

Based on the agreement between the City of Cleveland and Princeton Environmental Group, we request from Princeton Environmental Group a Basis of Design (BOD), based on section 7.0 Task 2 Basis of Design of the agreement. This BOD should be submitted to the MSWE Development team in a tabular format as stipulated in the following section:

7.3. PEG shall prepare and submit an initial Basis of Design (BOD).

7.3.1. The BOD shall summarize in tabular format by discipline the entire scope of the project. All project components shall be outlined in detail. Design parameters of the project including SPEC writing, but not be limited to, ratings, capacities, design standards, design parameters, and regulations/codes by unit process and facility to be followed in the design by others.

Task 2 – Basis of Design and would cover the following as stated in the Milestones and Earned Value of MSWE Permit Design Agreement, and is stipulated as follows:

Task 2:	Basis of Design (BOD)
Task Length:	180 days
Task Schedule:	61th day to 240th days from agreement signing
Earned Value:	\$100,000.00 (to be divided into 2 sections)

Section A:	Basis of Design
Task Schedule:	61th day – 240th day
Earned Value:	\$50,000.00

- (1) Waste Study & Data (31st – 60th day)
 - a) Waste collection and routing study
 - b) Waste composition & material analyze
 - c) Moisture & Weather data collection
 - d) Current collection methods & transportation study
 - e) Other issues and concerns

- (2) City & Regional Law & Regulation Study & Interpretation (31st – 120th day)
 - a) Regulations on waste collection & handling
 - b) City & State definition of waste material
 - c) Laws & regulations in waste handling & disposal
 - d) Other related topics and issues

- (3) Ridge Road Transfer Station Re-Planning (61st – 150th day)
 - a) Transfer Station survey and study
 - b) Transfer Station current operation study
 - c) Transfer Station design and planning
 - d) Existing operation planning & relocation
 - e) Location usage & planning

- (4) Technology Identification & Descriptions (31st – 150th day)
 - a) Definition of primary waste group identification
 - b) Waste material composition study & data collection
 - c) Waste process approach & benefits
 - d) Key technology selection & identification
 - e) Technology performances & functionalities
 - f) Equipment and engineering selection & performance
 - g) Potential vendor identification & information
 - h) Equipment identification & specifications

- (5) Facility design & layouts (61st – 240th day)
 - a) Facility overall design & planning
 - b) Facility sectional design & layouts
 - c) Sectional design, panning & layout
 - d) Facility logistics, storage design and layouts
 - e) Internal material distribution & transfer

- (6) Facility Performance & Economy (91st - 240th day)
 - a) Facility key functions and performances
 - b) Facility operating thru-puts and benefits
 - c) Operation end products & descriptions
 - f) Facility operating Staffs and qualifications
 - g) End product marketability and revenue estimates
 - h) End products sales & potential buyers information
 - i) Operation Safety & OSHA concerns
 - j) Facility maintenance & equipment service

- (7) Analysis of Equipment Assembly & Facility Construction (91st – 240th day)
 - a) Facility construction & General contracting
 - b) Bonding and performance guarantee
 - c) Equipment assembly and vendor qualification
 - d) Project construction & General contracting
 - e) Bonding and performance guarantee

- (8) Prepare and submit monthly BOD to DPU (between 61th day – 240th day)

We would like the BOD submitted for bullets 1 -3 within 30 days of this request date of March 1, 2011, and would like the BOD for bullets 4 – 8 within 60 days of this request.

Once the MSWE Development team receives and approves the submitted BOD, Princeton should submit their invoice for Task 2 Section A in the amount of \$50,000.00.

PEG was given Limited Notice to Proceed on the Air Permit as stipulated in section 10.0 Task 5 Permitting, which states the following:

10.1. PEG shall not proceed with Permitting without written Notice to Proceed.

10.2. Required Permitting, Including Environmental Permitting.

10.2.1. An undetermined number of permits by an undetermined number of regulators are required for the authorized installation and operation of the proposed Municipal Solid Waste to Energy Facility, all its associated components, and related operations. PEG shall present a detailed analysis and listing of ALL identified permitting required for the legal, authorized installation, construction and operation of such facility based on all the design parameters and conditions, location, refuse composition, traffic, power generation, steam production. Scope of permitting required in this permit analysis shall not be limited to that required to process the contents of the City-supplied Waste Composition Study, but shall include all identified and selected waste composition required for the proper operation of the facility as proposed, and utilizing the proposed equipment for the proposed power/steam energy output.

