VILLAGE of TINLEY, PARK, IL

Master Project Agreement

HD Supply Waterworks, Ltd.
18900 82nd Avenue
Mokena, IL 60448
# Table of Contents

<table>
<thead>
<tr>
<th>Topic</th>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose and Scope</td>
<td>1</td>
</tr>
<tr>
<td>Definitions and Terminology</td>
<td>2</td>
</tr>
<tr>
<td>Term</td>
<td>3</td>
</tr>
<tr>
<td>HD Supply Waterworks’ Responsibilities</td>
<td>4</td>
</tr>
<tr>
<td>Client’s Responsibilities</td>
<td>5</td>
</tr>
<tr>
<td>Default of Client</td>
<td>6</td>
</tr>
<tr>
<td>Default of HD Supply Waterworks</td>
<td>7</td>
</tr>
<tr>
<td>Insolvency</td>
<td>8</td>
</tr>
<tr>
<td>Taxes, Permits, and Fees</td>
<td>9</td>
</tr>
<tr>
<td>Warranty</td>
<td>10</td>
</tr>
<tr>
<td>Indemnity</td>
<td>11</td>
</tr>
<tr>
<td>Safety</td>
<td>12</td>
</tr>
<tr>
<td>Liability and Force Majeure</td>
<td>13</td>
</tr>
<tr>
<td>Insurance</td>
<td>14</td>
</tr>
<tr>
<td>Hazardous Materials</td>
<td>15</td>
</tr>
<tr>
<td>Cleanup</td>
<td>16</td>
</tr>
<tr>
<td>Delays and Access</td>
<td>17</td>
</tr>
<tr>
<td>Quality of Materials</td>
<td>18</td>
</tr>
<tr>
<td>Financing</td>
<td>19</td>
</tr>
<tr>
<td>Legal Governance</td>
<td>20</td>
</tr>
<tr>
<td>Dispute Resolution</td>
<td>21</td>
</tr>
<tr>
<td>Attorney’s Fees</td>
<td>22</td>
</tr>
<tr>
<td>Assignability</td>
<td>23</td>
</tr>
<tr>
<td>Notices</td>
<td>24</td>
</tr>
<tr>
<td>Binding Effect</td>
<td>25</td>
</tr>
<tr>
<td>Modifications</td>
<td>26</td>
</tr>
<tr>
<td>Severability</td>
<td>27</td>
</tr>
</tbody>
</table>

Appendix A

- **Exhibit A-1**
  - Procurement, Installation and Management Contract
  - Material Procurement Summary for Installation Contract
- **Exhibit A-2**
  - Acceptance Certificate
- **Exhibit A-4**
  - Sensus Advanced Metering Infrastructure (AMI) Agreement
  - Statement of Work
- **Exhibit A-5**

Appendix B Reserved

Appendix C Reserved

Appendix D Warranty

**Exhibit D-1**

Manufacturers’ Warranties
Master Project Agreement

This Master Project Agreement (as hereinafter defined, this "Agreement") dated as of __________, 20__ between HD Supply Waterworks, Ltd. a limited partnership consisting of HD Supply Waterworks Group, Inc. (limited Partner) and HD Supply GP & Management, Inc. (General Partner) (as hereinafter defined, "HD Supply Waterworks"), and The Village of Tinley Park, IL 60477 (as hereinafter defined, "Client").

1. Purpose and Scope. The Agreement is a Master Project Agreement to provide certain Work to Client. HD Supply Waterworks agrees to undertake the necessary Work as specified in this Agreement, and Client agrees to take all actions that are identified in this Agreement and to pay HD Supply Waterworks in the manner contemplated by this Agreement. This Agreement consists of the text set forth herein and the text set forth in each Appendix to this Agreement that is executed and delivered by the Parties. The Appendices checked below are the only Appendices that have been executed and delivered by the Parties as part of this Agreement (provided, however, that Exhibits that are part of a stated Appendix also shall be part of this Agreement):

   [ X ] Appendix A—Procurement, Installation and Management Contract
   [ ] Appendix B—Reserved
   [ ] Appendix C—Reserved
   [ X ] Appendix D—Warranty

2. Definitions and Terminology. When used in this Agreement or in any of its attachments, the following capitalized terms shall have the respective meanings as follows:

   "Agreement" shall mean this Master Project Agreement, to include all Appendices and Exhibits.
   "AWWA" shall mean the American Water Works Association
   "AMR" shall mean Automatic Meter Reading
   "AMI" shall mean Advanced Metering Infrastructure
   "Client" shall mean The Village of Tinley Park, IL together with its successors.
   "Factory Installation Recommendation" shall mean guidelines for installation procedures given by the manufacturer of the equipment.
   "Financing Contract" shall mean any separate financing agreement that may be executed and delivered by the Parties as contemplated by Appendix C to this Agreement, but only to the extent that Section 1 of this Agreement shall indicate that Appendix C applies to this Agreement. No Financing Contract delivered pursuant to this Agreement shall constitute a part of this Agreement, and this Agreement does not constitute a part of any Financing Contract executed and delivered by the Parties.
   "Force Majeure" shall mean conditions beyond the reasonable control, or not the result of willful misconduct or negligence of the Party, including, without limitation acts of God, storms, extraordinary weather, acts of
government units, strikes or labor disputes, fire, explosions, thefts, vandalism, riots, acts of war or terrorism, non-price related unavailability of Project Materials and Supplies, and unavailability of fuel.

“Hazardous Materials” are any materials, substances, chemicals, and wastes recognized as hazardous or toxic (or other interchangeable terms of equal meaning) under applicable laws, regulations, rules, ordinances, and any governmental or authoritative body having jurisdiction over the execution of this Agreement and its attachments.

“HD Supply Waterworks” shall mean HD Supply Waterworks, Ltd., a limited partnership, together with its successors.

“Installation Contract” shall mean the Procurement, Installation, and Management Contract attached to this Agreement as Appendix A, but only to the extent that the Parties have executed and delivered such Appendix A.

“Manufacturer Defect” shall mean any fault or defect in materials or workmanship that manifests itself during the Warranty Period and is covered by the manufacturer’s warranty.

“Manufacturer’s Warranty Period” shall have the meaning set forth in Appendix D to this Agreement.

“Party” shall mean either HD Supply Waterworks or Client.

“Project” shall mean the work to be performed by HD Supply Waterworks or its subcontractors as described in this Agreement.

“Project Materials and Supplies” shall mean the materials and equipment specified in Appendix A.

“RF” shall be interchangeable with the term Radio Frequency.

“State” shall mean the State of Illinois, in which Client is located.

“Third Party” shall mean a person or entity other than Client or HD Supply Waterworks.

“Utility Service Area” shall mean the geographic area where the Project will be installed and the Work (and, if applicable, the Services) will be performed. This geographic area shall be specifically defined as the incorporated limits of the Village of Tinley Park, IL and any other geographic areas including Client’s system that HD Supply Waterworks, in its discretion, shall approve in writing for inclusion in the Utility Service Area.

“Warranty Period” shall have the meaning set forth in Appendix D to this Agreement.

“Work” shall mean all work required for the completion of HD Supply Waterworks’ obligations under this Agreement, including, to the extent that the Parties execute and deliver the Installation Contract attached hereto as Appendix A, the installation Work contemplated by the Installation Contract.

3. Term. The Term of this Agreement shall begin on the commencement date as listed in the opening paragraph and, unless earlier terminated in the manner contemplated by this Agreement, shall endure for the period specified in Appendix A. Notwithstanding the foregoing, either Party may terminate this Agreement and the Services and Work described herein by giving the other Party sixty (60) days prior written notice of its termination of this Agreement. No such termination shall have the effect of terminating any Financing Contract between the Parties if there are any amounts outstanding in respect of such Financing Contract.

4. HD Supply Waterworks’ Responsibility. HD Supply Waterworks shall provide Services, supply Project Materials and Supplies, and do all other Work as described in this Agreement. Without limiting the generality of
the foregoing, HD Supply Waterworks shall maintain supervision of all its subcontractors. Any Work beyond the scope of the Work agreed to herein shall not be considered as part of this Agreement. There shall be no implied or verbal agreements between the Parties relating to the subject matter of this Agreement.

5. Client's Responsibility. Client shall be responsible for cooperating with HD Supply Waterworks, providing accurate information in a timely manner, and making payment in a timely manner for Work performed, Project Materials and Supplies furnished, or Services rendered. Client shall designate a representative who will be fully acquainted with the Work and will be reasonably accessible to HD Supply Waterworks and its subcontractors, and will have the authority to make decisions on behalf of Client. Client shall provide to HD Supply Waterworks and its subcontractors all information regarding legal limitations, utility locations and other information reasonably pertinent to this Agreement and the Project. Client shall be required to give prompt notice should it become aware of any fault or defect in the Project.

6. Default of Client. The following events shall be considered events of Default of Client: (a) The failure of Client to make payments to HD Supply Waterworks in accordance with the terms of this Agreement; (b) any representation or warranty provided by Client that proves to be materially false or misleading when made; (c) any material failure of Client to comply with or perform according to the terms of this Agreement or to correct such failure to perform within any cure period specified in this Agreement. If an event of Default by Client occurs, HD Supply Waterworks will exercise any and all remedies available to it under this Agreement.

7. Default of HD Supply Waterworks. The following events shall be considered events of default on the part of HD Supply Waterworks: (a) failure of HD Supply Waterworks to provide adequate personnel, equipment, and supplies in accordance with the provisions and specifications of this Agreement, (b) any failure to promptly re-perform, within a reasonable time, Work or Services that properly were rejected as defective or nonconforming, (c) the failure of HD Supply Waterworks to deliver its Work and Services free and clear of any lien or encumbrance by any subcontractor, laborer, materialman, or other creditor of HD Supply Waterworks, (d) any representation or warranty (other than a warranty as contemplated by Section 10 of this Agreement) provided by HD Supply Waterworks proves to be materially false or misleading when made, (e) any material failure of HD Supply Waterworks to comply with or perform according to the terms of this Agreement or to correct such failure to perform within any cure period specified in this Agreement. In the event of default by HD Supply Waterworks, Client may exercise any and all remedies available to it under this Agreement.

8. Insolvency. In the event that either Party becomes insolvent or makes an assignment for the benefit of creditors or is adjudicated bankrupt or admits in writing that it is unable to pay its debts, or should any proceedings be instituted under any state or Federal Law for relief of debtors or for the appointment of a receiver, trustee, or liquidator of either Party, or should voluntary petition in bankruptcy or a reorganization or any adjudication of either Party as an insolvent or a bankrupt be filed, or should an attachment be levied upon either Parties equipment and not removed within five (5) days therefrom, then upon the occurrence of any such event, the other Party shall thereupon have the right to cancel this Agreement and to terminate immediately all work hereunder without further obligation.

9. Taxes, Permits, and Fees. HD Supply Waterworks shall be responsible for obtaining all permits and related permit fees associated with the Project; however the city must disclose any known fees in advance of contract signing. Client shall pay sales, use, consumer, and like taxes, when applicable. Client shall be responsible for securing at its sole expense any other necessary approvals, easements, assessments, or required zoning changes. Client shall be responsible for personal property taxes and real estate taxes on the Project. HD Supply Waterworks shall be responsible for all taxes measured by HD Supply Waterworks’ income.

10. Warranty. The warranty provided by HD Supply Waterworks and the manufacturer on Project Materials and Supplies, Work, and Services shall be as set forth in Appendix D.
11. **Indemnity.** Subject to Sections 13 and 14 of this Agreement:

   (a) Except as otherwise expressly provided in Section 11(b) below, Client assumes all liability and risk associated with the use, operation, and storage of the Project Materials and Supplies and for property damage, injuries, or deaths associated with or arising out of the use and operation of the Project unless said damage, injury, or death is the direct result of HD Supply Waterworks, its employees, and agents.

   (b) HD Supply Waterworks shall indemnify Client and employees against all claims of subcontractors or materialmen hired by HD Supply Waterworks for Work relating to the Project. HD Supply Waterworks and Client agree that HD Supply Waterworks is responsible only for damages that result from the intentional misconduct or the negligent act or omission of HD Supply Waterworks or its subcontractors.

12. **Safety.** HD Supply Waterworks shall have the primary responsibility for the supervision, initiation, and maintaining all safety precautions and programs necessary to complete its Work associated with the Project. HD Supply Waterworks agrees to comply with all applicable regulations, ordinances, and laws relating to safety. It shall be the responsibility of Client, however, to assure that the sites controlled by Client at which HD Supply Waterworks expected to do its Work are safe sites.

13. **Liability and Force Majeure.** HD Supply Waterworks’ liability under this Agreement shall not exceed the amounts paid to HD Supply Waterworks by Client hereunder. Neither HD Supply Waterworks nor Client shall be responsible to each other for any indirect, consequential, or special damages resulting in any form from the Project. Neither HD Supply Waterworks nor Client shall be responsible to each other for injury, loss, damage, or delay that arise from Force Majeure. HD Supply Waterworks shall not be responsible for any equipment or supplies other than Project Equipment and Supplies.

14. **Insurance and Risk.**

   (a) During the Term of this Agreement HD Supply Waterworks shall maintain and shall assure that its subcontractors maintain insurance as follows:

   1. Workers’ Compensation insurance (or self-insurance) in accordance with applicable law;
   2. Comprehensive general liability insurance
   3. Motor vehicle liability insurance

Such coverage may be provided under primary and excess policies. At the request of Client, HD Supply Waterworks shall provide or cause its subcontractor to provide to Client a certificate of insurance with respect to such policies.

   (b) Client shall assume full responsibility for any risk of loss except to the extent that (1) the damages are the result of negligence, failure to act, or willful or intentional act of HD Supply Waterworks or its subcontractors as provided in Section 11(b) above, or (2) the loss is covered by the insurance contemplated by Section 14(a) above.

15. **Hazardous Materials.** The Project and the Work expressly excludes any Work or Services of any nature associated or connected with the identification, abatement, cleanup, control, removal, or disposal of Hazardous Materials or substances. Client warrants and represents that, to the best of Client’s knowledge, there is no asbestos or other hazardous materials in the Project premises in areas that HD Supply Waterworks shall be required to perform work that in any way will affect HD Supply Waterworks’ ability to complete the Project. If HD Supply Waterworks is made aware or suspects the presence of Hazardous Materials, HD Supply Waterworks reserves the right to stop work in the affected area and shall immediately notify Client. It shall remain Client’s responsibility to correct the condition to comply with local and federal
standards and regulations. Client shall remain responsible for any Claims that result from the presence of the Hazardous Materials. Client is responsible for proper disposal of all hazardous materials, including but not limited to lithium batteries.

16. Clean up. HD Supply Waterworks will be responsible for keeping the Project area free from the accumulation of waste materials or trash that result from the Project-related Work. Upon completion of the initial Project-related Work, HD Supply Waterworks will remove all waste materials, trash, tools, construction equipment and supplies, and shall remove all surplus materials associated with the Project.

