

## **District 23 Finance Committee Meeting**

Monday, May 1, 2023 5:15 PM

Grodsky Administration Building, 700 N Schoenbeck Rd, Prospect Heights, IL 60070

### **I. Call to Order**

### **II. Discussion Items**

II.A. Financial Reporting to the Committee

II.B. Update on ISBE Food Service Audit and  
2023-24 Lunch Fees

II.C. FY2024 Bill Payment Resolutions

II.D. 2023-2024 Workers' Compensation Insurance  
Renewal

II.E. FY2024 NSSEO Budget and Resolution -  
ACTION

II.F. 2023 Summer Worker Hiring Update

II.G. Sale of Student I-Pads

II.H. Honeywell Service Contract - Renewal  
(7/1/23 - 6/30/24)

### **III. Old Business**

### **IV. New Business**

### **V. Adjournment**



**Prospect Heights School District 23  
Board of Education  
Action Item**

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**Date:** May 1, 2023

**Subject:** Recommendation for Student Lunch Fees for the 2023-24 School Year

**Contact:** Amy McPartlin, Assistant Superintendent for Finance & Operations

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**BACKGROUND:**

As discussed with the Finance Committee, Administration reviews the current fee structure and its alignment with District expenditures on an annual basis. At the January, 2023 Board of Education meeting, the Board approved all student fees except for student lunch and milk fees. During the past two school years, breakfast and lunch have largely been offered to every student at no cost, as these meals have been fully reimbursed by the Federal Government under the Summer Food Service Program.

As costs for goods and services (CPI) have increased significantly over the past two years, so too have our costs to Organic Life. The District has not adjusted meal costs in several years and we have received a recommendation from ISBE to increase our meal fees to be more in alignment with the actual food costs. and NSLP rates of reimbursement.

With the mandated increase to minimum wages and increase in CPI, we have seen a jump in our Organic Life meal costs. The renewal rates for 2023-24 reflect a 8.3% increase and are based on rates following the 9/23/22 amendment. One milk is included with each meal. The cost for a second milk will remain the same.

**PROPOSED 2023-24 STUDENT LUNCH FEES:**

STUDENT GRADE LEVEL	Current Reimbursement Amount for Paid Meal (NSLP)	Organic Life 2022-23 Charge to D23 (Per Amend. dtd 9/23/22)	Organic Life 2023-24 Charge to D23	Proposed Student Cost for 2023-24
Breakfast (All Grades)	\$ .33	\$1.82	\$1.98	\$2.00
Grades K – 5 (Lunch)	\$ .79	\$3.25	\$3.52	\$3.25
Grades 6 – 8 (Lunch)	\$ .79	\$3.25	\$3.52	\$3.50
Grades 6 – 8 (Second Milk)	\$ .00	\$1.10	\$1.10	\$1.10

**CONCLUSION**

The Administration recommends the annual renewal of the agreement with Organic Life and the acceptance of the fees proposed above for approval for the 2023-24 school year.

Date of Original Contract: July 1, 2020	Year of Renewal (Circle) 1 2 <b>3</b> 4
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## Contract Renewal Agreement for Food Service Management Company Child Nutrition Programs

This document contains the rates and fees for the contract of food service management for nonprofit food service programs for the period beginning July 1, 2023, and ending June 30, 2024. The terms and conditions of the original contract are applicable to the contract renewal. Upon acceptance, this document shall constitute the contract renewal between the Food Service Management Company (FSMC) and the School Food Authority (SFA).

The FSMC shall not plead misunderstanding or deception because of the character, location, or other conditions pertaining to the contract.

PER MEAL PRICES MUST BE QUOTED AS IF NO USDA COMMODITIES WILL BE RECEIVED

	2022-2023 Rate(s)	2023-2024 Rate(s)**	Percentage Increase***
<b><u>School Nutrition Programs (SNP)</u></b>			
1. Reimbursable Breakfasts with Milk	1. <u>1.8288</u>	1. <u>1.9805</u>	1. <u>8.3%</u>
2. Reimbursable Lunches with Milk*	2. <u>3.2570</u>	2. <u>3.5273</u>	2. <u>8.3%</u>
3. A la Carte Equivalent Fee*	3. <u>3.2570</u>	3. <u>3.5273</u>	3. <u>8.3%</u>
4. Reimbursable After-School Snacks	4. _____	4. _____	4. _____
5. Special Milk Program (SMP)	5. _____	5. _____	5. _____
6. Fresh Fruit and Vegetable Program (FFVP)	6. _____	6. _____	6. _____
7. Management Fee per School Meal (Reimbursable Breakfast and Lunch)	7. _____	7. _____	7. _____
<b><u>Child and Adult Food Care Programs (CACFP)</u></b>			
8. Reimbursable At Risk After School Snack	8. _____	8. _____	8. _____
9. Reimbursable After School Supper with Milk	9. <u>5.0302</u>	9. <u>5.4477</u>	9. <u>8.3%</u>
10. Reimbursable AM/PM Snack	10. _____	10. _____	10. _____
<b><u>Summer Food Service Program (SFSP)</u></b>			
11. Reimbursable Breakfasts with Milk	11. <u>1.8288</u>	11. <u>1.9805</u>	11. <u>8.3%</u>
12. Reimbursable Lunches with Milk	12. <u>3.2570</u>	12. <u>3.5273</u>	12. <u>8.3%</u>

\*Rates must be the same.

\*\*Rates must not be rounded up. Do not exceed four decimal places.

\*\*\*Percentage increase must not exceed the allowable increase established in the original contract.

OrganicLife, LLC		
Food Service Management Company		
430 W. Erie St., Ste. 403		
Street Address		
Chicago	IL	60654
City	State	Zip Code

By submission of this proposed renewal agreement, the FSMC certifies that, in the event they receive a renewal award under this solicitation, the FSMC shall operate in accordance with all applicable current program regulations. This agreement shall not exceed one calendar year.

	CEO	4/3/2023
Authorized Signature of FSMC	Title	Date

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**SFA Acceptance of FSMC Contract Renewal Agreement**

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**School Food Authority (SFA)**

**Agreement Number (RCDT Code)**

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**Authorized Signature of SFA**

**Title**

**Date**

**Contract Renewal Agreement Certification Form 2023–2024**

The *Contract Renewal Agreement Certification Form* must be completed and signed by the School Food Authority’s (SFA’s) authorized representative.

**A. School Food Authority Information**

Agreement Number (RCDT Code) \_\_\_\_\_

School Food Authority \_\_\_\_\_

FSMC Name OrganicLife, LLC \_\_\_\_\_

**B. Contract Renewal Terms**

Per the contract renewal terms stated in the contract, the maximum allowable percentage increase that may be applied to the fixed meal rates and fixed management fees is as follows (refer to the original contract for renewal terms; check the appropriate box):

- CPI–All (Dec) 6.5%
- CPI–Food Away from Home (Dec) 8.3%
- CPI–Food (Dec) 10.4%
- CPI–Food Away from Home (Dec) not to exceed (insert number) %
- Other (specify) \_\_\_\_\_

**C. Certification Statement**

Under the provisions of the United States Department of Agriculture, Food and Nutrition Service, I certify as a sponsor in the Child Nutrition Programs all information contained in the executed *Contract Renewal Agreement* and accompanying contract renewal documents is true and accurate.

I understand the nonprofit school food service program account cannot be used to pay for unallowable contract costs. As authorized representative for the school food authority noted above, I will ensure operation of the nonprofit school food service program, including use of nonprofit school food service program account funds, is in compliance with the rules and regulations of the Illinois State Board of Education and the United States Department of Agriculture regarding Child Nutrition Programs.

I understand revisions cannot be made to the executed FSMC Contract without first submitting proposed revisions to the Illinois State Board of Education for review and receiving written notification the proposed revisions are allowable within the regulatory guidelines. Furthermore, I understand additional documents and/or agreements, including those developed by the contractor, cannot become part of the executed contract.

I understand all contract information provided to the Illinois State Board of Education is being given in connection with the receipt of federal funds and deliberate misrepresentation may subject me to prosecution under applicable state and federal criminal statutes. Further, I understand such misrepresentation could result in the loss of federal and state funding received by the school food authority for School-Based Child Nutrition Programs.

I certify the Contract Renewals documents submitted to ISBE have been reviewed by the School Food Authority and the School Food Authority’s legal counsel, as deemed necessary, to ensure compliance with all Local, State and Federal regulations, statutes, and policies.

I certify that no third-party entity prepared the contract renewal documents, requested amendments, and USDA foods entitlement utilization data below.

I certify that all contract provisions, including those relating to USDA Foods utilization by the FSMC to the maximum extent possible have been met:

School Year 2022-23 USDA Foods Entitlement Amount (including Bonus) (A) \$ 55,887.45

School Year 2022-23 USDA Foods credits issued to the SFA by the FSMC (B) \$ 47,504.33

USDA Foods Entitlement Utilization Percentage as of **April 1, 2023** (B / A) % 85

**\*\*Date of certification must be as of the date contract renewal is signed based on year-to-date actual credits received by the FSMC as verified by monthly invoices\*\***

SFA Authorized Representative Signature	Title	E-mail	Date
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#### D. Required Documentation

The SFA must submit signed copies of the following documents to our office, prior to the expiration of your current contract, in order to obtain approval of your 2024 Child Nutrition Program Sponsor Application. Originals should be retained in your files. **Send the forms and documents only once;** for example, do not email and mail.

- Contract Renewal Agreement
- Contract Renewal Agreement Certification Form 2023–2024
- Certification forms, as applicable, signed annually by the contractor.
  - [Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transactions](#),
  - [Certificate Regarding Lobbying—Contracts, Grants, Loans, and Cooperative Agreements](#),
  - [Disclosure of Lobbying Activities](#)- If the annual contract is over \$100,000 and any funds other than Federal appropriated funds have been used for lobbying.
- Any other unsigned amendments for allowable contract changes accompanied by written justification for the amendment. Such amendments must be reviewed, and a compliance determination must be provided by ISBE prior to formal execution (signing) of the amendment.

Mail or email to:                      Nutrition Department  
Illinois State Board of Education  
100 North First Street W270  
Springfield, IL 62777-0001

Email: [nutritionprocurement@isbe.net](mailto:nutritionprocurement@isbe.net)

**School-Based Child Nutrition Programs Rates of Reimbursement**  
Effective July 1, 2022 - June 30, 2023

**National School Lunch Program**

	Less Than 60%	Less Than 60% + 8 Cents**	60% or More*	60% or More* + 8 Cents**
Paid	\$0.77	\$0.85	\$0.79	\$0.87
Reduced-Price	\$3.93	\$4.01	\$3.95	\$4.03
Free	\$4.33	\$4.41	\$4.35	\$4.43

The maximum price a sponsor can charge for a student reduced-price lunch is \$4.40.

\* The higher rate of reimbursement for lunch (60% or more) applies if 60% or more of the lunches served by an SFA during the second preceding school year were served free or at a reduced price.

\*\* Additional 8 cents requires a one-time menu certification

**School Breakfast Program**

	Non-Severe Need	Severe Need *
Paid	\$0.50	\$0.50
Reduced-Price	\$1.96	\$2.37
Free	\$2.26	\$2.67

The maximum price a sponsor can charge for a student reduced-price breakfast is \$3.30.

\* The higher rate of reimbursement for breakfast (Severe-Need) applies if 40% or more of the lunches served at the site in the second preceding school year were served free or at a reduced price.

**Special Milk Program**

	All Milk	Paid Milk	Free Milk
Pricing Program Without Free Option and Nonpricing Programs	\$0.2700		
Pricing Program With Free Option		\$0.2700	Average cost per ½ pint milk

**After-School Snacks in After-School Care Programs**

Paid	\$0.09
Reduced-Price	\$0.54
Free	\$1.08

The maximum price a sponsor can charge for a student reduced-price after-school snack is \$1.15.

**Food Distribution Program**

Planned Assistance Level (PAL) for NSLP = \$0.4300 (per lunch rate of \$0.3000 PLUS the 12% provision dollars and the \$20M breakfast dollars for NSLP)

**Illinois Free Breakfast and Lunch Programs**

\$0.02 per each free breakfast and/or lunch

**A la Carte Equivalency Factor – for use in FSMC/vendor contracts**

Effective SY 23-24 federal free lunch reimbursement (more than 60% + 8 cents) plus PAL plus Illinois Free Lunch reimbursement SY 2022-23 Contract – \$4.1875  
SY 2023-24 Contract – \$4.88

## RESOLUTION AUTHORIZING PAYMENT OF BILLS

WHEREAS, it is often necessary or beneficial to pay bills related to the operations of the District prior to a regularly scheduled board meeting; and

WHEREAS, the Board of Education of Prospect Heights School District No. 23 (the “District”), Cook County, Illinois (hereinafter the “Board”) desires to establish a process for the timely and efficient payment of bills; and

WHEREAS, the establishment of a bill paying process that enables the District to pay bills prior to regularly scheduled board meetings should also enable the Board to maintain reasonable and adequate oversight.

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of Prospect Heights School District No. 23, Cook County, Illinois as follows:

Section 1. The recitals set forth above are hereby incorporated as though fully set forth herein.

Section 2. The CHIEF SCHOOL BUSINESS OFFICIAL is authorized to pay the following bills pursuant to this Resolution:

- a. Any bill less than \$10,000.00
- b. Any recurring bill including, but not limited to:
  - 1. Utilities
  - 2. Student Transportation
  - 3. Food Service
  - 4. NSSEO
  - 5. Private Tuition Bills
  - 6. Insurance(s)
  - 7. Legal Services
- c. Any bill over \$10,000.00 pursuant to a contractual agreement entered into by the District or resolution as approved by the Board
- d. Any bill for which a finance charge would be incurred if not paid by the posted date
- d. Any curricular expenditure posted as part of the fiscal year budget for which delay would cause disruption to the educational program

- Section 3. The CHIEF SCHOOL BUSINESS OFFICIAL is authorized to pay bills for Summer 2023 Construction Projects via this Resolution Authorizing Payment of Bills, following review and approval by the board member assigned for monthly review. Construction payments will be vouchered separately and reviewed.
- Section 4. Prior to paying any bill, the CHIEF SCHOOL BUSINESS OFFICIAL will provide the board members with a list of the bills proposed for payment not later than the Friday before payment will be issued. Any board member may remove a bill from the proposed payment list prior to 12:00 p.m. on the following Tuesday. Upon removing a bill from the proposed payment list, the board member may seek additional information from the CHIEF SCHOOL BUSINESS OFFICIAL regarding the bill. If the board member's concerns are addressed to the board member's satisfaction, the bill may be returned to the proposed payment list and paid in accordance with the authorizations of this Resolution. Otherwise, the bill will remain unpaid until specific Board approval at the next regularly scheduled board meeting.
- Section 5. Each month, the Board will designate a board member to review the bills proposed to be paid each week of his/her designated month. The designated board member may schedule a time with the CHIEF SCHOOL BUSINESS OFFICIAL not more often than one time per week to review the bills in the District office. The designated board member shall provide specific, written confirmation of his/her approval of the bills to be paid for the week pursuant to this Resolution. Such confirmation shall be provided no later than 12:00 p.m. of the Tuesday on which bills are to be paid in accordance with this Resolution.
- Section 6. The CHIEF SCHOOL BUSINESS OFFICIAL will review all bills and payment checks prior to issuance of the payment.
- Section 7. The bills paid pursuant to the authorizations of this Resolution will be presented to the Board at the next regularly scheduled board meeting after payment is made for the Board's review and formal ratification.
- Section 8. This Resolution shall be in full force and effect upon adoption for Fiscal Year 2024.
- Section 9. This Resolution shall be adopted annually, after review and revision, as necessary, by the Board of Education.

ADOPTED this \_\_\_\_\_ day of May 2023 upon receiving a motion from Member \_\_\_\_\_, and a second of the motion by Member \_\_\_\_\_ followed by a roll call vote recorded as follows:

AYES: \_\_\_\_\_

NAYS: \_\_\_\_\_

ABSENT: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

BOARD OF EDUCATION OF PROSPECT HEIGHTS  
SCHOOL DISTRICT NO. 23, Cook County, Illinois

\_\_\_\_\_  
President, Board of Education

ATTEST: \_\_\_\_\_  
Secretary, Board of Education

STATE OF ILLINOIS) ) SS  
COUNTY OF COOK )

**CERTIFICATION OF RESOLUTION AND MINUTES**

I, the undersigned, do hereby certify that I am the duly qualified acting Secretary of the Board of Education of Prospect Heights School District 23, Cook County, Illinois (the “Board”), and that as such official I am the keeper of the records and files of the Board.

I do further certify that the foregoing constitutes a full, true and complete copy of a resolution entitled:

**RESOLUTION AUTHORIZING PAYMENT OF BILLS**

as adopted by the Board at its meeting held on the \_\_\_\_ day of May 2023.

I do further certify that the deliberations of the Board on the adoption of said resolution were conducted openly, that the vote on the adoption of said resolution was taken openly, that said meeting was held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and with the provisions of the School Code of the State of Illinois, as amended, and that the Board has complied with all of the provisions of said Act and said Code and with all of the procedural rules of the Board in the conduct of said meeting and in the adoption of said resolution.

IN WITNESS WHEREOF, I hereunto affix my official signature, this \_\_\_\_ day of May 2023.

\_\_\_\_\_  
Secretary, Board of Education



# Prospect Heights School District 23

2023 – 2024

## Workers' Compensation Insurance Proposal

Presented on April 18, 2023 by:

Andrew Madigan  
Senior Vice President

Kathy Salinas  
Account Executive - Lead

Alliant Insurance Services, Inc.  
353 N. Clark St.  
Chicago, IL 60654  
O 312.595.6200  
F 312.595.7163

CA License No. 0C36861

[www.alliant.com](http://www.alliant.com)

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## Company Profile

With a history dating back to 1925, Alliant Insurance Services is one of the nation's leading distributors of diversified insurance products and services. Operating through a national network of offices, Alliant offers a comprehensive portfolio of services to clients, including:

### Risk Solutions

#### Employee Benefits

- Strategy
- Employee Engagement
- Procurement
- Analytics
- Wellness
- Compliance
- Benefits Administration
- Global Workforce

#### Industry Solutions

- Construction
- Energy and Marine
- Healthcare
- Law Firms
- Public Entity
- Real Estate
- Tribal Nations
- And many other industries

### Co-Brokered Solutions

- Automotive Specialty
- Energy Alliance Program
- Hospital All Risk Property Program
- Law Firms
- Parking/Valet
- Public Entity Property Insurance Program
- Restaurants/Lodging
- Tribal Nations
- Waste Haulers/Recycling

### Business Services

- Risk Control Consulting
- Human Resources Consulting
- Property Valuation

The knowledge that Alliant has gained in its more than eight decades of working with many of the top insurance companies in the world allows us to provide our clients with the guidance and high-quality performance they deserve. Our solution-focused commitment to meeting the unique needs of our clients assures the delivery of the most innovative insurance products, services, and thinking in the industry.

Alliant ranks among the 15 largest insurance brokerage firms in the United States.

## Alliant Advantage

	Alliant	Competition
1. Satisfying the insurance needs of business for nearly 90 years	✓	
2. Privately owned and operated.	✓	
3. A full-service insurance agency for all your business, life and health, and personal insurance.	✓	
4. Representing over 40 insurance companies to provide the best and most affordable coverage.	✓	
5. State-licensed support staff.	✓	
6. Dedicated Certificate of Insurance personnel.	✓	
7. Risk management services to help identify hazards and present options.	✓	
8. Workers' compensation insurance claims management at no additional charge.	✓	

## Your Service Team

**Andrew Madigan**

Senior Vice President

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**Bruce Slayter, ARM**

First Vice President

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**Larry Rosen**

Claims Advocate-Lead

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**Jacquelyn Norstrom**

Senior Vice President

Bond Department

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## Named Insured / Additional Named Insureds

### Named Insured(s)

Prospect Heights School District 23

### Additional Named Insured(s)

None

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### NAMED INSURED DISCLOSURE

The first named insured is granted certain rights and responsibilities that do not apply to other policy named insureds and is designated to act on behalf of all insureds for making policy changes, receiving correspondence, distributing claim proceeds, and making premium payments.

**Are ALL entities listed as named insureds?** Coverage is **not** automatically afforded to all entities unless specifically named. Confirm with your producer and service team that all entities to be protected are on the correct policy. Not all entities may be listed on all policies based on coverage line.

Additional named insured is (1) A person or organization, other than the first named insured, identified as an insured in the policy declarations or an addendum to the policy declarations. (2) A person or organization added to a policy after the policy is written with the status of named insured. This entity would have the same rights and responsibilities as an entity named as an insured in the policy declarations (other than those rights and responsibilities reserved to the first named insured).

Applies to Professional Liability, Pollution Liability, Directors & Officers Liability, Employment Practices Liability, Fiduciary Liability policies (this list not all inclusive). Check your Policy language for applicability. These policies provide protection to the Named Insured for claims made against it alleging a covered wrongful act. Coverage is not afforded to any other entities (unless specifically added by endorsement or if qualified as a "Subsidiary" pursuant to the policy wording) affiliated by common individual insured ownership or to which indemnification is otherwise contractually owed. If coverage is desired for affiliated entities or for contractual indemnities owed, please contact your Alliant Service Team with a full list of entities for which coverage is requested. With each request, include complete financials and ownership information for submission to the carrier. It should be noted, that the underwriter's acceptance of any proposed amendments to the policy, including expansion of the scope of "Insureds" under the policy could result in a potential diminution of the applicable limits of liability and/or an additional premium charge.

## Loss Summary

### WORKERS' COMPENSATION

Insurance Company	Policy Term	Claim Count	Medical Paid	Indemnity Paid	Expenses Paid	Medical Reserves	Indemnity Reserves	Expense Reserves	Total Incurred	Valuation Date
ICRMT	07/01/22 - 07/01/23	4	\$7,370	\$177	\$3,803	\$13,003	\$16,373	\$1,450	\$42,177	3/14/2023
ICRMT	07/01/21 - 07/01/22	20	\$24,295	\$0	\$1,666	\$0	\$0	\$0	\$25,960	3/14/2023
ICRMT	07/01/20 - 07/01/21	12	\$7,464	\$6,434	\$980	\$0	\$0	\$0	\$14,877	3/14/2023
ICRMT	07/01/19 - 07/01/20	5	\$19,030	\$0	\$996	\$0	\$0	\$0	\$20,026	3/14/2023
ICRMT	07/01/18 - 07/01/19	14	\$30,209	\$2,013	\$3,219	\$0	\$0	\$0	\$35,441	3/14/2023
ICRMT	07/01/17 - 07/01/18	12	\$18,103	\$116	\$4,316	\$0	\$0	\$0	\$22,534	3/14/2023
Accident Fund	07/01/16 - 07/01/17	12	\$74,465	\$10,874	\$0	\$0	\$0	\$0	\$85,339	3/30/2020
Accident Fund	07/01/15 - 07/01/16	9	\$60,233	\$35,050	\$4,569	\$0	\$0	\$0	\$99,852	3/30/2020
Accident Fund	07/01/14 - 07/01/15	4	\$6,178	Included	Included	\$0	\$0	\$0	\$6,178	3/30/2020
Accident Fund	07/01/13 - 07/01/14	4	\$13,198	Included	Included	\$0	\$0	\$0	\$13,198	3/30/2020
Accident Fund	07/01/12 - 07/01/13	3	\$150,122	\$48,604	\$4,155	\$0	\$0	\$0	\$202,881	3/30/2020
<b>Total</b>		<b>99</b>	<b>\$410,666</b>	<b>\$103,267</b>	<b>\$23,704</b>	<b>\$13,003</b>	<b>\$16,373</b>	<b>\$1,450</b>	<b>\$568,463</b>	

### WC Loss Details - Claims Over \$10,000

Date	Claimant	Paid	Reserve	Total Incurred	Details
10/26/2022	Ayala, Gabriela	\$ 5,547	\$ 30,826	\$ 36,373	Lower back strained from lifting a student
1/27/2022	Collins, Carolyn	\$ 10,627	\$ -	\$ 10,627	Fell in large groove possibly made by plow, injured knee, shoulder and bruised hand
10/8/2019	Collins, Carolyn	\$ 14,678	\$ -	\$ 14,678	Slipped on some cherry tomatoes on the floor, fell and hurt lower back
1/24/2019	Duffy, Cara	\$ 20,712	\$ -	\$ 20,712	Twisted body and popped left knee
5/4/2018	Unamboowe, Gail	\$ 20,662	\$ -	\$ 20,662	Student ran into EE with a low scooter, causing EE to slip and fall. Injured left hip, left thigh, and left knee.
4/13/2017	Bearwald, Kristen	\$ 72,105	\$ -	\$ 72,105	Strain or injury by jumping.
6/3/2016	Calcagno, Frank	\$ 71,723	\$ -	\$ 71,723	Fall, slip or trip injury on same level
2/2/2016	Cabrera, Elizabeth	\$ 22,741	\$ -	\$ 22,741	Fall, slip or trip injury on ice or snow
1/16/2013	Ibarra, Luis	\$ 134,837	\$ -	\$ 134,837	Fall, slip or trip injury on ice or snow
10/19/2012	Crask, Debra	\$ 67,747	\$ -	\$ 67,747	Strain or injury by lifting
6/2/2012	Rubio, Carlos	\$ 25,728	\$ -	\$ 25,728	Strain of abdomen including groin by lifting

## Workers' Compensation Coverage

<b>INSURANCE COMPANY:</b>	Illinois Counties Risk Management Trust (ICRMT)
<b>A.M. BEST RATING:</b>	Not Rated
<b>STANDARD &amp; POOR'S RATING:</b>	Not Rated
<b>ILLINOIS STATUS:</b>	Not Rated
<b>POLICY/COVERAGE TERM:</b>	July 1, 2023 to July 1, 2024
<b>Limits:</b>	
Workers Compensation	Statutory
Employers Liability Limit:	
Each Accident	\$2,500,000
Disease – Each Employee	\$2,500,000
<b>Premium:</b>	\$ 75,167
<b>Minimum Earned Premium:</b>	Not Applicable
<b>Quote Valid Until:</b>	July 1, 2023
<b>Policy Auditable:</b>	Auditable
<b>Binding Conditions:</b>	<ul style="list-style-type: none"> <li>• Signed Quote Acceptance Form</li> <li>• Premium Payment Plan Selection</li> <li>• Payrolls subject to annual audit</li> <li>• After one year anniversary, a member may only withdraw from the Fund upon giving 90 days written notice to ICRMT. If notice is given after the policy effective date, a short-rate penalty may apply.</li> </ul>

It is imperative that Alliant and/or the carrier be notified IMMEDIATELY when a policyholder hires employees and/or begins operations in any state not listed in PART 3. A on the INFORMATION PAGE of the policy. Failure to obtain a workers' compensation policy in some states may result in substantial fines levied on the policyholder dating back to the original date of hire. Coverage for other states under PART 3. C. (OTHER STATES INSURANCE) of the workers' compensation policy may not fulfill the coverage verification requirement imposed by some states.

