

STAFF REPORT

To: Coastside County Water District Board of Directors

From: David Dickson, General Manager

Agenda: October 4, 2016 Special Meeting

Report

Date: October 3, 2016

Subject: Authorize Entering into an Agreement with Aclara Technologies LLC.

Recommendation:

Authorize Entering into an Agreement with Aclara Technologies LLC. for materials and services for the District's Advanced Metering Infrastructure (AMI).

Background:

At the July 12, 2016 Board of Directors Meeting, the Board 1) waived the requirement in the District's Policies and Procedures for Award of Contract (Resolution 2012-01) to solicit competitive bids for meter terminal units, data collector units and services for automated metering and authorized the General Manager to proceed with procurement from Aclara Technologies LLC ("Aclara"); and 2) directed the General Manager to negotiate and present for Board approval a contract with Aclara Technologies LLC to provide materials and services for the District's Automated Metering Infrastructure (AMI).

District Staff, with the assistance of District Counsel, has negotiated a Contract with Aclara (see Attachment 1) and requests that the Board approve execution of the contract with Aclara.

Key Contract Terms:

- The District will lease an "Aclara Owned Network" for an initial term of ten years, with an option to extend the lease for another ten years at the same annual fee. The Aclara Owned Network consists of the Data Collector Units, the Hosted Network Control Computer, the licensed radio frequencies and backhaul services from third party communications providers. The primary benefit of leasing vs. owning is that Aclara Personnel (in lieu of District staff) will be responsible for providing, installing, and maintaining the AMI network and ensuring that the network is functioning at a contracted service level.
- The District is responsible for procuring and installing the radio endpoints (Meter Terminal Units - MTUs) from Aclara. Aclara warrants the MTUs for (20) years. (Aclara provides a full warranty for the first 10 years and a pro-rated warranty for the second 10 years.)

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Fiscal Impact

	FY2016/17	FY2017/18	FY2018/19	Total
<i>Initial Installation:</i>				
Aclara Owned Network ("AON")				
Professional Services and Equipment Installation	\$ 56,898	\$ 18,967		\$ 75,865
System Training	\$ 10,000			\$ 10,000
Software Licenses and Miscellaneous Equipment	\$ 4,550			\$ 4,550
Subtotal	\$ 71,448	\$ 18,967	\$ -	\$ 90,415
MTU's (\$94.61 each - charged as invoiced)	\$ 176,353	\$ 280,613	\$ 237,282	\$ 694,248
Sales tax	\$ 16,281	\$ 25,255	\$ 21,355	\$ 62,892
AON Installation/Equipment Costs (Aclara Only*)	\$ 264,082	\$ 324,835	\$ 258,637	\$ 847,555

	FY2016/17	FY2017/18	FY2018/19	Ongoing
Annual Aclara Owned Network Fee/Software Maintenance:	\$ 10,380	\$ 25,863	\$ 38,954	\$38,954 per year

* Excludes permitting and DCU site preparation

Funding is planned for in the District's FY2016/17 to FY2018/19 CIP approved by the Board in June 2016.

MASTER AGREEMENT

This Master Agreement is made and entered into as of the date last signed (the “Effective Date”) by and between:

Aclara Technologies LLC, an Ohio Limited Liability Company
945 Hornet Drive
Hazelwood, MO 63042
(Referred to herein as “Aclara”)

And Coastside County Water District
766 Main Street
Half Moon Bay, CA 94019
(Referred to herein as “Customer”)

Collectively, Aclara® and Customer may be referred to as “Parties”.

Whereas, Aclara has developed certain proprietary equipment and software which together constitute an Aclara® STAR® Network AMI System which performs automatic meter reading and collects metering data utilized by providers of electricity, gas and water to consumers;

Whereas, Customer desires to acquire from Aclara a STAR® Network AMI System to be utilized by Customer for the automated meter reading of residential, industrial and commercial water meters and desires to acquire certain services and equipment from Aclara (the “Aclara Owned Network”);

Now Therefore, in consideration of the mutual covenants set forth herein, and intending to be legally bound, the Parties agree as follows:

1. **Definitions.** The following words and phrases shall have the following meanings for the purposes of this Master Agreement.

A. **“Master Agreement”** (“Agreement”) means this document and the following Exhibits all of which are attached hereto and made a part hereof, and any amendments, modifications or supplements thereto or attachments incorporated therein. In interpreting this Agreement and resolving any ambiguities, the language in the Agreement takes precedence over the language in the Exhibits:

- 1) Exhibit A, Statement of Work
- 2) Exhibit A-1, Project Definition
- 3) Exhibit A-2, Example/Prototype Systems Acceptance Test Cases
- 4) Exhibit B, RESERVED
- 5) Exhibit C, AON Agreement
- 6) Exhibit C-1, Additional Services

- 7) Exhibit C-2, Third Party Software
- 8) Exhibit C-3, STAR Technical Support Escalation Flow
- 9) Exhibit C-4, Read Success Rate Reporting
- 10) Exhibit D, Aclara STAR® Warranties

- B. "Aclara Parties" means Aclara, its directors, officials, officers, employees and agents.
- C. "Aclara Personnel" means all employees of Aclara, Aclara's subcontractors and their employees, or any other personnel assigned by Aclara to provide work pursuant to this Master Agreement. Aclara Personnel shall not include any Customer Personnel.
- D. "AON Agreement" means Exhibit C, AON Agreement.
- E. "Commercially Reasonable Efforts" means taking such steps and performing in such a manner as a well managed company would undertake where it was acting in a determined, prudent and reasonable manner.
- F. "Contract Manufacturers" means those entities that manufacture proprietary components of the STAR Network AMI System for Aclara.
- G. "Contracted Coverage" means the Customer's meter population that will be accessible by the DCUs in the Aclara Owned Network, assuming that an MTU is functioning and is properly installed. "Contracted coverage" will include all of the meter locations ("Customer Meter List with GPS Coordinates") provided to Aclara to perform its propagation study, unless specifically excluded by mutual written agreement.
- H. "Customer Meter List with GPS Coordinates" means a list of all the Customer's meter locations (with GPS Coordinates) to be covered by the Aclara Owned Network. An initial list will be provided at the time of contract signing in order for Aclara Personnel to complete the Propagation Study. Additional Customer Meter List with GPS Coordinates may be provided during the term of the renewal, subject to an adjusted Aclara Owned Network Annual Fee.
- I. "Customer Parties" means Customer, its directors, officials, officers, employees and agents.
- J. "Customer Personnel" means all employees of Customer, Customer's subcontractors and their employees, or any other persons or entities assigned by Customer to provide materials, services or labor in furtherance of Customer's installation, deployment and use of Customer's STAR® Network AMI System. Customer Personnel shall not include any Aclara Personnel.

- K. “DCU” means the data collection units installed as part of the STAR® Network AMI System, including all their hardware, firmware, software, and licenses.
- L. “DCU Installation – Notice to Proceed” means the written notice issued by the Customer to Aclara to proceed with the installation of the DCU network. This notice will be issued after the Customer’s successful acquisition of DCU sites and required permits for installing DCU related Equipment.
- M. “Deliverables” mean the Equipment and Services listed in Section 8 of the Master Agreement.
- N. “Delivery” means, in the case of Software provided hereunder, the successful installation of the Software by Aclara in an Aclara-hosted production environment.
- O. “Equipment” means those products described in Section 8 of the Master Agreement that are manufactured by Aclara or by a Contract Manufacturer and denoted as “Equipment.”
- P. “Field Installation Plan” means a plan prepared for each proposed DCU site that is comprised of approach, logistics, timing, and requirements for DCU installation; engineering drawings, specifications and site plan (including exact mounting location, required pole height, if applicable; height of antenna, solar panel, and other DCU equipment;).
- Q. “Project Schedule” shall mean the schedule developed in accordance with Section 3, below.
- R. “Propagation Study” means the Aclara managed analysis of all the Customer’s meter locations (utilizing GPS coordinates) in order to estimate the number of data collectors (DCUs), as well as to develop field installation requirements required to achieve a minimum of 98.5% read success of all interval readings and “contracted coverage” (including predictions fo redundancy (triple, double, and single) of DCU coverage of all plotted endpoints. The “Propagation Study” is used to develop “Field Installation Plans” for the DCU sites.
- S. “Services” shall mean those services described in Exhibit A, Statement of Work.
- T. “STAR® Network AMI System” is an advanced metering infrastructure system and is comprised of: (1) the Equipment; (2) the Software related to the STAR Programmer; and (3) the Software related to the Network Control Computer (NCC), referred to in Exhibits A and Section 8 of this Master Agreement.
- U. “Work” means all obligations, duties and responsibilities of the Parties necessary to be performed by them in order to accomplish all of their respective obligations under this Master Agreement.

2. Work.

- A. Upon the Effective Date of this Master Agreement, Aclara shall provide all necessary Aclara Personnel, equipment, software, management, supervision, materials, tools, supplies, facilities and resources necessary to perform its Work in accordance with the terms of this Master Agreement. Upon the Effective Date of this Master Agreement, Customer shall provide all necessary Customer Personnel, management, supervision, resources and materials required, including the Equipment to perform its Work in accordance with the terms of this Master Agreement.
- B. The terms and conditions set forth in this Master Agreement shall apply to the Services provided by Aclara under Exhibit A, Statement of Work, and any subsequent Purchase Order issued for the purchase of additional services and hardware.

3. Project Schedule. Aclara and Customer shall meet as soon as reasonably possible after the execution of this Master Agreement to discuss the Project Schedule and related matters. Account Managers from Aclara are responsible for monitoring the Project Schedule so that the delivery dates shown on Exhibit A are met.

4. Term

- A. This Master Agreement shall continue in full force and effect for ten years after the DCU Installation – Notice to Proceed has been issued by the Customer, unless sooner terminated in accordance with this Agreement.
- B. Option to Extend Master Agreement Term.
 - (i) Subject to Aclara's to right terminate the Master Agreement for Cause pursuant to Section 16, Customer shall have one (1) option to extend the term of the Master Agreement (hereinafter, the "Option") for a consecutive period of ten (10) years upon the same terms and conditions as set forth herein.
 - (ii) Customer shall exercise such Option only by giving written notice to Aclara no later than nine (9) months prior to the expiration of the initial Term.
- C. Certain rights and obligations arising under this Master Agreement, including, but not limited to those concerning Termination for Convenience, Indemnity, Dispute Resolution, Mutual Non-disclosure and Limitation of Liability, shall survive the termination of this Master Agreement

5. Time for Performance

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- A. Aclara shall deliver the Equipment and Software and provide the Services in accordance with the Project Schedule. Customer understands and agrees that the ability of Aclara to make such deliveries and provide such Service within such times is dependent upon the timely issuance of Purchase Orders (if required) and timely performance of Customer's Work by Customer Personnel. Customer agrees that it will cause Customer Personnel to perform their respective obligations in a timely fashion and to cooperate with Aclara in scheduling their respective Work.
 - B. Neither Party shall be liable to the other for failure or delay in performance of a required obligation if such failure or delay is caused by an act or omission of the other Party or such Party's Personnel.
 - C. Neither Party shall be liable to the other for failure or delay in performance prior to the Customer issuing a "DCU Installation – Notice to Proceed."
 - D. Neither Party shall be liable to the other for failure or delay in performance of a required obligation if such failure or delay is caused by delays in shipment, delivery or taking receipt of any items sold hereunder, or loss or damage thereto, acts of God, acts of the other Party, acts of civil, regulatory or military authority, U.S. Governmental restrictions or embargoes, war, terrorism, riot, fires, strikes, flood, epidemics, quarantine, restrictions, default or delay by supplier, breakdown in manufacturing facilities, machinery or equipment, delays in transportation or difficulties in obtaining necessary materials, labor or manufacturing facilities due to such causes, or any other cause beyond a Party's reasonable control. In the event of such occurrence, performance shall be suspended to the extent made necessary by such forces, and the time for performance shall be extended by a period equal to the time of delay. Upon the occurrence of such an event the Party whose performance is adversely affected shall promptly notify the other Party of the nature and extent of the occurrence and the anticipated period of delay in performance. Any Party so adversely affected shall use all Commercially Reasonable Efforts to minimize the extent of the delay in performance. No event of Force Majeure shall apply to any obligation by either Party to pay money.
 - E. If either Party causes a delay not otherwise excused hereunder in the progress of the Work, such Party shall use Commercially Reasonable Efforts (all without additional cost to the other Party) to complete its Work within the times set forth on the Project Schedule.
6. Purchase, Sale, License.
- A. Purchase of Aclara Equipment. Customer agrees to purchase the Equipment identified in Section 8.A of this Master Agreement. MTU pricing shall remain in place over the term of this agreement.

- B. Services and Software. Customer agrees to purchase the Services identified in Section 8.A of this Master Agreement. Aclara agrees to sell to Customer the Services and to license the Software identified in Section 8.A to Customer all at the prices and in the quantities set forth.
- C. Deployment of Aclara Owned Network. Customer agrees to the deployment of the “Aclara Owned Network” under the terms of Exhibit C.

7. Customer’s Responsibilities

- A. Customer shall perform those tasks and assume those responsibilities specified herein and as set forth in this Master Agreement.
- B. Customer shall provide Aclara Personnel with such access during normal business hours to Customer’s real and personal property, provided that Aclara provides 24 hour notice prior to access. Aclara Personnel are to be accompanied by Customer staff when accessing the Customer’s property. Customer will make every effort to arrange for access to property that is leased or licensed by Customer and as may be necessary for Aclara to perform its Work, during the initial installation and as required to perform services in accordance with the AON Network Agreement.
- C. Customer determines what is sufficient time and resources, including qualified personnel, to perform its Work in accordance with this Master Agreement.
- D. Customer Personnel will reasonably cooperate with Aclara in the timely and efficient performance of Aclara’s and Customer’s respective obligations under this Master Agreement.
- E. Customer will provide access to all data in the care, custody, and control of Customer reasonably necessary to complete all Work under this Master Agreement. Customer data, including meter readings and utility billing data, are considered to be Confidential Information and may not be disclosed by Aclara, or Aclara’s agents, without the Customer’s written permission.