17. Delays and Access. If conditions arise that delay the commencement, completion, or servicing of the Project as a consequence of Force Majeure or failure of Client to perform its obligation that prevents HD Supply Waterworks or its agents from performing work, then HD Supply Waterworks will notify Client in writing of the existence of delay and the nature of the delay. Client and HD Supply Waterworks will then mutually agree upon any new completion dates, disbursement terms, and payment terms for the Work contemplated by this Agreement. Nothing in the foregoing sentence shall be deemed to relieve Client from its obligation to provide HD Supply Waterworks and its subcontractors reasonable and safe access to facilities that are necessary for HD Supply Waterworks to complete the Work.

18. Quality of Materials. HD Supply Waterworks will use the Project Materials and Supplies specified in Appendix A. Where brand names and part numbers are specified HD Supply Waterworks will use the items listed in Appendix A unless specified items are unavailable or discontinued. In this instance, HD Supply Waterworks will work with Client to choose a substitute. Where brand names are not specified, HD Supply Waterworks will choose Project Materials and Supplies that are within industry norms and standards. Should Client require Project Materials and Supplies with specific requirements, Client should make these specifications known in a timely manner. HD Supply Waterworks can use Client-furnished or Client-specific materials; however, Client will need to provide them or pay the difference in price and labor should any exist. Examples of Client specific requirements include but are not limited to country or state of origin, union manufactured, specific brand, or manufacturing process.

19. Financing. If the Parties so agree and have so indicated in Section 1 of this Agreement, HD Supply Waterworks shall provide financing for the Project pursuant to any separate Financing Contract executed and delivered by the Parties as contemplated by Appendix C. The Financing Contract is not part of this Agreement, and this Agreement is not part of the Financing Contract.

20. Legal Governance. The laws of the State shall govern this Agreement and the relationship of the Parties contemplated hereby.

21. Dispute Resolution.

(a) The Parties will attempt in good faith to resolve through negotiation any dispute, claim or controversy arising out of or relating to this Agreement. Either Party may initiate negotiations by providing written notice to the other Party, setting forth the subject of the dispute and the relief requested. The recipient of such notice will respond in writing within three business days from receipt with a statement of its position on, and recommended solution to, the dispute. If the dispute is not resolved by these negotiations within 15 business days following the date of the initial written notice, the matter will be submitted to mediation in accordance with Section 21(b) below.

(b) Except as provided herein, no civil action with respect to any dispute, claim, or controversy arising out of or relating to this Agreement may be commenced until the Parties have attempted in good faith to resolve the matter through a mediation proceeding, under the mediation procedure of the CPR Institute for Dispute Resolution (“CPR”), JAMS/Endispute, the American Arbitration Association (“AAA”), or as otherwise agreed upon by the Parties. Either Party may commence mediation by sending a written request for mediation to the other Party, within 45 business days following the expiration of the 15-business day period under subsection (a) above, setting forth the subject of the dispute and the relief requested. Unless the Parties agree otherwise in writing, a single mediator shall conduct the mediation, and the mediator shall be selected from an appropriate CPR, JAMS/Endispute, AAA or other panel as agreed
upon by the Parties. The mediation shall be conducted in the county of the State in which Client has its principal office. Each Party may seek equitable relief prior to or during the mediation to preserve the status quo pending the completion of that process. Except for such an action to obtain equitable relief, neither Party may commence a civil action with respect to the matters submitted to mediation until after the completion of the internal mediation session, or 45 days after the date of filing the written request for mediation, whichever occurs first. Mediation may continue after the commencement of a civil action, if the Parties so desire.

(c) The Parties further agree that in the event any dispute between them relating to this Agreement is not resolved under Section 21(a) or (b) above, exclusive jurisdiction shall be in the trial courts located within the county of the State in which Client has its principal office, any objections as to jurisdiction or venue in such court being expressly waived. In the event of a breach or threatened breach by Client of this Agreement, HD Supply Waterworks in its sole discretion may, in addition to other rights and remedies existing in its favor and without being required to post a bond or other security, apply to any court for specific performance and/or injunctive or other relief in order to enforce, or prevent the violation of, this Agreement. BOTH CLIENT AND HD SUPPLY WATERWORKS HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF THE PARTIES IN THE NEGOTIATIONS, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT THEREOF.

(d) All issues and questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by, and construed in accordance with, the laws of the State, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State or any other jurisdiction) that would cause the application hereto of the laws of any jurisdiction other than the laws of the State.

22. **Attorney’s Fees.** In the event of any litigation between Parties hereto arising from or with respect to this Master Project Agreement, the Parties will each bear their own attorneys’ fees and costs of the action.

23. **Assignability.** Client may not assign, delegate or otherwise transfer this Agreement or any of its rights or obligations hereunder without HD Supply Waterworks’ prior written consent.

24. **Notices.** All notices and communications related to this Agreement shall be made in following address:

If to Client: The Village of Tinley Park, IL
16250 South Oak Park Avenue
Tinley Park, IL 60477

If to HD Supply Waterworks: HD Supply Waterworks, Ltd.

25. **Binding Effect.** Each of Client and HD Supply Waterworks represents and warrants to the other that this Agreement has been duly authorized, executed and delivered by such Party and constitutes a legal, valid and binding agreement of such Party enforceable against such Party in accordance with its terms.

26. **Modifications.** This Agreement shall not be modified, waived, discharged, terminated, amended, altered or changed in any respect except by a written document signed and agreed to by both HD Supply Waterworks and Client.
27. **Severability.** Any term or provision found to be prohibited by law or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without, to the extent reasonably possible, invalidating the remainder of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

"HD SUPPLY WATERWORKS"

HD SUPPLY WATERWORKS, LTD.

By: [Signature]
Printed Name: Robert A. Churchill
Printed Title: Branch Manager

"CLIENT"

VILLAGE OF Tinley Park

By: [Signature]
Printed Name: David L. Seaman
Printed Title: Mayor
Appendix A

Procurement, Installation, and Management Contract

Provider: HD Supply Waterworks, Ltd. (“HD Supply Waterworks”)
Client: The Village of Tinley Park, IL

This Procurement, Installation, and Management Contract (the “Installation Contract”) is an Appendix to the Master Project Agreement of even date herewith (the “Master Agreement”) concerning the Project referenced in the Master Agreement.

1. Summary of Work. The Summary of Work for the Project contemplated by the Master Agreement consists of application design of the AMR/AMI system, providing and installing Project Materials and Supplies as listed in Exhibit A-1, and management of the installation process of the AMI Infrastructure. The purpose of this Work is to upgrade the existing system in order to provide an AMR/AMI-capable system that will meet or exceed the Factory Installation Recommendations.

2. Project Implementation Period. The Project is projected to commence on June 21, 2016, and will be implemented over an approximate 24 month period of time. Below is an estimated construction Schedule:

<table>
<thead>
<tr>
<th>Estimated Construction Schedule:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Start Date</td>
</tr>
<tr>
<td>25% Complete</td>
</tr>
<tr>
<td>50%</td>
</tr>
<tr>
<td>75%</td>
</tr>
<tr>
<td>100%</td>
</tr>
</tbody>
</table>

3. Compensation. Client agrees to pay HD Supply Waterworks per the submitted bid on a unit cost price for the prescribed Project Materials and Supplies and work as described in Exhibit A-1 and additionally for each supplemental item as required by Client and agreed by the parties. In addition, Client agrees to pay HD Supply Waterworks for the Work and Services contemplated by this Installation Contract for the AMI Infrastructure as set forth in the Master Agreement. Payment terms shall be as follows:

(a) Payment for Project Materials and Supplies. Client will make payment to HD Supply Waterworks for Project Materials and Supplies within 30 days of the receipt of an invoice for such Project Materials and Supplies (which will be invoiced no more frequently than weekly). No payment shall be made for Project Materials and Supplies, however, until Client shall have issued a related Acceptance Certificate, which Client shall issue promptly following its receipt of Project Materials and Supplies.

(b) Draw Schedule. This Section 3(b), or [X ] shall not be applicable (mark as appropriate) to this Installation Contract. If this Section 3(b) is applicable, HD Supply Waterworks shall be entitled to percentage payment for its Work and Services in accordance with the following draw schedule:

<table>
<thead>
<tr>
<th>Draw Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>
No payment shall be made, however, until Client shall have issued an Acceptance Certificate with respect to such Work and Services, which Client shall issue promptly based on achievement of the draw schedule milestones set forth above. HD Supply Waterworks shall be paid for Project Materials and Supplies as set forth in Section 3(a) above.

(c) No Draw Schedule. If the Parties have not agreed to a draw schedule in Section 3(b) above, Client shall pay HD Supply Waterworks for all Work and for Services as such Work and Services are performed, with HD Supply Waterworks to bill Client on a monthly basis for all of the foregoing. Client will make payment for all Work and Services performed under this Installation Contract within 30 days after receipt of HD Supply Waterworks’ invoice for such Work and Services (which will be invoiced monthly). No payment shall be made, however, until Client shall have issued an Acceptance Certificate with respect to such Work and Services, which Client shall issue promptly based on achievement of the draw schedule milestones set forth above. HD Supply Waterworks shall be paid for Project Materials and Supplies as set forth in Section 3(a) above.


(a) HD Supply Waterworks will warrant the Project Materials and Supplies, the Work, and any other Services as provided in Section 10 of the Master Agreement. Client may elect to execute a Service Contract with HD Supply Waterworks for additional maintenance provisions.

(b) AMI Infrastructure Work. HD Supply Waterworks will develop a *Scope of Work* specific to the design, deployment, and execution of any AMI infrastructure work as per the project needs. This *Scope of Work* will be tailored to the project, as well as any site specific conditions. Once this Scope of Work is developed and mutually agreed upon by the Parties, it will become extension to the Master Project Agreement Appendix A, and as such will be binding between the parties.

(c) Disposal. The Client will be responsible for the disposal of all waste, debris and materials from the installation of the Project.

5. Responsibilities of Client during Installation.

(a) Owner-Furnished Data. Client shall provide HD Supply Waterworks all technical data in Client’s possession, including previous reports, maps, surveys, and all other information in Client’s possession that HD Supply Waterworks informs Client’s representative is necessary as it relates to Project. Client shall be responsible for identifying the location of meters. Should HD Supply Waterworks require assistance in finding the meter location, Client shall locate the meter in a timely manner.

(b) Access to Facilities and Property. Client shall make its system facilities and properties available and accessible for inspection by HD Supply Waterworks and affiliates.

(c) Client Cooperation. Client support will be required during implementation of this Improvement Measure to obtain access to meter boxes/pits, infrastructure sites and to coordinate utility interruptions. Client will provide notification in its billing to its customers that HD Supply Waterworks is performing the designated work and that possible service interruption may result.
(d) **Timely Review.** That Client through its designated representatives shall examine all invoices, and inspect all completed work by HD Supply Waterworks in a timely manner. In the event that a Client delay results in the lack of a progress payment disbursement, reserves the right to delay further work without penalty until such time as payments are made. HD Supply Waterworks further reserves all rights and options available to it under the Master Project Agreement.

**IN WITNESS WHEREOF,** the Parties have executed this Installation Contract as of ____________, 2016.

**“HD SUPPLY WATERWORKS”**

HD SUPPLY WATERWORKS, LTD.

By: [Signature]

Printed Name: Bob Church

Printed Title: Branch Manager

**“CLIENT”**

VILLAGE OF TINLEY PARK, IL

By: [Signature]

Printed Name: David Seaman

Printed Title: Mayor
Exhibit A-1

Material Procurement Summary
For Installation Contract

Provider: HD Supply Waterworks, Ltd. ("HD Supply Waterworks")
Client: The Village of Tinley Park, IL

This Material Procurement Summary is an Exhibit to and hence part of the Installation Contract contemplated by the Master Project Agreement (the "Master Agreement"), and it includes all Project Materials and Supplies to be used in connection with the Work contemplated by the Installation Contract and the Master Agreement, as the same will be identified specifically in future invoices generated by HD Supply Waterworks and attached to each Acceptance Certificate (Exhibit A-2) contained in the Installation Contract. A summary of the Project Materials and Supplies required for the Project is as follows:

All unit pricing per Sensus Bid Prices A-1

See Attachment Sensus Bid Prices A-1
# Appendix A Schedule of Unit Prices

Date: March 29, 2016

Proposing Firm: HD Supply Waterworks

The goal of this project is to provide equipment, installation and financing for a fixed base meter reading for the Buyer that fully meet the product specifications contained within this document. Responding firms who meet all criteria outlined herein are invited to present a proposal addressing the following scope of work:

<table>
<thead>
<tr>
<th>Item Number</th>
<th>Description*</th>
<th>Quantity**</th>
<th>Unit Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>M-2</td>
<td>5/8&quot; x 3/4&quot; IPERL</td>
<td></td>
<td>$98.00</td>
<td></td>
</tr>
<tr>
<td>M-3</td>
<td>1&quot; IPERL</td>
<td></td>
<td>$129.00</td>
<td></td>
</tr>
<tr>
<td>M-4</td>
<td>1 1/2&quot; OMNI C2</td>
<td></td>
<td>$1,005.00</td>
<td></td>
</tr>
<tr>
<td>M-5</td>
<td>1 1/2&quot; OMNI Irrigation R2</td>
<td></td>
<td>$420.00</td>
<td></td>
</tr>
<tr>
<td>M-6</td>
<td>2&quot; OMNI C2</td>
<td></td>
<td>$1,195.00</td>
<td></td>
</tr>
<tr>
<td>M-7</td>
<td>2&quot; OMNI Irrigation R2</td>
<td></td>
<td>$615.00</td>
<td></td>
</tr>
<tr>
<td>M-8</td>
<td>3&quot; OMNI C2</td>
<td></td>
<td>$1,500.00</td>
<td></td>
</tr>
<tr>
<td>M-9</td>
<td>4&quot; OMNI C2</td>
<td></td>
<td>$2,750.00</td>
<td></td>
</tr>
<tr>
<td>M-10</td>
<td>6&quot; OMNI C2</td>
<td></td>
<td>$4,500.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Meter Subtotal</strong></td>
<td></td>
<td></td>
<td>$100,450.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item Number</th>
<th>Description*</th>
<th>Quantity**</th>
<th>Unit Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>I-1</td>
<td>Complete fixed base equipment infrastructure capable to cover Buyer coverage area (software integration, handheld devices, etc) Installation included.</td>
<td>$100,450.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I-2</td>
<td>Single-Port Transmitters for the meters listed above [2 watt(s)]</td>
<td>$999.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I-3</td>
<td>Dual-Port Transmitters for the meters listed above [2 watt(s)]</td>
<td>$110.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I-4</td>
<td>Data Collection Unit(s)</td>
<td>$0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I-5</td>
<td>Data Repeaters</td>
<td>$0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Infrastructure Subtotal</strong></td>
<td></td>
<td></td>
<td>$6,350.00</td>
</tr>
</tbody>
</table>

Fixed Base System and Meter Change-Out - 13
**Quantity is an estimation provided by the bidder, to provide the number of meters, equal to the sum of the table that is found in the chart, on page 25, of this bid spec; the chart is in the section titled "Current Meter Sizes and Amounts". The final project pricing shall be determined by actual meter numbers at the price per item as listed in Appendix-A.**

**Option 1 – Remote “Cloud Based” Data Management**

$ 76,450.00 — RNI Total **DEDUCT** (circle one)
$ 36,500.00 — Yearly Maintenance Fee

**Other Optional Equipment**

1.) Non Hosted Annual Hardware Maintenance - Total **ADD** $2,500.00

2.) Non Hosted Annual Software Maintenance - Total **ADD** $14,500.00

3.) Performance/ Bid Bond - **ADD** $55,000.00 per yr. (2 years) Total $110,000.00

4.) Customer Connect Annual Software Maintenance - **ADD** or **DEDUCT** $37,500.00

5.) Touchpads (22,150) - **ADD** $5.00 per Total $110,795.00

**NOTE:**
Utility to provide electric to Basestation
Utility to provide communication link from Basestation to RNI. (Backhaul)
Utility responsible for Interface from Logic MDM to Utility Billing Software.
Annual Hosting Fee Subject to a 3% Annual Increase
Prevailing Wage not figured in TGB installations. TGB installer has to be certified by Sensus to perform work.
Quantities are based on information provided by Village. Unit pricing prevail.
Exhibit A-2

Acceptance Certificate

Client under the Master Project Agreement (the “Master Agreement”) with HD Supply Waterworks, Ltd. hereby certifies:

This Acceptance Certificate is a Partial/Final (Circle one) Acceptance Certificate delivered under the Procurement, Installation, and Management Contract (the “Installation Contract”) to which it is attached.