**See Disclaimer Page for Important Notices and Acknowledgement**



## Workers' Compensation Coverage – Premium Summary

### ESTIMATED WORKERS' COMPENSATION PREMIUM BASIS

State	Classification	Class Code	2020-2021 ICRMT			2021-2022 ICRMT			2022-2023 EXPIRING ICRMT			2023-2024 RENEWAL ICRMT		
			2020 to 2021 Audited Payroll	2020 to 2021 Rates	2020 to 2021 Audited Premium	2021 to 2022 Audited Payroll	2021 to 2022 Rates	2021 to 2022 Audited Premium	2022 to 2023 Estimated Payroll	2022 to 2023 Rates	2022 to 2023 Estimated Premium	2023 to 2024 Estimated Payroll	2023 to 2024 Rates	2023 to 2024 Estimated Premium
IL	Teacher/College Professional	8868	\$13,309,632	0.360	47,915	\$14,338,567	0.370	53,053	\$15,212,539	0.330	50,201	\$15,973,166	0.340	54,309
	Schools - All Other Employees	9101	\$827,576	9.330	77,213	\$877,938	7.700	67,601	\$873,977	6.300	55,061	\$921,835	6.290	57,983
<b>Subtotal</b>			<b>\$14,137,208</b>		<b>\$ 125,128</b>	<b>\$15,216,505</b>		<b>\$ 120,654</b>	<b>\$16,086,516</b>		<b>\$ 105,262</b>	<b>\$16,895,001</b>		<b>\$ 112,292</b>
	Increased Limit Multiplier			1.02	\$ 127,630		1.02	\$ 123,067		1.02	\$ 107,367		1.02	\$ 114,538
	Experience Modifier			1.01	\$ 128,906		0.93	\$ 114,452		0.91	\$ 97,704		0.84	\$ 96,212
	Schedule Modifier			0.78	\$ 100,547		0.78	\$ 89,273		0.87	\$ 85,003		0.87	\$ 83,704
	Premium Discount			-0.104	\$ (10,457)		-0.103	\$ (9,195)		-0.103	\$ (8,755)		-0.102	\$ (8,538)
<b>Estimated Workers' Compensation Program Cost</b>					<b>\$ 90,090</b>			<b>\$ 80,078</b>			<b>\$ 76,247</b>			<b>\$ 75,167</b>

## Disclosures

**This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.**

**Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal, whether or not this offer has already been accepted.**

**This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance.**

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at [www.alliant.com](http://www.alliant.com). For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at [www.ambest.com](http://www.ambest.com). For additional information regarding insurer financial strength ratings visit Standard and Poor's website at [www.standardandpoors.com](http://www.standardandpoors.com).

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

## NY Regulation 194

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

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## Other Disclosures / Disclaimers

### FATCA:

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

### Claims Reporting:

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

## Other Disclosures / Disclaimers – Continued

### Changes and Developments

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

1. Changes in any operations such as expansion to another states, new products, or new applications of existing products.
2. Travel to any state not previously disclosed.
3. Mergers and/or acquisition of new companies and any change in business ownership, including percentages.
4. Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
5. Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
6. Circumstances which may require an increased liability insurance limit.
7. Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
8. Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
9. Property of yours that is in transit, unless previously discussed and/or currently insured.

### Certificates / Evidence of Insurance

A certificate is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy. Nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or certificate holder.

You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.

In addition to providing a certificate of insurance, you may be required to name your client or customer on your policy as an additional insured. This is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.

By naming the certificate holder as additional insured, there are consequences to your risks and insurance policy including:

1. Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
2. Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
3. There may be conflicts in defense when your insurer has to defend both you and the additional insured.

**See Request to Bind Coverage page for acknowledgment of all disclaimers and disclosures.**

## Flood Offering

Flooding is a serious threat to both personal and commercial clients. Flooding can happen anywhere, not just zone referred to as high-risk areas (Special Flood Hazard Area). Your Alliant team is ready to explain how it works and the associated costs.

### Basic Facts

Congress created the NFIP in 1968 in response to the rising cost of taxpayer-funded disaster relief for flood victims and the increasing amount of damage caused by floods. The NFIP makes federally backed flood insurance available in communities that agree to adopt and enforce floodplain management ordinances to reduce future flood damage. The NFIP is self-supporting for the average historical loss year. This means that unless there is a widespread disaster, operating expenses and flood insurance claims are financed through premiums collected.

Commercial buildings or residential dwellings owned by commercial entities are considered commercial property. All others are residential dwellings

The [FEMA Summary for Commercial Property](#) and [FEMA Standard Summary of Coverage](#) provides information on the following:

1. Types of Flood Insurance Coverage
2. What is a Flood- “a General and temporary condition of partial or complete inundation of two or more acres of normally dry land area”...
3. Deductibles – various options to meet your financial needs
4. What is Covered and What is Not
5. The valuation of the Property – Actual Cash Value or Replacement Cost

### Additional Information

6. Flood Zones-
  1. <https://www.fema.gov/flood-zones>
7. Excess Flood Insurance (contact your Producer for additional information)
  1. Increased limits over the maximum flood limit provided by NFIP

### FEMA Glossary of Flood Terms

<https://www.fema.gov/national-flood-insurance-program/definitions>

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If you do NOT wish to purchase flood insurance your signature is required below:

Signature:

Date:

Name Printed / Typed:

Company Name:

## Optional Coverages

The following represents a list of insurance coverages that are not included in this proposal, but are optional and may be available with further underwriting information.

Note some of these coverages may be included with limitations or insured elsewhere. This is a partial listing as you may have additional risks not contemplated here or are unique to your organization.

Crime / Fidelity Insurance	Media and Publishers Liability
Directors & Officers Liability	Medical Malpractice Liability
Earthquake Insurance	Network Security / Privacy Liability and
Employed Lawyers	Internet Media Liability
Employment Practices Liability	Pollution Liability
Event Cancellation	Owned/Non-Owned Aircraft
Fiduciary Liability	Owned Watercraft
Fireworks Liability	Special Events Liability
Flood Insurance	Student Accident
Foreign Insurance	Volunteer Accidental Death &
Garage Keepers Liability	Dismemberment (AD&D)
Kidnap & Ransom	Workplace Violence
Law Enforcement Liability	Property and Equipment Breakdown
General Liability	School Leaders Errors and Omissions

## Glossary of Insurance Terms

Below are a couple of links to assist you in understanding the insurance terms you may find within your insurance coverages:

<http://insurancecommunityuniversity.com/UniversityResources/InsuranceGlossaryFREE.aspx>

<http://www.ambest.com/resource/glossary.html>

<http://www.irmi.com/online/insurance-glossary/default.aspx>

## Request to Bind Coverage

### Prospect Heights School District 23

We have reviewed the proposal and agree to the terms and conditions of the coverages presented. We are requesting coverage to be bound as outlined by coverage line below:

Coverage Line	Bind Coverage for:
Workers Compensation	<input type="checkbox"/>

**Did you know that Alliant works with premium financing companies?  
Are you interested in financing your annual premium?**

<b>Yes, please provide us with a financing quote.</b> <input type="checkbox"/>	<b>No, we do not wish to finance our premium.</b> <input type="checkbox"/>
---	---

*This Authorization to Bind Coverage also acknowledges receipt and review of all disclaimers and disclosures, including exposures used to develop insurance terms, contained within this proposal.*

<b>Signature of Authorized Insured Representative</b>	<b>Date</b>
<b>Title</b>	
<b>Printed / Typed Name</b>	

**This proposal does not constitute a binder of insurance. Binding is subject to final carrier approval. The actual terms and conditions of the policy will prevail.**

## NSSEO BUDGET RESOLUTION

Be it resolved that the Board of Education of District 23 took action on the NSSEO amended 2022-2023 annual budget and the 2023-2024 annual budget at their \_\_\_\_\_ Board Meeting. The result of District 23's action was \_\_\_\_\_ of the NSSEO budgets.  
(approval/disapproval)

\_\_\_\_\_  
President

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date

w//budget/FY2324Budget/DistBudRes



# **2023-2024 BUDGET**

## **Financial Information for Prospect Heights School District #23**



## **Northwest Suburban Special Education Organization**

### **Fiscal Year 2023-2024 Budget**

This document is a financial plan for providing special education services as requested by the NSSEO member districts. Districts are billed for those services they receive. The projected district usage and costs are included in this document. These projections are made by both the district and NSSEO staff. District billings will be on actual usage, which could be above or below the costs based on projections. When program vacancies allow, NSSEO will accept non-member district placements if they enhance the educational services/environment.

The NSSEO budget contains the following program budgets:

- Timber Ridge School
- Miner/Kirk Program
- D/HH Program
- Diagnostic and Educational Services Center (DESC)
- D/HH Diagnostics
- D/HH Itinerant
- Outdoor Education
- Vocational Adjustment Counselor (VAC)
- Secondary Transitional Experience Program (STEP)
- NSSEO Administration & Support Services
- Technical Assistance to Districts
- Professional Development
- Technology Central / Programs
- Transportation

### **NSSEO Budget Development Process**

The NSSEO budget is prepared with input from various stakeholder groups including the NSSEO Governing Board of Education, the NSSEO Superintendent, NSSEO Administration, and the NSSEO Finance Advisory Committee. The NSSEO Finance Advisory Committee is comprised of representatives of the NSSEO Board, Member District Administrative Representatives, Member District Business Representatives, and NSSEO Administrative staff. The Committee met three times from January 25, 2023 through March 22, 2023. Members of the NSSEO Finance Advisory Committee represented district needs as well as a comprehensive focus NSSEO's Continuous Improvement Plan.

The budget planning process reflects an ongoing emphasis of the NSSEO Governing Board's role in providing input and approval of the Finance Advisory Committee recommendations. The structured and transparent process is also intended to facilitate dialogue with member districts to insure understanding and provide frequent opportunities for input throughout development of the proposed budget.

### **Financial Overview**

The NSSEO budget for 2023-2024 has been created in accordance with the Illinois Program Accounting Manual. A fund is an accounting entity unto itself, and all the financial transactions for the particular fund are recorded in the accounts of that fund.

The following funds included in the NSSEO budget are as follows:

A. **Education Fund:**

This fund is used for most of the instructional and administrative aspects of the organization's operations. The revenue consists primarily of payments from school districts and state and federal aid.

B. **Transportation Fund:**

This fund accounts for all revenue and expenditures made for student transportation. Revenue is derived primarily from school district payments.

C. **Building Fund:**

This fund is used for expenditures made for repair, maintenance and improvement of NSSEO property. Revenue consists primarily of school district payments.

The funds are further divided into objects. The object represents the service or materials obtained as a result of a specific expenditure. The objects used in NSSEO's budget are as follows:

1. **Salaries** – compensations paid to employees of the joint agreement.
2. **Employee Benefits** – paid by the joint agreement on behalf of its employees. These benefits include board share of IMRF, FICA, Medicare, Teacher Retirement-Local, Teacher Retirement-Federal, Health/Life/Dental Insurance assessment, and Worker's Compensation assessment.
3. **Purchased Services** – amounts paid for personal services rendered to the joint agreement and includes consulting, legal, audit, property, transportation, communication and insurance services.
4. **Supplies** – amounts paid for material items of an expendable nature and include instructional materials, office supplies, gas and electricity.

5. **Capital Outlay** – expenditures for the acquisition of fixed assets or additions to fixed assets. This includes expenditures for land or existing buildings and for improvements to the existing building and grounds. Also included in the object are equipment purchases of \$1,000 and over.
6. **Other Objects** – items including contingency (“contingency” by definition is an amount provided “to address a condition, situation, or set of circumstances involving uncertainty.” Several of the NSSEO program budgets carry small contingencies.), and dues/fees/memberships paid to professional associations and organizations. Also included in Other Objects are transfers. Transfers are defined as “expenditures that are transfers to other NSSEO programs from NSSEO programs for services purchased, for administration fees, or rental in another NSSEO program.”
7. **Non-Capitalized Equipment** – items that would be classified as capital assets except they cost less than the capitalization threshold and are \$500-\$999 per item.

The information included herein is intended to provide background information necessary to understand the components of the 2023-2024 NSSEO budget.

Dr. Judy Hackett  
Superintendent

Julie Jilek  
Assistant Superintendent,  
Chief School Business Official

## **2023-2024 NSSEO BUDGET INDEX**

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[w/budget/indexFY23-24](http://www.nsseo.org/w/budget/indexFY23-24)



## **NSSEO 2023-2024 BUDGET SUMMARY**

### **2023-2024 Budget Development Process-**

- The NSSEO Budget is developed based on input from:
  - NSSEO Governing Board
  - District and NSSEO Administration
  - Student, District, Program and Educational Needs

### **Scope of the Finance Advisory Committee-**

- Throughout the budget development process the Finance Advisory Committee will continue to serve in an advisory capacity with the focus on:
  - Analyzing student/program needs
  - Addressing district needs
  - Focusing on fiscal responsibility
  - Providing ongoing communication and updates on the budget process to stakeholders

### **NSSEO Continuous Improvement Plan- Areas of Focus**

- **Student Outcomes**
  - Foster development, ongoing growth and positive outcomes for all students.
- **Social Emotional Learning**
  - Promote social emotional learning and growth for all.
- **Supportive, Collaborative, and Person-Centered Learning Environment**
  - Foster a supportive, collaborative, and person-centered learning environment to promote growth for all.
- **Transition Services**
  - Upon exiting from NSSEO services, 100% of students will have defined post-secondary plans indicating focus on the priority areas of social, community and/or work experiences for at least 50% of a work week.
- **Collaborative Partnerships**
  - Further advance our collaborative partnerships across the educational community to deepen equitable, inclusive practices that are future driven and influence positive change.

## Enrollment Projections-

- Developed based on input from Districts Administrative and Business Representatives and Program Administrators
- Enrollment Projections in the FY24 Budget have increased by 18 students from FY23 to FY24

<b>2023-2024 NSSEO Tuition Based</b>	<b>2022-2023</b>	<b>-</b>	<b>2023-2024</b>	<b>INC./DEC.</b>
<b>Programs</b>	<b>BUDGET</b>	<b>-</b>	<b>BUDGET</b>	<b>%</b>
Timber Ridge School	43,702.53	per std	44,938.76	2.83%
Miner/Kirk Program	47,887.71	per std	49,687.60	3.76%
D/HH Program	50,738.62	per std	53,184.17	4.82%

## Staffing Adjustments-

### FY23 Budget to FY24 Budget

Overall Staffing Increase/Decrease: 9.3 FTE

## Programs and Services Rates-

<b>Non-Member Tuition Rates</b>	<b>2023-2024</b>
Timber Ridge School Non-Member	58,407.16
Timber Ridge Non-Member w/ Add-Ons	68,848.90
Miner/Kirk Program Non-Member	64,576.68
Miner Non-Member with Add-Ons	75,018.42

<b>2023-2024 NSSEO Service/Other Programs</b>	<b>2022-2023</b>	<b>-</b>	<b>2023-2024</b>	<b>INC/DEC</b>
<b>DESC:</b>	<b>BUDGET</b>	<b>-</b>	<b>BUDGET</b>	<b>%</b>
OT/PT services to District students	119,930	per FTE	122,575	2.21%
APE services to District students	80,303	per FTE	82,843	3.16%
Vision services to District students	92,796	per FTE	96,697	4.20%
Assistive Technology services to District students	89,182	per FTE	97,120	8.80%
D/HH-Itinerant Program	25.37	per unit	26.32	3.74%
Outdoor Education - based on % of usage in education fund	415,673	total	422,194	1.57%
VAC - costs are split between Districts 211 & 214	73,101	per dist	75,490	3.27%
Technical Assistance to Districts	96,464	per FTE	100,302	3.98%
Central O&M - based on % of usage in education fund	66,703	total	67,838	1.70%
Technology/Central - based on % of usage in education fund	746,322	total	756,314	1.26%
Technology/Programs - based on % of usage in education fund	85,583	total	79,710	-6.86%
Building Fund	200,000	total	300,000	

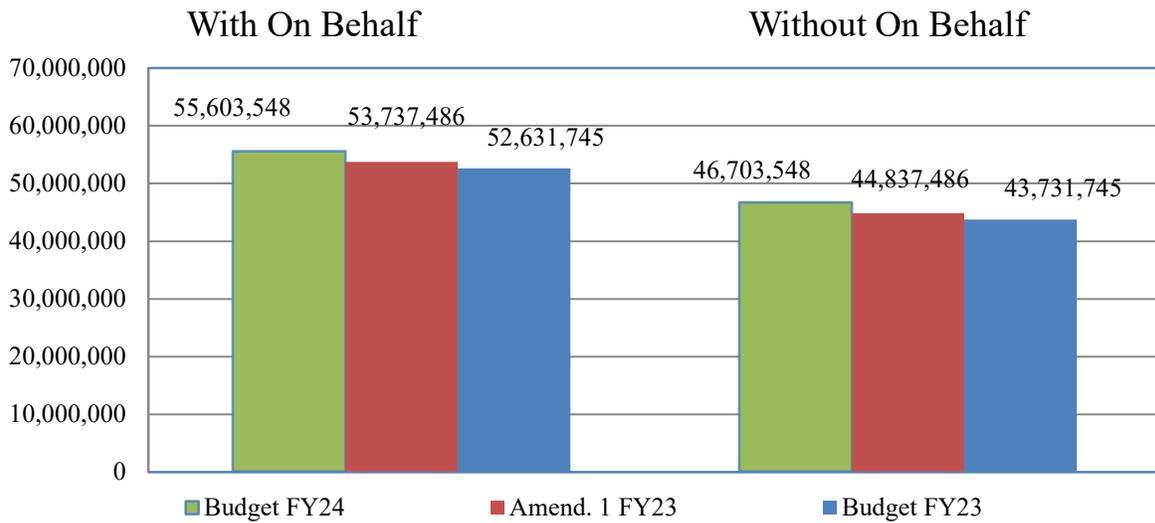
## Budget Revenue/Expenditure Summary:

### Revenue/Expenditures (with On Behalf\*)

Budget FY24	\$ 55,603,548
Amend. 1 FY23	\$ 53,737,486
Budget FY23	\$ 52,631,745

### Revenue/Expenditures (without On Behalf)

Budget FY24	\$ 46,703,548
Amend. 1 FY23	\$ 44,837,486
Budget FY23	\$ 43,731,745



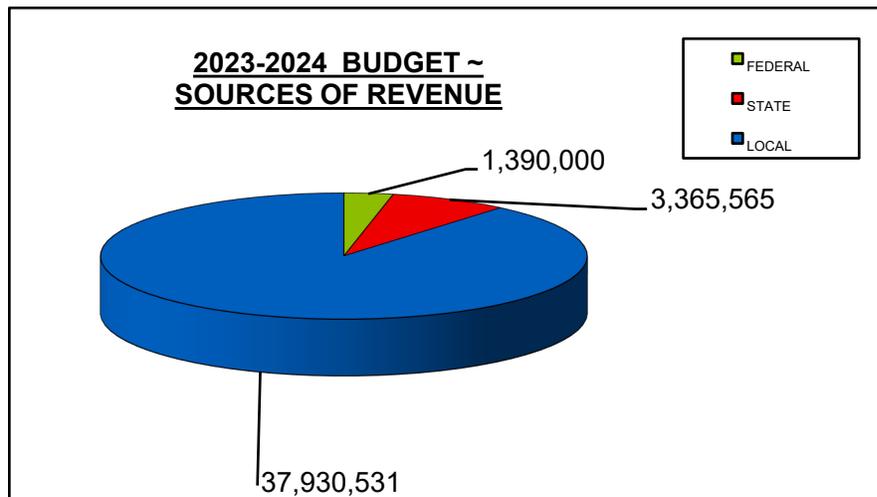
	With On Behalf	Without On Behalf
Amend. 1 to Budget	3.47%	4.16%

# NORTHWEST SUBURBAN SPECIAL EDUCATION ORGANIZATION



## SOURCES OF REVENUE

	<u>FEDERAL</u>	<u>STATE</u>	<u>LOCAL</u>	<u>TOTAL</u>
<b>2022-2023 BUDGET*</b>	1,505,000 3.4%	3,373,870 7.7%	38,852,875 88.8%	43,731,745
<b>2022-2023 AMEND. 1*</b>	1,407,178 3.4%	3,347,950 8.2%	36,175,175 88.4%	40,930,303
<b>2023-2024 BUDGET*</b>	1,390,000 3.3%	3,365,565 7.9%	37,930,531 88.9%	42,686,096



