixed Air Temperature</td>
</tr>
<tr>
<td></td>
<td>Mixed Air Temperature Network Adj</td>
</tr>
<tr>
<td></td>
<td>Space Overrise</td>
</tr>
</tbody>
</table>

Evaporative Cooling Roof Top Unit\(^1\)

<table>
<thead>
<tr>
<th>Control Points</th>
<th>Monitoring Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valve Position</td>
<td>Supply Temperature</td>
</tr>
<tr>
<td>Gas Heating Command</td>
<td>Mixed Air Static</td>
</tr>
<tr>
<td>Supply Fan Command</td>
<td>Space Temperature</td>
</tr>
<tr>
<td>Exhaust Air Damper Command</td>
<td>Humid Air Temperature</td>
</tr>
<tr>
<td></td>
<td>Space Overrise</td>
</tr>
</tbody>
</table>

Packaged Roof Top Units (Typical of 4)

<table>
<thead>
<tr>
<th>Control Points</th>
<th>Monitoring Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cooling EVaporative</td>
<td>Space Temperature</td>
</tr>
<tr>
<td>Heating EVaporative</td>
<td>Mixed Air Temperature</td>
</tr>
<tr>
<td>Supply Fan Command</td>
<td>Mixed Air Temperature</td>
</tr>
<tr>
<td></td>
<td>Mixed Air Temperature Network Adj</td>
</tr>
<tr>
<td></td>
<td>Space Overrise</td>
</tr>
<tr>
<td></td>
<td>Supply Air Static</td>
</tr>
<tr>
<td></td>
<td>Supply Air Temperature</td>
</tr>
</tbody>
</table>

Miscellaneous

<table>
<thead>
<tr>
<th>Control Points</th>
<th>Monitoring Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exhaust Fan Inlet/Outlet(^2)</td>
<td>Exhaust Air Temperature</td>
</tr>
<tr>
<td></td>
<td>Exhaust Air Humidity</td>
</tr>
</tbody>
</table>

\(^1\) Inputs and Outputs of new equipment are subject to change based on final unit selection for new mechanical equipment.

\(^2\) Exhaust Fans will be grouped (zoned) to match schedules of units; zones will be determined by ESCO.

**CLARIFICATIONS**

- To the best of ESCO’s knowledge, the points above represent all that are necessary to effectively operate the indicated systems. If additional points are required to operate the systems specifically indicated above per Schneider Electric’s Sequences of Operation, they will be incorporated under this scope of work. If any of the points indicated above are unable to be included within the final system, such points shall be excluded from this scope of work. Points associated with new mechanical

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equipment (if applicable) are subject to change based on those points available from the equipment ultimately furnished and the points deemed necessary for operation of the system.

- ESCO may reuse existing equipment including (but not limited to) valves, dampers, and actuators for the execution of this contract, and assumes the equipment or devices are in good working order. Should the equipment or devices require repair or replacement, this will be the responsibility of the customer. ESCO will create an equipment deficiency report (EDR) to provide the customer with written notification if such equipment is identified.

- ESCO will only control equipment and/or devices shown in the Scope of Work. Equipment and devices not in the Scope of Work are excluded. ESCO is not responsible for the functionality of such equipment.

- Demolition of the existing HVAC controls/building automation equipment will be performed as needed to implement the new DDC system installation (reuse of enclosures, wire, and end devices will be solely at the discretion of ESCO). The total demolition of any remaining abandoned or obsolete control elements will be the responsibility of the owner, unless otherwise stated.

- ESCO is not responsible for safety on existing equipment including smoke detectors, fire alarm interlocks, and low or high temperature cut-outs or any life safety equipment. Pre and post testing of smoke, fire, and life safety systems will be the responsibility of the customer and the sequence will be provided to ESCO. Where life safety equipment utilizes compressed air (pneumatics), the source of the air, logic, and actuators will not be removed or modified within the execution of the project.