10.2.2. All services, including anticipated meetings with the various authorities, shall be provided by PEG as part of the air emissions permit(s) application process.

10.2.3. PEG shall submit to DPU a draft of all air emissions permit(s) applications, modeling, analysis and all other reports required for proper documentation and submittal to regulatory authorities thirty (30) days prior to each submission for approval. PEG shall revise permit applications upon review.

10.2.4. PEG shall address, as part of its contract, any Notices of Deficiency issued by regulatory agencies in connection with the air emissions permit-to-install permitting process.

10.2.5. PEG shall submit each required air emissions permit(s) application(s), including making any required or needed presentations to regulators, or facilitate any required or needed meetings between the City of Cleveland, its agents, partners in this project, funders, stakeholders or others, as needed or required, to obtain all required permitting. PEG shall bear the cost of all air emissions permitting required for the approval of the process/systems in this contract.

The Permitting Process as defined by the Milestones and Earned Value of MSWE Permit Design Agreement entails the following:

Task 3:	Permitting
Task Length:	270 days
Task Schedule:	60th day to 330th Day from agreement signing

Earned Value: \$300,000 (to be divided into 2 sections)

Section 1: Detailed Permit Analysis & Air permit application

Task Schedule: 61st day – 240th day

Earned value: \$100,000.00

Section 1 consists of 2 Parts, (a) detailed permit analysis and (b) air permit application.

(A) Permit Analysis (60th day – 150th day)

Earned Value: \$25,000.00

- (1) Detail listing of all required permitting: Including and not limited to facility operating permits, waste processing permits, waste as fuel permit, waste to energy permit, waste recycling permit, air emission permit,
- (2) List of permits by all regulatory agencies for the authorized installation and operation of the proposed Municipal Solid Waste to Energy Facility. Such list must include all its associated components, and related operations.
- (3) PEG shall present a detailed analysis and listing of ALL required permitting for the legal, authorized installation, construction and operation of such facility based on all the design parameters and conditions, location, refuse composition, traffic, power generation, steam production.
Scope of permitting required shall not be limited to that required to process the contents of the City-supplied Waste Composition Study, but shall include all waste composition required for the proper operation of the facility as proposed, and utilize the proposed equipment for the proposed power/steam energy output.

(B) Air Permit Application (91st day – 240th day)

Earned Value: \$75,000.00

- (1) All services, including anticipated meetings with the various authorities, shall be provided by PEG as part of the air emissions permit(s) application process.
- (2) PEG shall submit to DPU a draft of all air emissions permit(s) applications, modeling, analysis and all other reports required for proper documentation and submittal to regulatory authorities thirty (30) days prior to each submission for approval. PEG shall revise permit applications upon review.
- (3) PEG shall address, as part of its contract, any Notices of Deficiency issued by regulatory agencies in connection with the air emissions permit-to-install permitting process.
- (4) Copies of all modifications and changes will be submitted to DPU prior to submittal to Ohio EPA.

NOTE: PEG shall submit each required air emissions permit(s) application(s), including making any required or needed presentations to regulators, or facilitate any required or needed meetings between the City of Cleveland, its agents, partners in this project, funders, stakeholders or others, as needed or required, to obtain all required permitting.

Upon receipt required documentation and invoice from Princeton Environmental Group as listed above, and approval by the MSWE Development Team, PEG would be entitled for payment in the amount of \$100,000.00.