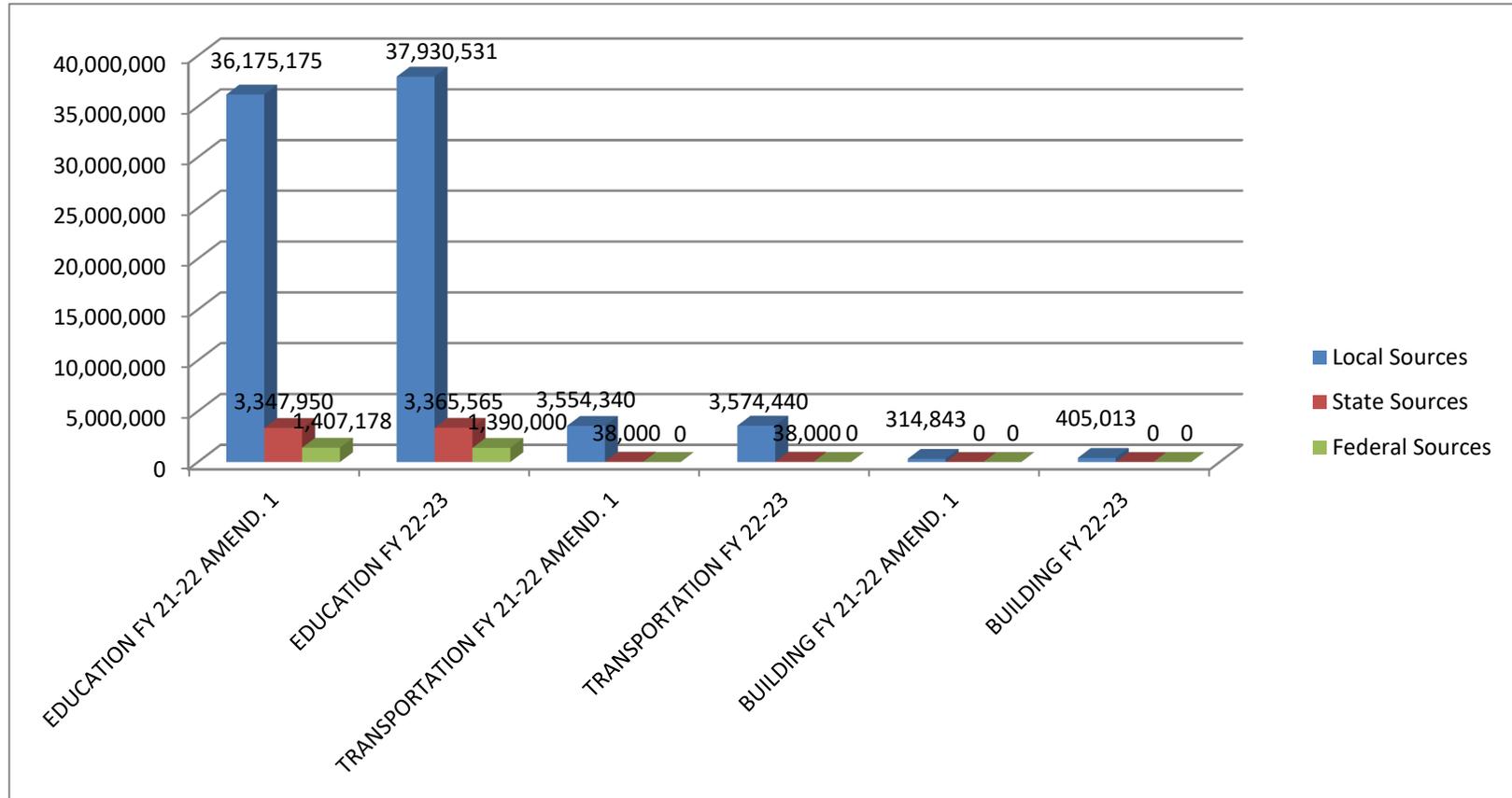
\*Excludes \$8.9 million in On Behalf

## 2023-2024 NSSEO BUDGET REVENUE

	FY 22-23 Amend. 1 Education	FY23-24 Budget Education	FY 22-23 Amend. 1 Transportation	FY23-24 Budget Transportation	FY 22-23 Amend. 1 Building	FY23-24 Budget Building	FY 22-23 Amend. 1 Total	FY23-24 Budget Total
<b>Local Sources:</b>								
District Payments	18,479,292	19,902,870	0	0	200,000	300,000	18,679,292	20,202,870
Non-Member Payments	6,931,830	7,054,480	0	0	103,859	100,013	7,035,689	7,154,493
Transportation Payments	0	0	3,554,340	3,574,440	0	0	3,554,340	3,574,440
Direct Bill Revenue	6,639,899	6,830,135	0	0	0	0	6,639,899	6,830,135
Other Local Revenue	21,000	21,000	0	0	0	0	21,000	21,000
IDEA Funds	1,578,504	1,593,037	0	0	0	0	1,578,504	1,593,037
Building Rent	0	0	0	0	0	0	0	0
ESY Assessment	89,820	91,320	0	0	0	0	89,820	91,320
Program Payments	1,976,397	2,065,048	0	0	0	0	1,976,397	2,065,048
Interest	10,000	50,000	0	0	5,000	5,000	15,000	55,000
Budget Balance	448,433	322,641	0	0	5,984	0	454,417	322,641
<b>Total Local Sources</b>	<b>36,175,175</b>	<b>37,930,531</b>	<b>3,554,340</b>	<b>3,574,440</b>	<b>314,843</b>	<b>405,013</b>	<b>40,044,358</b>	<b>41,909,984</b>
<b>State Sources:</b>								
Evidence Based Funding	2,383,720	2,401,335	0	0	0	0	2,383,720	2,401,335
State Transp. Claim	0	0	38,000	38,000	0	0	38,000	38,000
Breakfast/Lunch Revenue	0	0	0	0	0	0	0	0
ORS/DHS	964,230	964,230	0	0	0	0	964,230	964,230
<b>Total State Sources</b>	<b>3,347,950</b>	<b>3,365,565</b>	<b>38,000</b>	<b>38,000</b>	<b>0</b>	<b>0</b>	<b>3,385,950</b>	<b>3,403,565</b>
<b>Federal Sources:</b>								
ISRC Grant	650,000	650,000	0	0	0	0	650,000	650,000
Preschool	0	0	0	0	0	0	0	0
Breakfast/Lunch Revenue	0	0	0	0	0	0	0	0
Medicaid	757,178	740,000	0	0	0	0	757,178	740,000
<b>Total Federal Sources</b>	<b>1,407,178</b>	<b>1,390,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,407,178</b>	<b>1,390,000</b>
<b>Grand Total*</b>	<b>40,930,303</b>	<b>42,686,096</b>	<b>3,592,340</b>	<b>3,612,440</b>	<b>314,843</b>	<b>405,013</b>	<b>44,837,486</b>	<b>46,703,549</b>

\*Excludes \$8.9 million in On Behalf

# 2023-2024 NSSEO BUDGET REVENUE



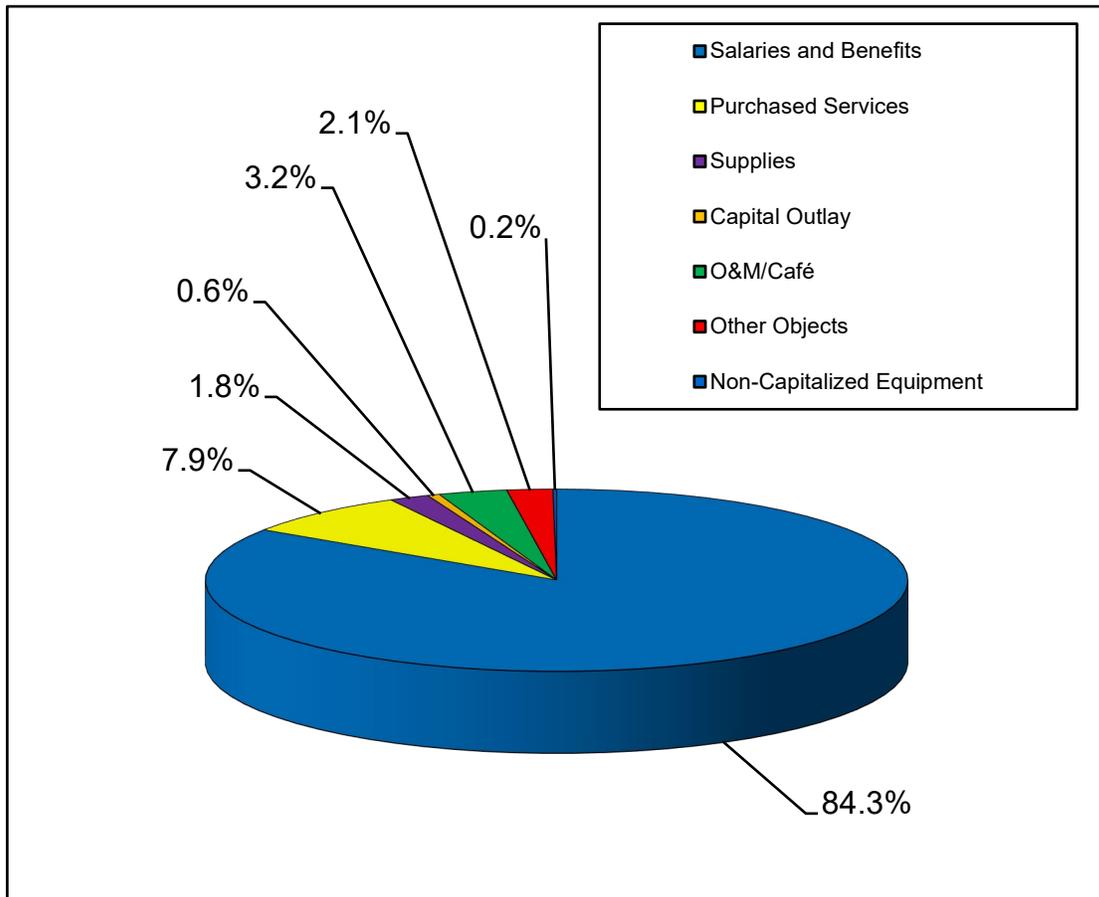


# NSSEO

## 2023-2024 BUDGET SUMMARY

### Education Fund- Allocation of Program Expenses:

Salaries and Benefits	34,230,492	84.3%
Purchased Services	3,194,955	7.9%
Supplies	747,466	1.8%
Capital Outlay	229,779	0.6%
O&M/Café	1,281,558	3.2%
Other Objects	855,119	2.1%
Non-Capitalized Equipment	68,604	0.2%
Subtotal	40,607,973	100.0%
Transfers	2,078,122	
On Behalf	8,900,000	
<b>Total 2023-2024 Education Fund</b>	<b>51,586,095</b>	





# NSSEO

## BUDGET EXPENDITURES SUMMARY 2023-2024

PROGRAM	SALARIES	EMPLOYEE BENEFITS*	PURCHASED SERVICES	SUPPLIES/ MATERIALS	CAPITAL OUTLAY	TRANSFERS/ FLOW-THRU/ DUES/FEES	NON- CAPITALIZED EQUIPMENT	TOTAL
<b>TUITION PROGRAMS:</b>								
TIMBER RIDGE	3,213,741	876,915	112,979	42,700	1,500	731,401	0	4,979,236
MINER SCHOOL	4,879,570	1,495,948	572,209	87,826	20,000	489,013	1,500	7,546,066
KIRK SCHOOL	9,989,519	3,105,773	203,250	77,600	30,000	1,585,524	3,000	14,994,666
D/HH-ELEMENTARY	1,171,486	301,141	77,662	0	0	93,017	0	1,643,306
D/HH-MIDDLE	267,691	56,862	25,440	0	0	21,000	0	370,993
D/HH-HIGH SCHOOL	480,076	119,983	22,072	0	0	37,328	0	659,459
<b>TUITION BUDGET '24</b>	<b>20,002,083</b>	<b>5,956,622</b>	<b>1,013,612</b>	<b>208,126</b>	<b>51,500</b>	<b>2,957,283</b>	<b>4,500</b>	<b>30,193,726</b>
<b>TUITION BUDGET '23</b>	<b>18,155,095</b>	<b>5,458,395</b>	<b>877,931</b>	<b>206,250</b>	<b>189,929</b>	<b>2,762,530</b>	<b>4,500</b>	<b>27,654,630</b>
<b>TUITION AMEND. 1 '23</b>	<b>18,546,769</b>	<b>5,544,681</b>	<b>1,597,002</b>	<b>208,500</b>	<b>31,500</b>	<b>2,762,604</b>	<b>4,500</b>	<b>28,695,556</b>
<b>Change in Expenditures Amendment 1 to Budget</b>								<b>1,498,170</b>
<b>SERVICE/OTHER:</b>								
D.E.S.C.	1,455,295	289,656	49,000	8,478	0	110,796	0	1,913,225
D/HH-DIAGNOSTICS	390,637	102,791	21,000	10,000	0	31,466	0	555,894
D/HH-ITINERANT	827,285	137,401	18,000	0	0	58,961	0	1,041,647
OUTDOOR EDUCATION	393,208	78,245	76,450	59,450	20,000	99,619	0	726,972
VAC/STEP	222,055	74,200	798,310	1,600	0	19,045	0	1,115,210
NSSEO ADMINISTRATION	1,407,908	311,182	546,770	226,000	15,000	108,000	5,000	2,619,860
TECH ASST TO DIST	401,531	68,616	1,000	725	0	0	0	471,872
PROF DEVELOPMENT	279,794	46,376	247,625	39,005	0	0	0	612,800
CENTRAL O&M	261,366	53,717	87,800	34,500	4,000	1,000	0	442,383
D/HH-CENTRAL	2,500	331	103,915	10,000	0	176,680	0	293,426
ISRC GRANT	369,927	83,870	166,203	30,000	0	0	0	650,000
TECHNOLOGY/CENTRAL	828,772	185,124	40,100	34,000	50,000	375,000	9,135	1,522,131
TECHNOLOGY/PROGRAMS	0	0	25,170	85,582	89,279	0	49,969	250,000
<b>SRVS/OTHR BUD '24</b>	<b>6,840,278</b>	<b>1,431,509</b>	<b>2,181,343</b>	<b>539,340</b>	<b>178,279</b>	<b>980,567</b>	<b>64,104</b>	<b>12,215,420</b>
<b>SRVS/OTHR BUD '23</b>	<b>6,732,884</b>	<b>1,416,281</b>	<b>2,187,726</b>	<b>490,738</b>	<b>148,279</b>	<b>858,848</b>	<b>74,104</b>	<b>11,908,860</b>
<b>SRVS/OTHR AMEND. 1 '23</b>	<b>6,708,307</b>	<b>1,383,544</b>	<b>2,236,172</b>	<b>521,127</b>	<b>148,279</b>	<b>934,808</b>	<b>64,104</b>	<b>11,996,341</b>
<b>Change in Expenditures Amendment 1 to Budget</b>								<b>219,079</b>
<b>ED FUND RESERVES:</b>								
U/C RESERVE	0	0	0	0	0	20,000	0	20,000
RETIREMENT RESERVE	0	0	0	0	0	9,156,949	0	9,156,949
<b>ED. RES. BUDGET '24</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,176,949</b>	<b>0</b>	<b>9,176,949</b>
<b>ED. RES. BUDGET '23</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,172,514</b>	<b>0</b>	<b>9,172,514</b>
<b>ED. RES. AMEND. 1 '23</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,138,406</b>	<b>0</b>	<b>9,138,406</b>
<b>Change in Expenditures Amendment 1 to Budget</b>								<b>38,543</b>
<b>TOTAL EDUCATION BUDGET 2023-2024</b>	<b>26,842,361</b>	<b>7,388,131</b>	<b>3,194,955</b>	<b>747,466</b>	<b>229,779</b>	<b>13,114,799</b>	<b>68,604</b>	<b>51,586,095</b>
<b>TOTAL EDUCATION BUDGET 2022-2023</b>	<b>24,887,979</b>	<b>6,874,676</b>	<b>3,065,657</b>	<b>696,988</b>	<b>338,208</b>	<b>12,793,892</b>	<b>78,604</b>	<b>48,736,004</b>
<b>TOTAL EDUCATION AMEND. 1 2022-2023</b>	<b>25,255,076</b>	<b>6,928,225</b>	<b>3,833,174</b>	<b>729,627</b>	<b>179,779</b>	<b>12,835,818</b>	<b>68,604</b>	<b>49,830,303</b>
<b>Change in Expenditures Amendment 1 to Budget</b>								<b>1,755,792</b>
<b>TRANSP 2023-2024</b>	<b>789,782</b>	<b>114,600</b>	<b>2,532,311</b>	<b>142,622</b>	<b>20,000</b>	<b>11,250</b>	<b>1,875</b>	<b>3,612,440</b>
<b>TRANSP 2022-2023</b>	<b>772,703</b>	<b>126,437</b>	<b>2,501,539</b>	<b>156,987</b>	<b>25,000</b>	<b>11,250</b>	<b>1,875</b>	<b>3,595,791</b>
<b>TRANSP A1 2022-2023</b>	<b>771,115</b>	<b>116,573</b>	<b>2,509,540</b>	<b>156,987</b>	<b>25,000</b>	<b>11,250</b>	<b>1,875</b>	<b>3,592,340</b>



# NSSEO

## BUDGET EXPENDITURES SUMMARY 2023-2024

PROGRAM	SALARIES	EMPLOYEE BENEFITS*	PURCHASED SERVICES	SUPPLIES/MATERIALS	CAPITAL OUTLAY	TRANSFERS/ FLOW-THRU/ DUES/FEES	NON-CAPITALIZED EQUIPMENT	TOTAL
				Change in Expenditures Amendment 1 to Budget				20,100
BLDG FUND 2023-2024	0	0	339,013	13,200	2,800	50,000	0	405,013
BLDG FUND 2022-2023	0	0	233,950	16,000	0	50,000	0	299,950
BLDG FUND A1 2022-2023	0	0	248,843	13,200	2,800	50,000	0	314,843
				Change in Expenditures Amendment 1 to Budget				90,170
<b>GRAND TOTALS:</b>								
BUDGET 2023-2024	27,632,143	7,502,731	6,066,279	903,288	252,579	13,176,049	70,479	55,603,548
BUDGET 2022-2023	25,660,682	7,001,113	5,801,146	869,975	363,208	12,855,142	80,479	52,631,745
AMEND. 1 2022-2023	26,026,191	7,044,798	6,591,557	899,814	207,579	12,897,068	70,479	53,737,486
				Change in Expenditures Amendment 1 to Budget				1,866,062
				% Change in Expenditures Amendment 1 to Budget				3.47%
<b>GRAND TOTALS LESS ON BEHALF:</b>								
BUDGET 2023-2024	27,632,143	7,502,731	6,066,279	903,288	252,579	4,276,049	70,479	46,703,548
% of Budget	59.2%	16.1%	13.0%	1.9%	0.5%	9.2%	0.2%	100.0%
BUDGET 2022-2023	25,660,682	7,001,113	5,801,146	869,975	363,208	3,955,142	80,479	43,731,745
% of Budget	58.7%	16.0%	13.3%	2.0%	0.8%	9.0%	0.2%	100.0%
AMEND. 1 2022-2023	26,026,191	7,044,798	6,591,557	899,814	207,579	3,997,068	70,479	44,837,486
% of Budget	58.0%	15.7%	14.7%	2.0%	0.5%	8.9%	0.2%	100.0%
				Change in Expenditures Amendment 1 to Budget				1,866,062
				% Change in Expenditures Amendment 1 to Budget				4.00%

\*Employee Benefits include Board Share of IMRF, FICA, Medicare, Teacher Retirement/Local, Teacher Retirement/Federal, Health/Life/Dental Insurance, and Worker's Compensation.

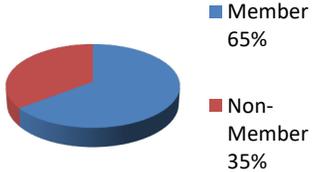
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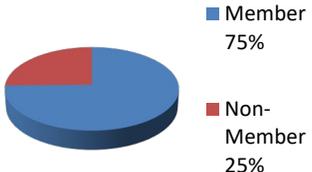
## 2023-2024 BUDGET ENROLLMENT SUMMARY

### Budget 2022-2023 to Budget 2023-2024

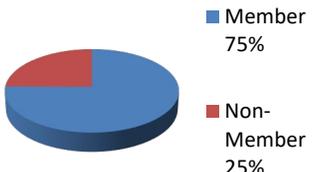
	Budget	Budget	Enrollment	
	2022-2023	2023-2024	Inc./Dec.	FY24 %
<b>Timber Ridge</b>				
Member	51.0	55.0	4.0	65%
Non-Member	24.0	30.0	6.0	35%
	<u>75.0</u>	<u>85.0</u>	<u>10.0</u>	<u>100%</u>



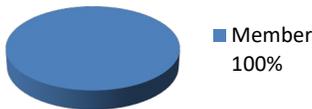
	Budget	Budget	Enrollment	
	2022-2023	2023-2024	Inc./Dec.	FY24 %
<b>Miner School</b>				
Member	57.0	65.0	8.0	75%
Non-Member	23.0	22.0	-1.0	25%
	<u>80.0</u>	<u>87.0</u>	<u>7.0</u>	<u>100%</u>



	Budget	Budget	Enrollment	
	2022-2023	2023-2024	Inc./Dec.	FY24 %
<b>Kirk School</b>				
Member	140.0	136.0	-4.0	75%
Non-Member	39.0	45.0	6.0	25%
	<u>179.0</u>	<u>181.0</u>	<u>2.0</u>	<u>100%</u>



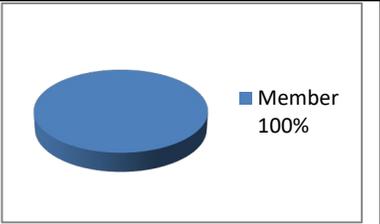
	Budget	Budget	Enrollment	
	2022-2023	2023-2024	Inc./Dec.	FY24 %
<b>D/HH-Elementary</b>				
Member	29.0	28.0	-1.0	100%
	<u>29.0</u>	<u>28.0</u>	<u>-1.0</u>	<u>100%</u>



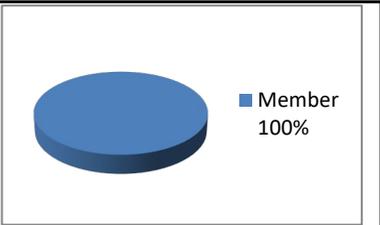
**2023-2024 BUDGET ENROLLMENT SUMMARY**

Budget 2022-2023 to Budget 2023-2024

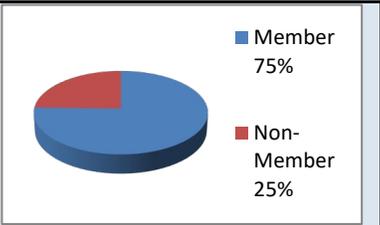
	Budget		Enrollment	
	<u>2022-2023</u>	<u>2023-2024</u>	<u>Inc./Dec.</u>	<u>FY24 %</u>
<b><u>D/HH-Middle</u></b>				
Member	4.0	5.0	1.0	100%
	<u>4.0</u>	<u>5.0</u>	<u>1.0</u>	<u>100%</u>



	Budget		Enrollment	
	<u>2022-2023</u>	<u>2023-2024</u>	<u>Inc./Dec.</u>	<u>FY24 %</u>
<b><u>D/HH-High School</u></b>				
Member	9.0	8.0	-1.0	100%
	<u>9.0</u>	<u>8.0</u>	<u>-1.0</u>	<u>100%</u>



	Budget		Enrollment	
	<u>2022-2023</u>	<u>2023-2024</u>	<u>Inc./Dec.</u>	<u>FY24 %</u>
<b><u>TOTAL</u></b>				
Member	290.0	297.0	7.0	75%
Non-Member	86.0	97.0	11.0	25%
	<u>376.0</u>	<u>394.0</u>	<u>18.0</u>	<u>100%</u>





## 2023-2024 BUDGET STAFFING SUMMARY

Amend. 1 2022-2023 to Budget 2023-2024

PROGRAM:	BUDGET 2022-2023 STAFF	AMEND. 1 2022-2023 STAFF	BUDGET 2023-2024 STAFF	BUDGET TO BUDGET INC./DEC.
TIMBER RIDGE SCHOOL	48.8500	49.8500	53.0500	3.2000
MINER SCHOOL	59.2000	60.2000	60.6500	0.4500
KIRK SCHOOL	114.0000	113.5000	116.8000	3.3000
D/HH PROGRAM	27.0000	28.0000	28.2000	0.2000
<b>TUITION PROGRAMS</b>	<b>249.0500</b>	<b>251.5500</b>	<b>258.7000</b>	<b>7.1500</b>
DIAG. & EDUC. SRVS. CENTER	15.7600	16.2500	17.2100	0.9600
D/HH-DIAGNOSTICS	5.3000	5.1000	5.3000	0.2000
D/HH-ITINERANT	10.1500	10.1500	10.1500	0.0000
OUTDOOR EDUCATION	5.0000	5.0000	5.0000	0.0000
OUTDOOR ED.-RESTRICTED	1.0000	1.0000	1.0000	0.0000
VOC. ADJUSTMENT COUNSELOR	4.0000	4.0000	4.0000	0.0000
NSSEO ADMINISTRATION	12.7000	13.0000	13.0000	0.0000
TECHNICAL ASSIST TO DISTRICTS	6.3000	5.3000	5.1000	-0.2000
PROFESSIONAL DEVELOPMENT	2.7000	2.7000	2.9000	0.2000
CENTRAL O&M	2.3813	2.3813	2.3813	0.0000
TECHNOLOGY / CENTRAL	10.0000	10.0000	10.0000	0.0000
TIMBER RIDGE O&M	2.5000	2.5000	2.5000	0.0000
KIRK O&M	5.0000	5.0000	5.0000	0.0000
KIRK CAFETERIA	4.0000	4.0000	5.0000	1.0000
TRANSPORTATION	1.4500	1.4500	1.4500	0.0000
TRANSPORTATION-IN HOUSE	3.5000	3.5000	3.5000	0.0000
<b>OTHER PROGRAMS/SERVICES</b>	<b>91.7413</b>	<b>91.3313</b>	<b>93.4913</b>	<b>2.1600</b>
<b>TOTALS</b>	<b>340.7913</b>	<b>342.8813</b>	<b>352.1913</b>	<b>9.3100</b>
1:1 DIRECT BILL STAFF	133.8000	144.0000	139.0000	-5.0000

Updated 3/16/2023

e/sched2324/Budget Staffing Summary



## Programs and Services

NSSEO continues to redesign programs and services offered to meet the changing needs of its member districts in alignment with the NSSEO Continuous Improvement Plan that promotes continuous improvement. NSSEO's emphasis on improved student outcomes is reflective of a streamlined process that aligns programming, integrated growth measures, individualized interventions and ongoing program review. In collaborative partnership with our member districts, NSSEO provides a continuum of special education services and other supports allowing districts to capitalize on educational opportunity by utilizing economy of scale. NSSEO continues to provide progressive and visionary leadership in the field of education through advocacy at the state and federal level, family and community involvement, professional development and coaching leading to greater opportunity for students.