1. The Project Materials and Supplies listed on the attached invoice (or in the event of a final Acceptance Certificate all Project Materials and Supplies provided under the Installation Contract and the Master Agreement), have been delivered to Client.

2. Client has conducted such inspection and/or testing of the Project Materials and Supplies as it deems necessary and appropriate and hereby acknowledges that it accepts the Project Materials and Supplies for all purposes on the date indicated below. The Project Materials and Supplies have been examined and/or tested and are in good operating order and condition and is in all respects satisfactory to the undersigned and complies with the terms of the Installation Contract, subject, however, to the warranty provided in Section 10 of the Master Agreement.

3. Based on and the acceptance set forth herein, Client agrees that the Manufacturer’s Warranty Period on all water equipment shall be deemed to have begun on the date when the manufacturer shipped such equipment and that the Manufacturer’s Warranty Period shall end in accordance to the referenced warranties in Appendix D, Exhibit D-1.

4. Client has examined all Work and Services performed by HD Supply Waterworks and covered by the related invoice or draw requests and finds such Work and Services to have been performed in an workmanlike manner and in accordance with all applicable specifications. Client therefore accepts such Work and Services. Based on the acceptance set forth herein, Client agrees that the Warranty Period for the Work and Services shall end on ___________, 20__ (i.e. one year from the date hereof).

5. The following is a punch list of items left to be completed for current phase or final phase (Circle one) of the Project:

   Insert Punch list

Agreed to and Accepted as of June 7, 20__ by:

“CLIENT”

THE VILLAGE OF TINLEY PARK, IL

By: [Signature]

Printed Name: David F. Seaman

Printed Title: Mayor
Exhibit A-3

Sensus Advanced Metering Infrastructure (AMI) Agreement
Advanced Metering Infrastructure (AMI) Agreement

between

Village of Tinley Park, IL
("Customer")

and

Sensus USA Inc.
("Sensus")

IN WITNESS WHEREOF, the parties have caused this AMI Agreement ("Agreement") to be executed by their duly authorized representatives as of the day and year written below. The date of the last party to sign is the "Effective Date."

This Agreement shall commence on the Effective Date and continue for/until: 5 Years ("Initial Term"). At the end of the Initial Term, this Agreement shall automatically renew for an additional term of 5 years ("Renewal Term"). The "Term" shall refer to both the Initial Term and the Renewal Term.

This Agreement contains two parts: Part (1) is The FCC Notification for Spectrum Manager Lease, to be filed with the FCC by Sensus on behalf of the Customer and Part (2) is a AMI Agreement between Sensus and Customer. Together, these two parts create the Agreement.

Sensus USA Inc.
By: ________________________________
Name: ________________________________
Title: ________________________________
Date: ________________________________

Customer: Village of Tinley Park, IL
By: ________________________________
Name: David C. Seaman
Title: Mayor
Date: June 14, 2016

Contents of this Agreement:
Part 1: Notification for Spectrum Manager Lease
Part 2: AMI Agreement
   Exhibit A  Software
   Exhibit B  Technical Support
Part 1: Notification for Spectrum Manager Lease

In order for Sensus to apply on the Customer’s behalf for a spectrum manager lease, Customer must complete the information below in boxes (1) through (10) and certify via authorized signature. Customer’s signature will indicate that Customer authorizes Sensus to file the spectrum manager/lease notification on FCC Form 602 with the Customer as spectrum Lessee, and if Customer does not already have one, ownership disclosure information on FCC Form 602.

1. Customer/Lessee Name: Village of Tinley Park, Illinois
   
   Attention To: Steve Tilton
   
   Name of Real Party in Interest: stilton@tinleypark.org
   
   Street Address: 16250 S. Oak Park Ave.
   
   City: Tinley Park
   
   State: Illinois Zip: 60477
   
   Phone: (708) 444-5000
   
   Fax: Email: stilton@tinleypark.org

   Is Customer contact information same as above? [ ] Yes [ ] No (If No, complete box 2 below)

2. Additional Customer/Lessee Contact Information
   
   Company Name:
   
   Attention To:
   
   Street Address: City:
   
   State: Zip:
   
   Phone: Email:

3. Customer/Lessee is a(1) [ ] Individual [ ] Unincorporated Association [ ] Trust
   [ ] Government Entity [ ] Corporation [ ] Limited Liability Company [ ] General Partnership
   [ ] Limited Partnership [ ] Limited Liability Partnership [ ] Consortium [ ] Other

4. FCC Form 602: FCC File Number of Customer’s Form 602 Ownership Information. [ ] If Customer has not filed a Form 602, Sensus will file one for Customer. Please complete questions 5, 6, and 7 below if Customer does not have a Form 602 on file. Customer must complete items 8, 9 and 10 irrespective of whether Customer has an ownership report on file.

5. Customer Tax ID: 36-600612

6. Individual Contact For FCC Matters
   
   Please designate one individual (the Director of Public Works or similar person) who is responsible to the FCC for the operation of the FlexNet radio system.
   
   Name: Thomas Kopanski
   
   Title: Water & Sewer Superintendent
   
   Email: tkopanski@tinleypark.org Phone: (708) 444-5000

7. Ownership Disclosure Information
   
   If Customer/Lessee is a government entity, list the names of the Mayor and all Council Members below, as well as verify citizenship and ownership interests in any entity regulated by the FCC. Such ownership must be disclosed where a mayor/council member owns 10% or more, directly or indirectly, or has operating control of any entity subject to FCC regulation. If any answer to Ownership question is Yes, or any answer to Citizenship question is No, provide an attachment with further explanation.
   
   Mayor: David G. Seaman
   
   Council Member: Brian S. Maher
   
   Council Member: T.J. Grady
   
   Council Member: Michael J. Panitto
   
   Council Member: Jacob C. Vandenbarg
   
   US Citizen? [ ] Yes [ ] No Ownership Disclosure? [ ] Yes [ ] No
   
   US Citizen? [ ] Yes [ ] No Ownership Disclosure? [ ] Yes [ ] No
   
   US Citizen? [ ] Yes [ ] No Ownership Disclosure? [ ] Yes [ ] No
   
   US Citizen? [ ] Yes [ ] No Ownership Disclosure? [ ] Yes [ ] No
   
   US Citizen? [ ] Yes [ ] No Ownership Disclosure? [ ] Yes [ ] No
   
   US Citizen? [ ] Yes [ ] No Ownership Disclosure? [ ] Yes [ ] No

CONFIDENTIAL | Page 2 of 14
### Council Member Questions

<table>
<thead>
<tr>
<th>Council Member</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Brian H. Younker</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Kevin L. Suggs</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

8. **Council Member Questions (if the answer is Yes, provide an attachment explaining the circumstances)**

- Is the Customer/Lessee a foreign government or the representative of any foreign government?  
  Yes | No
- Has the Customer or any party to this application revoked or denied any license or construction permit under the Commission's rules and regulations?  
  Yes | No
- Is the Customer/Lessee a person convicted of a felony by any state or federal court?  
  Yes | No
- Has any court, state or federal, convicted or otherwise found the Customer or any party to this application to be in violation of any law?  
  Yes | No

9. **Basic Qualification Information**

- Has the Customer or any party to this application revoked or denied any license or construction permit under the Commission's rules and regulations?  
  Yes | No
- Is the Customer/Lessee a person convicted of a felony by any state or federal court?  
  Yes | No
- Has any court, state or federal, convicted or otherwise found the Customer or any party to this application to be in violation of any law?  
  Yes | No

10. **Customer/Lessee Certification Statements**

- The Customer/Lessee certifies that the Lease is not a sale or transfer of the license itself.  
  Yes | No
- The Customer/Lessee certifies that it is required to comply with the Commission's rules and regulations and other applicable laws at all times, and if the Customer/Lessee fails to comply, the Lease may be revoked, cancelled, or terminated by the Licensee or the Commission.  
  Yes | No
- The Customer/Lessee certifies that neither the Licensee nor any other party to the Application/Notification is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 882, because of a conviction for possession or distribution of a controlled substance (See Section 1.36(b)(2) of the rules, 47 CFR § 1.36(b), for the definition of “party to the application” as used in this certification).  
  Yes | No
- The Customer/Lessee certifies that it must cooperate fully with any investigation or inquiry conducted either by the Commission or the Licensee, allow the Commission or the Licensee to conduct on-site inspections of transmission facilities, and suspend operations at the direction of the Commission or the Licensee to the extent that such suspension of operation would be consistent with applicable Commission policies.  
  Yes | No
- The Customer/Lessee certifies that in the event an authorization is held by a Licensee that has associated with it a spectrum leasing arrangement that is subject to this filing is revoked, cancelled, or otherwise ceases to be in effect, the Customer/Lessee will have no continuing authority to use the leased spectrum and will be required to terminate its operations no later than the date on which the Licensee ceases to have any authority to operate under the license unless otherwise authorized by the Commission.  
  Yes | No
- The Customer/Lessee certifies that the Lease shall not be assigned to any entity that is not eligible or qualified to enter into a spectrum leasing arrangement under the Commission's rules and regulations.  
  Yes | No
- The Customer/Lessee waives any claim to the use of any particular frequency or of the electromagnetic spectrum as against the regulatory power of the United States because of the previous use of the same, whether by spectrum lease or otherwise.  
  Yes | No
- The Customer/Lessee certifies that it is not in default on any payments for Commission licenses and that it does not make any non-tax debt owed to any federal agency.  
  Yes | No

The Customer/Lessee certifies that all of its statements made in this Application/Notification and in the schedules, exhibits, attachments, or documents incorporated by reference are material, are part of this Application/Notification, and are true, correct, complete, and made in good faith. The Customer/Lessee shall notify Sensus in writing of any information supplied in this form changes.

### Type or Printed Name of Party Authorized to Sign

<table>
<thead>
<tr>
<th>First Name:</th>
<th>David</th>
</tr>
</thead>
<tbody>
<tr>
<td>MI:</td>
<td>G</td>
</tr>
<tr>
<td>Last Name:</td>
<td>Seaman</td>
</tr>
<tr>
<td>Suffix:</td>
<td>Mr.</td>
</tr>
<tr>
<td>Title:</td>
<td>Mayor</td>
</tr>
<tr>
<td>Customer Name:</td>
<td>Village of Tinley Park, Illinois</td>
</tr>
<tr>
<td>Signature:</td>
<td>[Signature]</td>
</tr>
<tr>
<td>Date:</td>
<td>June 14, 2016</td>
</tr>
</tbody>
</table>

FAILURE TO SIGN THIS APPLICATION MAY RESULT IN DISMISSAL OF THE APPLICATION AND FORFEITURE OF ANY FEES PAID.

WILLFUL FALSE STATEMENTS MADE IN THIS FORM OR ANY ATTACHMENTS ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. Code, Title 18, Section 1001) AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (U.S. Code, Title 47, Section 312(a)(1)) AND/OR FORFEITURE (U.S. Code Title 47, Section 503).
Part 2: AMI Agreement

1. Equipment.
   A. Purchase of Equipment. Customer shall purchase all Field Devices, RF Field Equipment, and other goods (collectively, "Equipment") from Sensus' authorized distributor pursuant to the terms and conditions (including any warranties on such Equipment) agreed by Customer and Sensus' authorized distributor. This Agreement shall not affect any terms and conditions, including any warranty terms, agreed by Customer and Sensus' authorized distributor. If Customer elects to purchase any equipment or services directly from Sensus, or if Customer pays any fees or other costs to Sensus, then Sensus' Terms of Sale shall apply. The "Terms of Sale" are available at [link provided] or 1-800-METER-IT.
   B. THERE ARE NO WARRANTIES IN THIS AGREEMENT, EXPRESS OR IMPLIED. SENSUS EXPRESSLY DISCLAIMS ANY AND ALL REPRESENTATIONS, WARRANTIES AND/OR CONDITIONS, EXPRESSED, IMPLIED, STATUTORY OR OTHERWISE, REGARDING ANY MATTER IN CONNECTION WITH THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, WARRANTIES AS TO FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, NON-INFRINGEMENT AND TITLE.

2. Services.
   A. Installation of Equipment. Installation services will be as agreed between the Customer and Sensus' authorized distributor. Sensus will not provide installation services pursuant to this Agreement.
   B. Software Implementation. Sensus shall install and configure the Software on the Server Hardware.
   C. IT Systems Integration Services. Integration of the Software into Customer's new or existing IT systems is not included in this Agreement. Any integration work shall be subject to a separate agreement which describes the scope and pricing for such work.
   D. Technical Support. Sensus shall provide Customer the technical support set forth in Exhibit B.
   E. Project Management. Project management of the AMI System is not included in this Agreement. Any project management shall be subject to a separate agreement which describes the scope and pricing for such work.
   F. Training. Training on the use of the AMI System is not included in this Agreement. Any training shall be subject to a separate agreement which describes the scope and pricing for such work.

3. Software.
   A. Software as a Service (SaaS). Sensus shall provide Customer with Software as a Service, as defined in Exhibit A, only so long as Customer is current in its payments for such services.
   B. UCITA. To the maximum extent permitted by law, the Parties agree that the Uniform Computer Information Transaction Act as enacted by any state shall not apply, in whole or in part, to this Agreement.