- ESCO will not be responsible for any modification or expansion of the customer’s existing WAN/LAN for the execution of this project. Customer to provide ESCO with designated open port(s) and static IP addresses as required at existing network switches in all facilities within this scope of work.

- Where new control panels are to be installed, conduit will be installed from the panel knock-out to a height of 8’ or the level of the finished ceiling if present – whichever is lower – for all low voltage wiring. All wiring shall be in compliance with local codes and authorities having jurisdiction.

Assumptions and Exclusions

ASSUMPTIONS
1. All existing equipment is to remain property of Customer.
2. Currently installed equipment and hardware, including, but not limited to: breakers, contactors, starters, safety, wiring, and other like devices are fully functioning and in good working order.
3. All existing factory roof curbs are acceptable.

EXCLUSIONS TO SCOPE OF WORK
1. ESCO shall not provide third-party Test and Balance ("T&B"). Certified contractors shall provide start-up and verification of air intakes/discharge at the unit only. Terminal devices and duct work are specifically excluded from this scope of work unless documented in Schedule A.
2. Repair of existing mechanical and control equipment not specified explicitly in Schedule A is excluded. ESCO will reuse existing equipment for the execution of this Contract, and assumes all equipment and/or devices are in good working order. Customer will be responsible should equipment or devices need repair or replacement. Contractor will create an Equipment Deficiency Report ("EDR") to give Customer written notification if such equipment or devices are found.
3. Matching of paint color or ceiling tile color and pattern shall be limited to current commercial availability. Variations in replacement paint color and ceiling tile color and pattern due to age, wear, and dirt shall be minimized where possible. Similar or complementary tiles shall be provided where exact matches are not available. Custom paint colors and custom tiles are excluded.
4. Holiday work unless otherwise specified in the Scope of Work.
5. Additional labor cost due to restriction of allowable work hours.
6. Costs incurred due to lack of access to required areas or due to access to storage areas to which materials are to be delivered.
7. Additional cost associated with any roof repair incurred due to existing conditions
8. Costs of providing access, access control, or security escorts not specified in the Scope of Work.
9. Hazardous materials testing and abatement.
10. Materials and labor associated with modifications to existing systems and equipment not identified in these documents as included in the Scope of Work.
11. Commissioning of existing systems not identified in these documents as included in the Scope of Work.
12. Upgrading existing mechanical systems to provide ventilation rates in compliance with current Codes and Standards unless indicated herein to be included.
13. Repair or replacement of ceiling beyond that required to accomplish the Scope of Work.
14. Painting of floors, walls or ceilings beyond that required to match existing surfaces in the immediate work area.
15. Any repair patching of existing walls, sheetrock, plaster, brick, wood, etc due to the removal of existing thermostats (for retrofit with DDC Sensor or new thermostat) is excluded.
16. Waste disposal other than that required to accomplish the Scope of Work.
17. Demolition of equipment, piping and accessories indicated herein to be abandoned in-place unless indicated herein to be included.
18. The cost for utilities including natural or propane gas, fuel oil, electricity, potable or no potable water during the construction period.
19. The cost for equipment and/or utilities to provide temporary heating or cooling of facilities during the construction period.
20. Cost escalation of materials as a result of a delay in the construction schedule caused by Customer action or inaction.
21. Inspection and permitting fees for agencies (state and/or federal) other than the local authority having jurisdiction.
22. Fees for third party engineers acting as Customer’s agent.
23. Water treatment equipment not specified in the Scope of Work.
25. Building envelope modifications not specified in the Scope of Work.
26. Replacement of ductwork and diffusers not specified in the Scope of Work.
27. Replacement of piping not specified in the Scope of Work.
29. Electrical systems not specified in the Scope of Work.
30. Equipment replacement and their components not specified in the Scope of Work.