We are also requesting that PEG submit to the City of Cleveland a Recovery Schedule in which PEG will describe the actions and steps to meet project deadline, as stated in section 3.0 Project Schedule of the agreement, see below:

3.0 Project Schedule

- 3.1.** PEG shall develop and maintain a project schedule in the latest version of Microsoft Project. The primary schedule calendar shall be Monday through Friday, 8 hours per day.
- 3.2.** Should at any time during the Project, DPU determine that PEG's progress is unsatisfactory towards meeting project goals (i.e. EVMs or Project Milestones), DPU may require PEG to submit a detailed recovery schedule and narrative description at no additional cost to the City. The recovery schedule shall address PEG actions required to meet project terms and conditions (i.e. EVM dates) which may be determined to be in jeopardy.

Princeton should submit invoices to the City of Cleveland using the following invoicing and reporting mechanisms as stated in the agreement:

4.0 Invoicing and Reporting

- 4.1.** PEG shall submit to DPU its invoices for progress payments as stated in the Fee agreement based on the Fixed Price payment schedule.
- 4.2.** PEG shall submit one (1) original and two (2) copies of the invoice.
- 4.3.** The Monthly Report shall include, but not be limited to a brief narrative description of the project, activities and accomplishments for the reported month, planned activities for the next month, identification of schedule concerns and variances, summary of budget status and variances, and key issues.
- 4.4.** The Monthly Report shall include an updated schedule. Schedule progress shall be reported as TASK PERCENT COMPLETE. A PDF view of the schedule shall also be included as part of the monthly report.
- 4.5.** A sample format of the invoice tables and monthly report will be provided to PEG upon request.

Attachment

PRINCETON ENVIRONMENTAL GROUP, INC. SCOPE OF WORK FOR MSWE PERMIT DESIGN SERVICES

7.0 Task 2 Basis of Design (BOD)

- 7.1.** PEG shall not proceed with Basis of Design without written Notice to Proceed.
- 7.2.** Industry Creation: The Basis of Design work includes a Business Development component. A deliverable for this portion of the BOD work shall be submitted to DPU under separate cover as described below.
 - 7.2.1.** As a function of DPU, City of Cleveland awarding to PEG the System Design (SD) which shall lead to construction of PEG designed MSWE Plant, PEG as Project Manager shall assist the City in its efforts to attract advanced energy technology manufacturers and suppliers to Cleveland.
 - 7.2.2.** PEG shall assist the City in planning advance energy technology presentations of such manufactures that PEG designates may be interested in locating operations of any type in Cleveland, including but not limited to preparing handouts and PowerPoint presentations.
 - 7.2.3.** PEG shall facilitate and assist with discussions between the City and Kinsei regarding the location of Kinsei facilities in Cleveland.
 - 7.2.4.** PEG shall open a Cleveland office within six months of contract execution.
 - 7.2.5.** In the event the City decides to move forward with the project after obtaining the air permit, PEG shall relocate its U.S. headquarters to Cleveland and locate any project-related manufacturing and/or distribution facilities in Cleveland.
 - 7.2.6.** Within Sixty (60) days of contract execution, PEG is to provide a list of the companies it will assist the City in working to attract. The list shall include company name, address, phone number, a primary contact, email address, industry type and any other information PEG or the City consider relevant.
 - 7.2.7.** The City is under no obligation to accept or utilize any entity provided by PEG with the exception of Kinsei gasification Design and equipments and, unless deemed appropriate by the City, the City's normal procurement practices will apply to how the City may utilize the products or services offered by the companies that PEG recommends again with the exception of Kinsei gasification Design & equipments.

7.2.8. Payment for this Business Development subtask shall be included in the overall payment for Task 1.

7.3. PEG shall prepare and submit an initial Basis of Design (BOD).

7.3.1. The BOD shall summarize in tabular format by discipline the entire scope of the project. All project components shall be outlined in detail. Design parameters of the project including SPEC writing, but not be limited to, ratings, capacities, design standards, design parameters, and regulations/codes by unit process and facility to be followed in the design by others.

6.3.2. The BOD shall include a detailed discussion of the City-supplied Waste Composition Study and its impact on the entire systems and process design.

6.3.3. The BOD shall contain a detailed description of all pertinent aspects of technologies and equipments to be integrated into the facility design including waste receiving and separation equipment, waste flow and conveyer systems, gasification process, steam compression process, brick manufacturing, steam production, electric power generation, fuel pellet compression units and any other component of the design.