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8. Invoicing and Payment

A. Invoicing: Customer will be invoiced as per the following schedule for the STAR® Network AMI System, and related Equipment, Licenses, Professional Services, and Aclara Owned Network Fees:

EQUIPMENT AND LICENSES	PAYMENT DUE (net 30 from invoice date):	QTY	PRICE (each)	EXTENDED PRICE
Water Meter MTU – Encoder, Single Port, Standard, Range, 3” Nicor connector – Part #332-103-DB	As shipped	7338	\$94.61	\$694,248.18
Programmer Serial Interface Kit – Part #510-6820	As shipped	3	\$300.00	\$900.00
STAR Programmer Software License, 1-5 Handhelds – Part #511-021	Upon installation of 1 st handheld	1	\$3,250.00	\$3,250.00
FCC License Fee	Upon acquisition of license	1	\$400.00	\$400.00

PROFESSIONAL SERVICES	PAYMENT MILESTONE (net 30 from invoice date):	EXTENDED PRICE
Aclara Professional Services includes: Project Management and Oversight (24 months); Hosted NCC Setup; Standard CIS Integration; Standard CE Integration; STAR MTU Programmer Software Installation & Testing; Travel*	NCC Live, DCU Network Installed (Year 1)	\$18,966.00
	Systems Acceptance Testing Complete (Year 1)	\$18,966.00
	Year 1 Project Oversight – Services Complete	\$18,966.00
	Year 2 Project Oversight – Services Complete	\$18,967.00
Installer and Operator Onsite Training (5 days) *	Upon completion	\$10,000.00
Out of Scope Professional Services	See attachment 1 to AON Agreement	

(* reasonable travel and expenses are included, in the continental United States)

Aclara Owned Network Fees	PAYMENT MILESTONE (net 30 from invoice date):	EXTENDED PRICE
Year 1 Aclara Owned Network Annual Fee (1,864 MTUs installed)	Execution of master agreement	\$9,730.08
Year 1 – Star Programmer Software Maintenance	Installation of software	\$650.00
Year 2 Aclara Owned Network Annual Fee (4,830 MTUs installed)	Invoiced annually in advance of renewal period, at anniversary date of DCU Installation – Notice to Proceed	\$25,212.60
Year 2 – Star Programmer Software Maintenance	Annual billing	\$650.00
Years 3-10 Aclara Owned Network	Invoiced annually in advance of renewal	\$38,304.36

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Annual Fee (7,338 MTUs installed)	period, at anniversary date of DCU Installation – Notice to Proceed	
Years 3-10 – Star Programmer Software Maintenance	Annual billing	\$650.00
Customer shall be responsible for Sales Tax, Material Handling and Freight.		

- B. Payment. Customer shall pay Aclara invoices within thirty (30) days of the date thereof. Any amounts not paid when due shall bear interest at the lesser of one percent (1%) per month or the highest amount permitted by law until paid.

- C. Credits. In the event that Aclara fails to meet the Contracted Read Success Rate (“RSR”) or Hosted NCC Uptime objective (as defined in Exhibit C, AON Agreement) during a annual billing cycle, Aclara will refund a percentage of the total fee on the next billing cycle. Credits for failure to meet the Contracted RSR will be applied to 80% of the annual total bill. Credits for failure to meet the Hosted NCC Uptime objective will be applied to the remaining 20% of the annual bill.

All customer credits are based on an annual billing cycle. Credits will be credited to the Customer’s account within one billing cycle. No credit will exceed the annual value for the billing period.

Contracted Read Success Rate. In the event that Aclara fails to meet the Contracted Read Success Rate during an annual billing cycle a credit shall be applied by Aclara on the next billing cycle.

The credit shall be calculated as the sum of the aggregate daily RSR deviation (the difference between the actual daily RSR deviation and the Contracted RSR) for the year as described in Attachment C-4. The Actual RSR for each day will be calculated at a five (5) day lag over a seven (7) day period.

Hosted NCC Uptime Objective. If the 98% Hosted NCC Uptime Objective is not met, the following discount will be applied to the remaining 20% of the annual fee. This table applies to the business hours defined as 6:30 AM to 6:30 PM CT only. Down time is defined as the site being unavailable for customer or staff use.

<u>Average Uptime for the Quarter</u>	<u>Refund of Annual Fee</u>
98% or better	0%
95% – 97.9%	5%
50% – 94.9%	10%
Below 50%	100%

9. Sales and Use Taxes. Aclara shall be responsible for all corporate taxes measured by net income due to performance of or payment for work under this Agreement (“Aclara Taxes”). Customer shall be responsible for all taxes, duties, fees, or other charges of any nature (including, but not limited to, consumption, gross receipts, import, property, sales, stamp, turnover, use, or value-added taxes, and all items of withholding, deficiency, penalty, addition to tax, interest, or assessment related thereto, imposed by any governmental authority on Customer or Aclara or its subcontractors) in relation to the Agreement or the performance of or payment for work under the Agreement other than Aclara Taxes (“Customer Taxes”). The Price does not include the amount of any Customer Taxes. If Customer deducts or withholds Customer Taxes, Customer shall pay additional amounts so that Aclara receives the full Price without reduction for Customer Taxes. Customer shall provide to Aclara, within one month of payment, official receipts from the applicable governmental authority for deducted or withheld taxes
10. Warranties. In connection with the Deliverables, Aclara makes the following warranties:
- A. MTU Equipment. Aclara warranties, with respect to STAR® MTU equipment sold by Aclara under Section 8 of this Master Agreement, are stated in Exhibit D, Aclara® STAR® Warranties.
 - B. DCU Equipment access is provided to the Customer under the Aclara Owned Network “AON” Agreement. Aclara warranties the ongoing operability of the DCUs and the Aclara Owned Network and the ability to achieve the Contracted “RSR” and Contracted Coverage throughout the term of this agreement. If the Contracted “RSR” and/or the Contracted Coverage cannot be achieved and maintained and additional DCU equipment is required, Aclara will bear the additional cost, including Equipment, Installation, Software and Licenses, Site Preparation and Maintenance costs. Damage to DCU hardware caused by natural circumstances and “acts of God” such as weather, fire, etc. will be the responsibility of Aclara. While still subject to these Service Levels, the cost of AMI Hardware Maintenance caused by third party damage (including vandalism and theft) is not included in this Agreement.
 - C. Services. With respect to Services to be performed by Aclara under this Master Agreement, Aclara warrants that the Services shall be performed in a professional, competent and timely manner by Aclara Personnel appropriately qualified and trained to perform such Services. In the event of a breach of the foregoing warranty relating to Services occurs within twelve months from the date of the providing of such Services, Aclara shall, at its sole cost and expense, re-perform such Services.

D. Except as specifically set forth herein, no warranty under any provision of this Master Agreement is made with respect to software or equipment items that have not been created or manufactured by Aclara or its Contract Manufacturers, such being subject only to the warranties made by their respective creators or manufacturers. Aclara shall not be responsible or liable for unauthorized modifications, alterations, misapplications, or repairs made to the equipment and/or software by Customer's Personnel or persons other than Aclara Personnel, or for damage thereto caused by negligence, accidents or use by Customer's Personnel or persons other than Aclara Personnel in violation of any provision of this Master Agreement.

E. THE WARRANTIES SET FORTH IN THIS MASTER AGREEMENT, INCLUDING ITS EXHIBITS, ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PURPOSE.

11. Indemnity. For the purpose of this Section 11 only, "Customer Parties" shall mean Customer, its directors, officers, agents and employees, contractors and subcontractors (other than Aclara and Aclara Personnel), assignees, subsidiaries and affiliates, and each of them; "Aclara Parties" shall mean Aclara, its directors, officers, agents and employees, contractors and subcontractors at any tier, and the subcontractor's directors, officers, agents and employees, and each of them; and "Claims" shall mean third party claims, demands, suits or causes of action. The Parties obligations under this Section 11 shall not be limited to their respective insurance coverage. This provision shall survive the termination or expiration of this Master Agreement and the Aclara Owned Network Agreement, Exhibit C.

A. General Indemnity

1) Aclara shall indemnify Customer Parties for any and all loss or liability, including the costs of settlements, judgments, damages and direct expense including reasonable attorney's fees, costs and expenses arising from Claims, whether based on statute or regulation or on theories of contract, tort, strict liability, or otherwise, which are brought against one or more Customer Parties by or on behalf of persons other than Customer Parties involving injuries or damages to persons or property arising from or in any manner relating to negligent acts or omissions of Aclara Parties under this Master Agreement provided that:

(a) Customer promptly notifies Aclara in writing of such claims;

(b) Customer cooperates with Aclara in assisting in the defense or settlement of such claims; and

- (c) Aclara has the sole right to conduct the defense of such claim or to settle such claim. Aclara shall defend at its own expense, with counsel of its choosing, but reasonably acceptable to Customer, any suit or action brought against Customer Parties based upon such Claims.
- 2) Aclara shall defend at its own expense, with counsel of its choosing, but reasonably acceptable to Customer, any third-party suit or action brought against Customer Parties based upon such Claims. Further, provided that Customer promptly notifies Aclara in writing of any alleged violations described below, Aclara shall also indemnify Customer Parties for any and all loss or liability for fines, fees or penalties for violations of any statutes, regulations, rules, ordinances, codes or standards applicable to the Work arising from or relating to acts or omissions of Aclara Parties.

Aclara's obligations under this Section 11.A.1) and 2) shall be reduced to the extent of the negligence, gross negligence or willful misconduct of Customer Parties.

- 3) Customer shall indemnify Aclara Parties for any and all loss or liability, including the costs of settlements, judgments, damages and direct expense including reasonable attorney's fees, costs and expenses from Claims, at law or in equity, whether based on statute or regulation or on theories of contract, tort, strict liability, or otherwise, which are brought by or on behalf of persons other than Aclara Parties for injuries or damages to persons or property arising from or in any manner relating to acts or omissions of Customer Parties under this Master Agreement provided that:
 - a. Aclara promptly notifies Customer in writing of such claims
 - b. Aclara cooperates with Customer in assisting in the defense or settlement of such claims; and
 - c. Customer has the sole right to conduct the defense of such claim or to settle such claim.
- 4) Customer shall defend at its own expense, with counsel of its choosing, but reasonably acceptable to Aclara, any suit or action brought against Aclara Parties based upon such Claims. Further, provided that Aclara promptly notifies Customer in writing of any alleged violations described below, Customer shall also indemnify Aclara Parties for any and all loss or liability for fines, fees or penalties for violations of any statutes, regulations, rules, ordinances, codes or standards applicable to the Work arising from or relating to acts or omissions of Customer Parties.

Customer's obligations under this Section 11. A. 3) and 4) shall be reduced to the extent of the negligence, gross negligence or willful misconduct of Aclara Parties.

- B. Intellectual Property Indemnity. Aclara shall defend, indemnify, save and hold harmless Customer Parties from and against any claims, losses, damages, fees, costs and expenses arising out of or in connection with a third party's claim of infringement or alleged infringement of any United States patent, copyright, trademark, trade or business secret, service mark or any other proprietary right based solely on the use or design of any Equipment furnished hereunder and used by Customer strictly in accordance with the terms of this Master Agreement provided that:
- 1) Customer promptly, and in any event, within twenty (20) days notifies Aclara in writing of such claims;
 - 2) Customer cooperates with Aclara in assisting in the defense or settlement of such claims; and
 - 3) Aclara has the sole right to conduct the defense of such claim or to settle such claim.
- C. In addition, in the event any such Equipment furnished hereunder are held in such suit to be infringing or misappropriating or their use by Customer is enjoined or limited in any manner, or Aclara believes that such holding or enjoining is likely, Aclara shall at its expense:
- 1) procure for Customer the right to continue use of such Equipment, or
 - 2) replace or modify the same with an equivalent non-infringing product with functionality substantially similar to the product it is replacing. Notwithstanding the foregoing, Aclara shall not be liable for any claim based on the Customer Parties combination or use of the Equipment with any other equipment or software not supplied or authorized by Aclara, or any claim based on Customer's possession or use of any Customer Parties altered version of the Equipment unless such alteration has been performed or authorized by Aclara.
12. Mutual Non-Disclosure. Each party to this Agreement may furnish the other party to this Agreement with certain proprietary or nonpublic information (the "Disclosed Information"). The furnishing party shall be the "Discloser" and the receiving party shall be the "Recipient". For purposes of this Agreement,

- A. Subject to the California Public Records Act (California Government Code section 6250 et. seq.). The Parties understand and agree that Customer is a public entity and thus subject to the California Public Records Act and its relevant disclosure requirements. Under certain circumstances, Customer may be required to disclose information including the contents of this Agreement in accordance with the California Public Records Act.

If Aclara requests that Customer withhold from disclosure information identified by Aclara as confidential, and Customer complies with Contractor's request, Aclara shall assume all responsibility for any challenges resulting from the non-disclosure, indemnify and hold harmless Customer from and against all damages (including but not limited to attorneys' fees that may be awarded to the party requesting Aclara's information), and pay any and all costs and expenses related to the withholding of Aclara's information.

Confidential Information is defined as:

- (1) Disclosed Information in printed, written, graphic, photographic or other tangible form marked as "Confidential," "Proprietary," "Private," "Restricted," or "Trade Secret" by Discloser;
- (2) Disclosed Information in oral or demonstrative form, recorded as written or notes of such presentations, which minutes or notes must be so marked and provided to Recipient within thirty (30) days after the date of the disclosure of the Disclosed Information;
- (3) Disclosed Information relating to unreleased products; and

B. Confidential Information shall not include information which:

- (1) is or becomes part of the public domain without violation of this Master Agreement by Recipient;
- (2) is already in Recipient's possession free of any restriction on use or disclosure;
- (3) becomes available to Recipient from a third party provided that such party was free from restriction on the disclosure of the information; or
- (4) has been independently developed by Recipient

C. If Recipient is required by legal proceeding discovery request "open record" or equivalent request, investigative demand, subpoena, court or government order to disclose Confidential Information, Recipient may disclose such Confidential Information provided that:

- (1) the disclosure is limited to the extent and purpose legally required; and
 - (2) prior to any disclosure and if permitted by applicable law, Recipient shall immediately notify Discloser in writing of the existence, terms, and conditions of the required disclosure and, at Discloser's request and expense, cooperate in Discloser obtaining a protective order or other reliable assurance that confidential treatment will be accorded the Confidential Information.
- D. Recipient shall hold the Confidential Information in confidence and only disclose the Confidential Information to its officers, employees, consultants, counsel, affiliates, independent contractors, or agents (collectively "Representatives") who:
- 1) need the Confidential Information to assist the Recipient with performing its obligations or exercising its rights under this Agreement;
 - 2) have been instructed not to disclose the Confidential Information; and
 - 3) for other than Recipient's employees, have executed a nondisclosure or confidentiality agreement with Recipient at least as protective as this Agreement of the Confidential Information of Discloser.
- Recipient shall be responsible for any violation of this Agreement by its Representatives and shall use reasonable efforts to restrain its Representatives (including Representatives who, subsequent to the date of this Agreement, become former Representatives) from unauthorized use or disclosure of the Confidential Information.
- E. All Confidential Information shall, between Discloser and Recipient, remain the property of Discloser. Upon termination of this Agreement and upon Discloser's written request, Recipient shall promptly return all Disclosed Information of Discloser and destroy, and provide written certification to Discloser of such destruction, all other materials embodying the Disclosed Information of Discloser.
- F. Recipient may at any time independently develop information similar to, or products and services that compete with products or services identified in, the Disclosed Information.
- G. The parties stipulate that a breach of this Section 12 by Recipient will cause immediate and irreparable harm and significant injury to Discloser, for which there is no adequate remedy at law and that Discloser shall be

entitled, in addition to any other rights and remedies it may have, to injunctive relief, specific performance and other equitable remedies to restrain any threatened, continuing, or further breach of this Section 12 Recipient shall immediately advise Discloser of any discovered breach by Recipient or its Representatives of this Agreement and shall reasonably cooperate, at Recipient's expense, with Discloser in retrieving the disclosed Confidential Information and restricting any continuing breach.