Customer Responsibilities

GENERAL RESPONSIBILITIES

Customer agrees to: (1) execute all Customer responsibilities as outlined herein, and (2) provide to Contractor reasonable access to all Customer facilities and information necessary for Contractor to perform its responsibilities. Access will include, but is not limited to, the following items:

1. All buildings listed within this Contract.
2. All mechanical equipment rooms in the buildings listed within this Contract.
3. All temperature control and energy management systems which control part or all of any of the buildings listed within this Contract.
4. Personnel with responsibility for operating and/or managing any of the buildings listed within this Contract.
5. Construction documents, equipment inventories, and other documents that may be helpful in evaluating a cause for adjustment as listed within this Contract.

Customer will solely be responsible for providing communications and/or network interface to all buildings for operation.

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Exhibit #1 cont. on next page
SCHEDULE C: PERFORMANCE GUARANTEE

The Performance Guarantee provided by ENCO will be as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Non-Measured Earnings</th>
<th>Annual Guaranteed Savings</th>
<th>Cumulative Guaranteed Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$102,290</td>
<td>$102,290</td>
<td>$102,290</td>
</tr>
<tr>
<td>2</td>
<td>$102,290</td>
<td>$102,290</td>
<td>$204,580</td>
</tr>
<tr>
<td>3</td>
<td>$102,290</td>
<td>$102,290</td>
<td>$306,870</td>
</tr>
<tr>
<td>4</td>
<td>$102,290</td>
<td>$102,290</td>
<td>$409,160</td>
</tr>
<tr>
<td>5</td>
<td>$102,290</td>
<td>$102,290</td>
<td>$511,450</td>
</tr>
<tr>
<td>6</td>
<td>$102,290</td>
<td>$102,290</td>
<td>$613,740</td>
</tr>
<tr>
<td>7</td>
<td>$102,290</td>
<td>$102,290</td>
<td>$716,030</td>
</tr>
<tr>
<td>8</td>
<td>$102,290</td>
<td>$102,290</td>
<td>$818,320</td>
</tr>
<tr>
<td>9</td>
<td>$102,290</td>
<td>$102,290</td>
<td>$920,610</td>
</tr>
<tr>
<td>10</td>
<td>$102,290</td>
<td>$102,290</td>
<td>$1,022,900</td>
</tr>
<tr>
<td>Total</td>
<td>$1,022,900</td>
<td>$1,022,900</td>
<td>$1,022,900</td>
</tr>
</tbody>
</table>

The procedure used to calculate savings is described in Schedule D.
SCHEDULE D: MEASUREMENT & VERIFICATION PLAN

PROJECTED ANNUAL SAVINGS

The Performance Guarantee as established in Schedule C shall consist of savings from multiple scopes of work. The projected savings from each scope of work is presented in the table below:

<table>
<thead>
<tr>
<th>Scope of Work</th>
<th>Annual Projected Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Faculty</td>
</tr>
<tr>
<td></td>
<td>Consumption</td>
</tr>
<tr>
<td></td>
<td>Demand</td>
</tr>
<tr>
<td></td>
<td>List</td>
</tr>
<tr>
<td>House 1/2 Buildings</td>
<td>594,676</td>
</tr>
<tr>
<td></td>
<td>kWh</td>
</tr>
<tr>
<td></td>
<td>kW</td>
</tr>
</tbody>
</table>

The projected savings in the table above are provided for reference only and are not intended to conclude a savings guarantee by meter, facility, or energy unit. The savings guarantee is fully defined in Schedule C.

ENERGY, WATER, AND OPERATIONS & MAINTENANCE (O&M) RATE DATA

The cost of energy in any period will be determined by applying the rates as defined below ("Baseline Energy Rates"), or the actual energy rates during the period, at the discretion of EDCO, to the energy used in a given period for each fuel type.