   A. Definitions in this Section 4. In this Section 4 only, "Sensus" shall mean Sensus USA Inc. and its wholly owned subsidiary, Sensus Spectrum LLC.
   B. Spectrum Lease. Sensus hereby grants to Customer, and Customer accepts, a spectrum manager lease ("Spectrum Lease") over the frequencies of certain FCC license(s) ("FCC License") solely within Customer's Service Territory. The frequencies of the FCC Licenses within Customer's geographic Service Territory are called the "Leased Spectrum". Customer shall pay the Ongoing Fees for use of the Leased Spectrum.
   C. FCC Forms. At the Federal Communications Commission (FCC), Sensus will: (1) obtain an FCC Registration Number (FRN) for Customer; (2) submit on behalf of Customer the FCC Form 802 Ownership Disclosure Information if Customer has not already done so; and (3) file a FCC Form 608, notification/application for long-term spectrum manager lease. This Lease becomes effective when the FCC accepts the FCC Form 608.
   D. Lease Application. In order to complete the FCC lease application, Customer will promptly:
      i. Complete and sign the representations in Part 1 of this Agreement such that Customer demonstrates it qualifies for a spectrum lease under FCC rules.
      ii. Customer's signature will indicate that Customer authorizes Sensus to: (1) obtain an FRN on behalf of Customer; (2) submit the FCC Form 802 Ownership Disclosure Information on behalf of Customer if Customer has not already done so; and (3) file the spectrum manager lease notification on FCC Form 608 with the Customer as spectrum lessee.
   E. Permitted Use of Spectrum Lease. Customer may transmit or receive over the Leased Spectrum only in the Service Territory and only using FlexNet equipment manufactured by Sensus and used in accordance with Sensus specifications. Customer may use the Leased Spectrum only to read and direct meters in support of Customer's primary utility business or any other operation approved by Sensus in writing. Without limiting the foregoing, Customer is prohibited from reselling, sublicensing or sublicenseing the Leased Spectrum or from transmitting voice communications over the Leased Spectrum. For each piece of RF Field Equipment used by Customer, Customer shall affix a Sensus-supplied label to the exterior of the RF Field Equipment cabinet or other appropriate visible place to indicate that RF operation is conducted under authority of FCC License(s) issued to Sensus.
   F. Term of Spectrum Lease. Unless terminated earlier (because, for example, Customer stops using the FlexNet equipment or because this Agreement terminates or expires for any reason), this Spectrum Lease will have the same term as the FCC license. If Customer is operating in compliance with this Agreement and is current on any payments owed to Sensus, when the FCC License renews, the Parties will apply to the FCC to renew this Spectrum Lease.
   G. Termination of Spectrum Lease. The Spectrum Lease will terminate: (a) two months after Customer stops transmitting with FlexNet equipment manufactured by Sensus; (b) upon termination, revocation or expiration of the FCC License; (c) upon Customer's breach of this Agreement; or (d) upon termination or expiration of this Agreement for any reason.
   H. FCC Compliance. The following FCC requirements apply:
      i. Pursuant to 47 CFR 1.904(a):
         (a) Customer must comply at all times with applicable FCC rules. This Agreement may be revoked by Sensus or the FCC if Customer fails to comply;
         (b) If the FCC License is terminated, Customer has no continuing right to use the Leased Spectrum unless otherwise authorized by the FCC;
         (c) This Agreement is not an assignment, sale or other transfer of the FCC License;
         (d) This Agreement may not be assigned except upon written consent of Sensus, which consent may be withheld in its discretion; and
         (e) In any event, Sensus will not consent to an assignment that does not satisfy FCC rules.
      ii. Referencing 47 CFR 1.9010, Sensus retains de jure and de facto control over the applicable radio facilities, including that,
(a) Sensus will be responsible for Customer’s compliance with FCC policies and rules. Sensus represents and warrants that it has engineered the FlexNet equipment and accompanying software and other programs to comply with FCC rules. Customer will operate the FlexNet equipment subject to Sensus’ supervision and control and solely in accordance with Sensus’ specifications. Sensus retains the right to inspect Customer’s radio operations hereunder and to terminate this Agreement or take any other necessary steps to resolve a violation of FCC rules, including to order Customer to cease transmission. Sensus will act as spectrum manager in assigning spectrum under the FCC License so as to avoid any harmful interference or other violation of FCC rules. Sensus will be responsible for resolving any interference complaints or other FCC rule violations that may arise; and

(b) Sensus will file any necessary FCC forms or applications and Customer agrees to reasonably assist Sensus with such filing by providing any necessary information or other cooperation. Sensus will otherwise interact with the FCC with respect to this Agreement, the FCC License or FlexNet equipment.

I. Interference. Customer agrees to report to Sensus promptly, and in no event later than 72 hours after, any incident related to the Leased Spectrum, including where Customer experiences harmful interference, receives a complaint or other notice of having caused harmful interference, or receives any type of communication from the FCC or any other government agency regarding radio transmission.

5. General Terms and Conditions.

A. Intentionally Omitted

B. Limitation of Liability.

i. Sensus’ aggregate liability in any and all causes of action arising under, out of or in relation to this Agreement, its negotiation, performance, breach or termination (collectively “Causes of Action”) shall not exceed the greater of: (a) the total amount paid by Customer directly to Sensus under this Agreement; or (b) ten thousand U.S. dollars (USD 10,000.00). This is so whether the Causes of Action are in tort, including, without limitation, negligence or strict liability, in contract, under statute or otherwise. As separate and independent limitations on liability, Sensus’ liability shall be limited to direct damages. Sensus shall not be liable for: (i) any indirect, incidental, special or consequential damages; (ii) any revenue or profits lost by Customer or its Affiliates from any End User(s), irrespective whether such lost revenue or profits is categorized as direct damages or otherwise; (iii) any In/Out Costs; or (iv) manual meter read costs and expenses; or (v) claims made by a third party; or (vi) damages arising from maincase or bottom plate breakage caused by freezing temperatures, water hammer conditions, or excessive water pressure. The limitations on liability set forth in this Agreement are fundamental inducements to Sensus entering into this Agreement. They apply unconditionally and in all respects. They are to be interpreted broadly so as to give Sensus the maximum protection permitted under law.

ii. To the maximum extent permitted by law, no Cause of Action may be instituted by Customer against Sensus more than TWELVE (12) MONTHS after the Cause of Action first arose. In the calculation of any damages in any Cause of Action, no damages incurred more than TWELVE (12) MONTHS prior to the filing of the Cause of Action shall be recoverable.

C. Termination. Either party may terminate this Agreement earlier if the other party commits a material breach of this Agreement and such material breach is not cured within forty-five (45) days of written notice by the other party. Upon any expiration or termination of this Agreement, Sensus’ and Customer’s obligations hereunder shall cease and the software as a service and Spectrum Lease shall immediately cease.

D. Force Majeure. If either party becomes unable, either wholly or in part, by an event of Force Majeure, to fulfill its obligations under this Agreement, the obligations affected by the event of Force Majeure will be suspended during the continuance of that inability. The party affected by the force majeure will take reasonable steps to mitigate the Force Majeure.

E. Intellectual Property. No intellectual Property is assigned to Customer hereunder. Sensus shall own or continue to own all intellectual Property used, created, and/or derived in the course of performing this Agreement. To the extent, if any, that any ownership interest in and to such intellectual Property does not automatically vest in Sensus by virtue of this Agreement or otherwise, and instead vests in Customer, Customer agrees to grant and assign hereby and does grant and assign to Sensus all right, title, and interest that Customer may have in and to such intellectual Property. Customer agrees not to reverse engineer any Equipment purchased or provided hereunder.

F. Confidentiality. Both parties shall and shall cause their employees and contractors to keep all Confidential Information strictly confidential and shall not disclose it to any other party, except to the extent reasonably required to perform and enforce this Agreement or as required under applicable law, court order, or regulation or disclosure. The Confidential Information may be transmitted orally, in writing, electronically or otherwise observed by either party. Notwithstanding the foregoing, “Confidential Information” shall not include: (i) any information that is in the public domain other than due to Recipient’s breach of this Agreement; (ii) any information in the possession of the Recipient without restriction prior to disclosure by the Discloser; or (iii) any information independently developed by the Recipient without reliance on the information described hereunder by the Discloser. “Discloser” means either party that discloses Confidential Information, and “Recipient” means either party that receives it.

G. Compliance with Laws. Customer shall comply with all applicable country, federal, state, and local laws and regulations, as set forth at the time of acceptance and as may be amended, changed, or supplemented. Customer shall not take any action, or permit the taking of any action by a third party, which may render Sensus liable for a violation of applicable laws.

i. Export Control Laws. Customer shall: (i) comply with all applicable U.S. and local laws and regulations governing the use, export, import, re-export, and transfer of products, technology, and services; and (ii) obtain all required authorizations, permits, and licenses. Customer shall immediately notify Sensus and immediately cease all activities with regards to the applicable transaction, if the Customer knows or has a reasonable suspicion that the equipment, software, or services provided hereunder may be directed to countries in violation of any export control laws. By ordering equipment, software or services, Customer certifies that it is not on any U.S. government export exclusion list.

ii. Anti-Corruption Laws. Customer shall comply with the United States Foreign Corrupt Practices Act (FCPA), 15 U.S.C. § 78dd-1, et seq.; laws and regulations implementing the OECD’s Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the U.N. Convention Against Corruption; the Inter-American Convention Against Corruption; and any other applicable laws and regulations relating to anti-corruption in the Customer’s county or any country where performance of this Agreement, or delivery or use of equipment, software or services will occur.

H. Non-Waiver of Rights. A waiver by either party of any breach of this Agreement or the failure or delay of either party to enforce any of the articles or other provisions of this Agreement will not in any way affect, limit or waive that party’s right to enforce and compel strict compliance with the same or other articles or provisions.

I. Assignment and Sub-contracting. Either party may assign or sub-contract this Agreement without requiring the other party’s consent; (i) to an Affiliate; (ii) as part of a merger; or (iii) to a purchaser of all or substantially all of its assets. Apart from the foregoing, neither party may assign, transfer or delegate this Agreement, without the prior written consent of the other, which consent shall not be unreasonably withheld. Furthermore, Customer acknowledges Sensus may use subcontractors to perform RF Field Equipment installation, the systems integration work (if applicable), or project management (if applicable), without requiring Customer’s consent.

J. Amendments. No alteration, amendment, or other modification shall be binding unless in writing and signed by both Customer and by a vice president (or higher) of Sensus.
K. Governing Law and Dispute Resolution. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Delaware. Any and all disputes arising under, out of, or in relation to this Agreement, its negotiation, performance or termination ("Disputes") shall first be resolved by the Parties attempting mediation in Delaware. If the Dispute is not resolved within sixty (60) days of the commencement of the mediation, it may be litigated in the state or federal courts located in Delaware. TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE PARTIES AGREE TO A BENCH TRIAL AND THAT THERE SHALL BE NO JURY IN ANY DISPUTES.

L. Restriction on Discovery. This Agreement allows the Parties to utilize electronic documents in the manner and the time and costs associated with retrieving relevant electronic data from the Parties during the discovery portion of a claim. Accordingly, the Parties shall use only written documents, data, and other information in Discovery and shall not use or request electronic or e-Discovery methods for any claim, demand, arbitration or litigation subject to this Agreement. All relevant and privileged printed or hard-copy materials shall be subject to Discovery, but neither Party has an obligation to maintain printed or hard-copy files in anticipation of a claim, demand, litigation, or arbitration proceeding.

M. Survival. The provisions of this Agreement that are applicable to circumstances arising after its termination or expiration shall survive such termination or expiration.

N. Severability. In the event any provision of this Agreement is held to be void, unlawful or otherwise unenforceable, that provision will be severed from the remainder of the Agreement and replaced automatically by a provision containing terms as nearly like the void, unlawful, or unenforceable provision as possible, and the Agreement, as so modified, will continue to be in full force and effect.

O. Four Corners. This written Agreement, including all of its exhibits, represents the entire understanding between and obligations of the Parties and supersedes all prior understandings, agreements, negotiations, and proposals, whether written or oral, formal or informal between the parties. Any additional writings shall not modify any limitations or remedies provided in this Agreement. There are no other terms or conditions, oral, written, electronic or otherwise. There are no implied obligations. All obligations are specifically set forth in this Agreement. Further, there are no representations that induced this Agreement that are not included in it. The only other provisions are set forth in writing in this Agreement. Without limiting the generality of the foregoing, no purchase order placed by the customer on behalf of Customer shall alter any of the terms of this Agreement. The parties agree that such documents are for administrative purposes only, and that any terms and conditions of the purchase order are not intended to modify the terms of this Agreement.

P. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Additionally, this Agreement may be executed by facsimile or electronic copies, all of which shall be considered an original for all purposes.

6. Definitions. As used in this Agreement, the following terms shall have the following meanings:

A. "Affiliate" means any person or entity controlling, controlled by, or under common control with such party, where "control" of an entity means ownership directly or indirectly, of 50% or more of either: (i) the shares or other equity in such entity; or (ii) the voting rights in such entity.

B. "AMI System" means the Sensus FlexNet Advanced Meter Infrastructure System comprised of the SmartPoint Modules, RF Field Equipment, Server Hardware, software licenses, FCC licenses, and other equipment provided to Customer hereunder. The AMI System only includes the foregoing, as provided by Sensus. The AMI System is the responsibility of the parties to this Agreement.

C. "Confidential Information" means any and all non-public information of either party, including the terms of this agreement, technical information about either party's products or services, pricing information, marketing and marketing plans, Customer's End Users' data, AMI System performance, AMI System architecture and design, AMI System software, other business and financial information of either party, and all trade secrets of either party.

D. "Echo Transceiver" identifies the Sensus standalone, mounted relay device that takes the radio frequency readings from the SmartPoint Modules and relays them by radio frequency to the relevant FlexNet Base Station.

E. "Field Device" means the meters and SmartPoint Modules.

F. "FlexNet Base Station" identifies the Sensus manufactured device consisting of one transceiver, to be located on a tower that receives readings from the SmartPoint Modules either directly or via an Echo Transceiver by radio frequency and passes those readings to the RNI by TCP/IP backhaul communication. For clarity, FlexNet Base Stations include Metro Base Stations.

G. "Force Majeure" means an event beyond a party's reasonable control, including, without limitation, acts of God, hurricane, flood, volcano, tsunami, tornado, storm, tempest, war, act of violence, vandalism, illegal or unauthorized radio frequency interference, strikes, lockouts, or other industrial disturbances, unavailability of component parts of any kind provided hereunder, acts of public enemies, wars, blockades, invasions, riots, epidemics, earthquakes, fires, restraints or prohibitions by any court, board, department, commission or agency of the United States or any States, any arrests and restraints, civil disturbances and explosions.