13. Publicity. Neither Party shall, without the express written consent of the other Party, make any news release, advertisement, or public communication regarding this Master Agreement. Notwithstanding the foregoing, nothing in this Master Agreement shall prevent either Party from making such public disclosures as it, in its sole judgment, may deem appropriate to satisfy such Party's (or such Party's Parent's) disclosure obligations under any applicable law or requirement of any stock exchange.
14. Insurance. Aclara shall maintain and provide certificate of insurance for:
 - A. General liability insurance on a one million dollar (\$1,000,000), per occurrence basis; and
 - B. Automobile liability insurance with limits not less than \$1,000,000 per person/peroccurrence; and
 - C. Statutory workers compensation insurance, including a waiver of subrogation, with limits of at least \$1,000,000.

Customer shall be provided status as an additional insured or loss payee as its interest may appear on the policies referred to in 14. A. and B., above. The specified coverage obligations in this Section 14 are minimums only, and Aclara shall have the obligation to provide the minimum coverages stated in this Master Agreement or such greater or broader coverage if available in Aclara's policies.

15. Termination for Convenience. Customer reserves the right, at any time, to terminate this Master Agreement, or any portion of the Work, for its sole convenience. Any such termination shall be effected by delivery of a written notice of termination to Aclara specifying the extent to which the Master Agreement and related Work have been terminated and the date upon which the termination shall be effective. The date of the effective date of termination shall be no earlier than 30 days following the date notice of termination is sent to Aclara. Upon receipt of such notice, Aclara, shall stop all work hereunder, and shall promptly take steps to cancel existing orders, contracts and subcontracts relating to the Work.
 - A. In the event of such termination, Aclara shall be entitled to receive:

- 1) Any payments due under this Master Agreement up to the effective date of termination, however, the payment due shall be reduced on a pro rata basis to account for the portion of any annual billing that relates to a period of time following the effective date of termination;
 - 2) An amount equal in value to six (6) months of the Aclara Owned Network Hosting, Support and Maintenance Fee as set forth in Exhibit B unless the termination is prior to the next renewal (in which case Aclara shall be entitled to receive the lesser of six (6) months of the Aclara Owned Network Hosting, Support and Maintenance Fee; or the pro-rated amount of the the Aclara Owned Network Hosting, Support and Maintenance Fee through termination; and
 - 3) The depreciated book value of all installed DCUs in exchange for Aclara's transfer of those DCUs to Customer.
- B. No costs incurred after the effective date of the notice of termination shall be treated as a reimbursable cost unless it relates to performing the portion of the work not terminated, or taking measures reasonably required to comply with Customer's notice of termination in a prudent and business-like manner.
- C. If Customer terminates this Master Agreement but desires to continue to use the STAR® Network AMI System, Parties shall enter into a transition services agreement under which: (1) Aclara shall provide Customer with a NCC license at its then current rate; and (2) Aclara shall transition services from its hosted system to an on-premise system, for which Customer will pay on a time and materials basis at Aclara's then current rates.
- D. Customer may terminate this agreement prior to the issuance of the "DCU Installation – Notice to Proceed." In such event, Customer will be responsible for paying (i) Year 1 – Aclara Owned Network Annual fee; and (ii) ten percent (10%) of the amount payable under (i) above. Customer will have no other responsibility to compensate Aclara for any reason, including but not limited to, lost profits.
16. Chronic Problems. This Agreement may be terminated by Customer without liability if, upon full installation and deployment of the network, Aclara fails to meet the 98% NCC Uptime Objective, or the 98.5% Contracted Read Success Rate, or the Contracted Coverage for two consecutive quarters or for three quarters out of any eight consecutive quarters. Chronic Problems related Read Success Rate must be the result of system functionality and not determined to be caused by changes in topography and natural disasters.

17. Termination for Cause

A. Customer may terminate this Master Agreement upon delivery to Aclara of a written notice of termination. Such notice of termination shall be given to Aclara at least five (5) business days prior to the effective date of such termination. Such notice of termination may be given for any one of the following reasons:

- 1) If Aclara shall become insolvent, commit any act of bankruptcy, make a general assignment for the benefit of creditors, or becomes the subject of any proceeding commenced under any statute or law for the relief of debtors; or
- 2) if a receiver, trustee or liquidator of any property or income of Aclara is appointed; or
- 3) if Aclara:
 - 1) defaults in any material manner in the performance of Aclara's obligations under any of the terms, provisions, conditions or covenants contained in this Master Agreement; and
 - 2) further fails within thirty (30) days (or within such longer period as may be otherwise mutually agreed) after written notice thereof from Customer to take reasonable steps to remedy such default.

B. Customer may pursue any and all rights and remedies available hereunder or at law or in equity with or without terminating this Master Agreement for cause. In the event of termination for cause by Customer, Aclara shall be paid only the portion of the compensation related to Work competently and properly performed prior to the effective date of termination. Aclara shall also be subject to any claim Customer may have against Aclara under other provisions of this Master Agreement, or as a matter of law.

C. Aclara may terminate this Master Agreement upon delivery to Customer of a written notice of termination. Such notice of termination shall be given to Customer at least ten (10) days prior to the effective date of such termination. Such notice of termination may be given for any one of the following reasons:

- 1) If Customer shall become insolvent, commits any act of bankruptcy, makes a general assignment for the benefit of creditors, or becomes the subject of any proceeding commenced under any statute or law for the relief of debtors; or

- 2) if a receiver, trustee or liquidator of any property or income of Customer is appointed; or
 - 3) if Customer:
 - 1) defaults in any material manner in the performance of Customer's obligations under any of the terms, provisions, conditions or covenants contained in this Master Agreement and
 - 2) further fails within thirty (30) days (or within such longer period as may be otherwise mutually agreed) after written notice thereof from Aclara to take reasonable steps to remedy such default.
 - 4) Customer shall also be subject to any claim Aclara may have against Customer under other provisions of this Master Agreement, or as a matter of law
18. Assignment. Neither Party may assign its rights or obligations under this Master Agreement without the prior written consent of the other Party, provided however, that Aclara may assign this Master Agreement to an Affiliate, or to an entity acquiring all or at least fifty percent (50%) of the assets of Aclara if the acquiring entity is an Affiliate, or, by operation of law, to an entity into which Aclara is merged if the surviving entity is an Affiliate, or to an entity that acquires that portion of Aclara related to the Work or the Services, in each such case without prior approval of the other Party. In any such event, Aclara shall provide the other Party with prompt written notice of such assignment. As used herein, "Affiliate" means a company which either owns or controls Aclara or which Aclara owns or controls directly or indirectly, or is under common control directly or indirectly with Aclara through a common parent company. Additionally, Aclara may subcontract all or any part of the Work and Services to be performed under this Master Agreement to Aclara authorized subcontractors upon Customer approval.
19. Representations
- A. Aclara represents and warrants the following:
 - 1) Aclara has the authority to execute, deliver and perform its obligations under this Master Agreement;
 - 2) The execution of this Master Agreement by the individual listed on the signature page and the delivery and performance of this Master Agreement by Aclara have been duly authorized by Aclara;
 - 3) Aclara is an entity duly organized, validly existing and in good standing under the laws of the State of Ohio;

- 4) With respect to Equipment sold hereunder, such Equipment will be free from any liens and encumbrances and when Delivered will be owned by Customer; and

B. Customer represents and warrants the following:

- 1) Customer has the authority to execute, deliver and perform its obligations under this Master Agreement;
- 2) The execution of this Master Agreement by the individual listed on the signature page and the delivery and performance of this Master Agreement by Customer have been duly authorized by Customer;
- 3) Customer is an entity duly organized, validly existing and in good standing under the laws of the State of California; and
- 4) Customer has obtained all required regulatory approvals to enter into and to perform its obligations under this Master Agreement.

20. Limitation of Liability and Damages. The Parties have agreed to limit Aclara's total aggregate liability and exclude the recovery of certain types of damages by both parties (but not limit third party Claims described in Section 11). With the exception of Aclara's indemnification obligations set forth in Section 11, notwithstanding anything contained herein to the contrary, the total aggregate liability of Aclara to the Customer for any and all liability arising out of or in connection with this Master Agreement, shall be limited to the aggregate sum of payments made by Customer to Aclara under this Master Agreement. **IN NO CASE SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, PUNITIVE, OR SPECIAL DAMAGES OR FOR THE LOSS OF BENEFIT, PROFIT, REVENUE, OR DATA, EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, EXCEPT TO THE EXTENT SUCH DAMAGES ARE REASONABLY FORESEEABLE.** This provision shall survive the termination or expiration of this Master Agreement and the Aclara Owned Network Agreement, Exhibit C..

21. Notices. Any notices required or permitted hereunder shall be in writing and shall be deemed to be given sent by United States registered or certified mail, postage prepaid, to the respective Parties at the addresses shown below. Notices so given shall be deemed received three business days from the date of deposit in the U. S. Mails.

A. If to Aclara:

ATTN: Legal Department
Aclara Technologies LLC

Aclara – Coastside County Water District

945 Hornet Drive
St. Louis, MO 63042

B. If to Customer:

Coastside County Water District
Attn: Mary Rogren, Assistant General Manager
766 Main Street
Half Moon Bay, CA 94019

22. Compliance with Laws. Aclara shall comply with all applicable federal, state and local laws, and ordinances (“Laws”) in the performance of its duties under this Master Agreement. Specifically:

A. Nondiscrimination and Employment Practices. In connection with the performance of this contract, Aclara agrees to become informed of and comply with all laws and/or regulations that are applicable to employment of Aclara personnel performing under this Master Agreement. Aclara further agrees that it will not discriminate on the basis of race, religion, color, sex, pregnancy, national origin, age (40 or over), disability, genetic information or any other protected class or retaliate against applicants or employees and that it will become informed of and comply with all laws and/or regulations pertaining thereto.

B. EEO and Small Business Compliance Clauses. During the performance of this Master Agreement, if applicable, Aclara agrees as follows: Aclara will comply with all applicable provisions of and, if required, furnish all information and reports required by Section 503 of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans’ Readjustment Assistance Act of 1974 (38 U.S.C. 4212), as amended, the Americans with Disabilities Act (ADA) including the ADA Amendments Act, the Federal Executive Order No. 11246, as amended, the regulations at 41 CFR part 60, “Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor, “ and of the rules, regulations, and relevant orders of the Secretary of Labor. Such acts, amendments, rules, regulations and orders are incorporated herein by reference.

23. Dispute Resolution. Both Parties agree to attempt to settle any dispute arising out of this Master Agreement through good faith consultations and negotiations. If those attempts fail, the parties may agree to resolve the dispute pursuant to mediation or arbitration. If the Parties mutually agree to arbitrate the dispute, the dispute shall be finally and conclusively determined by binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association and the judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The Parties agree that arbitration proceedings shall be held in San Mateo County, California.

24. Waiver. Failure or delay by either Party to exercise a right or power under this Master Agreement will not be a waiver of the right or power. For a waiver of a right or power to be effective, it must be in writing signed by the waiving Party. An effective waiver of a right or power will not be construed as either a future or continuing waiver of that same right or power, or the waiver of any other right or power.
25. Governing Law. This Agreement shall be governed by the laws of the State of California, U.S.A.
26. Severability. In the event that any one or more of the provisions contained in this Master Agreement shall, for any reason, be held to be invalid, illegal or unenforceable, in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Master Agreement, and this Master Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
27. Grants of License.
- a. Subject to the terms and conditions set forth herein, Aclara hereby grants to Customer, and Customer accepts, a fully paid, non-exclusive, non-transferable, license to use the Software solely in connection with use by Customer of Customer's AON. Third Party Software is sublicensed by Aclara to Customer pursuant to sublicensing agreements with the respective third parties identified on Attachment 2.
 - b. Subject to the terms and conditions set forth herein, Aclara hereby grants to Customer, and Customer accepts, a fully paid, non-exclusive, non-transferable, license to use the Documentation solely in connection with its use of the Software.
 - c. The term for both the Licensed Software and the Documentation licenses is the Term of Agreement subject to termination as set forth herein or upon termination for any reason as set forth in the Master Agreement.
 - d. Restrictions on Use.
 - i. Customer's use of the Software and Documentation is restricted to Customer's internal use solely in connection with Customer's use of Customer's Aclara Owned Network. Customer shall not directly or indirectly, make the Software available to others.
 - ii. Alteration. Customer's use of the Software is limited in that Customer is prohibited from altering, attempting to reverse

- engineer, attempting to decompile, or creating or attempting to create a derivative work from the Software.
- iii. Customer's use of the Software is limited in that it may not copy the Licensed Software for any purpose or reason.
 - iv. Customer shall have the right to copy and to modify the Software Documentation to coordinate the Documentation with Customer's own internal training and working procedures. Aclara shall have no liability or obligation to Customer with respect to any such modified Documentation and any additional costs incurred by Aclara in the integration of maintenance changes caused by such modifications shall be reimbursed to Aclara by Customer.
 - v. Compliance with Laws. Customer's use of the Software is limited in that it must use the Software and the Documentation in accordance with all applicable laws and regulations of the United States and the States, Counties and localities in which the Software and Documentation is used.
 - e. Temporary Use. Without notice to Customer, Aclara may temporarily transfer the operation of the Software to a back up computer if the a equipment or server used for the Hosted NCC is inoperative due to malfunction, or during the performance of preventive maintenance, engineering changes or changes in features or model until the equipment or server is restored to operative status and processing of the data already entered into the back up computer is completed.
 - f. Ownership of Software and Documentation. Aclara is the owner of the Aclara Software and Documentation. The Third Party Licensed Software is owned by the third parties named on Attachment 2. If Customer does not exercise its option to acquire the DCUs under Section 15 of the Master Agreement, upon the cessation of use of the Software by Customer or upon the termination of this Agreement as herein provided, Aclara shall terminate Customer access to the Software and Customer shall promptly return to Aclara all copies of the Documentation or destroy same and provide to Aclara a certificate of destruction in form and content satisfactory to Aclara and executed by an officer of Customer.
 - g. Uniform Computer Information Transactions Act. The Uniform Computer Information Transactions Act (the "Act"), including any law that incorporates substantially all of the provisions of the Act, however, titled, shall not apply to this Agreement.
 - h. Injunctive Relief. Customer agrees that notwithstanding anything contained herein to the contrary, in the event of a breach by Customer of the terms of this Agreement, of if Aclara has reasonable reason to believe

that such a breach is imminent, Aclara shall have the unequivocal right to seek and obtain timely injunctive relief against Customer in order to protect Aclara's rights in and to the Software.