<table>
<thead>
<tr>
<th>Utility Company</th>
<th>Kilowatt Hour Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Per kWh</td>
</tr>
<tr>
<td>Electric Rental</td>
<td>$14.23/kWh</td>
</tr>
<tr>
<td>kWh Charge</td>
<td>$0.12/kWh</td>
</tr>
<tr>
<td>Fuel Charge</td>
<td>$0.02/kWh</td>
</tr>
<tr>
<td>Natural Gas</td>
<td></td>
</tr>
<tr>
<td>kWh Rate</td>
<td>$0.97/kWh</td>
</tr>
<tr>
<td>Wateruse Charge</td>
<td>$0.97/kWh</td>
</tr>
<tr>
<td>Steam Charge</td>
<td>$0.97/kWh</td>
</tr>
<tr>
<td>Energy/Weather</td>
<td>$0.97/kWh</td>
</tr>
<tr>
<td>Transmission Fee</td>
<td>$0.97/kWh</td>
</tr>
<tr>
<td>GW Charge</td>
<td>$0.97/kWh</td>
</tr>
<tr>
<td>Transmission Gas Charge</td>
<td>$0.97/kWh</td>
</tr>
<tr>
<td>Determination of Bill Multiplier</td>
<td>The account is multiplied by 0.72 electric meters, 33% gas, 67% of the sum of the metered demand</td>
</tr>
</tbody>
</table>

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COMMON ECM ASSUMPTIONS

WEATHER DATA SOURCE

Data for weather compensation adjustments will be actual climate data obtained from the National Weather Service Station at East Texas Regional Airport. In the event the specified weather station is deactivated, weather data will be collected from the nearest weather station with suitable observations. If the data source becomes unavailable or a superior source is identified, EOCO may select an alternative data source with Customer's approval.

ANNUAL CALENDAR OF EVENTS

Provided below is a table summarizing the annual calendar of events that will be used as a basis in calculations, unless otherwise specified. In the event that there are any changes or deviations to this annual calendar, an appropriate adjustment will be made in accordance with the "Adjustment Schedule" set forth in Schedule E.

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Years</td>
<td>Jan 1st</td>
</tr>
<tr>
<td>MLK</td>
<td>Jan 20th</td>
</tr>
<tr>
<td>President's Day</td>
<td>Feb 17th</td>
</tr>
<tr>
<td>Memorial Day</td>
<td>May 30th</td>
</tr>
<tr>
<td>Fourth of July</td>
<td>Jul 4th</td>
</tr>
<tr>
<td>Labor Day</td>
<td>Sep 7th</td>
</tr>
<tr>
<td>Thanksgiving</td>
<td>Nov 24th</td>
</tr>
<tr>
<td>Christmas</td>
<td>Dec 25th</td>
</tr>
</tbody>
</table>

BUILDING OCCUPANCY SCHEDULES

Provided below is a table summarizing the building occupancy schedules used within the calculations, unless otherwise specified. In the event that there are any changes or deviations to this occupancy schedule, an appropriate adjustment will be made in accordance with the Adjustment Schedule set forth in Schedule E.

<table>
<thead>
<tr>
<th>Building Type</th>
<th>Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-business</td>
<td>Weekday: 8:00 AM - 5:00 PM</td>
</tr>
<tr>
<td>Administrative Building</td>
<td>Weekday/Holiday: 8:00 AM - 4:00 PM</td>
</tr>
</tbody>
</table>

STANDARDS OF SERVICE AND COMFORT

Provided below is a table summarizing the temperature setpoints used within the calculations, unless otherwise specified. Customer agrees to operate the conditioned spaces in the facilities within the temperature ranges scheduled in the table below. In the event that there are any changes or deviations to these standards of service and comfort, an appropriate adjustment will be made in accordance with the Adjustment Schedule set forth in Schedule E.

<table>
<thead>
<tr>
<th>Season</th>
<th>Setpoint</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heating</td>
<td>68°F</td>
</tr>
<tr>
<td>Cooling</td>
<td>80°F</td>
</tr>
</tbody>
</table>

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MEASUREMENT & VERIFICATION DETAILS

NON-MEASURED SAVINGS

A. Overview of M&V Plan, and Savings Calculation
B. Annual Non-Measured Savings
C. Performance Period Validation Activities

A. Overview of M&V Plan, and Savings Calculation

The Actual Savings associated with this methodology will be agreed upon as outlined herein and will not be verified by measurements after implementation has occurred. Customer and ESCO agree to accept the annual savings values included in Section B with no additional verification. In the event that verification steps are performed by Customer or ESCO, the annual savings values included in Section B will still be the reported savings and values used for reconciling the guarantee in Schedule C. Section B details the agreed upon savings by measure and by category.