H. "Hosted Software" means those items listed in an Application as Exhibit A.

I. "In/Out Costs" means any costs and expenses incurred by Customer in transporting goods between its warehouse and its End User's premises and any costs and expenses incurred by Customer in installing, uninstalling and removing goods.

J. "Intellectual Property" means patents and patent applications, inventions (whether patentable or not), trademarks, service marks, trade names, copyrights, trade secrets, know-how, data rights, specifications, drawings, maskwork rights, moral rights, author's rights, and other intellectual property rights, including any derivations and/or derivative works, as may exist now or hereafter come into existence, and all renewals and extensions thereof, regardless of whether any of such rights are under the laws of the United States or of any other country, state, county or jurisdiction, or any registrations or applications thereof, and all goodwill pertaining thereto.

K. "LCO" means the load control modules.

L. "Ongoing Fee" means the annual or monthly fees, as applicable, to be paid by Customer to Sensus' authorized distributor during the Term of this Agreement.

M. "Patches" means patches or other maintenance releases of the Software that correct processing errors and other faults and defects found prior versions of the Software. For clarity, Patches are not Updates or Upgrades.

N. "Permitted Use" means only for reading and analyzing data from Customer's Field Devices in the Service Territory. The Permitted Use does not include reading third party meters or reading meters outside the Service Territory.

O. "Release" means both Updates and Upgrades.

Q. "Remote Transceiver" identifies the Sensus standalone, mounted relay device that takes the radio frequency readings from the SmartPoint Modules and relays them directly to the RNI by TCP/IP backhaul communication.

R. "RF Field Equipment" means, collectively, FlexNet Base Stations, Echo Transceivers and Remote Transceivers.

S. "RNI" identifies the regional network interfaces consisting of hardware and software used to gather, store, and report data collected by the FlexNet Base Stations from the SmartPoint Modules. The RNI hardware specifications will be provided by Sensus upon written request from Customer.

T. "RNI Software" identifies the Sensus proprietary software used in the RNI and any Patches, Updates, and Upgrades that are provided to Customer pursuant to the terms of this Agreement.

U. "Service Territory" identifies the geographic area where Customer provides electricity, water, and/or gas (as applicable) services to End Users as of the Effective Date. The Service Territory will be described in the Propagating Study in the parties' Spectrum License filing with the FCC.

V. "Server Hardware" means the RNI hardware.

W. "SmartPoint" modules identifies the Sensus transmission equipment installed on devices such as meters, distribution automation equipment and demand-response devices located at Customer's End Users' premises that take the readings of the meters and transmit those readings by radio frequency to the relevant FlexNet Base
Station. Remote Transceiver or Echo Transceiver.

X. “Software” means all the Sensus proprietary software provided pursuant to this Agreement, and any Patches, Updates, and Upgrades that are provided to Customer pursuant to the terms of this Agreement. The Software does not include any third party software.

Y. “TouchCoupler Unit” identifies an inductive coupler connection from a water register to the SmartPoint Module.

Z. “Updates” means releases of the Software that constitute a minor improvement in functionality.

AA. “Upgrades” means releases of the Software which constitute a significant improvement in functionality or architecture of the Software.

BB. “WAN Stackhaul” means the communication link between FlexNet Base Stations and Remote Transceivers and RNIs.
Software as a Service

Description of Services

Exhibit A
Software

I. Description of Services

This exhibit contains the details of the Software as a Service that Sensus shall provide to Customer if both: (i) pricing for the application of Software as a Service has been provided to the Customer, and (ii) the Customer is current in its payments for such application of Software as a Service.

A. Software as a Service Generally.

Software as a Service is a managed service in which Sensus will be responsible for the day-to-day monitoring, maintenance, management, and supporting of Customer's software applications. In a Software as a Service solution, Sensus owns all components of the solution (server hardware, storage, network equipment, Sensus software, and all third-party software) required to run and operate the application. These software applications consist of the following:

- Regional Network Interface (RNI) Software
- Sensus Analytics
- Enhanced Package

The managed application systems consist of the hardware, Sensus Software, and other third-party software that is required to operate the software applications. Each Application will have a production, and Disaster Recovery (as described below) environment. Test environments are not provided unless otherwise specifically agreed by Sensus in writing. Sensus will manage the Applications by providing 24 x 7 x 365 monitoring of the availability and performance of the Applications.

B. Usage License

Subject to all the terms and conditions of this Agreement, Sensus hereby gives Customer a license under Sensus' Intellectual property rights to use the Sensus Applications for the Permitted Use for so long as Customer is current in its payments for the Applications. This Usage License shall commence on the Effective Date and shall terminate upon the earlier of: (i) the expiration or termination of this Agreement for any reason; (ii) if Customer uses the Applications provided hereunder other than for the Permitted Use; or (iii) the Application is terminated as set forth below.

C. Termination of Software as a Service

Customer shall have the option at any time after full deployment but before the end of the Term to terminate any Application by giving Sensus one hundred twenty (120) days prior written notice. Such notice, once delivered to Sensus, is irrevocable. Should Customer elect to terminate any Application, Customer acknowledges that: (a) Customer shall pay all applicable fees, including any unpaid Software as a Service fees; and (b) Software as a Service for such Application shall immediately cease. If Customer elects to terminate the RNI Application in the Software as a Service environment but does not terminate the Agreement generally, then upon delivery of the notice to Sensus, Customer shall purchase the necessary (a) RNI hardware and (b) RNI software license, each at Sensus' then-current pricing. No portion of the Software as a Service fees shall be applied to the purchase of the RNI hardware or software license.

D. "Software as a Service" means only the following services:

i. Sensus will provide the use of required hardware, located at Sensus’ or a third-party's data center facility (as determined by Sensus), that is necessary to operate the Application.

ii. Sensus will provide production and disaster recovery environments for Application.

iii. Sensus will provide patches, updates, and upgrades to latest Sensus Hosted Software release.

iv. Sensus will configure and manage the environment (server hardware, routers, switches, firewalls, etc.) in the data centers:

   a. Network addresses and virtual private networks (VPN)
   b. Standard time source (NTP or GPS)
   c. Security access points
   d. Respond to relevant alarms and notifications

v. Capacity and performance management. Sensus will:

   a. Monitor capacity and performance of the Application server and software applications 24x7 using KPI metrics, thresholds, and alerts to proactively identify any potential issues related to system capacity and/or performance (e.g. database, backspool, logs, message broker, storage, etc.)
   b. If an issue is identified to have a potential impact to the system, Sensus will open an incident ticket and manage the ticket through resolution per Exhibit B, Technical Support.
   c. Measure and maintain the performance of the server and perform any change or configuration to the server, in accordance to standard configuration and change management policies and procedures.
   d. Manage and maintain the server storage capacity and performance of the Storage Area Network (SAN), in accordance to standard configuration and change management policies and procedures.
   e. Exceptions may occur to the system that require Sensus to take immediate action to maintain the system capacity and performance levels, and Sensus has authority to make changes without Customer approval as needed, in accordance to standard configuration and change management policies and procedures.

vi. Database management. Sensus will:

   a. Define data retention plan and policy
   b. Monitor space and capacity requirements
   c. Respond to database alarms and notifications
   d. Install database software upgrades and patches
   e. Perform routine database maintenance and cleanup of database to improve capacity and performance, such as rebuilding indexes, updating indexes, consistency checks, run SQL query/agent jobs, etc.

vii. Incident and Problem Management. Sensus will:

   a. Proactively monitor managed systems (24x7x365) for key events and thresholds to proactively detect and identify incidents.
   b. Respond to incidents and problems that may occur to the Application(s)
   c. Maintain policies and procedures for responding to incidents and performing root cause analysis for ongoing problems.
   d. Correlate incidents and problems where applicable.
   e. Sensus personnel will use the Salesforce Self Service Portal to document and track incidents.
   f. In the event that a Sensus personnel is unable to resolve an issue, the issue will be escalated to the appropriate Subject Matter Expert (SME).
   g. Maintain responsibility for managing incident and problems through resolution and will coordinate with Customer's personnel and any required third-party vendor to resolve the issue.
h. Provide telephone support consistent with Exhibit B, Technical Support in the case of undetected events.

viii. Security Management. Sensus will:
   a. Monitor the physical and cyber security of the server and Application(s) 24x7 to ensure system is highly secure in accordance with NIST Security Standards.
   b. Perform active Intrusion prevention and detection of the data center network and firewalls, and monitor logs and alerts.
   c. Conduct period penetration testing of the network and data center facilities.
   d. Conduct monthly vulnerability scanning by both internal staff and external vendors.
   e. Perform Anti-Virus and Malware patch management on all systems.
   f. install updates to virus protection software and related files (including Virus signature files and similar files) on all servers from the update being generally available from the anti-virus software provider.
   g. Respond to any potential threat found on the system and work to eliminate Virus or Malware found.
   h. Sensus adheres to and submits certification to NERC/CIP Cyber Security standards.
   i. Sensus actively participates/monitors industry regulation/standards regarding security – NERC, FERC, NIST, OpenSG, etc. through the dedicated Sensus Security team.

j. Provide secure web portal access (SSL) to the Application(s).

ix. Backup and Disaster Recovery Management. Sensus will:
   a. Perform daily backups of data providing one (1) year of history for auditing and restoration purposes.
   b. Back-up and store data (on tapes or other storage media as appropriate) off-site to provide protection against disasters and to meet file recovery needs.
   c. Conduct incremental and full back-ups to capture data, and changes to data, on the Application(s).
   d. Sensus will replicate the Application(s) environments to a geographically separated data center location to provide a full disaster recovery environment for the Application production system.
   e. Provide disaster recovery environment and perform fail-over to DR environment within forty-eight (48) hours of declared event.
   f. Generate a report following each and any disaster measuring performance against the disaster recovery plan and identification of problem areas and plans for resolution.
   g. Maintain a disaster recovery plan. In the event of a disaster, Sensus shall provide the services in accordance with the disaster recovery plan.
   h. In the case of a disaster and loss of access to or use of the Application, Sensus would use commercially reasonable efforts per the Recovery Time Objectives and Recovery Point Objectives specified herein to restore operations at the same location or at a backup location within forty-eight (48) hours.
   i. The Application shall have a Recovery Time Objective (RTO) of forty-eight (48) hours.
   j. The Recovery Point Objective (RPO) shall be a full recovery of the Application(s) with an RPO of one (1) hours, using no more than a twenty-four (24) hour old backup. All meter-related data shall be pushed from each Base Station/TGB restoring the database to real-time minus external interfaced systems from the day prior.
   k. Data from external interfaced systems shall be recreated within a forty-eight (48) hour period with the assistance of Customer personnel and staff, as needed.

E. Customer Responsibilities:
   i. Coordinate and schedule any changes submitted by Sensus to the system in accordance with standard configuration and change management procedures.
   ii. Participate in all required configuration and change management procedures.
   iii. Customer will log incidents related to the managed Application with Sensus personnel via email, web portal ticket entry, or phone call.
   iv. Responsible for periodic processing of accounts or readings (i.e. billing files) for Customer’s billing system for billing or other analysis purposes.
   v. Responsible for any field labor to troubleshoot any SmartPoint modules or smart meters in the field in populations that have been previously deployed and accepted.
   vi. First response labor to troubleshoot FlexNet Base Station, ECHO Transceivers, Remote Transceivers or other field network equipment.
   vii. Responsible for local area network configuration, management, and support.
   viii. Identify and research problems with meter reads and meter read performance.
   ix. Create and manage user accounts.
   x. Customize application configurations.
   xi. Support application users.
   xii. Investigate application operational issues (e.g. meter reads, reports, alarms, etc.).
   xiii. Respond to alarms and notifications.
   xiv. Perform firmware upgrades over-the-air, or delegate and monitor field personnel for on-site upgrades.

F. “Software as a Service” does not include any of the following services:
   i. Parts or labor required to repair damage to any field network equipment that is the result of a Force Majeure event.
   ii. Any integration between applications, such as Harris MeterSense, would require a Professional Services contract agreement to be scoped, submitted, and agreed in a signed writing between Sensus and all the applicable parties.

If an item is not listed in subparagraphs in item (D) above, such item is excluded from the Software as a Service and is subject to additional pricing.

II. Further Agreements
   A. System Uptime Rate
      i. Sensus (or its contractor) shall maintain and manage the Application(s) on computers owned or controlled by Sensus (or its contractors) and shall provide Customer access to the managed Application(s) via Internet or point to point connection (i.e., Managed-Access use), according to the terms below. Sensus endeavors to maintain an average System Uptime Rate equal to ninety-nine (99.9%) per Month (as defined below). The System Uptime Rate, cumulative across all Applications, shall be calculated as follows:

      System Uptime Rate = \( \frac{100 \times (TMO - \text{Total Non-Scheduled Downtime minutes in the Month})}{TMO} \)

      Calculations
      a. “Targeted Minutes of Operation” or “TMO” means total minutes cumulative across all Applications in the applicable month (“Month”) minus the Scheduled Downtime in the Month.
b. "Scheduled Downtime" means the number of minutes during the Month, as measured by Sensus, in which access to any Application is scheduled to be unavailable for use by Customer due to planned system maintenance. Sensus shall provide Customer notice (via email or otherwise) at least seven (7) days in advance of commencement of the Scheduled Downtime.

c. "Non-Scheduled Downtime" means the number of minutes during the Month, as measured by Sensus, in which access to any Application is unavailable for use by Customer due to reasons other than Scheduled Downtime or the Exceptions, as defined below (e.g., due to a need for unplanned maintenance or repair).

ii. Exceptions. "Exceptions" mean the following events:

a. Force Majeure;

b. Emergency Work, as defined below; and

c. Lack of Internet Availability, as described below.

i. Emergency Work. In the event that Force Majeure, emergencies, dangerous conditions or other exceptional circumstances arise or continue during TMO, Sensus shall be entitled to take any actions that Sensus, in good faith, determines is necessary or advisable to prevent, remedy, mitigate, or otherwise address actual or potential harm, interruption, loss, threat, security or like concern to any of the Application(s) (“Emergency Work”). Such Emergency Work may include, but is not limited to: analysis, testing, repair, maintenance, re-setting and other servicing of the hardware, cabling, networks, software and other devices, materials and systems through which access to and/or use of the Application(s) by the Customer is made available (the "Managed Systems"). Sensus shall endeavor to provide advance notice of such Emergency Work to Customer when practicable and possible.

ii. Lack of Internet Availability. Sensus shall not be responsible for any deterioration of performance attributable to latencies in the public internet or point-to-point network connection operated by a third party. Customer expressly acknowledges and agrees that Sensus does not and cannot control the flow of data to or from Sensus’ networks and other portions of the Internet, and that such flow depends in part on the performance of Internet services provided or controlled by third parties, and that at times, actions or inactions of such third parties can impair or disrupt data transmitted through, and/or Customer’s connections to, the internet or point-to-point data connection (or portions thereof). Although Sensus will use commercially reasonable efforts to take actions Sensus may deem appropriate to mitigate the effects of any such events, Sensus cannot guarantee that such events will not occur. Accordingly, Sensus disclaims any and all liability resulting from or relating to such events.