28. Independent Contractor. Each Party will perform its duties under this Master Agreement as an independent contractor and not as a subcontractor, agent or employee of the other Party, its parent, subsidiaries, or affiliates, or their respective officers, directors, agents, or employees. This Master Agreement will not constitute, create, or be interpreted as a joint venture, partnership or formal business organization of any kind and does not create a formal cooperative or partnership legal entity.
29. Force Majeure. Aclara shall not be liable for delays in shipment or delivery of any items sold hereunder, or loss or damage thereto, when due to acts of God, acts of Customer, acts of civil or military authority, governmental restrictions or embargoes, war, riot, fires, strikes, flood, epidemics, quarantine, restrictions, default or delay by supplier, breakdown in manufacturing facilities, machinery or equipment, delays in transportation or difficulties in obtaining necessary materials, labor or manufacturing facilities due to such causes, or any other cause beyond Aclara's reasonable control.
30. Inspections. Any Equipment may, at the option of the Customer, be subject to inspection by Customer at its cost at Aclara's or Aclara's contract manufacturer's factory in accordance with Aclara's normal inspection system during normal business hours. All inspections by Customer shall be performed in such manner as not to delay performance by Aclara. Customer must provide Aclara with a minimum of forty-eight (48) hours prior written notice of such inspections.
31. Packaging. All material and equipment to be furnished by Aclara shall be packed, crated, or otherwise suitably protected to withstand shipment to its destination. Each package, crate, or container shall be marked with the name of the consignee, shipping destination, and purchase order number. Complete packing lists shall be supplied showing contents and identity of each package.
32. Title, Shipping, and Risk of Loss.
 - A. For shipments that do not involve export, Aclara shall deliver Equipment to Customer FCA Aclara's facility or warehouse (Incoterms 2010).. Customer shall pay all delivery costs and charges or pay Aclara's standard material, handling, and freight charges. Partial deliveries are permitted. Delivery times are approximate and are dependent upon prompt receipt by Aclara of all information necessary to proceed with the work without interruption. If the Equipment delivered does not correspond in quantity, type or price to those itemized in the shipping invoice or documentation, Customer shall so notify Aclara within twenty (20) days after receipt.

- B. Title to Equipment shall pass to Customer upon delivery in accordance with Section 32.A. Notwithstanding the foregoing, Aclara grants only a license, and does not pass title, for any software provided by Aclara under this Agreement, and title to any Aclara Owned Network equipment remains with Aclara.
 - C. Risk of loss shall pass to Customer upon District acceptance pursuant to Section 32.A, (unless loss was a result of District negligence) except that for export shipments from the U.S., risk of loss shall transfer to Customer upon title passage.
 - D. If any Equipment to be delivered under this Agreement or if any Customer equipment repaired at Aclara's facilities cannot be shipped to or received by Customer when ready due to any cause attributable to Customer or its other contractors, Aclara may ship the Equipment to a storage facility, including storage at the place of manufacture or repair, or to an agreed freight forwarder. If Aclara places the Equipment into storage, the following apply: (i) title and risk of loss immediately pass to Customer, if they have not already passed, and delivery shall be deemed to have occurred; (ii) any amounts otherwise payable to Aclara upon delivery or shipment shall be due; (iii) all expenses and charges incurred by Aclara related to the storage shall be payable by Customer upon submission of Aclara's invoices; and (iv) when conditions permit and upon payment of all amounts due, Aclara shall make the Equipment and repaired equipment available to Customer for delivery.
 - E. If repair Services are to be performed on Customer's equipment at Aclara's facility, Customer shall be responsible for, and shall retain risk of loss of, such equipment at all times, except that Aclara shall be responsible for damage to the equipment while at Aclara's facility to the extent such damage is caused by Aclara's negligence.
33. Substitution. Aclara shall have the right to substitute an item of Equipment for an item specified in the Proposal provided that such substituted item is, in fact, functionally equivalent to the specified item. In the event of any such substitution, Aclara shall give Customer prompt written notice of its intention to make a substitution which notice shall set forth the reason(s) for such substitution and shall contain a statement that the substituted item is functionally equivalent to the specified item.
34. Successors and Assigns. The Master Agreement, subject to the provisions hereof, shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto

35. Survivability. Notwithstanding the expiration or termination of this Master Agreement, the following Sections shall survive according to their terms: 11, General Indemnity; 21, Notices; 23, Dispute Resolution; 25, Governing Law.

36. General Clauses.

- A. Equipment and Services sold by Aclara are not intended for use in connection with any nuclear facility or activity, and Customer warrants that it shall not use or permit others to use Equipment or Services for such purposes, without the advance written consent of Aclara. If, in breach of this, any such use occurs, Aclara (and its parent, affiliates, suppliers, and subcontractors) disclaims all liability for any nuclear or other damage, injury or contamination, and, in addition to any other rights of Aclara, Customer shall indemnify and hold Aclara (and its parent, affiliates, suppliers and subcontractors) harmless against all such liability. Consent of Aclara to any such use, if any, will be conditioned upon additional terms and conditions that Aclara determines to be acceptable for protection against nuclear liability.
- B. Customer shall notify Aclara immediately upon any change in ownership of more than fifty percent (50%) of Customer's voting rights or of any controlling interest in Customer. If Customer fails to do so or Aclara objects to the change, Aclara may (a) terminate the Agreement, (b) require Customer to provide adequate assurance of performance (including but not limited to payment), and/or (c) put in place special controls regarding Aclara's Confidential Information.

37. Compliance with Laws, Codes, and Standards.

- A. Aclara shall comply with laws applicable to the manufacture of Equipment and its performance of Services. Customer shall comply with laws applicable to the application, operation, use and disposal of the Equipment and Services.
- B. Aclara's obligations are conditioned upon Customer's compliance with all U.S. and other applicable trade control laws and regulations. Customer shall not trans-ship, re-export, divert or direct Products other than in and to the ultimate country of destination declared by Customer and specified as the country of ultimate destination on Aclara's invoice.
- C. Notwithstanding any other provision, Customer shall timely obtain, effectuate and maintain in force any required permit, license, exemption, filing, registration and other authorization, including, but not limited to, building and environmental permits, import licenses, environmental impact assessments, and foreign exchange authorizations, required for the lawful performance of Services at the Site or fulfillment of Customer's obligations, except that Aclara shall obtain any license or registration necessary for

Aclara – Coastside County Water District

Aclara to generally conduct business and visas or work permits, if any, necessary for Aclara's personnel. Customer shall provide reasonable assistance to Aclara in obtaining such visas and work permits

38. Entire Agreement. This Master Agreement including all Exhibits constitute the entire agreement between the Parties with respect to the subject matter hereof. There are no oral agreements or representations or additional written materials that revise or supplement the terms of the Master Agreement. No modification, amendment, revisions or supplements to this Master Agreement shall be enforceable unless in writing, signed by both Customer and Aclara.

SIGNATURES ON FOLLOWING PAGE

**SIGNATURE PAGE TO
MASTER AGREEMENT**

IN WITNESS WHEREOF, the Parties have executed this Master Agreement as of the date last signed below.

**ACLARA:
Aclara Technologies LLC**

**Customer:
Coastside County Water District**

By: _____
Kurt R. Bruenning, CFO

By: _____
David Dickson, General Manager

Dated: _____

Dated: _____

Exhibit A Statement of Work

Project Name: Coastside County Water District (“Customer”) STAR® Technology System Implementation (“Project”)

This Statement of Work (“SOW”) having an Effective Date of the last date signed below and being governed by the terms and conditions of the Master Agreement (“Agreement”) describe the Services to be provided to the Customer in support of the Project as authorized by the Customer signing this SOW. By signing this SOW, Customer hereby represents and affirms that it has reviewed and agrees to the terms and conditions as set forth in the Agreement, its Attachments and Exhibits. Additional terms contained on any purchase order are hereby rejected unless specifically agreed to in writing by the Customer and Aclara Technologies LLC (“Aclara”).

Scope of Work

Aclara will implement a STAR Technology System, including hardware on the Customer approved and supplied assets and software on the Aclara hosted hardware, to support various use of the components and applications defined in Attachment 1. More detailed requirements will be developed during the requirements task of the project, but will remain consistent with Attachment 1, unless mutually agreed by Customer and Aclara.

1. Project Approach

- A.** The Aclara Professional Services Team (“Aclara Team”) assigned to this project will complete the Aclara tasks described herein and will perform work for the Customer for the duration of the Project at designated Customer U.S. facilities and from remote locations.
- B.** The scope of the services engagement for this SOW is set forth in the attached Attachment 1, hereto. Attachment 1 also includes certain Responsibilities and Assumptions that are the responsibility of the Customer. In addition to the tasks specified in Attachment 1 hereto, the Customer will provide appropriate Project resources, including but not limited to data, information, and appropriate and cooperative personnel, to facilitate the performance of the Services. The Customer shall designate a Project Manager to work with the Aclara Team to facilitate the provision of the Services. Once this SOW is executed, Aclara and the Customer will assign resources to the project. The Aclara Team will work on the Project, and provide support as specified by the scope of work.

- 2. Changes.** Aclara shall not commence work on any change to this SOW until the change has been agreed to in writing by both parties.

NEXT PAGE IS SIGNATURE PAGE

IN WITNESS WHEREOF, the parties have so agreed as of the last date signed below.

Accepted By:

Accepted by:

Aclara Technologies LLC

Coastside County Water District

By: _____

By: _____

Print name: Kurt R. Bruening

Print name: _____

Title: CFO

Title: _____

Date: _____

Date: _____

Exhibit-A-1 = Project Definition

Exhibit A-2 = Example/Prototype STAR AMI Systems Acceptance Test Cases

**Exhibit A-1
to
Statement of Work**

Project Definition

1.0 STAR Technology Project Scope

Included in the purchase of a STAR System Implementation are the Professional Services efforts required to analyze the location of the DCU sites, complete the installation of the DCUs, complete the setup of the hosted software and implement standard interface functionality. The purpose of this document is to outline the tasks and deliverables of the Aclara Team, and provide the Customer an overview of the responsibilities and time commitment that will be required of their staff. To ensure quality and predictability of the Project, Aclara will follow the standard methodology outlined in Section 2 to implement the scope defined in this Section 1.

1.1 Project Scope

The tasks listed below are those that are included in the Project Scope. This Statement of Work assumes all work described herein will be implemented during the project timeframe defined in the Project Plan. If the Customer chooses to delay implementation of some of the tasks, there may be an additional charge. Delays incurred due to DCU site acquisition and permitting will not be subject to additional charges.

STAR Technology for Water
<i>Data Collection Units (DCU) Installation</i>
Propagation study and field installation plans for DCU sites, including development of supporting Aclara product documentation to be used for site acquisition and permitting.
Installation labor and hardware for Data Collection Units (DCU) necessary to achieve a minimum of 98.5% read success of all interval readings over a 30 day period and achieve "Contracted Coverage."
<i>STAR Programmer Software</i>
Configuration of three (3) handheld Meter Transmission Unit (MTU) programmers (Customer provided)
<i>Network Control Computer (NCC)</i>
Installation and configuration of standard Aclara STAR Software product
Standard Billing Output Interface
Standard Account Import Interface
Standard Export interface to consumer engagement portal
Integration with the MTU Programmer

1.2 Interface Scope

Aclara will provide file-based integration for the standardized Billing Output and Account Import interfaces with the existing Customer CIS System. Aclara will provide sufficient assistance to the Customer for integrating with the standard interface file formats. It is the Customer's responsibility to integrate these standards with their CIS System. The Customer is responsible for extract of data from the Customer systems to integrate with Aclara interfaces.

Aclara will provide standard file-based integration for presentment using a yet to be determined consumer engagement portal solution. The integration explicitly excludes billing or any other values calculated or extracted by the Customer’s CIS. It is the Customer’s responsibility to develop, test, and implement the integrations required to accept data files from Aclara and consume these files for data presentment.

Input Integration

Integration Name	Type	Functions
Account Interface	Flat File	Populates the NCC with CIS data required for identifying MTUs and data required for inclusion in the Billing Output file. To be provided with one existing CIS system.

Output Integration

Integration Name	Type	Functions
Billing Interface	Flat File	Provide the customer CIS System with periodic (monthly/quarterly) Billing Read values that fall within a specific billing window. To be provided with one existing CIS System.
Customer Engagement Portal Interface	Flat File	Provide hourly usage information for the purposes of customer presentment.

1.2.1 Environments.

Aclara will implement one (1) NCC environment on Aclara hosted hardware. These environments will be preconfigured by Aclara with the software requirements of the NCC. Transfer of ownership and warranties are addressed in the Agreement.

As required for MTU programming, Aclara will configure one (1) meter shop environment on Customer supplied hardware. The Customer will provide sufficient networking support to integrate this environment with the NCC. This environment will be preconfigured by the Customer, including the Windows operating system.

1.2.2 Modifications

No Modifications to core product will be made under this SOW.

2.0 Project Approach

The Aclara Project approach is described below. Each phase is described with an objective, team responsibilities and deliverables.



2.1 Project Kick-Off Phase

Objective: This phase includes project planning with the Customer’s Project Manager, team introductions and timeline review and review of the Customer’s goals and objectives. Aclara will confirm the project scope, define the Project team organization and develop the communication plan.

Responsibilities:

Project Management: The Aclara Team will be identified and will be led by a primary Project Manager, but may also include additional management leads. The primary Project Manager is responsible for leading the implementation efforts. This includes managing timeline, cost and scope. The Project Manager is expected to maintain a detailed project plan and manage the deliverable responsibilities of the project staff. The Project Manager is also responsible for Customer satisfaction, minimizing project risk and ensuring on-time delivery. The Project Manager will review the project plan with the Customer, deliver the Communication Plan and coordinate and execute the Project Kickoff meeting.

Deployment Team: Aclara will be responsible for planning, coordinating and troubleshooting all field activity including DCUs and handhelds. This team will be identified and lead by a deployment lead. During this phase, the deployment team lead will participate in the Project Kickoff meeting to discuss deployment logistics.

Software Team: The software team will be responsible for configuring, installing and testing the STAR NCC software, associated interfaces and the STAR Programmer Software. This team will be identified and lead by a software lead. During this phase, the software team lead will participate in the Project Kickoff meeting to discuss the software implementation.

