



COST REDUCTION AGREEMENT- NACO

This Agreement is made as of the last date signed below by and between _____, hereinafter referred to as CLIENT, and COST CONTROL ASSOCIATES, INC., hereinafter referred to as CCA.

I. SERVICES AVAILABLE

Cost Recovery and Reduction Services: CCA will review energy and telecom service types as specified by CLIENT below for the purposes of obtaining refunds (whether by check or account credit) and identifying cost reductions. CCA will file claims, negotiate with suppliers, and implement CLIENT-approved cost-reducing changes. Such cost-reducing changes will be submitted in a report to CLIENT for CLIENT's review and approval.

II. SERVICES SELECTED

CCA will perform services as described above for CLIENT's energy and telecom services specified with a "yes" below:

Service Type	<i>Please Indicate With a "Yes" Those Items Desired</i>
A. Electricity	
B. Natural Gas	
C. Propane, Oil, and Other Petroleum Fuels	
D. Water & Wastewater	
E. Municipal Street Lighting	
F. Telecom Local Services	
G. Telecom Long Distance Services	
H. Wireless Services-Cellular Phones & Devices	
I. Other (specify):	

III. FEES

CLIENT will pay fees to CCA according to the following schedule:

Accumulated Refunds and Cost Savings	<i>Fee Amount</i>
First \$125,000	45%
Next \$125,000	42%
Next \$125,000	40%
Next \$125,000	38%
Next \$500,000	35%
Over \$1,000,000	30%

This schedule will be applied to Findings, in a cumulative manner, with the first fee bracket being entirely satisfied before moving to the next bracket. Findings will consist of the following items:

- A. **Refunds:** Any refunds recovered due to CCA's efforts are subject to a one-time fee of each refund at the percentage indicated in the schedule above. This fee is payable after the refund check or credit is received by CLIENT. All future cost savings associated with the recovery of refunds are for the CLIENT's full benefit; and

B. Client-approved Cost Reductions: For any cost reductions recommended by CCA and approved for implementation by CLIENT, CCA will share in the resulting savings at the percentage indicated in the schedule above for the first 36 months following implementation of the changes. This fee will be payable on a monthly basis, or CLIENT may elect to prepay the entire amount at a discount. Cost reduction recommendations implemented during the term of this Agreement and within 36 months thereafter are subject to this fee.

IV. TERM: The initial term of this Agreement is one year. After the initial term, this Agreement will remain in effect on a month-to-month basis unless cancelled in writing by either party with at least 30 days written notice. Any fees due CCA, as indicated in Section III above, will continue to be payable, regardless of cancellation or expiration of this Agreement, for findings in process at the time of cancellation or expiration of this Agreement. Findings in process include refunds identified, but not yet collected; cost reductions implemented, but for which all fees have not yet been billed; and cost reductions identified, but not yet implemented in the event they are implemented.

V. OTHER

A. Except as noted on a referenced attachment to this Agreement, CLIENT is not currently working on pursuing refunds or implementing cost reduction items. If CLIENT becomes aware of a refund or cost reduction opportunity other than through CCA's efforts, which CLIENT elects to pursue on its own, CLIENT agrees to notify CCA in writing upon CLIENT'S discovery of the item.

SEE ATTACHMENT IF CHECKED

B. CLIENT will cooperate with CCA by signing letters of authority to energy and telecom suppliers, supplying copies of appropriate bills, completing forms and providing other documentation and information during the term of this Agreement and for a period of 36 months after this Agreement expires. CCA should work directly with vendors to effectively collect refunds and implement CLIENT-approved cost reduction items. If CLIENT chooses to pursue a refund or implement a cost reduction item that was recommended by CCA on its own, or should a refund or cost reduction item based on an issue identified by CCA become available to CLIENT based on actions of third parties, CCA is still entitled to its Fees.

C. Fees are payable to CCA within 20 days of date invoiced. Late fees are payable on invoices more than 10 days past due at the rate of 1.5% per month.

D. This is the entire Agreement between the parties.

E. In the unlikely event of any disputes, the parties will attempt to settle the dispute among themselves. If unsuccessful, the dispute will be submitted to the American Arbitration Association in Albany, New York. The award of the arbitrator will include costs and reasonable attorneys' fees to the prevailing party.

CLIENT by:

Signature Date

Print Name Title

CCA by:

Signature Date

Print Name Title