B. Data Center Site-Security. Although Sensus may modify such security arrangements without consent or notice to Customer, Customer acknowledges the following are the current arrangements regarding physical access to and support of the primary hardware components of the Managed Systems:

i. The computer room(s) in which the hardware is installed is accessible only to authorized individuals.

ii. Power infrastructure includes one or more uninterruptible power supply (UPS) devices and diesel generators or other alternative power for back-up electrical power.

iii. Air-conditioning facilities (for humidity and temperature controls) are provided in or for such computer room(s) and can be monitored and adjusted for humidity and temperature settings and control. Such air systems are supported by redundant, back-up and/or switch-over environmental units.

iv. Such electrical and A/C systems are monitored on an ongoing basis and personnel are available to respond to system emergencies (if any) in real time.

v. Dry pipe pre-action fire detection and suppression systems are provided.

vi. Data circuits are available via multiple providers and diverse paths, giving access redundancy.

C. Responsibilities of Customer

i. Customer shall promptly pay all Software as a Service fees.

ii. Customer may not (i) carelessly, knowingly, intentionally or maliciously threaten, disrupt, harm, abuse or interfere with the Application(s), Managed Systems or any of their functionality, performance, security or integrity, nor attempt to do so; (ii) impersonate any person or entity, including, but not limited to, Sensus, a Sensus employee or another user; or (iii) forge, falsify, disguise or otherwise manipulate any identification information associated with Customer's access or use of the Application(s).

iii. The provisioning, compatibility, operation, security, support, and maintenance of Customer's hardware and software ("Customer's Systems") is exclusively the responsibility of Customer. Customer is also responsible, in particular, for correctly configuring and maintaining (i) the desktop environment used by Customer to access the Application(s) managed by Sensus; and (ii) Customer's network router and firewall, if applicable, to allow data to flow between the Customer's Systems and Sensus' Managed Systems in a secure manner via the public Internet.

iv. Upon receiving the system administrator account from Sensus, Customer shall create username and passwords for each of Customer's authorized users and complete the applicable Sensus registration process ("Authorized Users"). Such usernames and passwords will allow Authorized Users to access the Application(s). Customer shall be solely responsible for maintaining the security and confidentiality of each user ID and password pair associated with Customer’s account, and Sensus shall not be liable for any loss, damage, security or liability arising from Customer’s account or any user ID and password pairs associated with Customer. Customer is fully responsible for all acts and omissions that occur through the use of Customer's account and any user ID and password pairs. Customer agrees (i) not to allow anyone other than the Authorized Users to have any access to, or use of Customer’s account or any user ID and password pairs at any time; (ii) to notify Sensus immediately of any actual or suspected unauthorized use of Customer’s account or any of such user ID and password pairs, or any other breach or suspected breach of security, restricted use or confidentiality; and (iii) to take the Sensus-recommended steps to log out from and otherwise exit the Application(s) and Managed Systems at the end of each session. Customer agrees that Sensus shall be entitled to rely, without inquiry, on the validity of the user accessing the Application(s) application through Customer’s account, account ID, usernames or passwords.

v. Customer shall be responsible for the day-to-day operations of the Application(s) and AMI System. This includes, without limitation, (i) researching problems with meter reads and system performance, (ii) creating and managing user accounts, (iii) customizing application configurations, (iv) supporting application users, (v) investigating application operational issues, (vi) responding to alarms and notifications, and (vii) performing over-the-air commands (such as firmware updates or configuration changes).

III. Sensus Analytics

A. Essential Package. The Essential Package of the Sensus Analytics Application shall consist of the following modules:

i. Device Access

a. Allows search for meter details by using data imported from the Billing system or the Sensus Device ID or AMI ID.

b. Allows a view of the meter interval or register reads.

c. Meter data is available to be copied, printed, or saved to certain user programs or file formats, specifically CSV, PDF, and Spreadsheet.

d. Allows the current and historical data to be viewed.

e. Allows the current usage to be compared to historical distribution averages.

f. Allows the user to see the meter location on a map view.

g. Allows notifications for an event on a single meter to be forwarded to a Customer employee.

h. Allows details to be viewed about a meter – (dependent on the data integrated from other systems).

i. Meter insight (provides the following)
a. # of active meters.
b. # of orphaned meters with drill down to the list of meters.
c. # of inactive meters with drill down to the list of meters.
d. # of state meters with drill down to the list of meters.
e. # of almost state meters with drill down to the list of meters.
f. # of meters where no read is available with drill down to the list of meters.
g. # of meters with high threshold exceptions with drill down to the list of meters.
h. # of unknown radios with drill down to the list of meters.

iii. Report Access
a. Allows the user to see meter alarms and choose a report from a list of standard reports.
b. Master Route Register Reads: Shows the latest reads for all meters within specified time window.
c. Meter Route Interval Reads: Allows users to inspect intervals of a single meter over a period of time.
d. Master Route No Readings: Lists all meters that are active in the system, but have not been sending reads within the specified time window.
e. Consumption Report: Lists meters' consumption based on meter readings within the specified time window.
f. Zero Consumption for Period: Lists meters whose readings do not change over a period of time.
g. Negative Consumption: Shows the number of occurrences and readings of negative consumption for the last 24hr, 48hr and 72hr from the entered roll up date.
h. High Low Exception Report: Displays meters whose reads exceed minimum or maximum threshold, within a time range.
i. Consumption vs Previous Reported Read: Compares latest reading (from RNI) with last known read received from CIS.
j. Consumption Exception 24 hour Report: This report shows meters that satisfy these two conditions: (1) The daily average consumptions exceed entered “daily consumption threshold”; (2) The number of days when daily thresholds are exceeded are greater than the entered “exception per day threshold.”
k. Endpoint Details: Shows the current state of meters that are created in the specified time frame.
l. Orphaned Meters: Lists meters that are marked as “orphaned,” which are created as of entered “Created as of” parameter.
m. Billing Request Match: Displays meters in a billing request that have different AMR id with the ones sent by RNI. It also shows AMR’d in billing request that have different meter id in the RNI.

iv. Billing Access
a. Initiate the creation of billing export files formatted to the import needs of the billing system.
b. Receive billing request files from the billing system to identify which meters to include in the billing export file in the case where billing request file option is used.
c. Provides a repository of past billing files that were either used for billing preparation or actually sent to the billing system.
d. Will store created billing files for a period of three years unless otherwise denoted.
e. The system will allow creation of test files before export to the billing system.

v. Billing Adaptor
a. The underlying configurator and tools mapping the extraction of billing data to enable integration to the utility’s billing system.

vi. Data Store
a. Allows storage of meter reading data including Intervals, Registers, and Alarms to be stored.
b. Stored data is available online for reports and analysis.

Data will be retained for 5 years. Additional duration can be purchased.

B. Enhanced Package. The Enhanced Package will consist of the modules listed above in the Essential Package, as well as the following additional modules:

i. Alarm Dashboard
a. Allows the user to summarize and filter alarms by a date range.
b. Allows the user to review all alarm types on a single screen.
c. The user can filter out the alarms not wanted on the screen.
d. Alarm totals can be visualized.
e. Adds a view of trending alarms over time.
f. Click to drill down on an alarm to gain more information on specific events.
g. Click to analyze a specific event on a particular device.

ii. Alarm Console
a. Follow real time monitors of the alarms coming from Customer’s meters.
b. Provides a single view for all alarms across the entire network.
c. Allows the user to view trending of each alarm over time.

iii. Alert Manager
a. Allows creation of alert groups who will be notified when an alarm occurs.
b. Users can manage alert groups by adding and removing group members.
c. Allows selection of notification method for how end users in the group will be notified: email or SMS (text message).
d. Allows creation of an alert from the available system events from smart points and assign to a group.
e. Monitors the systems meters for events. When an event is triggered, all users in the group will be notified.

D. Integration of Sensus Analytics. Sensus shall provide integration support services to Customer only to the extent specifically provided below:

i. Sensus shall provide Customer with a simple flat file specification known as VFlex for the integration of the Customer’s back office system to the Sensus Analytics modules. This flat file may be delimited or fixed width. This specification allows Sensus to transmit each day or as needed, all meters and end users in the system, end user status, end user account information, account name, and other end user data. When sent to the Sensus FTP servers, this file exchange will enable the system to become operational with the Customer’s systems. Customer shall produce this file and transmit it to the FTP location designated by Sensus. Sensus will provide reasonable support to explain to Customer the required format and optional files that are in the specification, testing and validation of the file format and content.

ii. Scope of the included integration efforts is the mapping the Customer’s fields to the VFlex specification.

iii. Out of scope and subject to additional charges will be the transformation of data where business logic including code must be written to modify the field content or format of the data to meet the VFlex specification.

iv. Sensus’ integration services consists of four (4) hours of assistance (remote or on-site, as determined by Sensus). If additional time is needed to complete the integration efforts, Sensus shall invoice Customer for additional fees on an actual time and materials basis.
E. Data Import. The Sensus Analytics Application contains adapters for the import of data from: (a) Customer’s FlexNet AMI System; and/or (b) AutoRead application for handheld and drive-by systems, as applicable.

F. Customer Acknowledgements.

i. Customer acknowledges that the Sensus Analytics Application provides up to fifty (50) user-logins for Customer’s use.

ii. Customer acknowledges and agrees the Sensus Analytics Application is based upon the actual number of End Users within Customer’s Service Territory. Pricing may increase if Customer’s Service Territory or actual number of End Users expands.

iii. Customer acknowledges that all data related to the Sensus Analytics Applications is geographically hosted within the United States of America.

iv. Customer acknowledges the geographic location of such hosting, and indemnifies Sensus for any claims resulting therefrom.

v. Customer acknowledges and agrees that the Intellectual Property provisions of this Agreement apply in all respects to Customer’s access to and use of the Sensus Analytics Applications.

vi. Customer is responsible for validating the data analyzed by the Sensus Analytics Applications. Sensus makes no promises of improving Customer’s operations or saving Customer money, nor is Sensus liable for any damages resulting from decisions made by Customer related to Customer’s use of Sensus Analytics.

IV. Third Party Software.

A. RedHat Linux. If Sensus is providing Customer with a license to use RedHat Linux Software, Customer agrees to the following:

By entering into this Agreement, Customer agrees to abide by and to be legally bound by the terms and conditions of the Red Hat End User License Agreements identified below, each of which are incorporated into this Agreement by reference and are available at the websites identified below. Please read the Red Hat End User License Agreements and incorporated references carefully.

Subscription:
Red Hat Enterprise Linux
JBoss Enterprise Middleware

End User License Agreement:
http://www.redhat.com/licenses/rhel_eula.html
http://www.redhat.com/licenses/jboss_eula.html
1. Introduction

Sensus Technical Services provides utility customers with a single point of contact for Tier 1 support of technical issues as well as any coordination of additional resources required to resolve the issue. Requests that require specialized skills are to be forwarded to a senior support engineer or Technical Advisor within the team for further analysis. If Technical Services has exhausted all troubleshooting efforts for the product type, the issue will escalate to the Engineering Support Team. Occasionally, on-site troubleshooting/analysis may be required. The preferred order of on-site support is:

a. The Customer (for assistance with the easiest and least time-consuming activities such as power on/power off).
b. The local distributor.
c. Sensus employees or contracted personnel, if required to fulfill a contract commitment.

2. Support Categories

2.1. General questions regarding functionality, use of product, how-to, and requests for assistance on Sensus AMR, AMI, RF Network Equipment, Metering Products and Sensus Lighting Control.

2.2. Proactive reporting and resolution of problems.

2.3. Reactive reporting to identify, document, and solve reported hardware/software defects.

2.4. Responding to service requests and product changes.

2.5. Addressing customer inquiries with printed or electronic documentation, examples, or additional explanation/clarification.

3. Support Hours

3.1. Standard Support Hours: Toll-free telephone support (1-800-638-3748 option #2) is available Monday thru Friday from 8:00AM EST to 8:00PM EST. After-hours, holiday and weekend support for Severity 1 and Severity 2 issues is available by calling 1-800-638-3748, option #9.

4. Support Procedures

4.1. Customer identifies an issue or potential problem and calls Technical Services at 1-800-638-3748 Option #2. The Customer Service Associate or Technical Support Engineer will submit a Support ticket.

4.2. The Customer Service Associate or Technical Support Engineer will identify the caller name and utility by the assigned software serial number, city, and state in which the call originated. The nature of the problem and severity levels will be agreed upon by both parties (either at the time the issue is entered or prior to upgrading or downgrading an existing issue) using the severity definitions below as a guideline. The severity level is then captured into a support ticket for creation and resolution processing. Any time during the processing of this ticket, if the severity level is changed by Sensus, the customer will be updated.

Severity Levels Description:

Sev1 Customer’s production system is down. The system is unusable resulting in total disruption of work. No workaround is available and requires immediate attention.

Example: Network mass outage, all reading collection devices inoperable, inoperable head end software (e.g., RMI Software, Sensus MDM).

Sev2 Major system feature/function failure. Operations are severely restricted; there is a major disruption of work, no acceptable workaround is available, and failure requires immediate attention.

Examples: Network equipment failure (e.g., FlexNet Echo, FlexNet Remote, Base Station transceiver, or VGB); inoperable reading devices (e.g., AR500, VXI, VGB, or CommandLink); head end software application has important functionality not working and cannot create export file for billing system operations.

Sev3 The system is usable and the issue doesn’t affect critical overall operation.

Example: Minor network equipment failure (e.g., EchoRemote false alarms or Base Station transceiver false alarms); head end software application operable but reports are not running properly, modification of view or some non-critical function of the software is not running.

Sev4 Minor system issues, questions, new features, or enhancement requests to be corrected in future versions.

Examples: Minor system issues, general questions, and “How-To” questions.

4.3. The Customer Service Associate or Technical Support Engineer identifies whether or not the customer is on support. If the customer is not on support, the customer is advised of the service options as well as any applicable charges that may be billed.

4.4. Calls are placed in a queue from which they are accessible to Technical Support Engineers on a first-come-first-serve basis. A first level Customer Service Associate may assist the customer, depending on the difficulty of the call and the representative’s technical knowledge. Technical Support Engineers (Tier 1 support) typically respond/resolve the majority of calls based on their product knowledge and experience. A call history for the particular account is researched to note any existing pattern or if the call is a new report. This research provides the representative a basis and understanding of the account as well as any associated problems and/or resolutions that have been communicated.

a. Technical Services confirms that there is an issue or problem that needs further analysis to determine its cause. The following information must be collected: a detailed description of the issue’s symptoms, details on the software/hardware product and version issues, a description of the environment in which the issue arises, and a list of any corrective action already taken.

b. Technical Services will check the internal database and product defect tracking system, to see if reports of a similar problem exist, and if any working solutions were provided. If an existing resolution is found that will address the reported issue, it shall be communicated to the customer. Once it is confirmed that the issue has been resolved, the ticket is closed.

c. If there is no known defect or support that defines the behavior, Technical Services will work with the customer to reproduce the issue. If the issue can be reproduced, either at the customer site or within our support center test lab, Technical Services will escalate the ticket for further investigation/resolution.