### NSSEO Programs and Services

#### Tuition Programs:

- Miner/Kirk Program
- Timber Ridge School
- The Deaf and Hard of Hearing Programs

#### Services:

- Administrative and Support Services
- Adapted Physical Education
- Assistive and Instructional Technology
- Autism
- Deaf and Hard of Hearing Evaluation Services (Including audiology evaluations)
- Deaf and Hard of Hearing Itinerant Services
- Evaluation and Coaching
- Occupational Therapy
- Outdoor Education
- Physical Therapy
- Professional Development and Coaching
- Speech Therapy
- Transportation Services
- Transition Services
- Vision Services

## Programs and Services - Continued

The 2023-2024 budget was developed in alignment with the NSSEO Continuous Improvement Plan reflective of student and member district needs.

### **NSSEO Continuous Improvement Plan- Areas of Focus**

- **Student Outcomes**
  - Foster development, ongoing growth and positive outcomes for all students.
  
- **Social Emotional Learning**
  - Promote social emotional learning and growth for all.
  
- **Supportive, Collaborative, and Person-Centered Learning Environment**
  - Foster a supportive, collaborative, and person-centered learning environment to promote growth for all.
  
- **Transition Services**
  - Upon exiting from NSSEO services, 100% of students will have defined post-secondary plans indicating focus on the priority areas of social, community and/or work experiences for at least 50% of a work week.
  
- **Collaborative Partnerships**
  - Further advance our collaborative partnerships across the educational community to deepen equitable, inclusive practices that are future drive and influence positive change.



# NSSEO Funding Formulas

<b><u>NSSEO Tuition Based Programs</u></b>
<b>Programs:</b>
<b>Timber Ridge School</b>
<b>Miner/Kirk Program</b>
<b>D/HH Program</b>
-Based on a projected per student cost
<b><u>NSSEO Service/Other Programs</u></b>
<b>Programs:</b>
<b>DESC Services:</b>
<b>OT/PT services to District students</b>
<b>APE services to District students</b>
<b>Vision services to District students</b>
<b>Assistive Technology services to District students</b>
Based on the average salary, plus benefits, plus administrative add-on, plus travel, telephone, postage, photocopy, materials add-on.
<b>DESC Evaluations</b> - based on actual usage logs kept by DESC evaluation staff converted to a three tier system.
<b>D/HH-Diagnostics</b> - based on actual usage logs kept by evaluation staff converted to a four tier system.
<b>D/HH-Itinerant</b> - based on a per unit cost
<b>Outdoor Education</b> - based on % of projected usage in the education fund
<b>VAC</b> - costs are split between Districts 211 & 214
<b>NSSEO Administration</b> - no separate cost to member districts (6% in programs)
<b>Technical Assistance to Districts</b> - based on usage (FTE)
<b>Central O&amp;M</b> - based on % of projected usage in the education fund
<b>D/HH-Central Office</b> - no separate cost to member districts (6% in programs)
<b>Technology/Central</b> - based on % of projected usage in the education fund
<b>Technology/Programs</b> - based on % of projected usage in the education fund
<b><u>NSSEO Reserves</u></b>
<b>Unemployment Reserve</b> - No Assessment in 2023-2024 Based on 50% Historical Usage ('12, '17, '22), 25% AFR Revenue, 25% Usage % in Ed Fund
<b>Retirement Reserve</b> - \$100,000 in 2023-2024 Based on 50% Historical Usage ('12, '17, '22), 25% AFR Revenue, 25% Usage % in Ed Fund
<b>Building Fund</b> Based on 1/3 Projected Usage in Buildings We Own, 1/3 AFR Revenue, 1/3 Equal Share

## Member District Tuition/Rate Increase or Decrease by Program

<b>2023-2024 NSSEO Tuition Based Programs</b>		<u>2022-2023</u>		<u>2023-2024</u>	<u>INC./DEC.</u>
<u>Program</u>		<u>BUDGET</u>		<u>BUDGET</u>	<u>%</u>
Timber Ridge School		43,702.53	per std	44,938.76	2.83%
Miner/Kirk Program		47,887.71	per std	49,687.60	3.76%
D/HH Program		50,738.62	per std	53,184.17	4.82%
<b>2023-2024 NSSEO Service/Other Programs</b>		<u>2022-2023</u>		<u>2023-2024</u>	<u>INC./DEC.</u>
<u>Program</u>		<u>BUDGET</u>		<u>BUDGET</u>	<u>%</u>
<b>DESC:</b>					
OT/PT services to District students		119,930	per FTE	122,575	2.21%
APE services to District students		80,303	per FTE	82,843	3.16%
Vision services to District students		92,796	per FTE	96,697	4.20%
Assistive Technology services to District students		89,182	per FTE	97,120	8.90%
D/HH-Itinerant Program		25.37	per unit	26.32	3.74%
Outdoor Education - based on % of usage in education fund		415,673	total	422,194	1.57%
VAC - costs are split between Districts 211 & 214		73,101	per dist	75,490	3.27%
Technical Assistance to Districts		96,464	per FTE	100,302	3.98%
Central O&M - based on % of usage in education fund		66,703	total	67,838	1.70%
Technology/Central - based on % of usage in education fund		746,322	total	756,314	1.34%
Technology/Programs - based on % of usage in education fund		85,583	total	79,710	-6.86%
Building Fund		200,000	total	300,000	



## NSSEO One-Year Facility Plan

The NSSEO budget planning process focuses on both short-term and long-term facility and program needs. The facility plan is developed through an examination of the current status and future initiatives of facilities, through an analysis of facility needs, program initiatives, and the use of work space. NSSEO recently completed its Ten-Year Life Safety Survey and has contracted with an architectural firm to complete a long-term facility assessment. Once completed, the NSSEO Facility Planning Committee will begin the process of developing a 10-Year Facility Plan.

For the FY24 Budget, NSSEO is presenting a One-Year Facility Plan that incorporates both identified facility needs and findings from the NSSEO 10-Year Life Safety Survey.

Guiding Principles in the development Facility Plan include:

- Health, safety, and security
- Maintenance and upkeep of facilities
- Integration of program initiatives
- Optimal utilization of facilities
- Environmental Sustainability

The development process of the NSSEO One-Year Facility Plan included:

- Examination of the current use of facilities in alignment with program needs and use by all stakeholders.
- Collection of current data about the conditions of facilities in order to inform the need for maintenance, repair, and renovations.
- Prioritization of identified life-safety projects within financial limitations
- Consideration of energy improvements and sustainable construction whenever possible

Within the NSSEO One-Year Facility Plan framework, the District assesses and predicts both the need, cost and timing for maintenance and repairs to facilities and renovations. Ongoing review of the NSSEO Facility Plan by the NSSEO Facility Planning Committee provides for refinement and revisions as priorities dictate.

# NSSEO Building Fund Priority Schedule

<b>2023-2024</b>	
<b><u>Timber Ridge</u></b>	
Crack Fill, Sealcoat, Restripe Parking Lot	7,000
Tuck pointing	5,000
General Painting	3,000
Concrete Replacement/Repair	5,000
Mulch for Playground/Rubberized Play Surface	2,000
Classroom Renovations (sinks)	17,500
Fire Rated Walls to enclose stairwell	25,000
<b><u>Administration Building</u></b>	
Crack Fill, Sealcoat, Restripe Parking Lot	5,000
Tuck pointing	4,000
General Painting	1,500
Concrete	2,000
Salter Replacement	10,770
<b><u>Kirk School</u></b>	
General Painting	5,000
Drywall Repairs/FRP Paneling	27,047
Tuck Pointing	7,000
Crack Fill, Sealcoat, Restripe Parking Lot	10,000
Concrete Replacement/Repair	25,000
Exterior Power Wash, Repair Wood, Caulk and Paint	19,500
Life Safety (Strobe lights)	30,000
<b><u>Sunrise Outdoor Education Center</u></b>	
Asphalt Replacement/Repair/Striping	2,000
Concrete	4,000
Decking Replacement	3,500
Tree Care	2,100
Gutters on both Lodges	9,662
Windows in Craft Lodge	11,386
Fire Rated Walls Under Roof Deck (Life Safety)	6,000
<b><u>District Wide</u></b>	
Projects as Needed	30,000
Matching Portion of COPs Security Grant	105,048
Annual Depreciation on Vehicles	20,000
<b>405,013</b>	
<b>Total</b>	<b>405,013</b>



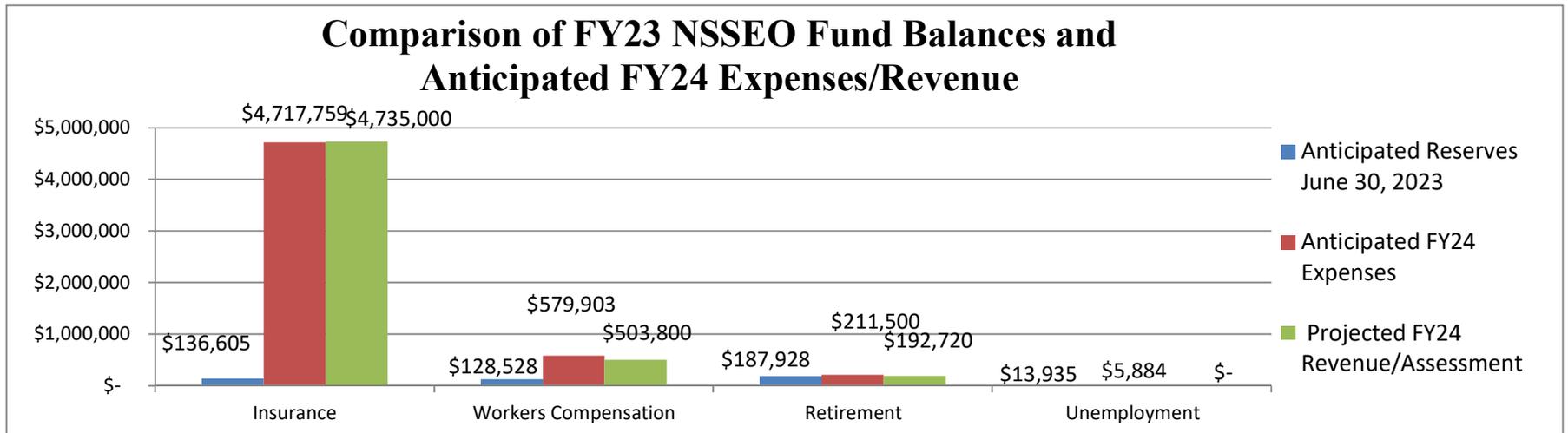
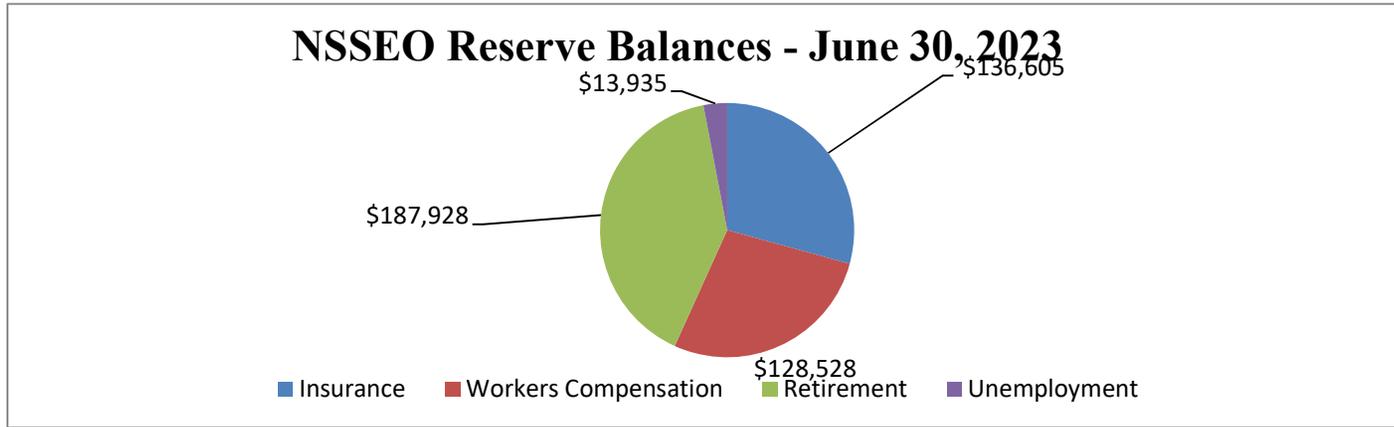
## Reserves

NSSEO currently maintains reserve balances in insurance, workers compensation, unemployment, and retirement accounts. The insurance and workers compensation reserve balances are the result of being previously self-funded through 2008. NSSEO reserves were established through assessments to both member and non-member districts for the purpose of collecting sufficient funds to cover anticipated expenses. NSSEO reserve fund balances are the result of careful budgeting, conservative spending, and actual expenses under budgeted amounts.

NSSEO has continually focused on spending down reserves to offset costs in the NSSEO budget. This fiscally responsible budget planning approach has resulted in conservative tuition increases and associated assessments (unemployment & retirement).

## Summary of NSSEO Reserves

	<u>Anticipated Reserves</u> <u>June 30, 2023</u>	<u>Anticipated FY24</u> <u>Expenses</u>	<u>Projected FY24</u> <u>Revenue/Assessment</u>	<u>Anticipated Reserves</u> <u>June 30, 2024</u>
Insurance	\$ 136,605	\$ 4,717,759	\$ 4,735,000	\$ 153,846
Workers Compensation	\$ 128,528	\$ 579,903	\$ 503,800	\$ 52,425
Retirement	\$ 187,928	\$ 211,500	\$ 192,720	\$ 169,148
Unemployment	\$ 13,935	\$ 5,884	\$ -	\$ 8,051
	<b>\$ 466,996</b>	<b>\$ 5,515,046</b>	<b>\$ 5,431,520</b>	<b>\$ 383,470</b>



**District #23**  
**NSSEO 2023-2024 Budget**

<b>Program</b>	<b>Projected Usage</b>	<b>Cost per Student or Service</b>	<b>District #23 Total</b>
<b>Tuition Programs:</b>			
Timber Ridge School	5.00 students	44,938.76	224,694
Miner School	3.00 students	49,687.60	149,063
D/HH-Elementary	3.00 students	53,184.17	159,553
D/HH-Middle	0.00 students	53,184.17	0
<b>Service/Other Programs:</b>			
DESC-Vision Services	0.20 FTE	96,697.00	19,339
DESC- PT Services	0.40 FTE	122,575.00	49,030
D/HH-Itinerant	1,204.00 Units	26.32	31,687
Technical Asst to Dists-Coaches	0.10 FTE	100,302.00	10,030
Outdoor Education			13,309
Central O&M			2,139
Technology/Central			23,842
Technology/Programs			2,513
<b>Direct Bill Staff:</b>			
2.00 Direct Bill 1:1 Aide- Miner School		93,241	
1.00 Direct Bill 1:1 Aide- Timber Ridge School		46,620	
<b>Total Direct Bill Staff</b>			<b>139,861</b>
<b>Education Fund Reserves:</b>			
Unemployment Comp.			0
Retirement Reserve			3,152
<b>Education Fund Totals</b>			<b>828,212</b>
<b>Building Fund</b>			<b>17,729</b>
<b>TOTAL DISTRICT #23</b>			<b>845,941</b>
<b>Additional District Costs:</b>			
**DESC-Evaluations:			Estimated Based on Need
Billing based on actual usage. Approx. \$1,200/level 1 evaluation.			
**DESC-Contracted Evaluations			Estimated 3,450
**D/HH-Diagnostics:			Estimated 8,300
Billing based on actual usage. Approx. \$550/level 1 evaluation. Screenings in district \$400/day.			
Please note- Evaluations include tests, observations, travel, IEP meetings, interviews, consultation with staff, comprehensive report, etc.			
ESY- Summer 2022			23,464
IDEA FY2223			54,289
Transportation			240,673

COMPARISON DISTRICT PAYMENTS	DIST. 23	DIST. 23	DIST. 23		DIST. 23	CHANGE IN STUDENTS
	2022-2023 BUDGET	2022-2023 AMEND. 1	2023-2024 BUDGET	FY24 STDS	DIFF.~ AMEND. 1 VS FY24	OR SERVICES FROM AMENDMENT 1
<b>TUITION PROGRAMS:</b>						
Timber Ridge School	131,108	195,656	224,694	5.0	29,038	0.5 students
Miner School	95,775	173,785	149,063	3.0	-24,722	-0.6 students
Kirk School						
D/HH-Elementary	101,477	152,216	159,553	3.0	7,337	0.0 students
D/HH-Middle						
D/HH-High School						
<b>Subtotal Tuition</b>	<b>328,360</b>	<b>521,657</b>	<b>533,310</b>	<b>11.0</b>	<b>11,653</b>	<b>-0.1 students</b>
<b>SERVICE/OTHER:</b>						
DESC-Educational Srvs	74,583	74,583	68,369		-6,214	-1 APE
D/HH-Itinerant	33,688	33,188	31,687		-1,501	
Outdoor Education	10,798	10,798	13,309		2,511	
V.A.C.					0	
NSSEO Admin.					0	
Tech Asst to Districts	36,657	36,657	10,030		-26,627	-.28 Coaching
Central O&M	1,792	1,792	2,139		347	
Technology/Central	19,402	19,402	23,842		4,440	
Technology/Programs	2,223	2,223	2,513		290	
<b>Subtotal Srv/Other</b>	<b>179,143</b>	<b>178,643</b>	<b>151,889</b>		<b>-26,754</b>	
<b>DIRECT BILL STAFF/SRVS:</b>						
Direct Bill Staff/Services	82,231	123,346	139,861		16,515	
<b>ED FUND RESERVES:</b>						
U/C Reserve	0	0	0		0	
Retirement Reserve	0	0	3,152		3,152	
<b>Subtotal Ed Reserves</b>	<b>0</b>	<b>0</b>	<b>3,152</b>		<b>3,152</b>	
<b>TOTAL:</b>						
<b>EDUCATION FUND</b>	<b>589,734</b>	<b>823,646</b>	<b>828,212</b>		<b>4,566</b>	
<b>TOTAL:</b>						
<b>BUILDING FUND</b>	<b>11,254</b>	<b>11,254</b>	<b>17,729</b>		<b>6,475</b>	
<b>TOTAL</b>						
	<b>600,988</b>	<b>834,900</b>	<b>845,941</b>		<b>11,041</b>	



## NSSEO ENROLLMENT 2023-2024 BUDGET

<b>District 23</b>				
Program	Budget 2022-2023	Amend.1 2022-2023	Budget 2023-2024	Diff Amend. 1 to Budget
Timber Ridge School	3.0	4.5	5.0	0.5
Miner School	2.0	3.6	3.0	-0.6
D/HH-Elementary	3.0	3.0	3.0	0.0
D/HH-Middle	0.0	0.0	0.0	0.0
<b>Total</b>	<b>8.0</b>	<b>11.1</b>	<b>11.0</b>	<b>-0.1</b>



# Building Performance Service Agreement

Honeywell Building Performance  
Services

**Honeywell**

# Honeywell Building Technologies

## Building Performance Service Agreement

**Date** May 2, 2023

**Agreement Number** 40099157

**(HONEYWELL)**  
**Honeywell Building Solutions**  
**95 E. Algonquin Road**  
**Des Plaines, IL 60017**

**(CUSTOMER)**  
**Prospect Heights District 23**  
**700 N. Schoenbeck Road**  
**Prospect Heights, IL 60070**

**Service Location Name: Eisenhower, MacArthur, Ross, Sullivan Schools & Admin Building**  
**Service Location Address (the "Site"): Prospect Heights, IL 60070**

**Scope of Work:** HONEYWELL INTERNATIONAL INC., through its Honeywell Building Technologies – Services business unit (sometimes referred to as "HBT", "Honeywell" or "Honeywell Building Technologies"), shall provide the Services (as defined below) in accordance with the attached Work Scope Document(s) and General Terms and Conditions, which form a part of this Agreement. "Agreement" means this proposal signed by Honeywell and Customer, the General Terms and Conditions attached hereto, and the Work Scope Document(s) attached hereto.

		Foundational	Advanced
<b>HVAC Controls (BMS)</b>	Planned Maintenance Tasking		Yes
	Honeywell Forge Predictive Maintenance		Yes
	Comprehensive		Yes
	Honeywell Software Assurance		Yes
<b>Fire System</b>	Fire Alarm Compliance Inspection & Testing		Yes
	CLSS SaaS License		
	Portable Extinguisher Compliance Inspection		
	Fixed Suppression System Compliance Testing		
	Smoke Relief Compliance Testing		
	Emergency System Compliance Testing		

	Comprehensive Cover		Yes
<b>Security</b>	Comprehensive		Yes
<b>Mechanical</b>			
<b>Energy and Sustainability</b>	Honeywell Forge Energy Optimization		
<b>ICT and Cybersecurity</b>	ICT Nodes PM Tasking		
	Third Party Product Licensing and Support		
	Honeywell Remote Management (HRM)		
	Cybersecurity Assessment -- Essential (CSA)		
	Honeywell Advanced Endpoint Protection (HAES)		
	Secure Configuration and Design		
	Incident Readiness and Advisory		
	Disaster Recovery (DR)		
	Cybersecurity Operational Technology (OT) Monitoring		
	Cybersecurity Threat Monitoring and Response		
<b>Emergency Service</b>	Remote Reactive Response using the Remote Building Operation Center (HBOC)		
<b>Training</b>	EBI Operator and Administrator		

**Price Schedule**

Customer will pay Honeywell the following prices (collectively, the "Price") for the services contemplated by this Agreement, which prices Customer agrees shall be escalated by an amount determined by Honeywell in its discretion as of each anniversary of the Effective Date by written notice to Customer.

**Contract Term:** will commence on the Effective Date and continue for a period of one, three or five years (the "Contract Term"), based on Contract Term selected. This Agreement will automatically renew in accordance with the terms of the Renewal section below.

Customer \_\_\_\_\_  
(INITIALS)

Honeywell CB

**Contract Term: One (1) year from Effective Date**  
**Contract Effective Date: July 1, 2023**

Service	Annual Price
Comprehensive Maintenance – <ul style="list-style-type: none"> <li>• HVAC Automation (EBI Services)</li> <li>• Fire Systems</li> <li>• Security Systems</li> </ul> Forge Digitized Maintenance Honeywell Software Assurance (HSA+) Honeywell Users Group	\$123,817.00
<b>Total</b>	<b>\$123,817.00</b>
Payment Terms	Annual in advance

Customer shall pay the following rates for work associated with Service Cases (as defined in the Honeywell Forge Predictive Maintenance Work Scope Document) (if applicable) and other services for which Honeywell is entitled to additional fees (except to the extent the Agreement expressly states that such work is already included in the Price), which rates Customer agrees shall be escalated by an amount determined by Honeywell in its discretion as of each annual anniversary of the Effective Date by written notice to Customer:

Item	Rate	Unit
Investigation or Other Work During Normal Working Hours	\$270.67	Per hour or part thereof
Investigation or Other Work Outside Normal Working Hours	\$406.00	Per hour or part thereof

Investigation or Other Work during Federal/Public Holidays	\$406.00	Per hour or part thereof
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**Three (3) year and five (5) year alternatives. Initial to select.**

**Contract Term:** 3 years from Effective Date      Customer\_\_\_ Honeywell\_\_\_(INITIALS)  
**Contract Price:** Year 1 Price:\$123,817.00  
Year 2 Price:\$131,865.00  
Year 3 Price: \$140,436.00

**Contract Term:** 5 years from Effective Date      Customer\_\_\_ Honeywell\_\_\_(INITIALS)  
**Contract Price:** Year 1 Price:\$122,073.00  
Year 2 Price:\$128,176.00  
Year 3 Price: \$134,585.00  
Year 4 Price:\$141,315.00  
Year 5 Price:\$148,380.00

**Renewal:** The Contract Term will automatically be renewed for consecutive terms of one year unless terminated by either party by the delivery of written notice to the other at least sixty (60) days prior to the end of the initial term or such renewal term (as applicable), or unless terminated as provided herein. Through the automatic renewal process, Customer agrees it shall be bound by the updated General Terms and Conditions in effect at the time of such renewal and as periodically updated thereafter by Honeywell. A courtesy copy of the Honeywell updated terms are enclosed for your reference. By signing below you acknowledge the ongoing sufficiency of the consideration herein for any renewal term(s).