Customer: The Customer will be responsible for identifying a Project team and an appointed Project Manager. The Customer Project Manager will work with the Aclara Project Manager on a weekly basis to review the project plan and project status. In this phase, the Customer will assign their Project team, participate and assist with coordination of the Project Kickoff meeting and attend Project planning discussions.

Deliverables:

1. Communication Plan – Includes Project contact list, escalation plan and Project meeting logistics
2. Project Plan - Lists the different phases and tasks, important milestones, approximate duration for each task, resource requirements and projected start/end dates.
3. Project Kickoff Materials - Includes Project Kickoff meeting agenda and materials presented and discussed during the Project Kickoff meeting

2.2 Requirements and Design Phase

Objective: The implementation process begins with the confirmation of functional, integration, and infrastructure requirements for the system. Aclara will meet with the key stakeholders to review

the detailed requirements for the system. All product hardware and requirements will be finalized and product orders submitted. Field installation plans will document the approach, logistics, timing and requirements for installations, including engineering drawings and specifications, site plans, and other necessary documentation required for Customer to obtain permits, easements, and licenses. Site surveys, propagation studies and spectrum analysis will be completed in order to finalize the installation plan for all DCU's and to validate coverage and redundancy. Aclara will also acquire an FCC license in the Customer's name that is required for operation of the system. Customer will need to complete all required FCC prerequisites as well as provide Aclara Power of Attorney to complete this process.

If needed, the Customer will be responsible for securing Site Agreements for DCU locations. Progression to the next project phase, 2.3, will be dependent on the Customer issuing a "Notice to Proceed" to Aclara in writing which will be provided subsequent to the Customer securing Site Agreements, easements and/or licenses and necessary permits for the DCU sites.

Requirements sessions will be held and documents will be created and reviewed with the Customer regarding any software interfaces and STAR Programmer Software integration.

Responsibilities:

Project Management: The Aclara Project Manager is responsible and accountable for the successful execution of the Requirements and Design Phase. The Aclara Project Manager will coordinate Project activities, deliver project status reports, coordinate phase deliverable and identify any requirement gaps. The Aclara Project Manager is responsible for understanding issues and risks and driving them to closure.

Deployment Team: Aclara will be responsible for creating DCU installation plans, ordering product, planning product delivery and installation logistics, conducting site surveys and reviewing the final propagation study.

Software Team: The software team will be responsible for conducting requirements sessions for interfaces and the STAR Programmer Software, and documenting and reviewing those requirements with the Customer. The team will also be responsible for ensuring servers are provisioned in the Aclara datacenter.

Customer: The Customer will be responsible for working with Aclara to provide input to deliverables and reviewing all deliverables. The Customer will be responsible for providing site access to Aclara for site surveys and installation planning purposes along with any required permits. The Customer will be responsible for securing locations for DCU's and coordinating DCU Site Agreements and permitting with the appropriate parties. . Customer will issue a "Notice to Proceed" in writing to Aclara upon completion of DCU site acquisition and permitting.

Deliverables:

1. Interface Requirements Document – Lists functional and technical requirements for all input and output interfaces with the NCC.
2. Propagation Study – Final recommendation for placement of DCUs based upon site surveys and network analysis. The Study includes an analysis of all the Customer's meter locations (utilizing Customer supplied GPS coordinates) in order to estimate the number of data collectors (DCUs), as well as to develop field installation requirements (including equipment specifications, DCU locations, and antenna height) required to achieve a minimum of 98.5% read success of all interval readings of all plotted endpoints. The "Propagation Study" is used to develop "Field Installation Plans" for the DCU sites.
3. Field Installation Plans – Prepared for each DCU site location. Comprised of Aclara specific approach for installations; DCU engineering drawings, DCU product specifications and site plans (including exact mounting locations, required height of poles, if required; height of the antenna, solar panel, and other DCU equipment;).

4. FCC License – Aclara will file and secure the FCC license in the Customer’s name.
5. Customer “Notice to Proceed” – Customer will issue a DCU Installation “Notice to Proceed” in writing to Aclara upon securing DCU sites and necessary permitting. This milestone is necessary to proceed to the next project phase outlined in 2.3.

2.3 Configuration and Network Deploy

Objective: The Configuration and Network Deploy Project phase may overlap part of the Requirements and Design phase beginning with installation of the DCUs. The goal of this Project phase is to complete all tasks needed to support MTU deployment and to prepare for System Acceptance Testing.

DCU Network

The DCU network will be installed, configured and validated once Aclara has installed and configured the NCC Software.

NCC Software

Standard Aclara STAR Software will be installed and configured on the hosted environment. Billing and Account Interfaces with the NCC will be configured and unit tested in preparation for installation on the Customer’s environment for the validation and testing described in the phase below.

STAR Programmer Software

STAR Programmer Software integration and configuration will be completed. During this phase, the Customer will be required to deliver sample integration data from production systems to validate interface configuration.

Systems Acceptance Testing Plan

A Systems Acceptance Testing Plan will be developed and agreed to by the Parties during this phase. The purpose of System Acceptance Testing is to validate the end to end functionality of the Aclara components of the Customer’s AMI system from the capture of the read in the meter to the storage of the read in the Customer’s headend system, the NCC. System Acceptance Testing will also validate the availability of formatted readings in the interface output files destined for Customer billing and customer portal software. |

The System Acceptance Testing Plan will also include System Acceptance Test Cases that will be utilized during the System Acceptance Testing. Aclara Personnel and Customer will develop and agree to the final test cases to be used. During the Systems Acceptance Testing Planning process, Exhibit A- 2 (Examples/Prototype – System Acceptance Test Cases) will be reviewed for adequacy and completeness, and adjustments to the test cases will be made accordingly.

Responsibilities:

Project Management: The Aclara Project Manager is responsible and accountable for the successful execution of the Configuration and Network Deploy Phase. The Aclara Project Manager will ensure tasks are completed and the system will be ready to support MTU installation and System Acceptance Testing.

Deployment Team: Aclara will be responsible for DCU installation and monitoring.

Software Team: This team will configure the NCC. In addition, they will be responsible for configuring and unit testing all interfaces with the NCC.

Customer: The Customer will be responsible for working with Aclara to provide access to DCU installation locations including any locked or secured areas, or the roofs of any

buildings where a DCU is installed. The Customer will supply an escort to these locations should it be required. The Customer is responsible for preparing the DCU installation site in order to meet Aclara's DCU installation standards (including pole installation), and/or AC power requirements). Any charges related to DCU site preparation are the responsibility of the Customer. Backhaul connectivity is the responsibility of Aclara.

Deliverables:

1. Installation of Data Collection Units – Physical installation as well as backhaul connectivity.
2. Systems Acceptance Testing Plan – Provides overview of testing plan to ensure validation of end to end functionality of the Aclara system components from capture of the meter read to the storage of the read in the Customer's headend system, the NCC, as well as generation and availability of formatted reads in interface output files destined for Customer billing and customer portal software. Provides for the establishment and validation of "Contracted Read Success Rate" and "Contracted Coverage." Also provides for test cases to be executed during System Acceptance Testing by the Customer (with the assistance of Aclara.).
3. Systems Acceptance Testing Plan Approval – Customer will provide written approval of the System Acceptance Testing Plan prior to moving to Phase 2.4.
4. NCC Access – Access will be provided to the Customer for the NCC in the Aclara hosted environment.
5. Configuration of STAR Programmer Software – Configuration of STAR Programmer Software including population of meter and MTU types, and configuration of metershop PC (if required).

2.4 Testing and Training

Objective: The testing and training phase will validate the functionality of the system. Aclara will provide training as identified in Section 8 of the Master Agreement. If classroom training is included as part of this Project, it will be for a maximum of twelve (12) students and will cover the functionality of the STAR NCC Software, Aclara-administered endpoint training, use and programming of handheld devices, operation of metershop programs, and other functionality that will be accessed by the Customer's staff.

Once training is completed, DCUs are installed and the NCC Software is installed and configured, validation of the functionality and integration of the Aclara Software and hardware, System Acceptance Testing ("SAT") will begin. The Customer is now ready to begin MTU installations to support System Acceptance Testing. The Customer will ensure that all MTUs are installed in accordance with the Aclara installation specifications. All STAR endpoints must be installed by a contractor actively part of the Aclara Certified Installer program, or a utility having completed Aclara-administered endpoint training and having given said training to its installation staff, at the time of the installation, for the warranty to be in effect. Once a sufficient number of MTU's are installed that provides a representative sampling of MTUs across the DCU sites, and Aclara has met all preconditions from the previous phases, System Acceptance Testing can begin.

Aclara will assist the Customer with the System Acceptance Testing as outlined in the final Test Plan. The Customer will sign the Test Plan following completion of test case execution as well as other tests identified in the Testing Plan signifying acceptance of the Aclara product. Customer will also sign a System Acceptance Certificate acknowledging that Aclara products function as expected and concludes System Acceptance Testing. Immediately concluding the completion of this phase, Customer can begin mass deployment of remaining MTUs.

This phase would be completed once all test cases have been completed, all Severity 1 and Severity 2 issues have been resolved as defined herein, or a work-around identified, and the System Acceptance Certificate is signed. Aclara may defer implementation of the changes for Severity level 3 and 4 issues as defined herein to a later product release cycle. Severity levels have been defined below and apply to issue prioritization throughout the engagement.

Severity Level	Description
1	Requires immediate attention –Service is lost or degraded for <u>all users</u> preventing operation of business
2	Requires priority attention - Service is lost or degraded for single or small number of users, affecting significant business functionality
3	Requires attention – Users are able to continue business operations, but a problem or issue has been identified that affects operation of business
4	There is a problem or issue that does not affect operation of business

Responsibilities:

Project Management: The Aclara Project Manager is responsible and accountable for the successful execution of training and System Acceptance Testing. The Aclara Project Manager will coordinate and schedule Customer training. The Aclara Project Manager will be responsible for maintaining status and managing issues through resolution. The Aclara Project Manager will monitor the progress of System Acceptance Testing and coordinate the signing of the System Acceptance Certificate with the Customer.

Software Team: This team may participate as subject matter experts in the NCC and STAR Programmer Software Customer training. In addition, they will work with the deployment team to ensure all System Acceptance Test cases are satisfied.

Customer: The Customer will be responsible for MTU installations and ensuring all installers are properly trained. The Customer is responsible for ensuring all MTU's are installed per Aclara recommendations.

Deliverables:

1. Training Materials and Session – The training session will be delivered, and the associated training materials will be provided to all training attendees and for distribution post-training.
2. Signed System Acceptance Testing Plan/ Certificate - Aclara will deliver the System Acceptance Certificate to the Customer after the completion of System Acceptance Testing. The certificate will be signed by the Customer to signify Customer determination of the acceptance of the system.

2.5 Cutover & Transition

Objective: Once System Acceptance Testing is complete, Aclara will establish production schedules for interfacing with the Customer’s production systems environment. Production cutover is considered complete once all Aclara functionality included in the System Acceptance Certificate is ready to move to production and is interfacing with the Customer’s production environment.

The Aclara Project team will continue to provide Project Management support through System Acceptance Testing, the implementation of the NCC software into production and throughout the mass deployment of remaining MTUs. The Aclara Maintenance team will provide support to the Customer on production issues following production cutover in accordance with the Aclara

Maintenance Agreement executed between Aclara and the Customer. Aclara will transition all remaining open items to the Aclara Maintenance and Account Management team.

Responsibilities:

Project Management: The Aclara Project Manager will coordinate production deployment activities and manage any issues that arise.

Software Team: The software team will assist the Aclara Maintenance team with any production cutover issues.

Customer: The Customer will be responsible for ensuring the proper access is provided to Aclara in order to support the production system. The Customer is also responsible for following the Aclara support process for entering any post production issues into the Aclara help desk system.

Deliverables: None

2.6 Project Timelines

The draft schedule below presents a high level overview of the Project implementation schedule. Aclara will provide the Customer an actual start date once the Statement of Work has been executed. An estimated schedule will be made by mutual agreement during the Project Kick-Off Phase, and will be considered finalized after the “DCU Installation Notice to Proceed” is issued by the Customer.

Schedule Overview

Task Name	Duration	Start	Finish
Coastside County Water District - AMI Implementation	XX days	Mon XX/XX/16	Fri XX/XX/17
Project Kickoff & Planning			
DCU Planning & Propagation/Development of Field Installation plans (including engineering drawings and specifications for each DCU site)			
FCC License Obtained			
DCU Installation -Notice to Proceed’ Issued by Customer			
Order Product			
Install NCC			
Requirements			
CIS, Portal Interfaces			
Development			
Configure Hosted NCC			
CIS, Portal Interfaces			
Conduct NCC Integration Test			
Verify Interfaces			
Verify NCC Data Import/Export Method(s)			
NCC Operational			
DCU Deployment			
Product Training			

Begin MTU Deployment			
Provide Shipping Details			
Product Shipped to Customer			
Product Received by Customer			
Review Install Plan with Customer			
Begin MTU Installation			
Verify MTU Installation			
Product Testing & Acceptance			
Review Terms of Product Acceptance			
MTU Installation Needed for UAT			
Conduct UAT			
Review UAT results			
Sign Acceptance Certificate			
Setup Transition to Support Plan			
Transition Customer to Support			
Mass Deployment			
Project Close			

2.7 Project Organization

The Customer agrees to provide appropriate Project resources including but not limited to, data, information, remote access, workspace and appropriate and cooperative personnel, all as necessary to facilitate Aclara’s performance of the Services. On-site workspace will be needed during travel to Customer for up to three (3) Aclara resources. Data and system access should be provided for up to eight (8) resources.

The Customer will allocate the following described personnel to the Project with appropriate knowledge of the indicated area and the skills to perform the Customer tasks, and any additional personnel that may be necessary for the Customer to perform its obligations under the implementation work plan.

- Project Manager
- Field Resources to support site surveys, installations and troubleshooting
- Database Administrator (DBA)
- Billing Solution Expert (CIS interface/interactions)
- Infrastructure implementation resources
- System Acceptance Testing Resources
- ‘To-be’ system administrators
- Escalation Resources

2.7.1 Project Governance

The Project will have sponsorship from the Customer’s senior management, who will be available on a timely and regular basis to monitor the Project progress and to act as a decision maker for policy decisions

3.0 Acceptance Procedure

The acceptance procedure for all Deliverables outlined in this Statement of Work will be as follows:

- Aclara will work with the Customer personnel to gather input and complete Deliverables.

Aclara-Coastside

- When complete, final Deliverables will be provided to the Customer. The Customer will review and provide sign off by the Customer utilizing a mutually agreeable Acceptance Form.
- The Acceptance Form will be physically signed (or electronically signed) indicating approval or disapproval within five (5) business days of receiving the Deliverable.
- If a Deliverable is neither approved nor rejected within five (5) business days, Aclara will escalate the issue in accordance with the escalation procedure. Any delay beyond the five (5) day period for an acceptance or rejection may result in a Project delay and additional charges.
- If the Customer is not able to approve a Deliverable, the Customer will provide Aclara with a description of why the Deliverable cannot be approved. If required, the parties will meet to discuss the deficiency of the Deliverable in detail.
- Aclara will inform the Customer if delays are to be incurred due to the Deliverable Acceptance forms not being signed and returned in a timely manner.