If the issue involves units that are considered to be defective with no known reason, the representative will open a Special Investigation RMA through the Support system. If it is determined that a sample is required for further analysis, the customer will be provided with instructions that detail where to send the product sample(s) for a root cause analysis. Once it is determined that the issue cannot be resolved by Tier 1 resources, the ticket will be escalated to Tier 2 support for confirmation/workarounds to resolve immediate issue. Technical Services will immediately contact the customer to advise of the escalation. The response and escalation times are listed in Section 5. At this time, screen shots, log files, configuration files, and database backups will be created and attached to the ticket.
5. **Response and Resolution Targets.**

Sensus Technical Support will make every reasonable effort to meet the following response and resolution targets:

<table>
<thead>
<tr>
<th>Severity</th>
<th>Standard Target Response</th>
<th>Standard Target Resolution</th>
<th>Resolution (one or more of the following)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>30 Minutes</td>
<td>Immediately assign trained and qualified Services Staff to correct the error on an expedited basis. Provide ongoing communication on the status of a correction.</td>
<td>Satisfactory workaround is provided. Program patch is provided. Fix incorporated into future release. Fix or workaround incorporated into the Support Knowledge Base.</td>
</tr>
<tr>
<td>2</td>
<td>4 hours</td>
<td>Assign trained and qualified Services Staff to correct the error. Provide communication as updates occur.</td>
<td>Satisfactory workaround is provided. Program patch is provided. Fix incorporated into future release. Fix or workaround incorporated into the Support Knowledge Base.</td>
</tr>
<tr>
<td>3</td>
<td>1 Business Day</td>
<td>90 business days</td>
<td>Answer to question is provided. Satisfactory workaround is provided. Fix or workaround incorporated into the Support Knowledge Base. Fix incorporated into future release.</td>
</tr>
<tr>
<td>4</td>
<td>2 Business Days</td>
<td>12 months</td>
<td>Answer to question is provided. Satisfactory workaround is provided. Fix or workaround incorporated into the Support Knowledge Base.</td>
</tr>
</tbody>
</table>

6. **Problem Escalation Process.**

   6.1. If the normal support process does not produce the desired results, or if the severity has changed, the issue may be escalated as follows to a higher level of authority:

      6.1.1. Severity 1 issues are escalated by Sales or Technical Services to a Supervisor if not resolved within 2 hours; to the Manager level if not resolved within 4 hours; to the Director level if not resolved within the same business day; and to the VP level if not resolved within 24 hours.

      6.1.2. A customer may escalate an issue by calling 1-800-638-3748, Option 2. Please specify the Support ticket number and the reason why the issue is being escalated.

      6.1.3. In the event that a customer is not satisfied with the level of support or continual problem with their products, they may escalate a given Support ticket to Manager of Technical Services (1-800-638-3748, Option 2).

7. **General Support Provisions and Exclusions.**

   7.1. Sensus provides online documentation for Sensus products through the Sensus User Forum (http://my.flexnet.system.com/Module/User/Login). All Sensus customers are provided access to this online database, which includes operation, configuration, and technical manuals. Sensus also hosts periodic user group teleconferences to facilitate the interchange of product ideas, product enhancements, and overall customer experiences. The customer shall provide names and email accounts to Sensus so Sensus may provide access to the Portal.

   7.2. Specialized support from Sensus is available on a fee basis to address support issues outside the scope of this support plan or if not covered under another specific maintenance contract. For example, specialized systems integration services or out of warranty network equipment repair that is not covered under a separate maintenance contract.
Exhibit A-4

Statement of Work
(Sale through VAR)

This document is designed to assist the Client with the planning the installation of a Sensus AMI System. For illustrative purposes, an architectural diagram is provided below that depicts equipment to be installed at the BASESTATION site and the Client site which will typically house the RNI. In addition, the following pages provide details pertaining to responsibilities of HD Supply Waterworks, Ltd. and Client during the planning, installation and commissioning of the FlexNet AMI System.

Diagram 1 - FlexNet AMI Diagram
General Responsibilities:

HD Supply Waterworks will:

1. Provide a project manager to coordinate all FlexNet installation activities with the Client and be the main contact point between the Client and Sensus during the infrastructure and SmartPoint Module deployment phase. The project manager will coordinate training activities and all installation activities with Sensus field engineers and contract installation crews hired by Client.

2. Provide Client a Sensus certified propagation study that determines the locations best suited for installation of the BASESTATION’s and to ensure proper communications with end point transmitters and the RNI.

3. Work with Sensus to commission the RNI hardware and software remotely.

4. Work with Sensus to obtain final network acceptance and approval to install endpoint devices

5. Schedule training familiarization / operators training for head end software to Client identified personnel at the Client’s location.

6. HD Supply will hire a qualified installation contractor to install the antennae and cable that runs between the basestation and the antenna.

Client will:

1. The Client will provide a key point of contact, contact information, for project management activities to work with the HD Supply Waterworks project manager to help facilitate a timely installation of the FlexNet system.

2. The Client will hire a qualified installation contractor to install the BASESTATION equipment and run all data and power cables between the power supply and the BASESTATION.

3. The Client will perform all site preparation work for the RNI and BASESTATION’s.

4. The Client will be responsible to provide the network infrastructure in the Power and RNI Location areas in Diagram 1, including network cabling and power identified in blue in Diagram 1.

5. The Client will be responsible for monthly and annual fees associated with the network access for all sites where network access is needed.

6. The Client will be responsible to provide communications link between the Regional Network Interface (RNI) and BASESTATION.

7. The Client will purchase any routers, hubs, mounting equipment, uninterruptible power supply and/or security equipment needed to connect the RNI to the Client’s internal network.

8. The Client is responsible for the installation of Meters, SmartPoint Modules, Load Control, Home Area Network, and Automation Devices.

RNI Responsibilities:
The RNI will be a SAAS model that will be stored at one of Sensus secure data sites

HD Supply Waterworks will:

1. Supply the RNI hardware and data management software necessary to operate on the RNI hardware.
2. Work with Sensus to obtain final configuration of all software and RNI hardware for operation with the FlexNet network.

3. Work with Sensus to test, and verify proper network connectivity to access the BASESTATION.

Client will:

1. Purchase all needed FlexNet (RNI) computer equipment.

2. Be responsible for fees associated with acquiring and maintaining the static IP addresses needed to access network equipment located at the BASESTATION site.

3. Provide the necessary static IP addresses for the FlexNet system components.

4. Be responsible to secure a suitable contractor to connect the data management software to the billing system to allow for data to be imported for billing purposes.

5. Provide remote network access to the FlexNet BASESTATION network to Sensus. This provides Sensus Technical Services personnel the ability to perform ongoing system support and troubleshooting.

Infrastructure Site Responsibilities

BASESTATION:

HD Supply Waterworks will:

1. Instruct Client concerning infrastructure site preparation work, and verify work is done correctly.

2. Coordinate the installation and commissioning of FlexNet Infrastructure for proper operation.

3. Hire a competent contractor to install the antenna and related components.

4. Provide the necessary antennas, mounts, cable and other antenna components for the BASESTATION's

Client will:

1. Purchase the required number of BASESTATIONs.

2. Be responsible to provide an area at the BASESTATION site for installation if the BASESTATION is installed at a Client provided site.

3. Be responsible to provide a 120 VAC power source to the BASESTATION. All necessary electric requirements which will include 120 VAC Non GFI receptacles to be at the final location of the BASESTATION installation. If trenching of the power line is needed, the Client will be responsible to provide the necessary trenching, conduit, and cabling needed to supply power from the power source outlet to the base station cabinet. All electrical equipment will be installed in accordance with local codes.

4. The Client will have a certified electrician hook all power to the BASESTATION.

5. Be responsible to provide network access at the site where the BASESTATION is located. Client should consult with HD Supply Waterworks about the available options for network connections between BASESTATION and RNI.

6. Be responsible to provide any conduit and/or trenching required to provide cabling requirements from the tower site to the BASESTATION installation.
7. Be responsible to provide CAT 5 UV and weather resistant network cable from the network service provider access link to the cabinet.

8. Be responsible to provide any conduit or trenching needed to run the data cable to the BASESTATION. Client is responsible to assure that data cable is located to final location of the BASESTATION.

9. Be responsible to provide security at BASESTATION location.

10. Be responsible to provide sufficient foundation to secure the outdoor cabinet should an outdoor cabinet be required to house the BASESTATION. This foundation will consist of a concrete pad or steel structure that is designed to hold 600 lbs per square inch.

11. Be responsible to provide 240 VAC of power to the BASESTATION unit should an outdoor cabinet be required. Receptacles to be located within 1 foot of the final location of the BASESTATION installation. If trenching of the power line is needed, the Client will be responsible to provide the necessary trenching, conduit, and cable needed to supply power from the power source outlet to the base station cabinet. All electrical equipment will be installed in accordance with local codes.

12. Be responsible for installing grounding material at the location of the BASESTATION installation. At a minimum, the material should consist of #4 or #2 stranded copper wire which will connect to the BASESTATION.

13. Be responsible for proper ground field at the BASESTATION site.

14. Be responsible for getting access/permission to any structure that is not owned by the Client.

15. Prepare the site for the BASESTATION by completing the below tasks:

   a. Site must have a network connection available for the BASESTATION to communicate with RNI. The Ethernet connector on the BASESTATION unit is an RJ-45 type, 10/100 auto signaling rate. Minimum WAN bandwidth requirements are 128 kbps with a redundant path. Any network equipment to interface the BASESTATION such as Juniper router / firewall, switches, etc. will be Client provided.

   b. Client will supply connectivity information to Sensus (IP address, default gateway, sub-net mask, etc.)

   c. Provide suitable antenna mounting structure such as a tower, mono-pole, or building that is capable of supporting the weight of the antenna, cable, mounting hardware and wind loading.

   d. Indoor site should have adequate room for the rack facilitating opening of both front and rear doors, and an available 120V grounded outlet within 10 feet.

   e. Outdoor site installation single phase 240 VAC 30 amp circuit from Meter bank to disconnect panel on BASESTATION

   f. Outdoor site shall have installation of BASESTATION concrete support pad or suitable steel support structure with a minimum loading capacity of 600lb. Sq.ft.

   g. Indoor site should have adequate environmental control/ventilation. Recommended environmental ranges are shown in Appendix A of the Tower Gateway Base Station Installation Manual. Although the unit is capable of operation in extreme temperatures, maintaining a moderate and constant temperature environment will promote trouble-free service and long life.

   h. Site must have all RF, and power connections properly surge arrested to prevent damage in the event of a major lightning strike. A Halo type building ground installation with a tie available to connect to the rack ground bar is recommended.

SmartPoint Module Installation Responsibilities

E-19
HD Supply Waterworks will:

1. The HD Supply Waterworks will train the installation team (Installation subcontractor included) on how to properly program / activate SmartPoint Modules on to the FlexNet system.

2. The HD Supply Waterworks will train the installer (Installation subcontractor included) to properly identify and correct any known problems in the field. This individual will be the primary contact to troubleshoot, identify and correct non reporting SmartPoint Modules and installation errors.

3. Once the installer has completed SmartPoint Module installation the HD Supply Waterworks will work with Sensus to investigate any SmartPoint Modules that have not registered on the network.

Client will:

1. Be responsible to purchase end points and transmitters.

2. Be responsible to install or hire an installation contractor to install all end points transmitters to be used in the system.

3. Be responsible to assign an internal employee and/or installation contractor as a SmartPoint Module auditor to ensure installation work is correct.

4. Be responsible for quality assurance for their personnel and/or an installation contractor as it relates to proper SmartPoint Module installation.

5. On an ongoing basis, be responsible to visit and troubleshoot SmartPoint Modules that are not reporting into the system. Investigate any non-reporting SmartPoint Modules to ensure that there are no cut wires, improper installations, improper programming and resolve all data entry errors in the system.

6. Coordinate with the HD Supply Waterworks to establish a SmartPoint Module installation schedule, shipment quantities, and overall project timeline.

Miscellaneous Responsibilities

Client will:

1. Be responsible for the payment of any taxes, renewal, regulatory or license fees associated with the network hardware and software.

2. Be responsible for applying for and purchasing any needed work permits.
Appendix R

Reserved
APPENDIX C

(Reserved)
Appendix D

WARRANTY

The warranties on water meters included in Project Materials and Supplies, and on Work, and Services shall be as follows:

1. Project Materials and Supplies

   (a) General. Meters and equipment included in Project Materials and Supplies that Client purchases from HD Supply Waterworks are warranted by the manufacturer to be free from Manufacturers' Defects for the period specified in the manufacturer's warranty. A copy of the present warranty of each water meter manufacturer that will supply meters and equipment as part of the Project Materials and Supplies is attached hereto as Exhibit D-1. The term of such manufacturer's warranty shall be as set forth in such attached warranty (as the same may be changed from time to time during the course of the performance of the Master Agreement, but with changes to apply only to purchases of meters occurring after the change becomes effective), but generally the start date for meter warranties is the date of the manufacturer's shipment of such meter as noted in the applicable Acceptance Certificate attached to this Agreement as Exhibit A-2 (“Manufacturer's Warranty Period”). PROJECT MATERIALS AND SUPPLIES OTHER THAN METERS AND EQUIPMENT ARE NOT WARRANTED. HD SUPPLY WATERWORKS DOES NOT PROVIDE ANY SEPARATE WARRANTY FOR PROJECT MATERIALS AND SUPPLIES.

   (b) HD Supply Waterworks' Responsibility. Upon any breach of the manufacturer's warranty on a meter or equipment noticed to HD Supply Waterworks during the applicable Manufacturer's Warranty Period, HD Supply Waterworks' sole responsibility shall be to cooperate with Client in arranging for the manufacturer to repair or replace any defective meter or equipment.

2. Installation Work and Services

   (a) General. HD Supply Waterworks warrants that all installation Work and Services provided by HD Supply Waterworks shall be performed by IID Supply Waterworks in a workmanlike manner and in compliance with any specifications set forth in this Agreement, with such warranty to expire one year from the date when such installation Work was performed or such Services were provided (the "Warranty Period").

   (b) Exclusive Remedy. Upon any breach of HD Supply Waterworks' warranty as to installation Work or Services during the applicable Warranty Period, HD Supply Waterworks' sole responsibility shall be to perform any corrective installation Work or Services necessary to bring HD Supply Waterworks' installation Work and Services into compliance with such requirements.