**Submitted by HBT:** (signature) \_\_\_\_\_

Name: Cliff Breslow  
Title: Account Executive  
Date: March 24, 2023

**This proposal is valid for 30 days.**

**Acceptance:** This proposal and the pages attached shall become an agreement in accordance with the below General Terms and Conditions and only upon signature below by an authorized representative of Honeywell and Customer.

**Accepted by:**  
**HONEYWELL INTERNATIONAL INC.,**  
**through its Honeywell Building Technologies-**  
**Services business unit**

**Prospect Heights School District 23**

**Signature: By:** \_\_\_\_\_

**Signature: By:** \_\_\_\_\_

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Comprehensive – HVAC Automation Controls Work Scope Document**

**1.1 Scope** - Honeywell will maintain the building automation system hardware and software found in the List of Covered Equipment and List of Covered Software below, to the extent expressly provided in this Comprehensive – HVAC Controls Work Scope Document. As used herein, “Agreement” means the agreement between Honeywell and Customer of which this Work Scope Document is a part, as amended and together with all exhibits, schedules and attachments incorporated into such agreement.

**List of Covered Software (the “Covered Software”):**

Quantity	Software Product Number	Version	Product Description	Location
1	EBI	R600	License #42771	Building and Grounds Office

**List of Covered Equipment (Front End):**

Quantity	Description	Model Number	Location
1	Dell Server		Building and Grounds Office
1	Monitor		Building and Grounds Office
1	Dual Cobox		For Ross/Sullivan & MacArthur Fire Panels
1	Single Cobox		For Eisenhower Fire Panel

**List of Covered Equipment (MacArthur School Automation):**

Quantity	Description	Model Number	Location
1	Plant Controller	CPO-PC-6A	
71	Heat Pump Controllers	CP-SPC	33-Bard Units – 38 Water Furnace Units
6	RTU HP Controllers	CP-SPC	6 Water Furnace Units
1	Geothermal Pump Controller	CP-SPC	Mech Room
1	Lighting Controller	CP-SPC	Electrical Room
1	Exhaust Fan Controller	CP-SPC	Mechanical Room
9	Transformer	5 - PSH100AB10-5 4 - TR100VAC001	School
44	Room Temp Sensors	TR22	School
77	Duct Temp Sensors	C7041B2005	Bard Units, Water Furnace Units, RTUs
71	CO2 Sensors	38 - C7232A1016 33 - Dwyer CDT	Bard Units, Water Furnace Units, RTUs
71	Damper Actuators	33 - M7411C 32 - MS7503A2030	Bard Units, Water Furnace Units, RTUs
77	Occupancy Sensors		Bard Units, Water Furnace Units, RTUs

1	Tower Lights Module, Base, Horn, & LED	TWS-BC, TWS-BP, TWS-A-G, TWS-LLS-G	Geothermal System Pump
2	Current Sensors	Veris – H608	Geothermal System Pump
1	Water Flow Switch		Geothermal System Pump
3	Relays	RIBU1C	Geothermal System Pump
1	Outside Air Sensor	C7041F2006	Geothermal System Pump
2	Temp Sensors – Immersion	C7041D2001	Geothermal System Pump
17	Electric T-Stats (wall)	T6051A1016	Unit heaters
33	Temp/Humidity Sensors	TR23-H	33 Bard Units
33	Relays		De-Humification Control

**List of Covered Equipment (Ross & Sullivan School Automation):**

Quantity	Description	Model Number	Location
2	Plant Controller	CPO-PC-6A	1 – Sullivan, 1-Ross
67	Heat Pump Controllers (rooms)	CP-SPC	16- Sullivan Bards, 18-Sullivan Climate Master 18- Ross Bard, 15 Ross Climate Master Units
6	Heat Pump Controller-Corridors	CP-SPC	2 – Sullivan, Climate Master Units 4 – Ross, Climate Master Units
3	RTU HP Controllers	CP-SPC	Ross Gym, Sullivan Gym, Ross/Sullivan Kitchen
1	Geothermal Pump Controller	CP-SPC	Mech Room
5	Transformer	3 - PSH100AB10-5 2 - TR100VAC001	Schools
63	Temp/Humidity Sensors	TR23-H	16 Sullivan, 18 Ross
73	Duct Temp Sensors	C7041B2005	36 Sullivan, 37 Ross
34	Strap On Temp Senso (Hot Gas)	THTSPC000	16 Sullivan, 18 Ross
73	CO2 Sensors	C7232A1016	36 Sullivan, 37 Ross
70	Damper Actuators	17-MS8103A1030 9-MS7503A2030 3-MS7520A2007 41-Other	34-Sullivan, 36 Ross
73	Occupancy Sensors		36-Sullivan, 37 Ross
18	Current Sensors	VERIS – H608	Geothermal System Pump
34	Current Sensors	H300	2020 De-humification System
1	Flow Meter	Omicon-F1110	Geothermal System Pump
35	Relays	RIBU1C	Geothermal System Pump
63	Relays	RIBU1c	De-Humification Control
1	Outside Air Sensor	C7041F2006	
2	Temp Sensors – Immersion	C7041D2001	Geothermal System Pump
4	Temp Sensors – Strap On	C7041K2005	Geothermal System Pump
13	Electric T-Stats (wall)	T6051A1016	Ross & Sullivan
1	Pressure Differential Switch	PWT100	Geothermal System Pump

**List of Covered Equipment (Eisenhower School Automation):**

Quantity	Description	Model Number	Location
1	Plant Controller	CPO-PC-6A	Eisenhower
32	Heat Pump Controllers (rooms)	CP-SPC	16- Bards, 16 Climate Master
1	Input/Output Module	CPO-IO830A	Eisenhower
4	Transformers	2 - PSH100AB10 2 - TR100VAC001	Eisenhower
32	Temp/Humidity Sensors	TR23-H	16 Bards, 16 Climate Master

2	Strap On Temp Sensor (Hot Gas)	THTSPC000	Eisenhower
31	CO2 Sensors	C7232A1016	16 Bards, 15 Climate Master
32	Damper Actuators	16-MS7503A2030 16-Other	Eisenhower
9	Valves – Hot Water Coil	V5863A3028	8-1 <sup>ST</sup> Floor, 1-2 <sup>nd</sup> Floor
9	Valve Actuators- HW Coils	M6410A3017	8-1 <sup>ST</sup> Floor, 1-2 <sup>nd</sup> Floor
30	Occupancy Sensors		Eisenhower
1	Duct Static Sensor	P7640B1032	Geothermal System Pump
5	Current Sensors	VERIS – H608	Geothermal System Pump
9	Relays	RIBU1C	Geothermal System Pump
38	Relays	RIBU1C	De-Humification Control
1	Outside Air Sensor	C7041F2006	
2	Temp Sensors – Immersion	C7041D2001	Geothermal System Pump
9	Electric T-Stats (wall)	T6051A1016	Unit Heaters
32	Duct Temperature Sensors	C7041B2005 C7770A1006	32 – Eisenhower School

**1.2 Coverage** - Unless noted by exception, maintenance intervals and tasks will be determined by equipment, application, location and Honeywell’s database of maintenance experience, according to Honeywell’s judgment, in its sole discretion. Notwithstanding any other provision of the Agreement, Honeywell does not guarantee that any Services or other work, equipment or materials provided by it will produce any particular results, outcomes or system performance.

After each service call is completed, details from the service report of Honeywell relating to such service call will be made available to Customer.

**1.3 Hardware Support** - Honeywell will perform preventative maintenance services on the Covered Equipment pursuant to Section 1.2 above.

Honeywell will repair or replace serviceable components and parts found on the List of Covered Equipment, which have been found to be defective or have failed for reasons other than negligence by Customer or its representatives or agents or events, conditions or circumstances that constitute “force majeure” events under the Agreement. Replaced components will be new or reconditioned components of compatible design. In Honeywell’s sole discretion, marginal components may also be repaired or replaced. These replacements will be based upon commercial availability of parts and/or components. All exchanged parts shall become the property of Honeywell.

Notwithstanding the foregoing, at initial inspection or thereafter, if any individual component cannot, in the opinion of Honeywell in its sole discretion, be properly repaired or maintained due to obsolescence, lack of commercial availability, and/or excessive wear, tear or deterioration or other reason, Honeywell may remove said component from the List of Covered Equipment, upon thirty (30) days’ written notice. Such removed components will be eliminated from coverage under this Agreement, Honeywell shall have no further obligations relating to any such components, and Honeywell shall adjust the Price accordingly.

**1.4 Software Support** - Honeywell will use commercially reasonable efforts to maintain the present system within the functional limitations of presently installed hardware and/or software included in the List(s) of Covered Equipment and List of Covered Software. This may include providing software patches, revisions and/or bug fixes to standard Honeywell software that may be periodically created by Honeywell to maintain present system operations. Third-party applications and/or software, including, but not limited to, operating system(s), web browsers, local area network (LAN) and computerized maintenance management systems, and any labor, software and/or hardware required to maintain the present applications and/or implement functional enhancements, will in each case be Customer’s responsibility. For the avoidance of doubt, (i) software upgrades are not included in this Agreement and require payment of additional fees determined by Honeywell and (ii) this Work Scope Document does not grant to Customer any license or other right in or to any software

or other intellectual property of Honeywell, and any rights of Customer with respect thereto are limited to those expressly set forth in the separate Honeywell software license agreement executed by Customer.

Customer shall be responsible for, and agrees to purchase, any and all hardware, firmware, and/or software that may hereafter be required to improve performance of the software installed on Customer's system. Honeywell shall not be responsible to provide any upgrades or improvements, functional, operational or otherwise, to any software. For the avoidance of doubt, third party software is excluded under this Agreement and will be provided when and if available and at Customer's expense.

**1.5 Emergency Service** - Should an emergency with respect to the Covered Equipment or Covered Software arise as reported by Customer to applicable Honeywell personnel, Customer will notify Honeywell and Honeywell personnel will attempt to assess the situation either by phone or remote diagnostics, or both, and Honeywell and Customer will mutually determine the course of action in response to such emergency. If it is determined that a site visit is required, Honeywell personnel will arrive at Customer's site within eight (8) hours and attempt to address the emergency. To the extent the emergency service call requires Honeywell to provide services for equipment, software or any components thereof that are not Covered Equipment or Covered Software or such services otherwise constitute services not expressly required to be provided under this Work Scope Document, Customer will be liable for Honeywell's then-prevailing prices for such services on a time and material basis.

Emergency Service will be provided during the following periods as long as Customer is paying Honeywell for the Services contemplated by this Work Scope Document:

- Continuous Emergency Service:**  
24 hours per day, seven days per week, federal holidays included
- Extended Hours Emergency Service:**  
12 hours per day, five days per week, federal holidays excluded.  
Specified hours: 6:00 a.m. - 6:00 p.m., Monday through Friday.
- Regular Business Hours Emergency Service:**  
8.5 hours per day, five days per week, federal holidays excluded.  
Specified hours: 8:00 a.m. - 4:30 p.m., Monday through Friday.

**1.6 Performance Review** - A review of the Services provided within this Agreement will be performed by Honeywell on an annual basis at Customer's request. Honeywell and Customer will discuss work performed since the last review, answer questions pertaining to Service delivery, and identify potential opportunities to further improve performance of the Covered Equipment.

**1.7 Honeywell Service Portal** – Honeywell will provide Customer access to an Internet-based application that will allow the Customer to securely submit non-emergency service requests online; view status of all service calls, whether scheduled, open or closed; view appointments and task detail of work performed on contracted service calls; and view contract and equipment coverage details (12 month history and this includes only service performed per this Agreement). Functionality enhancements or deletions relating to such application are at the discretion of Honeywell.

**Comprehensive – Fire System Work Scope Document**

**1.1 Scope** - Honeywell will maintain the fire alarm system components and software listed below, to the extent expressly provided in this Comprehensive – Fire/Smoke Alarm Work Scope Document. As used herein, “Agreement” means the agreement between Honeywell and Customer of which this Work Scope Document is a part, as amended and together with all exhibits, schedules and attachments incorporated into such agreement.

**List of Covered Equipment (the “Covered Equipment”):**

<b>Quantity</b>	<b>Description</b>	<b>Model Number</b>	<b>Location</b>
4	XLS140 Fire Alarm Panels	XLS140	Eisenhower, Ross, Sullivan/Admin, MacArthur
4	Annunciator Panels		Eisenhower, Ross, Sullivan/Admin, MacArthur
287	Smoke Detectors	TC806	2-Admin Building 1 <sup>st</sup> floor 39-Eisenhower – Various 12-Eisenhower Room 208,112A, 117, 120, 207, 209, 210 42- Ross – Various 2-Ross room 100, outside room 202 6-Ross Gym 67-Sullivan/Admin 6-Sullivan Gym 87-MacArthur Various 17-MacArthur (4-Little Theater, 9-Gym, 1 Computer Room 110B, 2-storage room 132) 7-Variou Schools
7	Duct Smoke Detectors		1-Admin, 4-Eisenhower, 2-Ross
30	Heat Detectors		1-Eisenhower, 5-Ross, 5 Sullivan/Admin, 19-MacArthur
1	Explosion Proof Heat Detector		Ross
9	Water Flow		6-Eisenhower, 3 Sullivan/Admin
117	Pull Stations		2-Admin Building 1 <sup>st</sup> floor 21 – Various Schools 15-Eisenhower – Various 15- Ross – Various 15-Sullivan School Room 119,121 39-MacArthur Various 10-MacArthur (1-Front Entry, 2-Cafeteria, 1-Cafeteria Hall, 1-Stage 135, 1 Band Room 305, 1 Orchestra Room 307, 1 Art Room 309, 1-Hall Exit Door near Room 311, 1-Home Ec. Lab 315.)

13	Relay/Signal Module	TC810	7-Eisenhower, 1-Ross, 4-Sullivan, 1 MacArthur
9	Control Modules	TC810N1013	3-Admin, 2-Ross, 2-Eisenhower, 2 MacArthur
4	Control Modules	TC810N1013	4-Eisenhower Duct Smokes
20	Fire Door Holders		2-Ross, 2 Sullivan, 6-MacArthur, 10-Variou
4	Sync Modules	MDL	1-Admin, 1-Ross, 1 Eisenhower, 1 MacArthur
12	Power Supply & Batteries	HPF24S8	3-Admin, 2 Ross, 2-Eisenhower, 5-MacArthur
1	Door Holder Power Supply	HP400ULX	MacArthur
103	Horn Strobes		17-Eisenhower, 16-Ross, 17-Sullivan/Admin, 41-MacArthur, 12-Variou
133	Strobes		31-Eisenhower, 38-Ross, 20-Sullivan/Admin, 34-MacArthur, 10-Variou
20	Horn/Strobes (see below for locations)	P2R	1-Admin, 5-Sullivan, 14-MacArthur
75	Strobes (see below for locations)	SR	1-Admin, 22-Sullivan, 2-Ross, 12-Eisenhower, 38-MacArthur

**HORN/STROBE and STROBE LOCATIONS:**

20- Horn/Strobes

- 1 - Sullivan School Entry Area
- 5 – Administration Building
  - 1-Board Room 3-1<sup>st</sup> Floor Offices 1- Lower Level Sink Area
- 14-MacArthur School
  - 3-Courtyard 2-Cafeteria 1-Girls Locker Room 141
  - 1-Boy’s Locker Room 157 1-Band Room 305 1-Art Room 309
  - 1-Home Ec. Lab 315 1-Room 512 1-Hall outside cafeteria
  - 1-Room 601 1-Room 606

75-Strobes

- 1-Administration Building – Lower Level Office
- 22-Sullivan School
  - Room 110 Room 102 Room 102 Room 104 Room 119 Room 121
  - Room 130 Room 132 Room 134 Room 136 Rest Room 137
  - Room 138 Room 145 Room 147 Room 148 Room 149 Room 150
  - Room 151 Room 152 Room 153 Room 154 Room 146
- 2-Ross School
  - Room 201 Room 203
- 12-Eisenhower School
  - Room 101 Room 102 Room 110 Room 301 Room 302 Room 303
  - Room 304 Room 305 Room 307 Room 308 Room 309 Room 310
- 38-MacArthur School
  - Room 103 Room 104 Rest Room 105 Computer Lab Room 110 Storage Area
  - PE Office Room 140 PE Office Rest Room 140 Girls Locker Room 141
  - Boy’s Locker Room 157 Room 200 Room 201 Room 202 Room 204
  - Room 206 PE Office Rest Room 301 PE Office Room 301 2-Band Practice Room 305
  - 2-Orchestra Practice Rooms 307 Room 310 Room 311 Room 402 Room 404
  - Room 406 Room 408 Room 409 Room 413 Science Lab 503
  - Room 506 Room 507 Room 508 Room 509 Room 510 Room 511
  - 2-Small Restroom near room 512 Room 602 Room 605

**1.2 Preventative Maintenance** - Each preventative call will be scheduled by Honeywell and cover the tasks to be performed, the skill levels required, and any special tools or instrumentation required for the tasks, in each case as determined by Honeywell in its sole discretion. Upon completion of each service call, a summary of the tasks completed will be provided to Customer. Notwithstanding any other provision of the Agreement, Honeywell does not guarantee that any Services or other work, equipment or materials provided by it will produce any particular results, outcomes or system performance.

**1.3 Testing** - Honeywell will perform two (2) test(s) per year per initiating device and, at Customer’s request, furnish a written report certifying that such tests have been completed. Honeywell will test the Covered Equipment in accordance with the schedule and tasks outlined in NFPA 72 (1999), Chapter 7 (National Fire Alarm Code) in the United States, using the date of the Agreement’s full execution or renewal (as applicable) as the starting date for determining when each test must be conducted except as described below:

- Customer will perform required testing of water flow devices, fire pump monitoring and valve tamper/supervisory devices;
- Customer will perform required visual inspections of smoke detectors; Honeywell will conduct only required functionality and sensitivity testing of smoke detectors;
- Customer will perform required testing of visual and audible notification appliances.

**1.4 Hardware Support** - Honeywell will perform scheduled maintenance services on the equipment covered under this Agreement as detailed on the List of Covered Equipment, as determined by Honeywell in its sole discretion.

Honeywell will repair or replace serviceable components and parts found on the List of Covered Equipment that have been found to be defective or have failed for reasons other than negligence by Customer or its representatives or agents or events, conditions or circumstances that constitute “force majeure” events under the Agreement. Replaced components will be new or reconditioned components of compatible design. In Honeywell’s sole discretion, marginal components may also be repaired or replaced. These replacements will be based upon commercial availability of parts and/or components. All exchanged parts shall become the property of Honeywell.

Notwithstanding the foregoing, at initial inspection or thereafter, if any individual component cannot, in the opinion of Honeywell in its sole discretion, be properly repaired, due to obsolescence, lack of commercial availability of standard parts, and/or excessive wear, tear or deterioration or other reason, Honeywell may remove said component from the List of Covered Equipment, with thirty (30) days written notice. Such removed components will be eliminated from coverage under this Agreement, Honeywell shall have no further obligations relating to any such components, and Honeywell shall adjust the Price accordingly. On systems that require compliance with Underwriter Laboratory (UL) standards, only Underwriters Laboratory-approved products will be used for component replacement.

**1.5 Software Support** – Honeywell will use commercially reasonable efforts to maintain the present system within the functional limitations of presently installed hardware and/or software included in the List(s) of Covered Equipment and List of Covered Software. This may include providing software patches, revisions and/or bug fixes to standard Honeywell software that may be periodically created by Honeywell to maintain present system operations. Third-party applications and/or software including, but not limited to, operating system(s), web browsers, local area network (LAN) and computerized maintenance management systems and any labor, software and/or hardware required to maintain the present applications and/or implement functional enhancements, will in each case be Customer’s responsibility. For the avoidance of doubt, (i) software upgrades are not included in this Agreement and require payment of additional fees determined by Honeywell and (ii) this Work Scope Document does not grant to Customer any license or other right in or to any software or other intellectual property of Honeywell, and any rights of Customer with respect thereto are limited to those expressly set forth in the separate Honeywell software license agreement executed by Customer.

Customer shall be responsible for and agrees to purchase any and all hardware, firmware, and/or software that may hereafter be required to improve performance of the software installed on Customer’s system. Honeywell shall not be responsible to provide any improvements, functional, operational or otherwise. Third party software is excluded under this Agreement and will be provided when and if available and at Customer’s expense.

**1.6 Emergency Service** – Should an emergency with respect to Covered Equipment or Covered Software arise as reported by Customer to applicable Honeywell personnel, Honeywell personnel will assess the situation either by phone or remote diagnostics, or both, and will attempt to determine the required course of action with Customer. If it is determined that a site visit is required, Honeywell personnel will arrive at Customer site within eight (8) hours and attempt to address the emergency. To the extent the emergency service call requires Honeywell to provide services for equipment, software or any components thereof that are not Covered Equipment or Covered Software or such services otherwise constitute services not expressly required to be provided under this Work Scope Document, Customer will be liable for Honeywell’s then-prevailing prices for such services on a time and material basis.

Emergency Service will be provided during the following periods as long as Customer is paying Honeywell for the Services contemplated by this Work Scope Document:

- Continuous Emergency Service:**  
24 hours per day, seven days per week, federal holidays included
- Extended Hours Emergency Service:**  
12 hours per day, five days per week, federal holidays excluded.  
Specified hours: 6:00 a.m. - 6:00 p.m., Monday through Friday.
- Regular Business Hours Emergency Service:**  
8.5 hours per day, five days per week, federal holidays excluded.  
Specified hours: 8:00 a.m. - 4:30 p.m., Monday through Friday.

- 1.7 Performance Review** - A review of the Services provided under this Agreement will be performed by Honeywell on an annual basis at Customer's request. Honeywell and Customer will discuss work performed since the last review, answer questions pertaining to Service delivery, and identify potential opportunities to further improve performance of the applicable equipment.
- 1.8 Honeywell Service Portal** – Honeywell will provide Customer access to an Internet-based application that will allow the Customer to securely submit non-emergency service requests online; view status of all service calls, whether scheduled, open or closed; view appointments and task detail of work performed on contracted service calls; and view contract and equipment coverage details (12 month history and this includes only service performed per this Agreement). Functionality enhancements or deletions with respect to such application are at the discretion of Honeywell.

**Comprehensive – Security Work Scope Document**

**1.1 Scope** - Honeywell will maintain the security system hardware and software found in the List of Covered Equipment and List of Covered Software below, to the extent expressly provided in this Work Scope Document. As used herein, “Agreement” means the agreement between Honeywell and Customer of which this Work Scope Document is a part, as amended and together with all exhibits, schedules and attachments incorporated into such agreement.

**List of Covered Equipment – Eisenhower School**

Quantity	Description	Model Number	Location
1	Control Panel (w/ batteries)	ADEMCO Vista 128	Boiler Room
1	Keypads	ADEMCO 6160	Gym Storeroom
1	Inside Sirens		Lower Level Hall
7	Motion Detectors		Hall Room 104, Hall Room 106, West Front, East Front, Ease Stairway, Gym, West Stairway
2	Door Contracts		West Gym Door, West Gym Door
1	HVAC Input Module		
1	Wireless Receiver		
2	Wireless Release Buttons		Administration Area
2	Hardware Panic Buttons		Administration Area

**List of Covered Equipment – Administration, Sullivan and Ross Schools**

Quantity	Description	Model Number	Location
1	Control Panel (w/ batteries)	ADEMCO Vista 128	Admin Building & Grounds Office
4	Keypads	ADEMCO 6160	Admin Entry, Sullivan N. Entry, 2-Ross Entry
4	Expander Modules	ADEMCO 4208U	2-Ross, 2-Sullivan
3	Inside Sirens		1-Ross, 2-Sullivan
18	Motion Detectors		Admin-Business Managers Office, Admin-OFC, Northeast Hall, Outside IMC, NE Hall, North Office Hall, South Office Hall, East/West Hall, 3 <sup>rd</sup> Grade South, 3 <sup>rd</sup> Grand North, Sullivan near classroom 144, Sullivan & Ross Link, Gym North Hall, Gym West Hall, Art Room, Ross near classroom 114, Ross Center Hall, Ross LRC, Ross South Hall, Ross West Hall.
10	Door Contracts		Admin-Business Managers Office, Maintenance Trap Door, South Basement, 2-East/West Basement, North School, IMC, Ross boiler room , Ross LRC SW Door, Ross West Exterior, 2- Ross Gym Storage Doors Rooms 002 & 003.
4	Window Contacts		2-Administration Building, 2—Ross LRC SW
1	HVAC Input Module		
3	Wireless RCVR(door release)		Administration Building, Ross, Sullivan

6	Wireless Release Buttons		2-Admin Building, 2-Ross, 2-Sullivan
6	Hardware Panic Buttons		2-Admin Building, 2-Ross, 2-Sullivan

**List of Covered Equipment – MacArthur School**

Quantity	Description	Model Number	Location
1	Control Panel (w/ batteries)	ADEMCO Vista 128	Boiler Room
2	Keypads	ADEMCO 6160	Boiler Room, Entry
1	Inside Sirens		Outside Little Theater
20	Motion Detectors		Hall Cafeteria, Interior, Hall near Room 413, Hall near Room 500, Hall at Room 409, Hall at Room 310, West LT Lobby, Hall at Staff Room, Marquette Road, Main Entrance, Hall Near Gym & Library, Main Office, Asst. Principle Office, Principle Office, NW Hall, Home Economics SE, Home Economics SW, Tech Lab East, Tech Lab West, Hall Near Room 409
11	Door Contracts		North Gym, South Gym, Boys Locker Room, Band Room, Girls Locker Room, Overhead, Valve Room, Home Economic Room, Tech Lab, Art Room, Orchestra
4	Door Contacts (double)		North East Side, South Side, NW Side, SW Side
1	HVAC Input Module		
1	Wireless Receiver		
2	Wireless Release Buttons		Administration Area
2	Hardware Panic Buttons		Administration Area

**List of Covered Equipment – DVM (Digital Video Management System)**

Quantity	Description	Model Number	Location
1	Database Server	Dell	Sullivan IT Closet
4	Camera Servers	Dell	Sullivan IT Closet (serves all four buildings)
22	Interior Fixed IP Cameras	Axis P3354	5-MacArthur, 2-Sullivan, 1-Admin, 9-Ross, 4-Eisenhower
3	Exterior Fixed IP Cameras	1-Axis Q1755 2-Axix P3364	1 Sullivan (Q1755), 1-Admin, 1-Ross

**List of Covered Software (the “Covered Software”):**

Quantity	Software Product Number	Version	Product Description	Location
1	DVM	R600	License #87850	Sullivan School IT Closet

**1.2 Preventative Maintenance** - Unless noted by exception, maintenance intervals will be determined by equipment, application, location and Honeywell's computer database of maintenance experience, as determined by Honeywell in its sole discretion. Notwithstanding any other provision of the Agreement, Honeywell does not guarantee that any Services or other work, equipment or materials provided by it will produce any particular results, outcomes or system performance.