*EXHIBIT A-2
EXAMPLES/PROTOTYPE
DOCUMENT*

*This document will be updated during the
Systems Acceptance Testing Planning phase of
the Statement of Work (2.3).*

STAR AMI System Acceptance Test Cases

Prepared for: Coastside Water District

SAT START DATE: _____

SAT COMPLETION DATE: _____

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1. OVERVIEW

The Test Cases outlined in this System Acceptance Testing (SAT) document will allow the Coastsides Water District AMI Team to verify compliance of their Star AMI system. Test case execution and approval of the functionality described in this document is necessary for Acceptance of the System.

This SAT includes Test Cases that will verify the proper operation of the:

- 1. DCU Functionality and Performance
- 2. MTU Functionality and Performance
- 3. NCC Reporting Functionality
- 4. Handheld Programmer compatability
- 5. Interface Compatability and functionality

Pre-requisites to beginning System Acceptance Testing are as follows:

- 1. Aclara has certified that the DCU Pilot network for the customer’s territory has been fully deployed.
→
- 2. Aclara has validated the configuration and health diagnostics for DCUs within the customer’s territory.
→
- 3. Aclara has certified deployment and functionality of the customer’s NCC head-end.
→
- 4. Customer has validated internet connectivity to the Aclara Hosted Portal.
→ *Coastsides Sign-off required* _____
- 5. Customer certifies that MTUs have been installed according to Aclara installation specifications.
→ *Coastsides Sign-off required* _____

2. SYSTEM ACCEPTANCE TESTING APPROVAL

The purpose of this section is to acknowledge approval of the System Acceptance Test cases presented within. This sign-off will document completion of the System Acceptance Testing phase.

System Acceptance Testing approved by:

Client Name: Coastsides Water District

Printed Name: _____

Title: _____

Signature: _____

Date: _____

3. HANDHELD PROGRAMMER FUNCTIONALITY & PERFORMANCE

3.1 PROGRAMMING RECORD IMPORT INTO NCC

Description: Verify MTU Installation Programming Record data is satisfactorily transferred from the handheld programmer into the NCC database.

Activity	Expected Results	Pass/Fail	Comments
<p>1. Program (3 to 5) water MTU's on water meters.</p> <p>2. Upload the Programming Records to the NCC.</p> <p>3. The next morning - Utilizing the STAR Browser Installations Views page, verify the same MTU installs are present on the Installations Report page.</p>	<p>All programmed data from the previous days programming effort is properly displayed in the correct fields on the Installations Report page.</p>		

3.2 MISSING PROGRAMMING RECORDS

Description: Verify that missing Programmer Records are identified in the NCC Browser pages.

Activity	Expected Results	Pass/Fail	Comments
<p>1. Program (3 to 5) water MTU's on water meters, <i>but do not upload the Programmer Records</i></p> <p>NOTE: If the Handheld Programmer is uploaded, it has then notified the NCC that the MTUs have been installed and it will then not trigger that a Missing Programmer Record should be reported.</p> <p>2. On the following day, utilizing the STAR Browser, Installation/Missing Programmer page, verify that the NCC lists these MTUs in the Missing Programming Records page.</p>	<p>All MTU ID's installed without uploading the HH Programmer records, appear on the Missing Programming Records page.</p>		<p>NOTE: THIS TEST CANNOT BE DONE BEFORE 3.1 ABOVE.</p>

4. MTU PERFORMANCE

4.1 MTU READING ACCURACY & PRECISION

Description: Verify the accuracy of Star reported meter readings in the Browser Accounts View vs. the actual meter register readings. This will be verified by sampling (3 to 5) water MTU's.

Activity	Expected Results	Pass/Fail	Comments
<ol style="list-style-type: none"> Record readings directly from the meter register as close to the top of the hour as possible and record the MTU ID, reading time, & date. Utilizing the STAR Browser Account View verify the STAR reading to the manually captured reading 	<p>The STAR reading closest to the time and date of the manually obtained register reading will be reasonably close to the manually recorded reading.</p>		<p>NOTE: There will likely be a variance between the STAR & manually recorded readings due to the time differential between the manual read and the transmission time.</p>

4.2 MTU RSR (READ SUCCESS RATE)

Description: Verify that the RSR is equal to or exceeds 98.5% for a 5-day period. If Suspect MTUs exist, Suspect MTUs will be excluded from the RSR calculation until troubleshooting has occurred to validate both MTU functionality and installation according to Aclara installation specifications. Suspect MTUs are defined as those MTUs that have not successfully transmitted since installation or subsequent to installation have been damaged, had Radio Frequency transmission physically blocked, or have failed to successfully transmit for 5 consecutive days.

Activity	Expected Results	Pass/Fail	Comments
<ol style="list-style-type: none"> 1. Utilizing the STAR browser reporting/report configuration, create an MTU Reception Review report with the following parameters specified: <ul style="list-style-type: none"> • Report type to be used: Reception Report • Name the Report "SAT Reception Test 3-4" • Select Schedule: Daily with current time; select the day(s) desired • % Missed Reads: 0 • End Date: Yesterday • Days: 8 • Select: "All Active MTUs" • Select: Add 2. Utilizing the STAR Browser, verify the Report generates displaying counts for Reads received. 3. Export the Report generated by the NCC to Excel to calculate the RSR 4. Total the number of Readings Received column 5. Total the number of Readings Expected column 6. Divide the Number received by the number Expected 7. Format the quotient as a percentage with one decimal place 	<p>The Overall Reception Rate should be equal to or greater than 98.5%</p>		<p><i>If Suspect MTUs must be removed from reporting totals, Export the report to Excel, and re-calculate missing reads while excluding Suspect MTUs.</i></p>

4.3 MTU EXCEPTIONS

Description: (3 to 5) MTU's shall be forced to fail to allow the system exception handling to be tested. This report is used to report the failure of an MTU to transmit any Readings

Activity	Expected Results	Pass/Fail	Comments
<p>1. Utilizing the STAR Browser Reporting/Report Configuration build a "SAT Reception Test 3_5" report with the following parameters specified:</p> <ul style="list-style-type: none"> • Report type to be used: Reception Report • % Missed Reads = 100 • End Date = Absolute (do not change the Start & End fields) • Select Schedule: Daily with current time; select the day(s) desired • Select: Active MTUs • Select: Add <p>2. Use a handheld programmer to turn the subject MTU(s) "OFF" and record the MTU & meter ID numbers, <i>but do not upload the Program Records</i></p> <p>NOTE: If the Program Records are uploaded, it has then notified the NCC that the MTUs have been turned off and it will then not report the lack of Transmissions from that MTU.</p> <p>3. Utilizing the STAR Browser Reports page, select the "SAT Reception Test" report; choose to view the most recent report. Verify those intentionally failed MTU ID(s) are present on the report and identified for the day the disconnection was made</p>	<p>There shall not be any transmissions/readings for the test subject MTUs.</p>		<p>NOTE: This report may also find other MTUs that are not transmitting.</p>

5. DCU PERFORMANCE

5.1 DCU CALL REPORT

Description: Verify that all DCU's are reliably connecting and transferring the expected amount of records.

Activity	Expected Results	Pass/Fail	Comments
Utilizing the STAR Browser DCU Views page, review the DCU Call Report, noting any anomalies for further investigation.	Each DCU shall have connected at least once in the last 24 hours, or show a state of connection, and the # of Records Expected should match the # of Records Transferred.		

6. NCC REPORTING

6.1 ZERO CONSUMPTION REPORT

Description: Verify a MTU meter that has zero consumption during this test period is correctly reported.

Activity	Expected Results	Pass/Fail	Comments
<ol style="list-style-type: none"> 1. Install & Program (3 to 5) MTUs on a meter that is not connected to a water supply source. 2. Upload the Programming Records to the NCC. 3. Utilizing the STAR Browser Reporting/Report Configuration build a Zero Consumption Report with the following parameters specified: <ul style="list-style-type: none"> • Report name to be used: SAT_Zero Consumption • End Date = Absolute (do not change the Start & End fields) • Select Schedule: Daily with current time; select the day(s) desired • Select: All MTUs • Select: Add 	After the Zero Consumption Report is run on the next day, all test meters shall show Zero Consumption		

7. BILLING INTERFACE COMPATIBILITY

7.1 ACCOUNT INFORMATION IMPORT INTO NCC

Description: Verify Account information (the data fields as defined in Account Import Interface) are accurately imported into the NCC.

Activity	Expected Results	Pass/Fail	Comments
1. Obtain a listing of CIS account information for comparison to STAR records. 2. Utilizing the STAR Browser Accounts View, select and sample (3 to 5) accounts listed in STAR and compare them to the CIS records verifying the imported NCC data is correct.	Values imported into the NCC match the values in the CIS system		

7.2 READINGS EXPORT TO BILLING SYSTEM

Description: Verify Meter Readings are accurately exported.

Activity	Expected Results	Pass/Fail	Comments
1. Obtain a listing of account numbers verified as active in the Billing System with their readings and reading times. 2. Utilizing the STAR Browser Account page, compare (3 to 5) sample of accounts to verify Billing System consumption matches STAR consumption as listed.	Values exported to the Billing System to match those represented in STAR.		

8. SYSTEM ACCEPTANCE TESTING EXCEPTIONS

The following events are beyond Aclara's control and may impact the performance of the Aclara STAR® system and its ability to capture readings. Aclara is therefore not responsible for performance metrics which are not met due to the following:

1. Failure or degradation of any software or equipment not provided by ACLARA or not installed according to ACLARA's specifications, thereby impacting performance.
2. Removal of any equipment from service in a manner that renders ACLARA's Products inoperable.
3. Errors or omissions in data provided by external systems (non-ACLARA systems) to the NCC Software such as incorrect meter ID's, or failure to provide current data on meter replacements or removals.
4. Errors or omissions in data exported to external systems (non-ACLARA systems) from the NCC Software that is not properly delivered to or interpreted properly by the external systems (non-ACLARA systems). If this occurs, the data in the Aclara Export file would then be verified to be correct.
5. The election, at any time, to collect data through operations not performed in accordance with ACLARA's Product documentation.
6. Failed ACLARA equipment caused by factors beyond ACLARA's control, such as Purchaser tampering or Force Majeure (as defined in Section 5 of Aclara's Standard Terms and Conditions) events.
7. Installation or integration work not performed in accordance with Aclara's Product documentation and installation guidelines as posted to the Aclara Customer Portal.
8. Failure of the cellular communication link between the DCU and NCC Software to operate properly (for example, the communications link automatically connecting after a disconnect).
9. Additional meters locations which were not listed on the original meter address file provided to Aclara by Purchaser, or meter placements outside the DCU coverage areas.
10. A DCU network that does not include the required number of DCUs that the Aclara Propagation Study states is necessary to properly cover the installed MTU population, or the placement of DCUs not per the Aclara Propagation Study specifications.

EXHIBIT C

ACLARA OWNED NETWORK (AON) AGREEMENT

This Agreement is made and entered into as of the date last signed below (the “Effective Date”) by and between:

Aclara Technologies LLC, an Ohio Limited Liability Company
945 Hornet Drive
Hazelwood, Missouri 63042
(Referred to herein as “Aclara”)

And Coastside County Water District
766 Main Street
Half Moon Bay, CA 94019
(Referred to herein as “Customer”)

Individually, Aclara[®] and Customer may be referred to as “Party” and collectively as “Parties”.

Whereas, Customer and Aclara have entered into a Master Agreement to implement a STAR Network AMI System (“AMI System”), being a meter reading solution to be utilized by Customer for the automated meter reading of residential, industrial and commercial water meters and for other purposes which delivers comprehensive usage information through a secure, long-range wireless network using licensed radio frequencies to connect STAR Network Water MTUs to STAR Network Data Collector Units, and to a Hosted STAR Network Control Computer; and

Whereas, Aclara desires to procure, implement, provide and manage an “Aclara Owned Network” (as defined herein) as part of the AMI System for Customer, and Customer desires to lease the Aclara Owned Network from Aclara and obtain related licenses and services under the terms and conditions specified in this Agreement;

Whereas, Customer will be responsible for site ID, site acquisition, site planning, land platting, site permitting, build permitting or anything else required of land/property owner to grant access and use of land for such purposes; and

Whereas, Aclara will use its best efforts to identify DCU sites that can be located on Customer property, or public rights of way, or other property where site acquisition and preparation costs can be minimized.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and intending to be legally bound, the Parties agree as follows:

1. Definitions. For the purposes of this Agreement, the following definitions shall apply:

Aclara – Coastside County Water District

- A. “Aclara Holidays” means New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, the day after Thanksgiving, Christmas Eve, Christmas Day and New Year’s Eve.
- B. “Aclara Owned Network” or “AON” means the STAR Network Data Collector Units, and the Hosted STAR Network Control Computer as well as the licensed radio frequencies from the Federal Communications Commission and backhaul services from third party communications providers which together establish and maintain secure local area networks connecting the STAR Network Water MTUs to the STAR Network Data Collector Units, and a secure, long-range wide area wireless network connecting the STAR Network Data Collector Units to the Hosted STAR Network Control Computer for Customer’s use for the AMI System (collectively the “Aclara Owned Network”); and
- C. “Aclara Owned Network Software” means all software and firmware delivered to Customer under the Statement of Work, attached to the Master Agreement as Exhibit A.
- D. “Additional Services” means services offered by Aclara for maintenance, improvements, and/or enhancements to the Aclara Owned Network that are not covered by this Agreement, but may be offered and provided at the rates set forth on Exhibit C-1.
- E. “AMI Hardware” means the DCUs and associated Firmware and mounting hardware installed as part of the Aclara Owned Network.
- F. “Classroom Training” means training offered by Aclara at Customer’s facility.
- G. “Contracted Read Success Rate” means the required performance to pass System Acceptance Test case 2.4 as defined in the Statement of Work, Exhibits A, A-1, and A-2..
- H. “Contracted Coverage” means the Customer’s meter population that will be accessible by the DCUs in the Aclara Owned Network, assuming that an MTU is functioning and is properly installed. “Contracted coverage” will include all of the meter locations (“Customer Meter List with GPS Coordinates”) provided to Aclara to perform its propagation study, unless specifically excluded by mutual written agreement.
- I. “Customer Meter List with GPS Coordinates” means a list of all the Customer’s meter locations (with GPS Coordinates) to be covered by the Aclara Owned Network. An initial list will be provided at the time of contract signing in order for Aclara Personnel to complete the Propagation Study.