3. DISCLAIMER OF FURTHER WARRANTIES. EXCEPT FOR THE FOREGOING EXPRESS WARRANTY, HD SUPPLY WATERWORKS DISCLAIMS ALL EXPRESS AND IMPLIED WARRANTIES INCLUDING ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL HD SUPPLY WATERWORKS BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES OF ANY KIND.
Exhibit D-1

Manufacturers' Warranties

Attached to this Exhibit D-1 are the manufacturers' warranties for each of the manufacturers of Project Materials.

See Attachment
Sensus Limited Warranty

I. General Product Coverage
Sensus USA, Inc. ("Sensus") warrants its products and parts to be free from defects in material and workmanship for one (1) year from the date of Sensus shipment and as set forth below. All products are sold to customer ("Customer") pursuant to Sensus Terms of Sale, available at: sensus.com/TC ("Terms of Sale").

II. SR II and accuSTREAM™ 3/4", 2" & 1" Meters...
are warranted to perform to AWWA New Meter Accuracy Standards for five (5) years from the date of Sensus shipment or until the registration shown below, whichever occurs first. Sensus further warrants that the SR II and accuSTREAM meters will perform to at least AWWA Repaired Meter Accuracy Standards for fifteen (15) years from the date of Sensus shipment or until the registration shown below, whichever occurs first:

<table>
<thead>
<tr>
<th>New Meter Accuracy</th>
<th>Repair Meter Accuracy</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot; SR II Meter and accuSTREAM Meter</td>
<td>500,000,000</td>
</tr>
<tr>
<td>3/4&quot; SR II Meter and accuSTREAM Meter</td>
<td>750,000,000</td>
</tr>
<tr>
<td>1&quot; SR II Meter and accuSTREAM Meter</td>
<td>1,000,000,000</td>
</tr>
</tbody>
</table>

III. SR 5/8", 3/4", & 1" Meters...
are warranted to perform to AWWA New Meter Accuracy Standards for one (1) year from the date of Sensus shipment. Sensus further warrants that the 5/8", 3/4" and 1" SR meter will perform to at least AWWA Repaired Meter Accuracy Standards for fifteen (15) years from the date of Sensus shipment or until the registration shown below, whichever occurs first:

<table>
<thead>
<tr>
<th>Repair Meter Accuracy</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot; SR Meter</td>
</tr>
<tr>
<td>3/4&quot; SR Meter</td>
</tr>
<tr>
<td>1&quot; SR Meter</td>
</tr>
</tbody>
</table>

IV. SR 1-1/2" & 2"...
are warranted to perform to AWWA New Meter Accuracy Standards for one (1) year from the date of Sensus shipment. Sensus further warrants that the 1-1/2" and 2" SR meter will perform to at least AWWA Repaired Meter Accuracy Standards for ten (10) years from the date of Sensus shipment or until the registration shown below, whichever occurs first:

<table>
<thead>
<tr>
<th>Repair Meter Accuracy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-1/2&quot; SR</td>
</tr>
<tr>
<td>2&quot; SR</td>
</tr>
</tbody>
</table>

V. PMM™ 5/8", 3/4", 1" Meters...
are warranted to perform to AWWA New Meter Accuracy Standards for one (1) year from the date of Sensus shipment. Sensus further warrants that the 5/8", 3/4", and 1" PMM meter will perform to at least AWWA Repaired Meter Accuracy Standards for fifteen (15) years from the date of Sensus shipment or until the registration shown below, whichever occurs first:

<table>
<thead>
<tr>
<th>Repair Meter Accuracy</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot; PMM</td>
</tr>
<tr>
<td>3/4&quot; PMM</td>
</tr>
<tr>
<td>1&quot; PMM</td>
</tr>
</tbody>
</table>

VI. PMM 1-1/2", 2" Meters...
are warranted to perform to AWWA New Meter Accuracy Standards for one (1) year from the date of Sensus shipment. Sensus further warrants that the 1-1/2", and 2" PMM meter will perform to at least AWWA Repaired Meter Accuracy Standards for ten (10) years from the date of Sensus shipment or until the registration shown below, whichever occurs first:

<table>
<thead>
<tr>
<th>Repair Meter Accuracy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-1/2&quot; PMM</td>
</tr>
<tr>
<td>2&quot; PMM</td>
</tr>
</tbody>
</table>

VII. IPERL™ Water Management Systems...
that register water flow are warranted to perform to the accuracy levels set forth in the IPERL Water Management System Data Sheet available at sensus.com/fieldassets or by request from 1-800-METER-11, for twenty (20) years from the date of Sensus shipment. The IPERL System warranty does not include the external housing.

VIII. Maincase...
of the SR, SR II and PMM in both standard and low lead alloy materials are warranted to be free from defects in material and workmanship for twenty-five (25) years from the date of Sensus shipment. Composite and E-coated maincases will be free from defects in material and workmanship for fifteen (15) years from the date of Sensus shipment.

IX. Sensus "W" Series Turbo Meters, OMNI™ Meters and Propeller Meters...
are warranted to perform to AWWA New Meter Accuracy Standards for one (1) year from the date of Sensus shipment.

X. Sensus accuMAG™ Meters...
are warranted to be free from defects in material and workmanship, under normal use and service, for eighteen (18) months from the date of Sensus shipment or 12 months from startup, whichever occurs first:

| 5/8" thru 2" SR, SR II, PMM, accuSTREAM Standard Regulators | 5 years |
| 5/8" thru 2" SR, SR II, PMM, accuSTREAM Encoder Regulators | 10 years |
| Electronic Communication Index (ECI) | 10 years |
| All HSPU, IMP Contractor, N.E.R. Elec. ROFI | 1 year |
| Standard and Encoder Registrations for "W" Turbo and Propeller Meters | 1 year |
| OMNI Regulator with Battery | 1 year |

XI. Sensus Electric Meters...
are warranted to be free from defects in material and workmanship for one (1) year from the date of Sensus shipment. Repaired or refurbished equipment repaired by Sensus is warranted to be free from defects in material and workmanship for thirty (30) days from the date of Sensus shipment or for the time remaining on the original warranty period, whichever is longer.

XII. Batteries, IPERL System Components, AMR and FlexNet™ System AMI Interface Devices...
are warranted to be free from defects in material and workmanship from the date of Sensus shipment for the period stated below:

| Electronic TouchPad | 10 years |
| RadioRegs® MKU (Model 505C, 510R or 520R) and Batteries | 20 years |
| ActPak® Instrumentation | 1 year |
| TouchFlow® Coupler and AMR Equipment | 1 year |
| FlexNet Water or Gas SmartPoint™ Modules and Baskets | 10 years |
| 5000 series (or older) Hand Held Device | 1 year |
| 6050 series Hand Hold Device | 2 years |
| Vehicle Gateway Base Station | 1 year |
| FlexNet Base Station (including the Metro and M400 base station) | 1 year |
| Echo Transceiver | 1 year |
| Remote Transceiver | 1 year |
| IconA and FlexNet Electricity SmartPoint Module | 1 year |
| IPERL System Rotorary and IPERL System Components | 20 years |
| Residential Electronic Regulator | 20 years |
| Smart Gateway | 1 year |

* Sensus will repair or replace non-performing:
  - RadioRegs® MKU (Model 505C, 510R or 520R) and Batteries,
  - FlexNet Water or Gas SmartPoint Modules (configured to the factory output of six transmitters per day under normal system operation of up to one demand read to each SmartPoint Module per month and up to two firmware downloads during the life of the product) and batteries,
  - Residential Electronic Register with hourly reads, and
  - IPERL System Batteries, and/or the IPERL System flowtube, the sensing and data processing assemblies, and the register ("IPERL System Components") with hourly reads

at no cost for the first ten (10) years from the date of Sensus shipment, and for the remainder ten (10) years, at a pro-rated percentage, applied towards the published list prices in effect for the year product is accepted by Sensus under warranty conditions according to the following schedule:

<table>
<thead>
<tr>
<th>Years</th>
<th>Replacement Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-10</td>
<td>0%</td>
</tr>
<tr>
<td>11</td>
<td>10%</td>
</tr>
<tr>
<td>12</td>
<td>20%</td>
</tr>
<tr>
<td>13</td>
<td>30%</td>
</tr>
<tr>
<td>14</td>
<td>40%</td>
</tr>
<tr>
<td>15</td>
<td>50%</td>
</tr>
</tbody>
</table>

Note: Software supplied and licensed by Sensus is warranted according to the terms of the applicable software license agreement. Sensus warrants that network and monitoring services shall be performed in a professional and workmanlike manner.

XIV. Return...
Sensus' obligation, and Customer's exclusive remedy, under this Sensus Limited Warranty is, at Sensus' option, to either (i) repair or replace the product, provided the Customer (i)
returns the product to the location designated by Sensus within the warranty period, and (b) prepay the freight costs both to and from such location, or (c) deliver replacement components to the Customer, provided the Customer installs, at its cost, such components in or on the product (as instructed by Sensus), provided that if Sensus requests, the Customer (a) returns the product in the location designated by Sensus within the warranty period; and (b) prepay the freight costs both to and from such location. In all cases, if Customer does not return the product within the time period designated by Sensus, Sensus will invoice, and Customer will pay within thirty days of the invoice date, for the cost of the replacement product and/or components.

The return of products for warranty claims must follow Sensus' Returned Materials Authorization (RMA) procedures. Water meter returns must include documentation of the Customer's test results. Test results must be obtained according to AWWA standards and must specify the meter serial number. The test results will not be valid if the meter is found to contain foreign materials. If Customer chooses not to test a Sensus water meter prior to returning it to Sensus, Sensus will repair or replace the meter, at Sensus' option, after the meter has been tested by Sensus. The Customer will be charged Sensus' then current testing fee. Sensus SmartPoina modules and MXU's returned must be affixed with a completed warranty label. For all returns, Sensus reserves the right to request meter reading records by serial number to validate warranty claims.

For products that have become discontinued or obsolete ("Obsolete Product"), Sensus may, at its discretion, replace such Obsolete Product with a different product model ("New Product"), provided that the New Product has substantially similar features as the Obsolete Product. The New Product shall be warranted as set forth in this Sensus Limited Warranty.

SECTION XIV SETS FORTH CUSTOMER'S SOLE REMEDY FOR THE FAILURE OF THE PRODUCTS, SERVICES OR LICENSED SOFTWARE TO CONFORM TO THEIR RESPECTIVE WARRANTIES.

XV. Warranty Exceptions and No Implied Warranties...

This Sensus Limited Warranty does not include costs for removal or installation of products, or costs for replacement labor or materials, which are the responsibility of the Customer. The warranties in this Sensus Limited Warranty do not apply to goods that have been, installed improperly or in non-recommended installations; installed to a socket that is not functional, or is not in safe operating condition, or is damaged, or is in need of repair; tampered with; modified or repaired with parts or assemblies not certified in writing by Sensus; including without limitation, communication parts and assemblies; improperly modified or repaired (including as a result of modifications required by Sensus); converted; altered; damaged; read by equipment not approved by Sensus; for water meters, used with substances other than water, used with non-potable water, or used with water that contains dirt, debris, deposits, or other impurities; subjected to misuse, improper storage, improper case, improper maintenance, or improper periodic testing (collectively, "Exceptions"). If Sensus identifies any Exceptions during examination, troubleshooting or performing any type of support on behalf of Customer, then Customer shall pay and otherwise reimburse Sensus for all expenses incurred by Sensus in examining, troubleshooting, performing support activities, repairing or replacing any Equipment that satisfies any of the Exceptions defined above. The above warranties do not apply to the extent of Force Majeure, as defined in the Terms of Sale.

THE WARRANTIES SET FORTH IN THIS SENSUS LIMITED WARRANTY ARE THE ONLY WARRANTIES GIVEN WITH RESPECT TO THE GOODS, SOFTWARE LICENSES AND SERVICES SOLD OR OTHERWISE PROVIDED BY SENSUS, SENSUS EXPRESSLY DISCLAIMS ANY AND ALL OTHER REPRESENTATIONS, WARRANTIES, CONDITIONS, EXPRESSED, IMPLIED, STATUTORY OR OTHERWISE, REGARDING ANY MATTER IN CONNECTION WITH THIS SENSUS LIMITED WARRANTY OR WITH THE TERMS OF SALE, INCLUDING WITHOUT LIMITATION, WARRANTIES AS TO FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, NON-INFRINGEMENT AND TITLE.

SENSUS ASSUMES NO LIABILITY FOR COSTS OR EXPENSES ASSOCIATED WITH LOST REVENUE OR WITH THE REMOVAL OR INSTALLATION OF EQUIPMENT. THE FOREGOING REMEDIES ARE CUSTOMER'S SOLE AND EXCLUSIVE REMEDIES FOR THE FAILURE OF EQUIPMENT, LICENSED SOFTWARE OR SERVICES TO CONFORM TO THEIR RESPECTIVE WARRANTIES.

XVI. Limitation of Liability...

SENSUS' AGGREGATE LIABILITY IN ANY AND ALL CAUSES OF ACTION ARISING UNDER OR IN RELATION TO THIS AGREEMENT, ITS NEGOTIATION, PERFORMANCE, BREACH OR TERMINATION (COLLECTIVELY "CAUSES OF ACTION") SHALL NOT EXCEED THE TOTAL AMOUNT PAID BY CUSTOMER TO SENSUS UNDER THIS AGREEMENT. THIS IS SO WHETHER THE CAUSES OF ACTION ARE IN TORT, INCLUDING, WITHOUT LIMITATION, NEGLIGENCE OR STRICT LIABILITY, IN CONTRACT, UNDER STATUTE OR OTHERWISE.

AS A SEPARATE AND INDEPENDENT LIMITATION ON LIABILITY, SENSUS' LIABILITY SHALL BE LIMITED TO DIRECT DAMAGES. SENSUS SHALL NOT BE LIABLE FOR: (I) ANY INDIRECT, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES; NOR (II) ANY REVENUE OR PROFITS LOST BY CUSTOMER OR ITS AFFILIATES FROM ANY END USER(S), IRRESPECTIVE OF WHETHER SUCH LOSSES OR PROFITS IS CATEGORIZED AS DIRECT DAMAGES OR OTHERWISE; NOR (III) ANY INDIRECT COSTS; NOR (IV) ANY METER READER COSTS AND EXPENSES; NOR (V) DAMAGES ARISING FROM MAINCAGE OR BOTTOM PLATE BREAKAGE CAUSED BY FREEZING TEMPERATURES, WATER HAMMER CONDITIONS, OR EXCESSIVE WATER PRESSURE. "DIRECT COSTS" MEANS ANY COSTS AND EXPENSES INCURRED BY CUSTOMER IN TRANSPORTING GOODS BETWEEN ITS WAREHOUSE AND ITS END USER'S PREMISES AND ANY COSTS AND EXPENSES INCURRED BY CUSTOMER IN INSTALLING, UNINSTALLING AND