After each service call is completed, details from the service report will be provided to Customer.

**1.3 Testing** – Honeywell will perform one (1) test per year per initiating device], with the scope thereof determined by Honeywell in its sole discretion, and, at Customer's request, furnish a written report certifying that such tests have been completed.

**1.4 Hardware Support** - Honeywell will perform scheduled maintenance services on the Covered Equipment, as determined by Honeywell in its sole discretion.

Honeywell will repair or replace serviceable components and parts found on the List of Covered Equipment which have been found to be defective or have failed for reasons other than negligence by Customer or its representatives or agents or events, conditions or circumstances that constitute "force majeure" events under the Agreement. Replaced components will be new or reconditioned components of compatible design. In Honeywell's sole discretion, marginal components may also be repaired or replaced. These replacements will be based upon commercial availability of parts and/or components. All exchanged parts shall become the property of Honeywell.

Notwithstanding the foregoing, at initial inspection or thereafter, if any individual component cannot, in the opinion of Honeywell in its sole discretion, be properly repaired, due to obsolescence, lack of commercial availability of standard parts, and/or excessive wear, tear or deterioration or other reason, Honeywell may remove said component from the List of Covered Equipment, with thirty (30) days written notice. Such removed components will be eliminated from coverage under this Agreement. Honeywell shall have no further obligations relating to any such components and Honeywell shall adjust the Price accordingly.

**1.5 Software Support** - Honeywell will use commercially reasonable efforts to maintain the present system within the functional limitations of presently installed hardware and/or software included in the List of Covered Equipment and List of Covered Software. This may include providing software patches, revisions and/or bug fixes to standard Honeywell software that may be periodically created by Honeywell to maintain present system operations. Third-party applications and/or software including, but not limited to, operating system(s), web browsers, local area network (LAN) and computerized maintenance management systems and any labor, software and/or hardware required to maintain the present applications and/or implement functional enhancements, will in each case be Customer's responsibility. For the avoidance of doubt, (i) software upgrades are not included in this Agreement and require payment of additional fees determined by Honeywell and (ii) this Work Scope Document does not grant to Customer any license or other right in or to any software or other intellectual property of Honeywell, and any rights of Customer with respect thereto are limited to those expressly set forth in the separate Honeywell software license agreement executed by Customer.

Customer shall be solely responsible for and agrees to purchase any and all hardware, firmware, and/or software that may hereafter be required to improve performance of the software installed on Customer's system. Honeywell shall not be

responsible to provide any improvements, functional, operational or otherwise. Third party software that adds, enhances or improves functional performance of Customer's system are excluded under this Agreement and will be provided when and if available and at Customer's expense.

**1.6 Emergency Service** - Should an emergency with respect to Covered Equipment or Covered Software arise as reported by Customer to applicable Honeywell personnel, Honeywell personnel will assess the situation either by phone or remote diagnostics, or both, and will attempt to determine the required course of action with Customer. If it is determined that a site visit is required, Honeywell personnel will arrive at Customer's site within eight hours and attempt to address the emergency. To the extent the emergency service call requires Honeywell to provide services for equipment, software or any components thereof that are not Covered Equipment or Covered Software or such services otherwise constitute services not expressly required to be provided under this Work Scope Document, Customer will be liable for Honeywell's then-prevailing standard prices for such services on a time and material basis.

Emergency Service will be provided during the following periods as long as Customer is paying Honeywell for the Services contemplated by this Work Scope Document:

- Continuous Emergency Service:**  
24 hours per day, seven days per week, federal holidays included
- Extended Hours Emergency Service:**  
12 hours per day, five days per week, federal holidays excluded.  
Specified hours: 6:00 a.m. - 6:00 p.m., Monday through Friday.
- Regular Business Hours Emergency Service:**  
8.5 hours per day, five days per week, federal holidays excluded.  
Specified hours: 8:00 a.m. - 4:30 p.m., Monday through Friday.

**1.7 Performance Review** - A review of the Services provided within this Agreement will be performed by Honeywell on an annual basis at Customer's request. Honeywell and Customer will discuss work performed since the last review, answer questions pertaining to Service delivery, and identify potential opportunities to further improve performance of the Covered Equipment.

**1.8 Honeywell Service Portal** – Honeywell will provide Customer access to an Internet-based application that will allow the Customer to securely submit non-emergency service requests online; view status of all service calls, whether scheduled, open or closed; view appointments and task detail of work performed on contracted service calls; and view contract and equipment coverage details (12 month history and this includes only service performed per this Agreement). Functionality enhancements or deletions are at the discretion of Honeywell.

**Forge Digitized Maintenance – Work Scope Document**

**Scope** - Honeywell will provide the following services enabled by Honeywell Forge Digitized Maintenance to Customer with respect to the building automation system hardware and software set forth in the List of Digitized Maintenance Covered Equipment below, to the extent expressly described in this Work Scope Document. As used herein, “Agreement” means the agreement between Honeywell and Customer of which this Work Scope Document is a part, as amended and together with all exhibits, schedules and attachments incorporated into such agreement.

**List of Building Locations (the “Buildings”)**

Administration Building
Eisenhower School
MacArthur School
Sullivan School
Ross School

**List of Digitized Maintenance Covered Equipment (the “DM Covered Equipment”):**

<b>Quantity</b>	<b>Description</b>	<b>Location</b>
14	Hot Water Systems	3- Eisenhower School 3- MacArthur School 5- Sullivan School 3- Ross School
179	Heat Pumps	35- Eisenhower School 71- MacArthur School 36- Sullivan School 37- Ross School
12	Roof Top Units (RTU)	2- Eisenhower School 6- MacArthur School 3- Sullivan School 1- Administration Building
18	Exhaust Fans	1- Eisenhower School 11- MacArthur School 3- Sullivan School 3- Ross School

**General**

To support monitoring and diagnostics, Honeywell may install additional software on Customer's applicable building automation system(s) (the “BMS System”). Such software will remain the property of Honeywell or its nominated software licensor and shall be removed from the BMS System and returned to Honeywell at Honeywell's request.

Honeywell Forge Digitized Maintenance is designed to identify certain faults or anomalies in the DM Covered Equipment and certain other equipment. Once such faults or anomalies are identified, these are converted to service work orders and are

dispatched to service technicians for further investigation of the root causes of the identified fault or anomaly. Such service work orders represent “Service Cases”. Customer and Honeywell will agree upon Honeywell’s performance of such work and Customer will pay Honeywell an extra fee at Honeywell’s hourly rates set forth herein for such work plus the cost of any materials, subject to Honeywell’s then-prevailing markup. Honeywell shall have no obligation to address or respond to emergencies except to the extent expressly provided in the Agreement.

### **Analytics**

Honeywell will establish a connection from the BMS System to Honeywell’s cloud and its related HVAC and energy analytics tools. These tools are intended to identify certain faults or anomalies in the operation of Customer’s applicable DM Covered Equipment and certain other equipment. Faults or anomalies may be raised as Service Cases as provided above in the section entitled “General”.

### **Summary KPI Dashboards**

Honeywell will make available on the Honeywell Forge Portal summary key performance indicators (“KPI”) for the Buildings referred to in the List of Buildings, as such KPIs are developed by Honeywell in its sole discretion. The KPIs are available in the following key categories:

- comfort performance
- energy performance (if and to the extent there are electricity meters connected)
- maintenance performance

### **Service Reports**

Honeywell will periodically provide a service report that describes the status of works done and Service Cases initiated or received by Honeywell that are new, active or closed in that particular period. The reporting frequency may be monthly or such other periodic basis as determined by Honeywell, in its sole discretion.

### **Remote Support**

Service Cases, whether raised as a result of analytics, scheduled maintenance activities or otherwise, may be addressed by Honeywell through the use of remote access software. This software is supplied by Honeywell and remains Honeywell’s property. Upon Honeywell’s request, Customer will enable such remote access for Honeywell through a secure Internet connection maintained by Customer and configured as requested by Honeywell.

### **Certain Additional Terms**

Included in all invoices will be surcharges covering travel expenses, environmental and waste charges.

#### **Scope Changes:**

- Maintenance scope changes may occur due to additions to the systems.
- The equipment covered by this Work Scope Document may be reviewed at each annual contract anniversary and at any point changes have occurred and a variation to the Agreement will be made by mutual agreement only.

### **Exclusions**

Notwithstanding any other provision of the Agreement, Honeywell does not guarantee that any Services or other work, equipment or materials provided by it will produce any particular results, outcomes or system performance. Further, without limiting other exclusions, for the avoidance of doubt Honeywell’s obligations DO NOT INCLUDE:

- Maintenance of transmission wiring between central and remote equipment and the main electrical supply wiring to the equipment, drains, hand valves (gate/globe), air balancing and the repair or replacement of non-moving parts
- Repair of damage caused by erosion or corrosion due to environmental conditions. If this is requested, it shall be carried out and paid by Customer at Honeywell’s applicable standard hourly rates in effect at such time plus other costs incurred
- Tenancy variation requiring a change to the design configuration or air balance of the BMS System, including the relocation or modernization of sensors
- Repairs to electric wiring
- Repairs to valves (except to the extent expressly provided in the Agreement)
- Repairs to cabinet casings

- Repairs to lighting within units
- Malicious damage
- Moving of sensors or field devices
- Tenancy alterations of any type
- Foundations or structural supports
- Building works including painting, patching and making good
- Modernizations
- Repairs to BMS systems or equipment that can no longer reasonably be maintained, as determined by Honeywell in its sole discretion, including, without limitation, when complete replacement thereof is advisable

## Honeywell Software Assurance (HSA+) – Work Scope Document

### Scope

Honeywell will provide the following software-related services with respect to the Covered Software on Covered HSA Equipment (each as defined below) as part of the Honeywell Software Assurance program during the applicable term of the Agreement (as defined below) for which Customer (sometimes referred to as “you” herein) pays for Honeywell Software Assurance, to the extent expressly provided in this Work Scope Document:

- Software upgrades
- Preferred pricing on expansion orders
- EBI, DVM service packs, feature packs, software updates, and bug fixes
- Windows update qualification

As used herein, “Agreement” means the agreement between Honeywell and Customer of which this Work Scope Document is a part, as amended and together with all exhibits, schedules and attachments incorporated into such agreement.

### List of Covered HSA Equipment (the “Covered HSA Equipment”):

Quantity	Description	Model Number	Location
1	Dell Server for EBI		Building & Grounds Office

### List of Covered Software (the “Covered Software”):

Quantity	License Number	Version	Product Description	Location
1	422771	EBI R600	Building Manager, Life Safety Manager, Security Manager, Vista Intrusion, 6500 points.	Building & Grounds Office
1	87850	DVM R600	25 Camera Licenses, Axis 264	Sullivan School IT Closet

### Terms

- For software included in the List of Covered Software and originally installed by Honeywell on the Covered HSA Equipment, Honeywell will, on a scheduled basis determined by Honeywell in its sole discretion, (a) evaluate the condition of the software, (b) apply any available updates and upgrades that are applicable to the software (provided, that with respect to third-party software, only after it has been qualified by Honeywell and subject to Customer’s payment of all required fees to such third parties except to the extent otherwise expressly provided herein) and that have not been previously applied, (c) perform a system back-up, and (d) save the back-up files.
- For the same software, Honeywell will apply critical software updates as they become available (provided, that with respect to third-party software only after it has been qualified by Honeywell and subject to Customer’s payment of all required fees to such third parties except to the extent otherwise expressly provided herein). Critical software updates are updates that correct a problem that substantially compromises the overall system operation or security, as determined by Honeywell in its sole discretion.
- Customer shall not install any software on Covered HSA Equipment without Honeywell’s written approval. This Agreement does not include any services on software installed by others, and Honeywell will have no obligations or liabilities whatsoever with respect to any such software.

- The fee set forth in the Agreement for the Honeywell Software Assurance program provided in this Work Scope Document is based upon the existing system's licensed software features at the time this Work Scope Document becomes effective. This amount remains subject to escalation for, among other reasons, any and all system expansions that occur during the Agreement term, e.g., by adding readers or interfaces or other software components.
- The first payment on Customer's Honeywell Software Assurance is due at the commencement date of the Agreement; provided, that for new licenses of Honeywell EBI or DVM software, the annual payment begins at the start of year two, after the one-year warranty on the newly-installed software expires.
- All of Honeywell's obligations in this Work Scope Document are expressly conditioned on Customer's execution of Honeywell's then-current standard Software License Agreement for the applicable software (to the extent not already executed by Customer with respect to the item in question) and any third party software license agreement that may apply, the terms of each of which software license agreement shall govern and control in the event of a conflict or inconsistency with the terms of the Agreement.
- Except to the extent otherwise expressly provided in pricing schedule to the Agreement, the fees payable by Customer for Honeywell Software Assurance exclude labor and related expenses (e.g., travel, lodging, etc.) and materials, and Customer will pay Honeywell for such labor, expenses and materials relating to this Work Scope Document at Honeywell's then-current prevailing rates on a time and material basis, provided, that labor shall be charged at the specific hourly rate(s) set forth in the pricing schedule to the Agreement (if any), subject to escalation in accordance with the Agreement.
- Notwithstanding any other provision of the Agreement, Honeywell does not guarantee that any Services or other work, equipment or materials provided by it will produce any particular results, outcomes or system performance.

### **Honeywell User Group (HUG) / Training Service Contract**

The Honeywell User Group (HUG) / Training Service Contract provided for one seat (attendee) at the Honeywell User Group event (includes registration fee, training materials, etc.) and Hotel (with tax) for up to 5 nights at the designed conference hotel (or alternate if less expensive). Hotel incidentals, additional meals, companion events, etc. are the customer's responsibility. This event is typically held in Phoenix, Arizona in June. Airfare and/or other transportation to and from event are not included.



## **Honeywell Building Operations Centre (HBOC) Emergency Service**

### **Proposal**

#### **Customer Needs**

When something goes wrong, it's good to have someone to call that can help you out of a bad situation. Honeywell's Emergency Service is that 24/7 support that can be called on when you need an expert's help. Our Technical teams are available 24 hours a day, 365 days a year and are just a phone call away.

Whether it's too hot or too cold in a certain area of your building or an issue with an Air Handling Unit or Chiller, this service will help your site get back up and running as soon as possible. If our Honeywell Building Operation Center cannot resolve the issue, a Field Service Professional will be dispatched to investigate the issue and try to resolve it. If further labor or parts are needed to address the issue, a quote will be provided unless you have the applicable comprehensive contract.

Emergency Service can save the amount of downtime after a fault occurs and if the issue can be resolved by our Honeywell Building Operation Center, then it can also save the time it takes to respond.

#### **Scope Overview**

Subject to the terms of our contract, Honeywell will provide 24/7, 365 days a year emergency services for Prospect Heights SD 23 which will allow you to call or email to report an emergency.

- Where available, Honeywell will investigate using the Honeywell Building Operation Center within 30 minutes of the call being logged by Honeywell.
- If a Field Service Professional is required to be dispatched, they will attend site within 4 hours of the logging of the call.
- The Field Service Professional will spend a maximum of 2 hours attempting to fix the issue; if further time is required, this will be charged at the contracted rate.
- If any parts are required to fix the issue, these will be an additional charge at list price, unless the contract specifies the applicable comprehensive coverage.
- If more time is required to resolve the issue than the allocated 2 hours, a quote will be provided for the additional time unless the contract has the applicable comprehensive coverage.
- Assets covered by the Emergency Service are the same assets as the covered equipment listed within the contract.

- For assets not covered by the contract, Honeywell can respond but this will be subject to additional charges at contracted rates.
- Emergency Service does not cover:
  - Non-emergency related calls or changes to the control system
  - Scheduled maintenance
- Honeywell will provide a standard report following emergency work to provide details of the issue found and the steps taken to resolve it and any further recommendations to the customer.

Please refer to the separate form of Service Agreement for a more detailed description of the scope of service solutions proposed to be provided by Honeywell and the associated terms and conditions.

# General Terms and Conditions

## 1. RELATIONSHIP OF THE PARTIES

**1.1 Honeywell shall perform and execute the provisions of this Agreement at all times as an independent contractor, and none of Honeywell, any subcontractor, nor any of their respective employees, agents, or representatives shall be, represent, act or purport to be deemed for any purpose to be an agent, servant, representative, or employee of Customer, nor shall Honeywell, any subcontractor, nor any of their respective employees, agents, or representatives be treated as an employee of Customer for any purpose, including tax and social security coverage and withholding, or any Customer provided employee benefits. Nothing herein shall create a relationship of joint venture or partnership between Customer and Honeywell, and neither Party shall have the authority to bind or obligate the other in any manner as a result of the relationship created hereby.**

**1.2 Customer acknowledges and agrees that Honeywell may elect to have portions of the Work accomplished through subcontractors but shall remain fully responsible for such subcontractor's performance and compliance with this Agreement. Any subcontractors performing Services shall have any licenses or other accreditations required by Applicable Law and shall either be covered by Honeywell's insurance or maintain their own insurance coverage at least equal to the insurance coverage required of Honeywell under Section 5. Honeywell shall be solely responsible for paying subcontractors and for managing and coordinating their work. No contractual relationship shall exist between Customer and any subcontractor with respect to the Work to be performed pursuant to this Agreement, and no subcontractor is intended to be or shall be deemed a third-party beneficiary of this Agreement.**

## 2. WORKING HOURS

Unless otherwise stated, all labor and services under this Agreement will be performed during typical working hours of 8:00 a.m. - 4:30 p.m. local time Monday through Friday (or applicable typical working hours for the region in which the work is being performed), excluding federal holidays (in regions where applicable) ("Normal Working Hours"). If for any reason Customer requests Honeywell to furnish any labor or services outside of Normal Working Hours, any overtime or additional expenses, such as repairs or material costs not included in this Agreement, will be billed to and paid by Customer.

## 3. TAXES

**3.1 Customer understands that Honeywell's pricing excludes all taxes (including but not limited to, sales, use, excise, value-added, and other similar taxes), tariffs and duties (including amounts**

imposed upon any products or goods made available under this Agreement or bill of material relating thereto under any law, rule or regulation (collectively "Taxes"). Customer will pay all Taxes resulting from this Agreement or Honeywell's performance under this Agreement, whether imposed, levied, collected, withheld, or assessed now or later. If Honeywell is required to impose, levy, collect, withhold or assess any Taxes on any transaction under this Agreement, then in addition to the Price, Honeywell will invoice Customer for such Taxes unless at the time of execution of this Agreement, Customer furnishes Honeywell with an exemption certificate or other documentation sufficient to verify exemption from the Taxes to the satisfaction of Honeywell. In no event will Honeywell be liable for Taxes paid or payable by Customer. This clause will survive expiration or any termination of this Agreement.

**3.2 Tax-Related Cooperation.** Customer agrees to execute any documents and to provide additional reasonable cooperation to Honeywell related to Honeywell tax filings under Internal Revenue Code Section 179D. Honeywell will be designated the sole Section 179D beneficiary.

#### **4. PROPRIETARY INFORMATION**

**4.1 Authorized Use.** Customer will:

- (a) use the Confidential Information only for the performance of the Agreement ("Purpose");
- (b) disclose Confidential Information only to its employees and any subcontractors or third parties ("sub-processors") required to have Confidential Information for the Purpose and who are legally bound in writing to Customer to protect the Confidential Information in accordance with terms and conditions no less stringent than those imposed under this Agreement;
- (c) protect Confidential Information using the same degree of care, but no less than reasonable care, as Customer uses to protect its own confidential information of a like nature;
- (d) reproduce the restrictive legends of the original on copies it makes; and
- (e) disclose Confidential Information to a third party only if authorized in writing and under conditions required by Honeywell.

Customer is responsible to Honeywell for any violation of the confidentiality obligations by its employees or an authorized third party. Within thirty (30) days of Honeywell's written request, Customer will return or destroy all Honeywell Confidential Information, including all copies thereof, and will certify to such return or destruction in writing to Honeywell. Unless otherwise specified, Customer's obligations with respect to the Confidential Information will continue for five (5) years after the date of receipt.

**4.2 Limitations.** Confidential Information will not include any information that:

- (a) was in Customer's possession and not subject to an obligation of confidentiality before receipt from Honeywell;
- (b) is or becomes legally available in the public domain through no fault of Customer;
- (c) was rightfully received by Customer from a third party who had no obligation of confidentiality, either directly or indirectly, to Honeywell; or
- (d) was independently developed by Customer without use of or reference to Honeywell's Confidential Information. If Customer is required to disclose Confidential Information by applicable law, statute, regulation, or court order, Customer will:
  - a. give Honeywell prompt written notice of the request and a reasonable opportunity to object to the disclosure and seek a protective order or appropriate remedy; and

b. disclose Confidential Information only to the extent required.

**4.3 Breach of Obligation.** Customer agrees that a breach of the confidentiality obligations under this Section will cause irreparable damage for which money damages will not be fully adequate, and Honeywell would be entitled to seek injunctive relief, in addition to any other legal remedies.

**4.4 Standard of Care.** Customer agrees to comply with all applicable law or regulation relating to its use of Personal Data, which shall include, without limitation, requirements that the Customer:

- (a) take appropriate technical and organizational security measures or such measures required by Honeywell to protect Personal Data;
- (b) indemnify Honeywell against all losses, costs, expenses, damages, liabilities, demands, claims, actions, or proceedings which Honeywell may suffer incur arising out of any Security Breach or other breach of this Section concerning Confidential Information (including by any employee or sub-processor); and
- (c) promptly notify Honeywell about any Security Breach, any request for disclosure of Personal Data by a law enforcement agency (unless otherwise prohibited) or any requests received by individuals to whom Personal Data relates, without responding to such request unless otherwise authorized by Honeywell.

## 5. INSURANCE OBLIGATIONS

Honeywell shall, at its own expense, carry and maintain in force at all times from the effective date of the Agreement through final completion of the work the following insurance. It is agreed, however, that Honeywell has the right to insure or self-insure any of the insurance coverages listed below:

- (a) Commercial General Liability Insurance to include contractual liability, products/completed operations liability with a combined single limit of USD \$5,000,000 per occurrence. Such policy will be written on an occurrence form basis;
- (b) If automobiles are used in the execution of the Agreement, Automobile Liability Insurance with a minimum combined single limit of USD \$5,000,000 per occurrence. Coverage will include all owned, leased, non-owned and hired vehicles.
- (c) Where applicable, "All Risk" Property Insurance, including Builder's Risk insurance, for physical damage to property which is assumed in the Agreement.
- (d) Workers' Compensation Insurance Coverage A - Statutory limits and Coverage B - Employer's Liability Insurance with limits of USD \$1,000,000 for bodily injury each accident or disease.

Customer shall, at its own expense, carry and maintain in force at all times during the duration of this Agreement its own commercial general liability and property insurance in an amount customary for the size of Customer's business and properties.