- J. “Customer Portal” means an electronic gateway to a secure entry point via Aclara’s website, as published by Aclara, that allows Aclara customers to access via the Internet to log in to an area where they can view and download information or request assistance regarding Issues with the System. Customer will receive individual user names/passwords to the Aclara Customer Portal, as well as have access to Issue Management Reports for each case generated by Customer.
- K. “Custom Enhancement” means any improvement, modification or addition that, when made or added to the Software or Third Party Licensed Software, changes its utility, efficiency, functional capability or application. Custom Enhancements are not included as part of this Agreement.
- L. “Documentation” means the user manuals and supporting documentation in electronic form containing copyrighted material and other proprietary material and information of Aclara provided with the Software under this Agreement.
- M. “Error” means any failure of Software to conform in all material respects to the requirements of this Agreement or Aclara’s published specifications. Any nonconformity resulting from Customer’s misuse, improper use, alteration or damage of the Software, the combination of the Software with any hardware or software not supplied by or authorized by Aclara, or any other condition beyond the control of Aclara, shall not be considered an Error.
- N. “Error Correction” means either a modification or addition that, when made or added to the Software, brings the Software into material conformity with the published specifications, or a procedure or routine that, when observed in the regular operation of the Software, avoids the practical adverse effect of such nonconformity
- O. “E-Learning” means on-line training offered by Aclara via the Internet.
- P. “Field Installation Plan” means a plan prepared for each proposed DCU site that is comprised of approach, logistics, timing and requirements for DCU installation; DCU engineering drawings, DCU specifications and site plan (including exact mounting location, required pole height, if applicable; height of the antenna, solar panel, and other DCU equipment;).
- Q. “Firmware” means the updatable code embedded in DCUs that controls their function.
- R. “Hosted STAR Network Control Computer” or “Hosted NCC” means Software and database storage capacity installed, hosted and maintained on application and database servers or other equipment controlled by

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Aclara and made accessible to Customer through the Internet via one or more Customer Portals.

- S. “Issue” means a problem with the AON identified by the Customer or Aclara, which requires a response by Aclara to resolve.
- T. “Maintenance Services” means activities to investigate, resolve Issues and correct product bugs arising from the use of the Software in a manner consistent with the published specifications and functional requirements defined during implementation of the Services.
- U. “Patch” means a version of the Software that provides an Error Correction to address an urgent need that is outside the schedule of regularly released Software Releases or Software Updates.
- V. “Propagation Study” means the Aclara managed analysis of all the Customer’s meter locations (utilizing GPS coordinates) in order to estimate the number of data collectors (DCUs) required to achieve a minimum of 98.5% read success of all interval readings and “contracted coverage” of DCU coverage of all plotted endpoints. The “Propagation Study” is used to develop “Field Installation Plans” for the DCU sites.
- W. “Read Success Rate” means the percentage of reads received in the STAR® NCC divided by the percentage of reads expected in the STAR® NCC for a given period of time.
- X. “Severity Level” means a designation of the effect of an Issue on the Customer’s use of the AON. The Severity of an Issue is initially defined by the Customer or Aclara and confirmed by Aclara. Until the Issue has been resolved, the Severity Level may be raised or lowered based on Aclara’s analysis of impact to business. The four Severity Levels are:

Severity Level	Description
1	<p>Requires immediate attention– Critical production functionality is not available or a large number of users cannot access the system. Causes a major business impact where service is lost or degraded and no workaround is available, therefore preventing operation of the business.</p> <p>AON is disrupted in such a way that interval data from 5% or more of all Installed MTUs are not or might not be received in the Headend within 12 hours. No workaround available.</p> <p>Examples include non-receipt of data transmissions at the Headend, missing data transmissions from large, geographically regionalized grouping of MTUs.</p> <p>Severity level 1 shall be assigned for any disruption which impacts safety or legal liability (e.g. DCU not attached properly) or materially impacts revenue.</p>

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Severity Level	Description
2	<p>Requires priority attention - Some important production functionality is not available, or a small number of users cannot access the system. Causes significant business impact where service is lost or degraded and no workaround is available, however the business can continue to operate in a limited fashion.</p> <p>AON is degraded or disrupted in such a way that interval data from 3% or more of all Installed MTUs are not or might not be received in the Headend within 12 hours. Workaround within the System is reasonably acceptable to Customer and is in place.</p> <p>Examples include service disruption at Take Out Points, localized Network degradation, loss of redundancy.</p>
3	<p>Requires attention –There is a problem or inconvenience. Causes a business impact where there is minimal loss of service and a workaround is available such that the system can continue to operate fully and users are able to continue business operations.</p> <p>AON, AMI Hardware, or MTU outage or malfunction with regard to functionality or receipt of transmitted data, but does not result in a Network degradation or disruption.</p> <p>Examples include an MTU outage or DCU outage where redundancy is still in place.</p>
4	<p>There is a problem or issue with no loss of service and no business impact. Operational Incident which does not involve an equipment outage but may cause an inconvenience and does not impact business operations or functionality of the AON. Should be resolved after more serious Incidents have been resolved.</p> <p>Examples include annoying non-stop tamper message, or a problem with Documentation.</p>

- Y. **“Software”** means the software and firmware provided by Aclara, and listed as Aclara Owned Network provided software in the Master Agreement Exhibit B. All Software, Software Releases and Software Updates provided by Aclara shall be subject to the terms and conditions this Agreement.
- Z. **“Software Release”** means the base or core version of the Software that contains significant new features and significant fixes and is available to the Customer. Software Releases may occur as the Software architecture changes or as new technologies are developed. Software Releases are provided and included as part of this Agreement.
- AA. **“Software Update”** means an update to the released version of the Software code which consists of bug fixes or minor enhancements to existing features and code corrections. Software Updates are provided and included as a part of this Agreement.
- BB. **“Suspect MTU”** shall mean those MTUs that have not successfully transmitted data since installation or subsequent to installation have been damaged, had Radio Frequency transmission physically blocked, or have

failed to successfully transmit for five (5) days. A “Suspect MTU” does not include a functioning MTU that has been properly installed and field verified by the customer, but has not successfully connected to the AON since installation or subsequent to installation, has failed to successfully transmit for five (5) days due to lack of connectivity to a DCU.

- CC. “Target Response Time” refers to the period of time between a Customer’s initial contact with Aclara to report an Issue (by phone, email or through the Customer Portal, thereby creating a ticket which has been assigned a number for tracking purposes) and Aclara’s initial contact back to Customer to begin investigation of the reported Issue.
 - DD. “Third Party Licensed Software” means the software provided as part of the Aclara Owned Network, but not developed by Aclara.
2. Term of Agreement. The Term of this Agreement follows the term set forth in the Master Agreement. The option to extend the least term is set forth in the Master Agreement.
3. Scope of Aclara Responsibilities. Aclara shall procure, establish, implement, manage, and maintain the Aclara Owned Network leased to Customer hereunder, including but not limited to responsibility for the following activities:
- A. Licensed Radio Frequencies and Local Area Network. Aclara shall procure, manage and maintain from the Federal Communications Commission licenses in Customer’s name and on Customer’s behalf for frequencies suitable for secure, reliable and flexible data-intensive two way radio transmissions between the MTUs and DCUs to establish Local Area Networks connecting the MTUs to the DCUs.
 - B. Backhaul Wide Area Network Facilities. Aclara shall procure, manage and maintain data communications transport facilities to provide secure, reliable and flexible data-intensive two way connectivity between the Local Area Networks and the Hosted STAR Network Control Computer to establish a Wide Area Network.
 - C. DCU Site Identification, Propagation Study, and Field Installation Plans. Aclara will conduct a Propagation Study, and will identify DCU sites that can be located on Customer property, public rights of way, or other property where site acquisition costs can be minimized, and the likelihood of site acquisition can be achieved. The Propagation Study will identify DCU sites that will provide coverage to all of the Customer’s meter location (provided in the list of meters for the Propagation Study. (See Contracted Coverage definition.)

Aclara will provide the Customer with a Field Installation Plan for each site that will include the necessary engineering drawings and specifications

required for the Customer to secure acquisition and permitting of the DCU sites. In preparing the Field Installation Plans for each site, Aclara cannot assume that mounts onto Customer property (such as tanks and ladders) will be acceptable without written approval of the Customer.

- D. DCU Installation. Aclara will install a sufficient number of DCUs that will provide the Contracted “RSR” and Contracted Coverage over the term of the Master Agreement..
- E. AMI Hardware Maintenance. The hardware maintained under this Agreement shall include the Hosted NCC, as well as all DCUs placed in to service during execution of the SOW in Exhibit A to the Master Agreement, and any additional DCUs subsequently installed to maintain the Contracted Read Success Rate and Contracted Coverage. In the event of an Issue identified by Aclara or the Customer, response times are governed by the Network Management Service Levels defined as Severity Levels. The Issue shall remain open until network performance returns to the Contracted Read Success Rate, and/or Contracted Coverage has been achieved.

Aclara is responsible for maintaining the ongoing operability of the DCUs and the Aclara Owned Network and the ability to achieve the Contracted “RSR” and Contracted Coverage throughout the term of this agreement. Damage to DCU hardware caused by natural circumstances and “acts of God” such as weather ,fire, etc. will be the responsibility of Aclara. While still subject to these Service Levels, the cost of AMI Hardware Maintenance caused by third party damage is not included in this Agreement.

Aclara will update software, firmware and associated DCU components to ensure continued ongoing operations of the District network, particularly given upgrades to other aspects of Aclara’s infrastructure that could indirectly impact the Customer’s network.

- F. Hosted STAR Network Control Computer. Aclara shall provide the Hosted NCC and associated hosting services which shall include all aspects of day-to-day operations in support of access to the Hosted NCC and all activities associated with Customer’s use of and access to the Hosted NCC, including systems and server administration, backup and recovery activities, and routine hardware and software maintenance to ensure that the Hosted NCC remains in good working order and performs in accordance with the Documentation, if any, and responding to Customer support requests. Aclara will use commercially reasonable efforts to provide a high level of Hosted NCC uptime. It is our goal to provide at least 98% uptime (“Hosted NCC Uptime Objective”). The Hosted NCC Uptime Objective excludes scheduled maintenance and upgrades, failures caused by the Internet or Customer’s software, events of force majeure, or downtime caused by any other factor beyond Aclara’s reasonable control. Hosting service levels are defined below.

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Category	Item	
	Backup Power	UPS\Generator
	Network Capacity	50MB Fiber \ 1Gig LAN
	Redundant Network	Yes – 10MB
Backup/Recovery	Disaster Recovery	3 Business Days
	Offsite Backup Storage	No
	Backup Medium	SAN (Onsite Tape Backup Optional)
	Backup Frequency	Weekly
Security	Physical	Separate Secure Room/ACS/Alarmed
	Fire Suppression	FM200
	Network	Firewall/Intrusion Detection/AntiVirus/Secure SSH Portal Access
Application Support		Base Support Included/ STAR System Monitoring Included
	STAR System Management	(See Aclara Maintenance Level Agreement for detail)
	STAR Upgrades/Patches	Yes
	OS Patches	Monthly
	Data Retention	18 months
	Performance Monitoring	No
Optional Services Available (<i>NOT INCLUDED</i>)	Replicated Reporting DB	Available
	Offsite Tape Backup	Available
	DB Clustering	Not Available
	Offline Archiving	Available

Aclara will use commercially reasonable efforts to prevent more than one hour of continuous down time during business hours (defined as 6:30 AM to 6:30 PM CT) every day; and to prevent more than six hours of continuous down time during non-business hours (defined as the hours between 6:31 PM to 6:29 AM (CT), with the same exclusions as noted above.

Generally, Aclara performs all scheduled system maintenance and upgrades during non-business hours. Aclara will provide Customer with as much advance notice of scheduled down time as reasonably possible.

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During any period of down time of the Hosted NCC of more than one hour in duration, Aclara will provide notice to users by posting a web page that indicates that the Hosted NCC is temporarily unavailable due to routine maintenance and to please come back later.

Aclara will provide e-mail notice to appropriate Customer staff if there will be more than one hour of down time of the Hosted NCC. Notice will include at least a brief description of the reason for the down time and an estimate of the time when Customer can expect the Hosted NCC to be up and available

- G. Aclara Owned Network Performance Monitoring. Aclara will monitor the performance of the Aclara Owned Network to ensure that the Contracted Read Success Rate is met in accordance with Attachment 4.
- H. Maintenance Services Provided. Aclara shall provide Maintenance Services for the the Aclara Owned Network Software as described below:
- a. Aclara Software Updates and Patches. Aclara shall provide Software Updates and Patches to the Customer as scheduled by Aclara.
 - b. Aclara Software Releases. Aclara shall install new Aclara Software Releases for Customer's use at Aclara's discretion, but not more than twelve (12) months subsequent to a generally available release.
 - c. Documentation. In support of Software Updates, Patches, and Releases, Aclara shall provide updated user technical Documentation reflecting these as soon as reasonably practicable after the Updates, Patches, and Releases have been released to the Customer. Updated user technical Documentation that corrects Errors or other minor discrepancies will be provided to Customers when available. All Documentation updates will be provided through the Aclara Customer Portal.
 - d. Third Party Software Releases and Updates. At the option of Aclara, periodic Software Revisions of the Third Party Licensed Software will be provided by Aclara without further charge provided the following conditions are met: (i) the Software Revision corrects a malfunction in the Third Party Software that affects the operation of the Software; and (ii) the Software Revision has, in the opinion of Aclara, corrected malfunctions identified in the Aclara Owned Network and has not created any additional malfunctions; and (iii) the Software Revision is available to Aclara.
 - e. Firmware. Aclara will provide the following Firmware Maintenance:

- i. Aclara shall install new Firmware versions on Aclara Owned Network DCUs as scheduled by Aclara.

I. Response to Issues.

- a. Response. Aclara will provide oral or written responses to Issues identified by the Customer in an expeditious manner. Such responses shall be provided in accordance with the Target Response Times as defined below:

Target Response Time – Severity 1	<2 hours
Target Response Time – Severity 2	<4 hours
Target Response Time – Severity 3	<6 hours
Target Response Time – Severity 4	<1 business day

- b. Escalation Procedure. If Aclara fails to meet a Target Response Time for an Issue as defined above, Customer may escalate the Issue in accordance with the escalation flow chart attached hereto as Attachment 3 and incorporate herein by reference.

- J. Optional Training. Customers will have access to both follow-up Aclara Classroom Training and Aclara Web based E-Learning classes at no additional charge. Follow-up Aclara Classroom Training is available at Aclara’s facilities as listed on the Aclara Customer Portal. The maximum number of Customer’s employees attending any Classroom Training session is three (3). Certain Aclara Web based E-Learning classes are available as listed on the Aclara Customer Portal to an unlimited number of Customer employees per course.