B. Annual Non-Measured Savings

Utility Cost Savings

Once the construction of each of the measures below has reached Substantial Completion, the annual savings in the table below will be prorated monthly for each measure until the Savings Guarantee Commencement Date. The annual savings in the table below for each measure will be claimed for each Guarantee Year after the Savings Guarantee Commencement Date.

<table>
<thead>
<tr>
<th>Utility Cost Savings Measure</th>
<th>Cost Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATO Building BAS Measures</td>
<td>$8,506</td>
</tr>
<tr>
<td>ATO Boundary Mechanical Measures</td>
<td>$1,710</td>
</tr>
</tbody>
</table>

Any savings accrued prior to the Savings Guarantee Commencement Date will be considered Excess Savings.
SCHEDULE E: CUSTOMER RESPONSIBILITIES FOR PERFORMANCE GUARANTEE
GENERAL RESPONSIBILITIES

Customer acknowledges and agrees that proper maintenance is essential to any energy conservation program. Therefore, Customer agrees to undertake the following responsibilities:

Customer agrees to: (1) provide, or cause its suppliers to provide, periodic utility invoices to ESCO within ten (10) days of receipt, (2) execute all Customer responsibilities as outlined herein, and (3) provide to ESCO reasonable access to all Customer facilities and information necessary for ESCO to perform its responsibilities. Access will include, but is not limited to, the following items:

- All buildings listed within this Contract
- All buildings served by the meters listed within this Contract
- All mechanical equipment rooms in the buildings listed within this Contract
- All temperature control and energy management systems which control part or all of any of the buildings listed within this Contract
- Personnel with responsibility for operating and/or managing any of the buildings listed within this Contract
- Monthly utility invoices and billing history for all of the meters listed within this Contract
- Construction documents, equipment inventories, and other documents that may be helpful in evaluating a cause for adjustment as listed within this Contract
- Any data from meters or sub-meters relevant to M&V associated with this Contract

Customer will solely be responsible for providing communications and/or network interface to all buildings for operation and PASS support.

Customer will perform daily facilities monitoring and promptly review any alarm summaries.

Customer will designate a “Primary Operator” of the system. The Primary Operator is defined as the individual who will be trained by ESCO during the installation period and will be responsible for daily operation and maintenance of the equipment and systems necessary to achieve the Performance Guarantee. Customer will notify ESCO within five (5) days after the departure or termination of the Primary Operator. Within ten (10) days of the departure of the current Primary Operator, Customer will designate a new Primary Operator and shall provide ESCO access to train the new Primary Operator. ESCO shall train a new Primary Operator at the sole expense of Customer on a time and materials basis.

MAINTENANCE RESPONSIBILITIES

Customer agrees to use its best efforts to maintain the ECMs in original operating condition (“Original Operating Condition”) with allowance for normal wear and tear. If an ECM is operating at any state other than the Original Operating Condition as defined above (“Failed ECM”), Customer agrees to (1) repair or replace the ECM immediately, and (2) contact a PASS representative at 1-800-274-5551 option 4, within 24 hours of such event. ESCO reserves the right to adjust the amount of Performance Guarantee associated with the Failed ECM for the duration of the failure in the Annual Savings Guarantee.

Customer will agree to maintain all parts of the Project site(s) where the ECM(s) reside including but not limited to components, equipment, machinery, energy management systems, structure of the facility(s), computer hardware, network and IT systems, either existing or newly installed. Customer must comply with the general maintenance requirements specified by equipment manufacturers and the maintenance tasking guidelines included in the operating and maintenance manual. Customer will be responsible to provide to ESCO documentation that proper maintenance has been performed at ESCO’S request within fifteen (15) days of written request.