6.3.4. The BOD shall discuss potential environmental impacts and risks of the facility and potential aesthetic, odor, sound, and traffic impacts on the community.

6.3.5. The BOD shall include a discussion on the required permits for the installation and operation of the proposed facility.

6.3.6. The BOD shall include a preliminary discussion on potential risk management strategies.

6.3.7. PEG shall submit and present the initial BOD as a deliverable of Task 1. The BOD shall be updated and maintained current as design progresses.

6.3.8. The initial BOD shall become a section of the initial PEG System Design in the Design Memorandum (DM).

6.3.9. An updated BOD shall be submitted as part of the details in the PEG System Design in the Design Memorandum Submittals as defined in Task 2.

10.0 Task 5 Permitting

10.1. PEG shall not proceed with Permitting without written Notice to Proceed.

10.2. Required Permitting, Including Environmental Permitting.

- 10.2.1.** An undetermined number of permits by an undetermined number of regulators are required for the authorized installation and operation of the proposed Municipal Solid Waste to Energy Facility, all its associated components, and related operations. PEG shall present a detailed analysis and listing of ALL identified permitting required for the legal, authorized installation, construction and operation of such facility based on all the design parameters and conditions, location, refuse composition, traffic, power generation, steam production. Scope of permitting required in this permit analysis shall not be limited to that required to process the contents of the City-supplied Waste Composition Study, but shall include all identified and selected waste composition required for the proper operation of the facility as proposed, and utilizing the proposed equipment for the proposed power/steam energy output.
- 10.2.2.** All services, including anticipated meetings with the various authorities, shall be provided by PEG as part of the air emissions permit(s) application process.
- 10.2.3.** PEG shall submit to DPU a draft of all air emissions permit(s) applications, modeling, analysis and all other reports required for proper documentation and submittal to regulatory authorities thirty (30) days prior to each submission for approval. PEG shall revise permit applications upon review.
- 10.2.4.** PEG shall address, as part of its contract, any Notices of Deficiency issued by regulatory agencies in connection with the air emissions permit-to-install permitting process.
- 10.2.5.** PEG shall submit each required air emissions permit(s) application(s), including making any required or needed presentations to regulators, or facilitate any required or needed meetings between the City of Cleveland, its agents, partners in this project, funders, stakeholders or others, as needed or required, to obtain all required permitting. PEG shall bear the cost of all air emissions permitting required for the approval of the process/systems in this contract.

PRINCETON ENVIRONMENTAL GROUP, INC - EXHIBIT C
MILESTONES & EARNED VALUE OF MSWE PERMIT DESIGN
AGREEMENT

Task 2: Basis of Design (BOD)
Task Length: 180 days
Task Schedule: 61th day to 240th days from agreement signing
Earned Value: \$100,000.00 (to be divided into 2 sections)

Section A: Basis of Design
Task Schedule: 61th day – 240th day
Earned Value: \$50,000.00

- (1) Waste Study & Data (31st – 60th day)
 - a) Waste collection and routing study
 - b) Waste composition & material analyze
 - c) Moisture & Weather data collection
 - d) Current collection methods & transportation study
 - e) Other issues and concerns

- (2) City & Regional Law & Regulation Study & Interpretation (31st – 120th day)
 - a) Regulations on waste collection & handling
 - b) City & State definition of waste material
 - c) Laws & regulations in waste handling & disposal
 - d) Other related topics and issues

- (3) Ridge Road Transfer Station Re-Planning (61st – 150th day)
 - a) Transfer Station survey and study
 - b) Transfer Station current operation study
 - c) Transfer Station design and planning
 - d) Existing operation planning & relocation
 - e) Location usage & planning

- (4) Technology Identification & Descriptions (31st – 150th day)
 - a) Definition of primary waste group identification
 - b) Waste material composition study & data collection
 - c) Waste process approach & benefits
 - d) Key technology selection & identification
 - e) Technology performances & functionalities
 - f) Equipment and engineering selection & performance
 - g) Potential vendor identification & information
 - h) Equipment identification & specifications