All insurance required in this Section 5 will be written by companies with a rating of no less than "A-, XII" by A.M. Best or equivalent rating agency. Either party will endeavor to provide a thirty (30) day notice of cancellation or non-renewal to the other party. In the event that a self-insured program is implemented, Honeywell will provide proof of financial responsibility.

Honeywell will not issue coverage on a per project basis.

## **6. HAZARDOUS SUBSTANCES, MOLD AND UNSAFE WORKING CONDITIONS**

**6.1** Customer has not observed or received notice from any source (formal or informal) of: (a) Hazardous Substances or Mold, either airborne or on or within the walls, floors, ceilings, heating, ventilation and air conditioning systems, plumbing systems, structure, and other components of the Site, or within furniture, fixtures, equipment, containers or pipelines in a Site; or (b) conditions that, to Customer's knowledge, might cause or promote accumulation, concentration, growth or dispersion of Hazardous Substances or Mold on or within such locations.

**6.2** Honeywell is not responsible for determining whether the Covered Equipment or the temperature, humidity and ventilation settings used by Customer, are appropriate for Customer and the Site.

**6.3** If any such materials, situations or conditions, whether disclosed or not, are in fact discovered by Honeywell or others and provide an unsafe condition for the performance of the Services, the discovery of the condition shall constitute a cause beyond Honeywell's reasonable control and Honeywell shall have the right to cease the Services until the area has been made safe by Customer or Customer's representative, at Customer's expense. Honeywell shall have the right to terminate this Agreement if Customer has not fully remediated the unsafe condition within sixty (60) days of discovery.

**6.4** Customer represents that Customer has not retained Honeywell to discover, inspect, investigate, identify, prevent or remediate Hazardous Substances or Mold or conditions caused by Hazardous Substances or Mold.

**6.5** Customer is responsible for the containment of any and all refrigerant stored on or about the premises. Customer accepts all responsibility for and agrees to indemnify Honeywell against any and all claims, damages, or causes of action that arise out of the storage, consumption, loss and/or disposal of refrigerant, except to the extent Honeywell has brought refrigerant onsite and is directly and solely negligent for its mishandling.

**6.6** Customer will maintain a safe workplace for performance of the Services onsite by Honeywell and will ensure that it has health and safety protocols in place addressing the COVID-19 pandemic as needed, as well as any applicable federal, state and local laws regarding workplace safety. Customer will ensure that its workplace is free of any recognized hazards that are likely to cause death or serious physical harm.

## **7. WARRANTY**

**7.1 LIMITED WARRANTY.** CUSTOMER'S EXCLUSIVE REMEDIES AND HONEYWELL'S SOLE LIABILITY AS TO ANY WARRANTY CLAIM ON ANY PRODUCT SOLD IN CONNECTION WITH THIS AGREEMENT IS AS SET FORTH IN THIS SECTION. SUCH REMEDIES ARE IN LIEU OF ANY OTHER LIABILITY OR OBLIGATION OF HONEYWELL, INCLUDING WITHOUT LIMITATION ANY LIABILITY OR OBLIGATION FOR DAMAGE, LOSS, OR INJURY (WHETHER DIRECT, INDIRECT, EXEMPLARY, SPECIAL, CONSEQUENTIAL, PUNITIVE, OR INCIDENTAL) ARISING OUT OF OR IN CONNECTION WITH THE DELIVERY, USE, OR PERFORMANCE OF THE PRODUCTS OR SERVICES. CREDIT, REPAIR, OR REPLACEMENT (AT HONEYWELL'S OPTION) IS THE SOLE REMEDY PROVIDED HEREUNDER. NO EXTENSION OF THIS WARRANTY WILL BE BINDING UPON HONEYWELL UNLESS SET FORTH IN

WRITING AND SIGNED BY A HONEYWELL AUTHORIZED REPRESENTATIVE.

**7.2 Product Warranty Terms.** Subject to compliance with this Section 7, Honeywell will replace or repair any product Honeywell provides under this Agreement that fails within the warranty period of one (1) year because of defective workmanship or materials, except to the extent the failure results from Customer negligence, fire, lightning, water damage, or any other cause beyond the control of Honeywell. This warranty is effective as of the date of Customer acceptance of the product or the date Customer begins beneficial use of the product, whichever occurs first, and shall terminate and expire one (1) year after such effective date. Honeywell's sole obligation, and Customer's sole remedy, under this warranty is repair or replacement, at Honeywell's election, of the applicable defective products within the one (1) year warranty period. All products repaired or replaced, if any, are warranted only for the remaining and unexpired portion of the original one (1) year warranty period.

**7.3 Services Warranty.** Services shall be performed in a professional and workmanlike manner warranted for one (1) year from the date services are performed (the "Service Warranty Period"). Honeywell's obligation and Customer's sole remedy under this warranty is that Honeywell will correct or re-perform defective services or refund fees paid for the services, at Honeywell's sole election, if Customer notifies Honeywell in writing of defective services within the Service Warranty Period. All services re-performed are warranted for the remainder of the original Service Warranty Period.

**7.4 Warranty Exclusions.** THIS WARRANTY IS VOID WITH RESPECT TO ANY PRODUCT OR SERVICE THAT IS:

- (a) software;
- (b) altered or repaired by anyone other than Honeywell's authorized employees or agents;
- (c) installed, used, serviced, or maintained in a manner that fails to conform with Honeywell Product documentation or training;
- (d) lost or damaged, tampered with, or destroyed due to (I) rough or negligent treatment of the Product (including, without limitation, damage during shipment back to Honeywell caused by improper packaging on return); (II) an act of God (including, without limitation, lightning or related voltage surges); or (iii) any other cause not within Honeywell's control, including, without limitation, Customer's failure (or that of its Customers) to apply required or recommended updates or patches to any Software or device in the Product's network environment; and/or
- (e) made and/or provided by a third party.

**7.5 Procedure for Warranty Claim.** If, during the applicable Warranty Period, Customer believes there is a defect in material or workmanship covered by the relevant Product warranty, Customer must immediately discontinue use and notify Honeywell. Customer shall coordinate with Honeywell to facilitate the warranty assessment. Upon receipt of any such Product during the applicable Warranty Period, Honeywell shall, at its expense, (i) examine the product to verify the alleged defect, (ii) in Honeywell's sole discretion, credit Customer or repair or replace any defective Product, including shipment of such replacement or repaired Product back to Customer (at Honeywell's expense). Honeywell will credit Customer for its return shipping costs for any defective Products, but Customer will be responsible for paying any customs or import duties payable upon receipt of any repaired or replacement Products and also paying Honeywell a standard testing charge for any Products not found to be defective.

**7.6 WARRANTY DISCLAIMER. EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION, HONEYWELL MAKES NO REPRESENTATIONS OR WARRANTIES, WHETHER WRITTEN, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, AND HEREBY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE AND ANY AND ALL WARRANTIES REGARDING HAZARDOUS SUBSTANCES OR MOLD. NO EXTENSION OF THIS WARRANTY WILL BE BINDING UPON HONEYWELL UNLESS SET FORTH IN WRITING AND SIGNED BY HONEYWELL'S AUTHORIZED REPRESENTATIVE. WITHOUT LIMITING THE FOREGOING, HONEYWELL MAKES NO REPRESENTATION, WARRANTY OR GUARANTEE AS TO THE EFFICACY OF, OR THE RESULTS OR OUTCOMES THAT MAY BE PRODUCED BY, ANY EQUIPMENT, SOFTWARE OR WORK PROVIDED OR MADE AVAILABLE UNDER THIS AGREEMENT.**

Customer acknowledges and agrees that equipment or materials purchased by Customer under this Agreement may contain, be contained in, incorporated into, attached to or packaged together with the products manufactured by a third party. Third party products are generally not covered by this Section and Honeywell makes no representations or warranties regarding any third party products. However, Honeywell shall, at Customer's request, assign to Customer any and all manufacturer's or installer's warranties for equipment or materials not manufactured by Honeywell and provided as part of the Services, to the extent that such third-party warranties are assignable and extend beyond the one (1) year limited warranty set forth in this Section.

## **8. INDEMNITY**

**Customer agrees to indemnify, defend and hold harmless Honeywell and its officers, directors, employees, Affiliates (as defined below) and agents from and against any and all actions, lawsuits, losses, damages, liabilities, claims, costs and expenses (including, without limitation, reasonable attorneys' fees) caused by, arising out of or relating to Customer's breach or alleged breach of this Agreement or the negligence or willful misconduct (or alleged negligence or willful misconduct) of Customer or any other person under Customer's control or for whom Customer is responsible. WITHOUT LIMITING THE FOREGOING, TO THE FULLEST EXTENT ALLOWED BY LAW, CUSTOMER SHALL INDEMNIFY AND HOLD HONEYWELL AND EACH OTHER INDEMNITEE HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS AND COSTS OF WHATEVER NATURE, INCLUDING BUT NOT LIMITED TO, CONSULTANTS' AND ATTORNEYS' FEES, DAMAGES FOR BODILY INJURY AND PROPERTY DAMAGE, FINES, PENALTIES, CLEANUP COSTS AND COSTS ASSOCIATED WITH DELAY OR WORK STOPPAGE, THAT IN ANY WAY RESULTS FROM OR ARISES UNDER THE BREACH OF THE REPRESENTATIONS AND WARRANTIES OF CUSTOMER IN SECTION 7, THE EXISTENCE OF MOLD OR A HAZARDOUS SUBSTANCE AT A SITE, OR THE OCCURRENCE OR EXISTENCE OF THE SITUATIONS OR CONDITIONS DESCRIBED IN SECTION 6, WHETHER OR NOT CUSTOMER PROVIDES HONEYWELL ADVANCE NOTICE OF THE EXISTENCE OR OCCURRENCE AND REGARDLESS OF WHEN THE HAZARDOUS SUBSTANCE OR OCCURRENCE IS DISCOVERED OR OCCURS. Customer may not enter into any settlement or consent to any judgment without the prior written approval of each indemnitee. This Section 8 shall survive termination or expiration of this Agreement for any reason.**

## **9. LIMITATION OF LIABILITY**

**NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, (I) IN NO EVENT WILL HONEYWELL BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE, EXEMPLARY, STATUTORY, OR INDIRECT DAMAGES, LOSS OF PROFITS, REVENUES, OR USE, OR THE LOSS OR CORRUPTION OF DATA OR UNAUTHORIZED ACCESS TO OR USE OR MISAPPROPRIATION OF DATA BY THIRD PARTIES, EVEN IF INFORMED OF THE POSSIBILITY OF ANY OF THE FOREGOING, AND (II) THE AGGREGATE LIABILITY OF HONEYWELL FOR ANY CLAIMS ARISING OUT OF OR RELATED TO THIS AGREEMENT WILL IN NO CASE EXCEED THE ANNUAL PRICE (AS IDENTIFIED ON THE PRICE SCHEDULE) FOR THE PARTICULAR SERVICE(S) FROM WHICH THE CLAIM ARISES. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THESE LIMITATIONS AND EXCLUSIONS WILL APPLY WHETHER LIABILITY ARISES FROM BREACH OF CONTRACT, INDEMNITY, WARRANTY, TORT, OPERATION OF LAW, OR OTHERWISE.**

## **10. EXCUSABLE DELAYS**

Honeywell is not liable for damages caused by delay or interruption in Services due to fire, flood, corrosive substances in the air, strike, lockout, disputes with workmen, inability to obtain material or services, commotion, war, acts of God, the presence of Hazardous Substances or Mold, or any other cause beyond Honeywell's reasonable control. Should any part of any system or any equipment be damaged by fire, water, lightning, acts of God, the presence of Hazardous Substances or Mold, third parties or any other cause beyond the control of Honeywell, any repairs or replacement will be paid for by Customer. In the event of any such delay, date of shipment or performance will be extended by a period equal to the time lost by reason of such delay, and Honeywell will be entitled to recover from Customer its reasonable costs, overhead, and profit arising from such delay. Without limiting the foregoing, notwithstanding anything to the contrary, in light of the COVID-19 pandemic, the effects of which cannot be foreseen, the parties agree that Honeywell shall be entitled to an equitable extension of time to deliver or perform its work and appropriate additional compensation to the extent Honeywell's delivery or performance, or the delivery or performance of its suppliers and/or subcontractors, is in any way delayed, hindered or otherwise affected by the COVID-19 pandemic.

## **11. PATENT INDEMNITY**

**11.1** Subject to the limitation of liability set forth in Section 9 of this Agreement, Honeywell shall, at its expense, defend or, at its option, settle any suit that may be instituted against Customer for alleged infringement of any patents related to any hardware or software manufactured and provided by Honeywell under this Agreement ("the equipment"), provided that (a) such alleged infringement consists only in the use of such equipment by itself and not as part of, or in combination with, any other devices, parts or software not provided by Honeywell hereunder, (b) Customer gives Honeywell immediate notice in writing of any such suit and permits Honeywell, through counsel of its choice, to answer the charge of infringement and defend such suit, and (c) Customer gives Honeywell all needed information, assistance and authority, at Honeywell's expense, to enable Honeywell to defend such suit.

**11.2** If such a suit has occurred, or in Honeywell's opinion is likely to occur, Honeywell may, at its election and expense: (a) obtain for Customer the right to continue using such equipment; (b) replace, correct or modify it so that it is not infringing; or if neither (a) nor (b) is reasonable, in Honeywell's sole judgment, then (c) remove such equipment and grant Customer a credit therefor,

as

depreciated.

**11.3** In the case of a final award of damages in any such suit, Honeywell will pay such award. Honeywell will not, however, be responsible for any settlement made without its written consent.

**11.4 THIS SECTION 11 STATES HONEYWELL'S TOTAL LIABILITY AND CUSTOMER'S SOLE REMEDY FOR ANY ACTUAL OR ALLEGED INFRINGEMENT OF ANY PATENT BY HONEYWELL RELATING TO THIS AGREEMENT.**

## **12. DISPUTE RESOLUTION**

With the exception of any controversy or claim arising out of or related to the installation, monitoring, and/or maintenance of fire and/or security systems, the Parties agree that any controversy or claim between Honeywell and Customer arising out of or relating to this Agreement, or the breach thereof, will be settled by arbitration in a neutral venue, conducted in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association. Any award rendered by the arbitrator will be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof. Any controversy or claim arising out of or related to the installation, monitoring, and/or maintenance of systems associated with security and/or the detection of, and/or reduction of risk of loss associated with fire will be resolved in a court of competent jurisdiction.

## **13. NOTICES**

**Every notice between the parties relating to the performance or administration of this Agreement will be made in writing and, if to Customer, to Customer's authorized representative or, if to Honeywell, to Honeywell's authorized representative.**

**All notices required under this Agreement will be deemed received either:**

- (a) Two calendar days after mailing by certified mail, return receipt requested and postage prepaid;**
- (b) One business day after deposit for next day delivery with a commercial overnight carrier provided the carrier obtains a written verification of receipt from the receiving party;**  
**or**
- (c) If sent by e-mail, upon receipt of a non-automated response from the receiving party confirming receipt of the notice.**

**To Honeywell:  
Honeywell Building Solutions  
95 E. Algonquin Rd.  
Des Plaines, IL 60017  
Attn: Field Service Supervisor**

**To Customer:**

**Prospect Heights District 23  
700 N. Schoenbeck Road  
Prospect Heights, IL 60070  
Attn: Director of Operations**

**For legal notices related to this Agreement send an additional copy to:**

**To Honeywell Building Solutions  
95 E. Algonquin Rd.  
Des Plaines, IL 60017  
Attn: General Counsel**

#### **14. COVERAGE**

**14.1** Customer agrees to provide Honeywell access to all Covered Equipment. Honeywell will be free to start and stop all primary equipment incidental to the operation of the mechanical, control, automation, and life safety system(s) as arranged with Customer's representative.

**14.2** It is understood that the repair, replacement, and emergency service provisions apply only to the Covered Equipment included in the attached List of Covered Equipment (if any and only to the extent expressly provided in the attached Work Scope Documents). Repair or replacement of non-maintainable parts of the system such as, but not limited to, ductwork, piping, shell and tube (for boilers, evaporators, condensers, and chillers), unit cabinets, boiler refractory material, heat exchangers, insulating material, electrical wiring, hydronic and pneumatic piping, structural supports and other non-moving parts, is not included under this Agreement. Costs to repair or replace such non-maintainable parts will be the sole responsibility of Customer.

**14.3** Honeywell will not reload software, nor make repairs or replacements necessitated by reason of negligence or misuse of equipment by persons other than Honeywell or its employees, or caused by lightning, electrical storm, or other violent weather or by any other cause beyond Honeywell's control. Honeywell will provide such services at Customer's request and at an additional charge.

**14.4** Honeywell may install communication or diagnostic devices and/or software to enhance system operation and support. Upon termination of this Agreement, Honeywell may remove these devices and software and return the system to its original operation. Customer agrees to provide, at its sole expense, connection to the Internet and switched telephone network for such devices and/or software.

**14.5** Honeywell will review the Services delivered under this Agreement on an annual basis, unless otherwise noted.

**14.6** This Agreement assumes that the systems and/or equipment included in the attached List of Covered Equipment are in maintainable condition. If repairs are necessary, in Honeywell's sole judgment, upon inspection or seasonal start-up or otherwise, repair charges will be submitted for approval to Customer. Should these charges be declined, those systems and equipment will be

eliminated from coverage under this Agreement and the price adjusted accordingly.

**14.7** In the event that the system or any equipment component thereof is altered, modified, changed or moved, this Agreement may be immediately adjusted or terminated, at Honeywell's sole option. Honeywell is not responsible for any damages resulting from such alterations, modifications, changes, or movement.

**14.8** Honeywell is not responsible for maintaining a supply of, furnishing and/or replacing lost or needed refrigerants not otherwise expressly required under this Agreement. Customer is solely responsible for the cost of material and labor of any such refrigerant not otherwise provided for under this Agreement at current market rates.

**14.9** Maintenance, repairs, and replacement of equipment parts and components are limited to using commercially reasonable efforts to restore to proper working condition. Honeywell is not obligated to provide replacement software, equipment, components, and/or parts that represent a betterment or capital improvement to Customer's system(s) hereunder.

**14.10** Unless otherwise specified, Customer retains all responsibility for maintaining LANs, WANs, leased lines, and/or other communication mediums incidental or essential to the operation of the system(s) or equipment found included in the Covered Equipment.

**14.11** Customer will promptly notify Honeywell of any malfunction in the system(s) or Covered Equipment covered under this Agreement that comes to Customer's attention.

## **15. TERMS OF PAYMENT**

**15.1 Progress Payments.** Honeywell will invoice at least monthly for all materials delivered to the job site or to an off-site storage facility and for all installation, labor, and services performed, both on and off the job site. Customer agrees to pay the full amounts invoiced, less retainage, upon receipt of the invoice at the address specified by the Customer. Invoices to be paid within thirty (30) calendar days of the invoice date.

**15.1** Subject to Honeywell's approval of Customer's credit as applicable, Customer will pay or cause to be paid to Honeywell the full price for the Services as specified above in this Agreement. Honeywell will submit annual invoices to Customer in advance for Services to be performed during the subsequent billing period, and payment shall be due within twenty (20) days after Customer's receipt of each such invoice. Payments for Services past due more than five (5) days shall accrue interest from the due date to the date of payment at the rate of one and one-half percent (1.5%) per month, compounded monthly, or the highest legal rate then allowed, whichever is lower. Customer will pay all attorney and/or collection fees incurred by Honeywell in collecting any past due amounts.

**15.2 Suspension of work.** If Honeywell, having performed work per Agreement requirements, does not receive payment within thirty (30) calendar days after submission of a Honeywell invoice, Honeywell may suspend work until Customer provides remedy.

**15.3** Payments must be in accordance with the "Remit To" field on each invoice. If Customer makes any unapplied payment and fails to reply to Honeywell's request for instruction on allocation within seven (7) calendar days, Honeywell may set off such unapplied cash amount against any Customer past-due invoice(s) at its sole discretion. An unapplied payment shall mean payment(s) received from Customer without adequate remittance detail to determine what invoice the payment(s) shall be applied to.

**15.4** Disputes as to invoices must be accompanied by detailed supporting information and are deemed waived 15 calendar days following the invoice date. Honeywell reserves the right to correct any inaccurate invoices. Any corrected invoice must be paid by the original invoice payment due date or the issuance date of the corrected invoice, whichever is later.

**15.5** The remedies described in this Section 15 are in addition to those available at law or in equity. Honeywell may re-evaluate Customer's credit standing at any time and modify or withdraw credit. Customer may not set off any invoiced amounts against sums that are due from Honeywell.

## **16. PRICE ADJUSTMENT**

Honeywell may annually adjust the amounts charged to Customer under this Agreement, and Customer will pay to Honeywell such adjusted amounts in accordance with Section 16 and the other applicable provisions of this Agreement. Notwithstanding the annual price adjustment, and without limiting any other provision of this Agreement, Honeywell may, from time to time and in its sole discretion, issue surcharges on this Agreement and/or price increases in order to mitigate and/or recover increased operating costs arising from or related to, but not limited to: (a) foreign currency exchange variation; (b) increased cost of third-party content, labor and materials; (c) impact of duties, tariffs, and other government actions; and (d) any other circumstances that increase Honeywell's costs, including, without limitation, increases in freight, labor, material or component costs, and increased costs due to inflation (collectively, "Economic Surcharges"). [Note this paragraph should be toggled between the OUTSIDE of EMEA Jurisdictions Version (including India) and the FOR EMEA JURISDICTIONS version] [FOR EMEA Version: Honeywell may, from time to time and in its sole discretion, issue surcharges on this Agreement in order to mitigate and/or recover increased operating costs arising from or related to: (a) foreign currency exchange variation; (b) increased cost of third-party content, labor and materials; (c) impact of duties, tariffs, and other government actions; and (d) increases in freight, labor, material or component costs, and increased costs due to inflation (collectively, "Economic Surcharges"). Economic Surcharge shall not exceed 15% from the total Order value. Such Economic Surcharge does not apply if the Agreement is to be delivered upon within four (4) weeks after the Agreement has been concluded.] Honeywell will invoice Customer, through a revised or separate invoice, and Customer agrees to pay for the Economic Surcharges pursuant to the standard payment terms in this Agreement. If a dispute arises with respect to Economic Surcharges, and that dispute remains open for more than fifteen (15) days, Honeywell may, in its sole discretion, withhold performance and future shipments or combine any other rights and remedies as may be provided under this Agreement or permitted by law until the dispute is resolved. The terms of this Section 16 shall prevail in the event of inconsistency with any other terms in this Agreement. Any Economic Surcharges, as well as the timing, effectiveness, and method of determination thereof, will be separate from and in addition to any changes to pricing that are affected by any other provisions in this Agreement.

## **17. TERMINATION**

**17.1** Subject to the next sentence, Customer may terminate this Agreement for cause if Honeywell defaults in the performance of any material term of this Agreement, or fails or neglects to carry forward the Services in accordance with this Agreement, after giving Honeywell written notice of its intent to terminate. If, within thirty (30) days following receipt of such notice, Honeywell fails to cure or perform its obligations, Customer may, by written notice to Honeywell, terminate this Agreement.

**17.2** Honeywell may terminate this Agreement for cause (including, but not limited to, Customer's failure to make payments as agreed herein) after giving Customer written notice of its intent to terminate. If, within thirty (30) days following receipt of such notice, Customer fails to make the payments then due, or otherwise fails to cure or perform its obligations, Honeywell may, by written notice to Customer, terminate this Agreement and recover from Customer payment for Services performed and for losses sustained for materials, tools, construction equipment and machinery, including but not limited to, reasonable overhead, profit and applicable damages.

**17.3 Cancellation.** This Agreement may be canceled at Honeywell's option in the event Honeywell equipment on Customer's premises is destroyed or substantially damaged. Likewise, this Agreement may be canceled at Customer's option in the event Customer's premises are destroyed. In the event of such cancellation, neither party shall be liable for damages or subject to any penalty, except that Customer will remain liable for Services rendered to the date of cancellation.

**17.4 Insolvency.** Either Party may terminate this Agreement by giving written notice to the other Party upon the occurrence of any insolvency or suspension of the other Party's operations or any petition filed or proceeding made by or against the other Party under any state, federal or other applicable law relating to bankruptcy, arrangement, reorganization, receivership, or assignment for the benefit of creditors or other similar proceedings.

## **18. CERTAIN DEFINITIONS**

**18.1 "Confidential Information"** means Honeywell information that: (a) is marked as "Confidential" or "Proprietary" at the time of disclosure; (b) is disclosed orally or visually, is identified by Honeywell as confidential information at the time of disclosure, and is designated as confidential in a writing sent to Customer within thirty (30) days after disclosure that summarizes the Confidential Information sufficiently for identification, or (c) is Personal Data.

**18.2 "Covered Equipment"** means the equipment covered by the Services to be performed by Honeywell under this Agreement, and is limited to the equipment expressly listed in each List of Covered Equipment contained in the attached Work Scope Documents.