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Exhibit # cont. on next page
Notwithstanding anything to the contrary contained herein, all ECM(s) must be maintained in proper working condition in all cases where the performance of said ECM(s) affects or could affect the ability to achieve, measure or verify the Annual Savings Guarantee. Should Customer refuse to perform the required maintenance as required in this Contract, ESCO and Customer shall agree to one of the following means of recourse: (1) ESCO will adjust the Performance Guarantee associated with that ECM pursuant to Schedule E, or (2) ESCO may terminate this Performance Guarantee and any and all obligations and liabilities of ESCO associated therewith upon fifteen (15) days written notice.

V. EXECUTIVE SESSION

Adjournment to executive session pursuant to Texas Government Code Sections 551.071 - 551.084, the Open Meetings Act, for the following purposes:

"The Board has adjourned to executive session at 7:15 p.m. on May 9, 2016."

PERSONNEL: (Government Code 551.074)

LEGAL: (Government Code 551.071)

Consult with attorney on pending litigation.

REAL ESTATE: (Government Code 551.072)

RECONVENING IN OPEN MEETING

"The Board has reconvened in open session at 7:54 p.m. on May 9, 2016."

IF, DURING THE COURSE OF THE MEETING COVERED BY THIS NOTICE, THE BOARD SHOULD DETERMINE THAT A CLOSED OR EXECUTIVE MEETING OR SESSION OF THE BOARD SHOULD BE HELD OR IS REQUIRED IN RELATION TO ANY ITEM INCLUDED IN
THIS NOTICE, THEN SUCH CLOSED OR EXECUTIVE MEETING OR SESSION AS
AUTHORIZED BY SECTION 551.001 ET SEQ. OF THE TEXAS GOVERNMENT CODE (THE
OPEN MEETINGS ACT) WILL BE HELD BY THE BOARD AT THAT DATE, HOUR AND
PLACE GIVEN IN THIS NOTICE OR AS SOON AFTER THE COMMENCEMENT OF THE
MEETING COVERED BY THIS NOTICE AS THE BOARD MAY CONVENIENTLY MEET IN
SUCH CLOSED OR EXECUTIVE MEETING OR SESSION CONCERNING ANY AND ALL
SUBJECTS AND FOR ANY AND ALL PURPOSES PERMITTED BY SECTIONS 551.071-
551.084, INCLUSIVE, OF THE OPEN MEETINGS ACT.

Should any final action, final decision, or final vote be required in the opinion of the Board with
regard to any matter considered in such closed or executive meeting or session, then such final action,
final decision, or final vote shall be at either:

a. the open meeting covered by this notice upon the reconvening of this public meeting, or
b. at a subsequent public meeting of the Board upon notice thereof, as the Board shall determine.

VI. ACTION ITEMS

When the Board reconvened in open session Scott Andrews made the motion to allow the college
attorney to proceed as directed in Executive Session. Bob Heath seconded the motion. The
motion passed unanimously.

A. To consider approval of an Energy Services Contract with Schneider Electric to perform energy
conservation measures for the Applied Technology Center - Exhibit #1

Action Item A was moved BEFORE Executive Session (see above)

B. To consider payment of legal fees for services rendered

Joe Carrington made the motion to accept Action Item B as presented. Cecelia Sanders
seconded the motion. The motion passed unanimously.

Prior to the remaining Action Items, Dr. Brenda Kays, Kilgore College President, made the
following statement:

"Chair Woodfin, it's with regards to the next items on the agenda C through G. These
measures are listed on the agenda in an effort to respond to the residual effects the college
will face due to the downturn in the East Texas economy. Recently the college has received
estimated tax base valuation statements from Gregg, Rusk, Upshur and Smith Counties.
The statements illustrated declines of 7.95%, 18.28%, 7.73% and 2.42% accordingly with an
overall projected revenue decrease for the college of $743,888.00. This downward trend in
revenue continues from the current fiscal year. In the current 2015-2016 fiscal year,
reductions in revenue from state appropriations were $602,406.00. The tax base had
declined 4.3% and tuition revenues had to be adjusted from an expectation of 117,500
semester credit hours to 105,000 due to enrollment decline. Additionally, the college's share
of health benefit costs increased $426,421.00. The total financial impact was significant
enough that the college was forced to eliminate last year 38 positions, increase its tax rate,
and increase tuition and fees."