- (5) Facility design & layouts (61st – 240th day)
 - a) Facility overall design & planning
 - b) Facility sectional design & layouts
 - c) Sectional design, panning & layout
 - d) Facility logistics, storage design and layouts
 - e) Internal material distribution & transfer

- (6) Facility Performance & Economy (91st - 240th day)
 - a) Facility key functions and performances
 - b) Facility operating thru-puts and benefits
 - c) Operation end products & descriptions
 - f) Facility operating Staffs and qualifications
 - g) End product marketability and revenue estimates
 - h) End products sales & potential buyers information
 - i) Operation Safety & OSHA concerns
 - j) Facility maintenance & equipment service

- (7) Analysis of Equipment Assembly & Facility Construction (91st – 240th day)
 - a) Facility construction & General contracting
 - b) Bonding and performance guarantee
 - c) Equipment assembly and vendor qualification
 - d) Project construction & General contracting
 - e) Bonding and performance guarantee

- (8) Prepare and submit monthly BOD to DPU (between 61th day – 240th day)

Section B: Business Development
Task Schedule: Current to the 180th days from agreement signing
Earned Value: \$50,000

- (1) Develops and create list of energy/ environment technology manufacturers to DPU (2nd day - 60th day)

- (2) PEG assist City of Cleveland in planning presentations of advanced energy/ environment manufacturers interested in locating operations in Cleveland. (61st - 180th day)

- (3) PEG facilitates discussions between the City of Cleveland and) Kinsei regarding the location of Kinsei facilities in Cleveland. (Current – 180th day)

Task 3: Permitting
Task Length: 270 days
Task Schedule: 60th day to 330th Day from agreement signing
Earned Value: \$300,000 (to be divided into 2 sections)

Section 1: Detailed Permit Analysis & Air permit application
Task Schedule: 61st day – 240th day
Earned value: \$100,000.00

Section 1 consists of 2 Parts, (a) detailed permit analysis and (b) air permit application.

- (A) **Permit Analysis (60th day – 150th day)**
Earned Value: \$25,000.00

- (1) Detail listing of all required permitting: Including and not limited to facility operating permits, waste processing permits, waste as fuel permit, waste to energy permit, waste recycling permit, air emission permit,
- (2) List of permits by all regulatory agencies for the authorized installation and operation of the proposed Municipal Solid Waste to Energy Facility. Such list must include all its associated components, and related operations.
- (3) PEG shall present a detailed analysis and listing of ALL required permitting for the legal, authorized installation, construction and operation of such facility based on all the design parameters and conditions, location, refuse composition, traffic, power generation, steam production.
Scope of permitting required shall not be limited to that required to process the contents of the City-supplied Waste Composition Study, but shall include all waste composition required for the proper operation of the facility as proposed, and utilize the proposed equipment for the proposed power/steam energy output.

(B) Air Permit Application (91st day – 240th day)
Earned Value: \$75,000.00

- (1) All services, including anticipated meetings with the various authorities, shall be provided by PEG as part of the air emissions permit(s) application process.
- (2) PEG shall submit to DPU a draft of all air emissions permit(s) applications, modeling, analysis and all other reports required for proper documentation and submittal to regulatory authorities thirty (30) days prior to each submission for approval. PEG shall revise permit applications upon review.
- (3) PEG shall address, as part of its contract, any Notices of Deficiency issued by regulatory agencies in connection with the air emissions permit-to-install permitting process.
- (4) Copies of all modifications and changes will be submitted to DPU prior to submittal to Ohio EPA.

NOTE: PEG shall submit each required air emissions permit(s) application(s), including making any required or needed presentations to regulators, or facilitate any required or needed meetings between the City of Cleveland, its agents, partners in this project, funders, stakeholders or others, as needed or required, to obtain all required permitting.

Section 2: Receipt of Air Permit
Task Schedule: 240th - 330th day
Earned value: \$200,000.00

- (1) Upon Ohio EPA issues applied air permits for this proposed MSWE, PEG shall submit copies of those permits to DPU.