**18.3 "Hazardous substance"** includes all of the following, whether naturally occurring or manufactured, in quantities, conditions or concentrations that have, are alleged to have, or are believed to have an adverse effect on human health, habitability of a Site, or the environment: (a) any dangerous, hazardous or toxic pollutant, contaminant, chemical, material or substance defined as hazardous or toxic or as a pollutant or contaminant under state or federal law, and (b) any petroleum product, nuclear fuel or material, carcinogen, asbestos, urea formaldehyde, foamed-in-place insulation, polychlorinated biphenyl (PCBs), and (c) any other chemical or

biological material or organism, that has, is alleged to have, or is believed to have an adverse effect on human health, habitability of a Site, or the environment.

**18.4 “Intellectual Property”** means all copyrights, trademarks, trade secrets, patents, utility models and other intellectual property rights recognized in any jurisdiction worldwide, including all applications and registrations.

**18.5 “Mold”** means any type or form of fungus or biological material or agent, including mold, mildew, moisture, yeast and mushrooms, and any mycotoxins, spores, scents, or by-products produced or released by any of the foregoing. This includes any related or any such conditions caused by third parties.

**18.6 “Personal Data”** means any information relating to or unique to an identified or identifiable natural person or which can be used to identify a particular person; an identifiable person is the person who can be identified, directly or indirectly, in particular by reference to an identification number or to one or more factors specific to his physical, psychological, mental, economic, cultural or social identity.

**18.7 “Services”** means those services and obligations to be undertaken by Honeywell in support of, or to maintain, the Covered Equipment, as expressly provided in the attached Work Scope Document(s), which are incorporated herein.

## **19. COMPLIANCE WITH LAWS**

**19.1 General.** Honeywell and Customer will:

- (a) Comply with all federal, state, and local laws, ordinances, regulations, and orders applicable to its performance under this Agreement, including, but not limited to, the Fair Labor Standards Act and U.S. export control and sanctions related laws, and regulations including the prohibition of transactions with or employment of U.S. Government designated prohibited parties including: the Denied Persons List, Unverified List, Entity List, Specially Designated Nationals List (OFAC), Debarred List (State Dept.), and Nonproliferation Sanctions.
- (b) File all required reports relating to such performance (including, without limitation, tax returns).
- (c) Pay all filing fees and federal, state and local taxes applicable to its business as the same shall become due.
- (d) Pay all amounts required under the local, state and federal laws governing workers’ compensation, disability benefits, unemployment insurance, and other employee benefits.

**19.2 Code of Conduct.** Honeywell will comply with Honeywell’s Code of Business Conduct (“Code”) in performing the Work. A copy of the Code may be obtained at <http://www.honeywell.com/sites/honeywell/codeofconduct.htm>.

**19.3 Anti-Corruption.** Customer shall not take any action that would cause itself or Honeywell to be in violation of any U.S. anti-corruption laws or regulations, including without limitations, the U.S. Foreign Corrupt Practices Act.

## 20. SANCTIONS

Customer represents, warrants, agrees that:

Customer is not a "Sanctioned Person," meaning any person or entity : (i) named on the U.S. Department of the Treasury's Office of Foreign Assets Control's ("OFAC") list of "Specially Designated Nationals and Blocked Persons," "Sectoral Sanctions Identifications List" or other economic sanctions lists issued pursuant to a United States governmental authority, the European Union Common Foreign & Security Policy or other governmental authority; (ii) organized under the laws of, ordinarily resident in, or physically located in a jurisdiction that is the subject of sanctions administered by OFAC or the U.S. Department of State (each a "Sanctioned Jurisdiction" and including, at the time of writing, Cuba, Iran, North Korea, Syria, and the Crimea region); or (iii) owned or controlled, directly or indirectly, 50% or more in the aggregate by one or more Sanctioned Persons.

Customer is in compliance with and will continue to comply with all economic sanctions laws administered by OFAC, the U.S. Department of State, the European Union, or the United Kingdom ("Sanctions Laws"). Customer will not involve any Sanctioned Persons or group of Sanctioned Persons in any capacity, directly or indirectly, in any part of this transaction and performance under this transaction. Customer will not take any action that would cause Honeywell to be in violation of Sanctions Laws.

Customer will not sell, export, re-export, divert, or otherwise transfer, any Honeywell products, technology, or software: (i) to any Sanctioned Persons; or (ii) for purposes prohibited by any sanctions program enacted by the U.S Government.

Customer's failure to comply with this provision will be deemed a material breach of the Agreement, and Customer will notify Honeywell immediately if it violates, or reasonably believes that it will violate, any terms of this provision. Customer agrees that Honeywell may take any and all actions required to ensure full compliance with all sanctions laws without Honeywell incurring any liability. Should Honeywell be subjected to any liability as a result of Customer's non-compliance with Sanctions laws, then Customer shall indemnify Honeywell to the extent of such liability.

## 21. CHANGE ORDERS

**21.1** A Change Order is a written order signed by Customer and Honeywell authorizing a change in the Services, schedule or Price.

**21.2** Honeywell may make a written request to Customer to modify this Agreement based on the receipt of, or the discovery of, information that that Honeywell believes will cause a change to the scope, price, schedule, level of performance, or other facet of the Agreement. Honeywell will submit its request to Customer within a reasonable time after receipt of, or the discovery of, information that Honeywell believes will cause a change to the scope, price, schedule, level of performance, or other facet of the Agreement. Honeywell's request will include information necessary to substantiate the effect of the change and any impacts to the Services, including any change in schedule or Price. If Honeywell's request is acceptable to Customer, Customer will issue a Change Order consistent therewith. If Customer and Honeywell cannot agree on the amount of the adjustment in the Price, or the schedule, it shall be determined pursuant to the Dispute Resolution provisions of this Agreement. Any change in the Price or the schedule resulting from such claim shall be authorized by Change Order.

## 22. SOFTWARE LICENSE

All software made available in connection with this Agreement (“Licensed Software”) shall be licensed and not sold and subject to all terms of the Software License Agreement (as defined below). All Software is made available subject to the express condition that the end user of the Software sign and deliver to Honeywell the then-current and applicable version of Honeywell’s standard software license agreement, end user license agreement (“EULA”), or a software license agreement otherwise satisfactory to Honeywell in its sole discretion (in each case, the “Software License Agreement”). Customer is responsible for ensuring that all Licensed Software provided to an end user under this Agreement is subject to the Software License Agreement. Notwithstanding any other provision of this Agreement or any other document or instrument, the terms of the Software License Agreement shall govern and supersede any inconsistent or conflicting terms to the extent relating to Software. Payment for any and all Software made available in connection with this Agreement shall be due and payable at the time the end user of the Software executes the Software License Agreement.

## 23. SOFTWARE-AS-A-SERVICE TERMS

**23.1 General.** To the extent the Services made available or provided to Customer under this Agreement include any software applications, online portals or dashboards or other software-as-a-service items or services, including, without limitation, Honeywell Forge, Honeywell Connected Life Safety Services or the Honeywell Vector Occupant Application (each, a “**Honeywell App**”), the terms and conditions applicable to use of each Honeywell App are set forth in this Section 23. A Honeywell App may enable the Customer to view certain dashboards, service case history, service reports, and other documentation provided by Honeywell from time to time. In the event of a conflict between this Section 23 and any other provision of this Agreement or other document or instrument, this Section 23 shall prevail.

**23.2 HSSTs.** “**HSSTs**” means these Software-as-a Service Terms set forth in this Section 23 (the “**HSSTs**”). Each of the Honeywell Apps is a software as a service running in the cloud and on site software and hardware that enables cloud connectivity (the “**SaaS**”) and the HSSTs set out the terms and conditions applicable to the use of the SaaS in relation to the Services, including your use of and access to the SaaS.

**23.3 Parties.** “**Honeywell**”, “**we**”, “**us**” or “**our**” means Honeywell International Inc. and/or Affiliate(s) who execute or assent to this Agreement and/or any related documents or instruments. “**You**” or “**your**” means collectively Customer and any other entities executing or assenting to this Agreement and/or any related documents or instruments. “**Affiliate**” means any entity that controls, is controlled by, or is under common control with, another entity. An entity “controls” another if it owns directly or indirectly a sufficient voting interest to elect a majority of the directors or managing authority or otherwise direct the affairs or management of the entity.

**23.4 Use Rights.** Subject to payment of agreed fees and strict compliance with the terms of access and acceptable use, we shall provide you solely for your internal business purposes: (a) remote access to the SaaS through means we provide (and which may include online portals or interfaces such as https, VPN or API); and (b) a personal, revocable, non-exclusive, non-assignable, non-transferable license to: (i) download, install, and use software we provide solely to operate

the SaaS; and (ii) use SaaS documentation as reasonably required in connection with the SaaS (collectively, **"Use Rights"**). You, your employees and any party accessing the SaaS on your behalf (**"Users"**) may exercise Use Rights, provided that, you must bind them to the Agreement and are responsible for their compliance with it, any breach by them and their acts and omissions. You may not resell Use Rights or permit third parties (except Affiliates or service providers) to be Users or make copies of the SaaS except as agreed by us in writing. We have no responsibility with respect to actions or inactions of Users.

**23.5 Acceptable Use.** The Use Rights are the only acceptable use of the SaaS. You shall not use the SaaS for purposes of, or in connection with: (a) reverse engineering, making machine code human readable or creating derivative works or improvements; (b) interfering with its security or operation (including probing, scanning or testing the vulnerability of any security measures or misrepresenting transmission sources); (c) creating, benchmarking or gathering intelligence for a competitive offering; (d) infringing another's IPR; (e) employing it in hazardous environments requiring fail-safe performance where failure could lead directly or indirectly to personal injury or death or property or environmental damage; or (f) any use that would reasonably be expected to cause liability or harm to us or our customers or breach the Agreement. We have the right to monitor usage. We may terminate upon written notice if use is fraudulent, continued use would subject us to third party liability or we cease making the SaaS generally available to third parties. We may suspend Use Rights if we determine that you or Users are violating or may violate the Agreement.

**23.6 Support.** We will use commercially reasonable efforts to maintain the SaaS, repair reproducible defects and make available as a whole 99% of the time 24x7x365 subject to scheduled downtime, routine and emergency maintenance and force majeure. We are not responsible or liable for any issues, problems, unavailability, delay or security incidents arising from or related to: (i) conditions or events reasonably outside of our control; (ii) cyberattack; (iii) the public internet and communications networks; (iv) data, software, hardware, services, telecommunications, infrastructure or networking equipment not provided by us or acts or omissions of third parties you retain; (v) your and Users negligence or failure to use the latest version or follow published documentation; (vi) modifications or alterations not made by us; (v) loss or corruption of data; (vi) unauthorized access via your credentials; or (vii) your failure to use commercially reasonable administrative, physical and technical safeguards to protect your systems or data or follow industry-standard security practices.

**23.7 IP.** All right, title and interest, including all intellectual property rights (including copyrights, trademarks and patents), proprietary rights (including trade secrets and know-how), and moral rights (including rights of authorship and modification) throughout the world (**"IPR"**) in and to the SaaS and all of its derivative works, modifications and improvements, are retained by Honeywell or its licensors and are our confidential information. We shall own all IPR that is: (i) developed by us or our Affiliates by processing or analysis of Input Data (excluding Input Data itself, but including derived data that is sufficiently different from Input Data so that Input Data cannot be identified from analysis or further processing of such derived data); or (ii) generated through support, monitoring or other observation of your and your Users' use of the SaaS. The internal operation and performance of the SaaS is our confidential information. If you provide any suggestions, comments or feedback regarding the SaaS, you hereby assign to us all right, title and interest in and to the same without restriction. You and Users shall not remove, modify or obscure any IPR notices on the SaaS.

**23.8 Security.** We will use commercially reasonable administrative, physical and technical safeguards to protect personal data and Input Data and follow industry-standard security practices. You are solely responsible for costs and liability incurred due to unauthorized use or access through your or Users account credentials or systems.

**23.9 Privacy.** Data about you, users and/or your or their employees, customers, contractors or Affiliates that is recognized under applicable law as “personal data” or equivalent terms (“**Personal Data**”) may be processed in relation to the Agreement, including: (i) data subjects - employees of you and your customers, contractors or Affiliates; and (ii) data categories - name, contact information (e.g. addresses, emails and telephone), IP address, location, images, video and system, facility, device or equipment usage data. If the applicable laws of a jurisdiction recognize the roles of “controller” and “processor” as applied to Personal Data then, as between you and us, you act as controller and we act as processor and shall process Personal Data on behalf of and in accordance with your documented instructions, the Agreement and applicable laws and only to the extent, and for so long as necessary, to provide, protect, improve or develop the SaaS and/or related services and perform rights and obligations under the Agreement. You authorize us to share Personal Data with sub-processors located in any jurisdiction, provided we use legally enforceable transfer mechanisms and contractually require them to abide by similar terms with regards to processing of Personal Data. We have no liability arising from processing of Personal Data in compliance with the Agreement. You will, at your cost and expense, defend, indemnify and hold harmless us and our Affiliates, sub-contractors and licensors from and against all losses, awards and damages (including attorneys’ fees), arising out of claims by third parties related to our possession, processing or use of Personal Data in accordance with the Agreement. We shall refer data subject requests to you and provide reasonable assistance to enable you to: (a) comply with requests; (b) enable security; (c) respond to complaints or inquiries or conduct any impact assessments; and (d) verify compliance with our obligations in this Section (including participating in Personal Data audits), provided you reimburse all reasonably incurred costs. Upon termination we shall delete or anonymize all Personal Data, except if required or permitted by applicable law for compliance, audit or security purposes. If we believe any instruction will violate applicable privacy laws, or if applicable law requires us to process Personal Data relating to data subjects in the European Economic Area (“**EEA**”) in a way that is not in compliance with your or users’ documented instructions we shall notify you in writing, unless the law prohibits such notification on important grounds of public interest. We shall upon request make available the identity of sub-processors and notify intended addition or replacement and you have 5 business days to object. If you object, we may terminate without penalty on written notice. We shall ensure personnel processing Personal Data of data subjects have committed to confidentiality in relation to such processing. Where transfers of Personal Data require: (y) you authorize us and our Affiliates to act as agent for the limited purpose of binding you as principal, in the capacity of “data exporter”, to a Honeywell inter group or Honeywell and service provider data transfer agreement comprising the Standard Contractual Clauses for the transfer of personal data to processors established in third countries adopted by the European Commission (“**SCC**”); and (z) the parties agree that the SCCs ([https://ec.europa.eu/info/law/law-topic/data-protection/data-transfers-outside-eu/model-contracts-transfer-personal-data-third-countries\\_en](https://ec.europa.eu/info/law/law-topic/data-protection/data-transfers-outside-eu/model-contracts-transfer-personal-data-third-countries_en) or more recent website) shall be deemed to have been signed by you or your Affiliates, in the capacity of “data exporter”, and by us or our Affiliates, in the capacity of “data importer”.

**23.10 Warranty, Disclaimer.** THE SAAS IS PROVIDED WITH NO WARRANTIES OR

REPRESENTATIONS OF ANY KIND, WHETHER EXPRESS, IMPLIED OR STATUTORY. TO THE MAXIMUM EXTENT PERMITTED BY LAW, WE EXPRESSLY DISCLAIM ALL WARRANTIES AND REPRESENTATIONS INCLUDING MERCHANTABILITY AND FITNESS FOR PURPOSE. WE DO NOT WARRANT THAT THE SAAS WILL MEET YOUR REQUIREMENTS, OR THAT IT WILL OPERATE WITHOUT INTERRUPTION, OR BE ERROR FREE.

**23.11 Limitation.** WE ARE NOT LIABLE FOR INDIRECT, INCIDENTAL, EXEMPLARY, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING LOST PROFITS AND REVENUES, IN RELATION TO THE SAAS. OUR CUMULATIVE, AGGREGATE LIABILITY WILL IN RELATION TO THE SAAS BE LIMITED TO DIRECT DAMAGES IN AN AMOUNT EQUAL TO THE GREATER OF: (a) TOTAL AMOUNTS PAID FOR THE SAAS DURING THE 12 MONTHS IMMEDIATELY PRECEDING THE ASSERTION OF ANY CLAIM; AND (b) U.S. \$50,000. ALL CLAIMS THAT A PARTY MAY HAVE SHALL BE AGGREGATED AND MULTIPLE CLAIMS SHALL NOT ENLARGE THE FOREGOING LIMIT. OUR LIABILITY UNDER EVALUATION OR TRIAL RIGHTS IS LIMITED TO U.S. \$1,000.

**23.12 Miscellaneous.** Any descriptions of future product direction or intended updates (including new or improved features or functions) other than the features and functions deployed as of date of the Agreement are intended for information purposes only and are not binding commitments on us to deliver any material, code or functionality. The development, release and timing of any such updates is at our sole discretion unless agreed otherwise in writing. We reserve the right to charge additional fees for new or improved features or functions. You must comply with all laws and regulations applicable to your use of the SaaS and your rights to use the SaaS is subject to such compliance. The HSSTs take precedence over any other terms in the Agreement to the extent related to the SaaS. Sections 23.7 to 23.12 and those portions of the HSSTs that by their nature should survive, survive termination or expiration of the Agreement.

**23.13 Customer Financial Status.** Customer represents and warrants to Honeywell on a continuing basis that it is in good financial condition and able to pay all bills when due. Customer shall, from time to time furnish any financial statements or additional information as may be requested by Honeywell in order to enable Honeywell to assess Customer's financial condition and creditworthiness. Additionally, Customer authorizes Honeywell to obtain financial information regarding Customer from credit reporting agencies, Customer's banks and suppliers, and other such sources. Honeywell may, in its sole discretion, increase or decrease the amount of credit (if any) that Honeywell has extended to Customer in connection with this Agreement.

## 24. CYBERSECURITY INCIDENTS

Notwithstanding any other provision of the Agreement, (a) in no event will Honeywell be responsible or liable for protection against, or mitigation of consequences associated with, a Cyber Incident (as defined by the United States Computer Emergency Readiness Team) or other similar cyber-related events and/or attacks that may affect Customer's site or systems, (b) Customer is solely responsible for ensuring that its sites and systems are protected against such a Cyber Incident or other similar cyber-related events and/or attacks including, but not limited to, ensuring that all software is kept up to date, that all cybersecurity products used are compatible with one another and that any patches are correctly and appropriately installed, and (c) all remedial, reinstallation or update works provided by Honeywell, if any, as a result of or related to a Cyber Incident or other similar cyber-related events and/or attacks will be performed subject to additional fees for such work, plus applicable taxes, to be paid by Customer to

Honeywell (in addition to fees otherwise due under the Agreement).

## 25. MISCELLANEOUS PROVISIONS

**25.1 Entire Agreement.** This Agreement contains the entire understanding of the Parties with respect to the subject matter hereof and supersedes any prior agreements and commitments with respect thereto. There are no oral or written understandings, terms, or conditions, and neither Party has relied upon any representations, express or implied, not contained in this Agreement.

**25.2 Amendments.** No change, amendment or modification of this Agreement shall be valid or binding upon the Parties hereto unless such change, amendment or modification shall be in writing and duly executed by both Parties hereto. Any subsequent purchase order or other document unilaterally issued by Customer shall not be binding unless duly executed by both Parties.

**25.3 Joint Effort.** Preparation of this Agreement has been a joint effort of the Parties and the resulting document shall not be construed more severely against one of the Parties than against the other.

**25.4 Captions.** The captions contained in this Agreement are for convenience and reference only and in no way define, describe, extend, or limit the scope of intent of this Agreement or the intent of any provision contained herein.

**25.5 Severability.** The invalidity, illegality, or unenforceability of any provision of this Agreement or the occurrence of any event rendering any portion or provision of this Agreement void, shall in no way affect the validity or enforceability of any other portion or provision of this Agreement. Any void provision shall be deemed severed from this Agreement and the balance of this Agreement shall be construed and enforced as if this Agreement did not contain the portion or provision held to be void. The Parties further agree to reform this Agreement to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this Paragraph shall not prevent this entire Agreement from being void should a provision which is the essence of this Agreement be determined to be void.

**25.6 No Waiver.** Any failure of any Party to enforce any of the provisions of this Agreement or to require compliance with any of its terms at any time during the pendency of this Agreement shall in no way affect the validity of this Agreement, or any part hereof, and shall not be deemed a waiver of the right of such Party thereafter to enforce such provisions or require compliance with such terms.

**25.7 Successors and Assigns.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their successors and permitted assigns.

**25.8 Standards and Codes.** The latest edition or revision of any standards or codes referenced in this Agreement for performance of the Work shall apply, unless otherwise expressly set forth in this Agreement.

**25.9 Survival.** Provisions of this Agreement which by their nature contemplate or govern performance or observance subsequent to the termination or expiration of this Agreement shall

survive such termination or expiration; provided, that all warranties and licenses granted by Honeywell to Customer pursuant to this Agreement shall terminate upon Honeywell's termination for Customer's default based on Customer's failure to pay Honeywell in accordance with this Agreement.

**25.10 Governing Law.** This Agreement is governed by the laws of the state of New York, United States of America, without regard to conflicts of law principles. Application of the Uniform Computer Information Transactions Act and United Nations Convention on Contracts for the International Sale of Goods, 1980, and any successor law to either, is specifically excluded. The Parties waive any right to a trial by jury for disputes and submit to the exclusive jurisdiction of the Federal and State courts within the Southern District of New York for resolution of disputes; however, Honeywell may seek an injunction or enforce a judgment against Owner in any jurisdiction. Owner will not bring a legal action more than two (2) years after the cause of action arose unless a shorter period is provided by applicable law.

**25.11 Non-Assignment/Delegation by Customer.** Customer may not assign its rights or delegate its obligations under this Agreement, in whole or in part, without the prior written consent of Honeywell. Honeywell may assign this Agreement or any or all of its rights under this Agreement without Customer's consent.

**25.12 Risk of Loss/Transfer of Title.** Risk of loss or damage to any goods provided under this Agreement (excluding software and services) passes to Customer when Honeywell places the goods at Customer's disposal at the Honeywell Dock ("Delivery"). Title to goods passes to Customer upon Delivery, but Honeywell retains a security interest in such goods until full payment is received. Honeywell will schedule Delivery (and use commercially reasonable efforts to ship) in accordance with its standard lead time unless Customer's order requests a later delivery date, or Honeywell agrees in writing to an earlier delivery date.

**25.13 Custom Orders.** Special or custom orders ("Custom Orders") for products not listed in Honeywell's standard price list are non-cancelable. In the event of a cancellation of all or part of a Custom Order, Customer will be responsible for the full order.

**26.14 Data Rights.** Customer retains all rights that Customer already holds in data and other information that Customer or persons acting on Customer's behalf input, upload, transfer, or make accessible in relation to, or which is collected from its devices or equipment by, any services provided by Honeywell or its Affiliates under this Agreement ("Input Data"). Customer grants to Honeywell the right to duplicate, analyze, modify and otherwise use Input Data to provide, improve and develop the Offering and related products and services. Customer has sole responsibility for obtaining all consents and permissions (including providing notices to users or third parties) and satisfying all requirements necessary to permit our use of Input Data. Honeywell and its Affiliates may also use Input Data for any other purpose provided it is in an anonymized form that does not identify Customer. Any Customer data contained within Input Data shall only be used or processed in accordance with the data privacy terms of this Agreement (if any) and applicable law. All information, analysis, insights, inventions and algorithms derived from Input Data by Honeywell and/or its Affiliates (but excluding Input Data itself) and any intellectual property rights related thereto, are owned exclusively and solely by Honeywell and its Affiliates and are their proprietary information. Honeywell does not archive Input Data for Customer's future use. This Section 26.14 shall survive termination or expiration of this Agreement.

**26.15 Remote Services.** Customer agrees that Honeywell may provide some or all of the Work remotely using an Internet connection and may install additional software and related communication and/or diagnostic devices on Customer's applicable systems (the "Systems") to enable such connection and/or remote Work. Notwithstanding any other provision of the Agreement, such software and devices will remain the property of Honeywell and shall be removed from the Systems and returned to Honeywell promptly at Honeywell's request. Customer agrees to fully cooperate with Honeywell's installation and commissioning of such software and devices on the Systems. To the extent required by Honeywell, Customer will enable and consents to Internet connectivity between its applicable Systems and Honeywell's applicable computer server(s)/system(s) and/or the Honeywell cloud platform(s) throughout the term of the Agreement. Honeywell and its Affiliates may, in any country in which they or their agents or suppliers conduct business, collect, transmit, receive, process, maintain, and use for the purpose of providing the Work all data obtained in connection with the Agreement. Customer represents and warrants that Customer is the owner of the premises that are the subject of this Agreement or, if not, that the owner of such premises consents to the foregoing and Section 26.15, to the extent such consent is required.