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C. To consider approval to sunset the Child Development and Education program, close the Kilgore College Early Childhood Center, and liquidate associated assets.

James Walker made the motion to accept Action Item C as presented. Karol Pruett seconded the motion. After a time of discussion, the motion passed with 7 yay votes and 2 nay votes by Lon Ford and Bob Heath.

D. To consider approval to decentralize Continuing Education, relocate functions to the Kilgore College-Kilgore Campus, and liquidate associated assets.

Karol Pruett made the motion to accept Action Item D as presented. Joe Carrington seconded the motion. After a time of discussion, the motion passed unanimously.

E. To consider approval to close the Kilgore College Demonstration Farm, eliminate Agriculture Science courses, and liquidate associated assets.

Brian Nutt made the motion to accept Action Item E as presented. Lon Ford seconded the motion. After a time of discussion the motion passed with 8 yay votes and 1 nay vote by Bob Heath.

F. To consider approval to offer eligible faculty and staff a 10% retirement incentive.

Cecelia Sanders made the motion to accept Action Item F as presented. Scott Andrews seconded the motion. After a time of discussion, the motion passed unanimously.

G. To consider approval for a restructure of the East Texas Oil Museum and the Rangerette Showcase.

Lon Ford made the motion to accept Action Item G as presented. Cecelia Sanders seconded the motion. The motion passed unanimously.

H. To consider approval of Board of Trustees by-laws amendment

Presenter: Karol Pruett

1. Second reading of an amendment to the Board of Trustees' By-Laws

Karol Pruett made the motion to accept Action Item H as presented. Joe Carrington seconded the motion. The motion passed unanimously.

I. To consider approval of a change to the Kilgore College Board of Trustees Procedures Manual

1.7 Board Committees

Board Committees meet as needed.
Service on a committee will mean additional meetings. Committees include:
Executive Committee (President, Vice President and Secretary of the Board)
Investment, Finance & Audit Committee
Policy & Personnel Committee
Property & Facilities Committee
Student Success Committee
Other committees may be formed as needed
Presenter: Karol Pruett

Karol Pruett made the motion to accept Action Item I as presented. Scott Andrews seconded the motion. The motion passed unanimously.
J. To consider approving engagement letter for external audit - Exhibit #2
   Presenter: Duane McNaney
   Joe Carrington made the motion to accept Action Item J as presented. Bob Heath seconded the motion. The motion passed unanimously.

K. To consider approval of lighting for Dodson Auditorium - Exhibit #3
   Scott Andrews made the motion to accept Action Item K as presented. Karol Pruett seconded the motion. After some discussion, the motion passed unanimously.

VII. ADMINISTRATIVE DISCUSSION ITEMS
   A. Budget Reports
      Presenter: Duane McNaney
      Duane McNaney was available to answer any questions.

   B. Certificates of Compliance for Tax Abatement Agreements:
      Presenter: Duane McNaney
      1. DTP Leasing/Drilltools, LLC
      2. Orgill, Inc/OG Dallas TX Landlord, LLC/Ryder
      3. Skeeter Products Inc.
      Duane McNaney was available to answer any questions.

VIII. BOARD MEMBER COMMENTS
   There were no board comments.

IX. ADJOURNMENT
   The meeting was adjourned by Larry Woodfin at 8:35pm.

Respectfully submitted,

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Nancy Law
Nancy Law, Recording Secretary
Kilgore College Board of Trustees

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Larry Woodfin
President of the Board

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Karol Pruett
Secretary of the Board

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