- K. Service Limitations. The Maintenance Services defined in this Agreement are applicable only to the Aclara Owned Network, excluding third party equipment, and Third Party Software used in the Aclara Owned Network. The following limitations apply to Maintenance Services under this Agreement.

- 1) Any integration work not performed by Aclara under Master Agreement Exhibit A (SOW), or subsequent SOWs related to the implementation of new Software Releases is the responsibility of the Customer.

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- 2) The Customer has the right to perform System Acceptance Testing as defined in Master Agreement Exhibit A subsequent to Aclara's deployment of a new Software Release to the Hosted NCC environment. If System Acceptance Testing is not performed within 60 days of installation of the Software Release, customer acceptance will be implied.
- 3) Maintenance Services do not include costs incurred by Aclara while investigating problems that are the result of Customer's negligence, misuse, or unauthorized application, alteration, or modification of the Software, Hardware, or interfaces to the equipment configuration, which shall be invoiced to Customer on a time-and-material basis at Aclara's then current published rates. The current rates are set forth on Attachment 1 of this Agreement.
- 4) Services offered outside of Maintenance Services as noted herein are not included in this Agreement. Such Additional Services are available and may be provided in accordance with the terms and rates provided in Attachment 1 of this Agreement.
- 5) Additional training is available and may be purchased. Please contact Aclara Customer Support at 1-800-892-9008 for training requirements and fees.
- 6) Aclara shall consider and evaluate the feasibility of development of Custom Enhancements for the specific use of Customer and shall respond to Customer's requests for Custom Enhancements or other Additional Services pertaining to the Software. In the event that the Parties mutually agree, in writing, that Aclara will develop such Custom Enhancements or Additional Services they shall be subject to a separate charge in accordance with Aclara's then in effect rates. The current rates are listed on Attachment 1 of this Agreement.
- 7) Maintenance Services do not include any problem arising from the use of components manufactured or authorized by anyone other than Aclara as an interface or peripheral to the Software unless such combination has been approved by Aclara.
- 8) Maintenance Services do not include any problem resulting from the combination of the Software with such other programming or equipment unless such combination has been approved by Aclara.
- 9) Maintenance Services do not include any problem caused by changes to other software (including Releases and Patches), interfaces or systems connected to the Software including but not

limited to changes of operating systems database servers, web servers, and communications software.

- 10) Maintenance Services do not include changes in workflow, practices, procedures, or processes that differ from the Software approved specifications.
- 11) Aclara shall have the right to refuse Maintenance Services if, in Aclara's opinion, conditions at the equipment location represents a hazard to the safety or health of Aclara's personnel. Revisits due to unsafe conditions, as such are determined in Aclara's reasonable discretion, will be billed under the rates and terms defined in Attachment 1 of this Agreement.

Customer will be responsible to pay Aclara to diagnose or attempt to correct any of the items set forth above in this Section, under the rates and terms defined in Attachment 1 of this Agreement.

4. Customer Responsibilities

- A. Approval of the Use of Recommended DCU Sites. Customer will be the final approver for use of any site, whether the site is Customer owned or 3rd party owned. Third party sites should not be considered "approved" until after Customer enters into an agreement with the property owner and the applicable permits have been obtained.

Customer will issue a "DCU Installation – Notice to Proceed" upon finalization of site acquisition and permitting.

B. Notification of Issues

- 1) Customer shall provide Aclara with notification of any Issues by one of three methods:
 - a. By entering a description of the Issue on the Aclara Customer Portal (See Note 1 below);
 - b. Contacting Aclara Customer Support at **1-800-892-9008**; or
 - c. Emailing a description of the Issue to support@aclara.com

Note 1: Customer's utilization of the Aclara Customer Portal is the preferred method for Issue notifications.

- 2) Support. Aclara provides technical support for Severity Level 1 and Severity Level 2 Issues, 24 hours per day; seven (7) days per week; 365 days per year. All Severity Level 1 and Severity Level 2

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notifications submitted between the hours of 6:00 p.m. and 6:30 a.m. Central Time (Monday through Friday, Weekends and Aclara Holidays) must be submitted through the Aclara Customer Portal. If Customer cannot readily access the Aclara Customer Portal, Customer may contact Aclara at the “800” number listed above.

- 3) Aclara provides technical support for Severity Level 3 and Severity Level 4 Issues only during the hours between 6:30 a.m. and 6:00 p.m. Central Time on Monday through Friday, excluding Aclara Holidays.
- C. Technical Staff. Customer shall be responsible for maintaining sufficient suitably trained technical staff to use the Customer Portal on a day-to-day basis, including report handling. Aclara training for designated contacts shall be made available to Customer during implementation as specified in Exhibit A.
 - D. Support for Issue Investigation. Customer shall support all reasonable requests by Aclara as may be required in Issue investigation and resolution. Aclara may access Customer’s AON as part of this investigation.
 - E. DCU Site Maintenance. Customer is responsible for maintaining DCU Site Agreements and Leases.

Additional Requirements. Customer is responsible for procuring, installing and maintaining all equipment, telephone lines, communications interfaces, and other hardware necessary to access the Customer Portal and obtain Maintenance Services from Aclara, all in accordance with specifications supplied and or approved in advance by Aclara. For the Customer Portal access, Aclara maintains responsibility from its servers to its firewall all in accordance with Aclara’s specifications.

- F. Designation of Point of Contact. Customer shall assign an individual or individuals to serve as the designated contact(s) for all communication with Aclara during Issue investigation and resolution.
- G. Discovery of Errors. Upon discovery of an Error, Customer agrees, if requested by Aclara, to submit to Aclara a listing of output and any other data that Aclara may require in order to reproduce the Error and the operating conditions under which the Error occurred or was discovered.
- H. Proactive Monitoring. Customer shall regularly monitor MTU performance and health, and perform maintenance required to resolve communication issues with Suspect MTUs to the extent those communication issues are not due to Issues with the AON.

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5. Other. Refer to the Master Agreement for the following:
- A. Payment and Charges
 - B. Termination
 - C. Warranties
 - D. Limitation of Liability and Damages.
 - E. Excuseable Delays
 - F. Assignment
 - G. Waiver
 - H. Governing Law
 - I. Severability
 - J. Notices
 - K. Confidentiality
 - L. Independent Contractor
 - M. Grants and Licenses

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the respective dates set forth below.

Aclara Technologies LLC

Coastside County Water District

By: _____

By: _____

Name: Kurt R. Bruenning

Name: David Dickson

Title: CFO

Title: General Manager

Date: _____

Date: _____

EXHIBIT C-1 ADDITIONAL SERVICES

Rates

The following categories have been defined for the Aclara Professional Services Team in the event of a change order:

Professional Services Staff	Hourly Rate	Off-hours hourly rate	On-call hourly rate
Sr. Technical Advisor	250	375	120
Product Manager	200	300	120
Project Manager	195	290	120
Systems Engineer	165	240	120
Systems Analyst	165	240	120
DBA	185	270	120

Expenses: as incurred per visit Mileage: then current IRS mileage rate

- A. Services will be charged at the applicable Rates as follows:
 - 1) Standard Hourly Rates will apply to all service hours expended that do not exceed eight (8) consecutive hours during Aclara’s normal business hours of 6:30 a.m. - 6:00 p.m. Central Time, Monday through Friday, excluding Aclara Holidays.
 - 2) Off-Hours Hourly Rates will apply to all service-hours expended beyond eight (8) consecutive hours during Aclara’s normal business hours of 6:30 a.m. – 6:00 p.m. Central Time, Monday through Friday excluding Aclara Holidays.
 - 3) On-Call service is a pre-arranged service by which the System Owner places a request to have an Aclara staff member accessible for a specified time period. During the period for which an Aclara staff member is accessible, On-Call Rates will be charged. If an Aclara staff member must actually perform services during the On-Call period, the services will be billed at the appropriate Hourly Rate or Off-Hours Hourly Rate, instead of the On-Call rate. This service will be provided remotely via a telecommunications link.

- B. If Aclara is requested to travel to the Customer’s site to provide Services, the costs and expenses associated with such travel will be borne by Customer and invoiced as set forth below.
 - 1) Travel Expenses: Unless otherwise mutually agreed, Aclara’s travel expenses for On-Site Services shall include, but are not limited to coach airfare, lodging, meals, automobile rental, fuel, parking and associated administration fees, and will be charged to the System Owner on an actual basis.

- C. Aclara reserves the right to change the above rates upon 30 days’ notice. Changed rates shall not apply retroactively.

EXHIBIT C-2
THIRD PARTY SOFTWARE

Microsoft Windows
SQL Server

**EXHIBIT C-3
STAR TECHNICAL SUPPORT ESCALATION FLOW**

EXHIBIT C-4

Aclara shall provide Read Success Rate reporting for the customer’s network each Friday, and provide Customer reporting on Suspect MTUs daily during the business week.

Read Success Rate Reporting

Read Success Rate (RSR) reports are run for specific time periods to determine the network performance based on reads received versus reads expected. For purposes of RSR reporting for the Customer, reports will be run for a period of 7 days with the report start date 7 days prior to the report end date. Friday of each week, Aclara will provide RSR reporting with 7 (seven) values equal to the actual RSR calculated for end dates 5 to 11 days (inclusive) prior to the Friday reporting date.

Additionally the aggregate period RSR deviation will be reported by calculation of the sum of differences between actual RSR and the Contracted Read Success Rate for each period. Actual RSRs above the Contracted RSR shall be treated as having a 0% deviation.

An example of this calculation is provided using the dates in Table 1

Table 1

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
January 8	January 9	January 10	January 11	January 12	January 13	January 14
	RSR End Date 1	RSR End Date 2	RSR End Date 3	RSR End Date 4	RSR End Date 5	RSR End Date 6
January 15	January 16	January 17	January 18	January 19	January 20	
RSR End Date 7					Report Day	

A sample calculation follows:

	Actual RSR	RSR Deviation
RSR End Date 1	98.5%	0%
RSR End Date 2	96.3%	-2.2%
RSR End Date 3	98.8%	0%
RSR End Date 4	97.9%	-0.6%
RSR End Date 5	98.5%	0%
RSR End Date 6	99.0%	0%
RSR End Date 7	98.2%	-0.3%

Aggregate period RSR deviation = -3.1%

The above calculation will be performed for each day in the quarter and the aggregate annual RSR deviation (if negative) will be used to calculate the annual credit.

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Suspect MTU Reporting. During each business day, Aclara will provide Customer information on the MTUs that have been identified as Suspect MTUs. The reporting will provide sufficient detail for the Customer to identify addresses associated with the Suspect MTU. MTUs that are functioning and have been properly installed and field verified by Customer will not be considered a “suspect MTU” and will not be removed from the RSR calculation.

Exhibit D

Aclara STAR® Warranties

- STAR® MTU Warranty
- STAR® Utility DCU Warranty

STAR® MTU Warranty

Basic Warranty

Aclara Technologies LLC warrants to the original PURCHASER of a STAR® Utility Meter Transmission Unit (MTU) that the MTU shall perform in accordance with the specifications in effect at the time of original product shipment and shall be free from defects in material and workmanship for a period of ten (10) years from the date of original product shipment (the “full warranty period”).

Any STAR® Utility MTU manufactured by Aclara Technologies LLC that, within the full warranty period: (i) fails to perform in accordance with the specifications in effect at the time of original product shipment or (ii) fails as a result of a defect in material or workmanship, when returned to Aclara Technologies LLC, freight prepaid, will be repaired or replaced at the option of Aclara Technologies LLC without charge to the PURCHASER. A STAR® Utility MTU which has been repaired or replaced by Aclara Technologies LLC will be returned to the PURCHASER by Aclara Technologies LLC, freight prepaid. All costs associated with the removal and/or reinstallation of a defective STAR® Utility MTU shall be the responsibility of the PURCHASER. Aclara Technologies LLC warrants replacement MTUs for the longer of (i) the remaining term of the full warranty period applicable to the STAR® Utility MTU repaired or replaced or (ii) one year from the date the repaired STAR® Utility MTU or its replacement is returned to PURCHASER. Aclara Technologies LLC reserves the right to supply factory refurbished equipment, new equipment, or a newer model that provides equivalent or better performance.

Extended Warranty

Subject to the limitations set forth below, Aclara Technologies LLC, will replace any STAR® Utility MTU that, after expiration of the full warranty period but before the expiration of the twentieth (20th) full year after the date of original product shipment (the “extended warranty period”): (i) fails to perform in accordance with the specifications in effect at the time of original product shipment or (ii) fails as a result of a defect in material or workmanship. The cost of replacement will be prorated in accordance with the following table based on the number years of service before failure:

Years of Service	Replacement Cost Percentage
11	55%
12	60%
13	65%
14	70%
15	75%
16	80%
17	85%
18	90%
19	95%
20	100%

The cost of replacement will be calculated by multiplying the applicable replacement cost percentage by the STAR® Utility MTU price in effect at the time of replacement. The defective MTU must be returned to Aclara Technologies LLC by the PURCHASER, freight prepaid; Aclara Technologies LLC will pay the freight charges for the return of the replacement to the PURCHASER.

All costs associated with the removal and/or reinstallation of a defective STAR® Utility MTU shall be the responsibility of the PURCHASER. Aclara Technologies LLC warrants MTUs replaced pursuant to the Extended Warranty for ten (10) years (in accordance with the terms of the Basic Warranty) from the date the replacement is returned to the PURCHASER. Aclara Technologies LLC reserves the right to supply factory refurbished equipment, new equipment, or a newer model that provides equivalent or

better performance.

The STAR® Utility MTU warranties do not cover repairs or replacements required as a result of: misuse, mishandling, improper storage, accident, modification, improper operation, installation errors, meter failures, theft, vandalism, repair by unauthorized personnel, or battery life for MTUs that are configured and operated for more than two (2) to four (4) transmissions per day.

Aclara Technologies LLC makes no warranty whatsoever with respect to the minimum communication distance or reliability of the radio propagation path of STAR® Utility MTUs.

Each MTU includes software which is proprietary to Aclara Technologies LLC and which is protected by United States Copyright Laws with which the PURCHASER must comply. PURCHASER has the right to utilize the software in the MTU with the MTU, but PURCHASER may not disassemble, decompile, or modify the software. The software is confidential and the property of Aclara Technologies LLC and shall not be disclosed to others.

THE WARRANTIES CONTAINED HEREIN ARE IN LIEU OF ALL WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING WARRANTIES FOR MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

THE LIABILITY OF ACLARA TECHNOLOGIES LLC SHALL BE LIMITED TO REPAIR OR REPLACEMENT OF ANY DEFECTIVE PRODUCT. IN NO EVENT SHALL ACLARA TECHNOLOGIES LLC BE LIABLE FOR ANY DAMAGES, INCLUDING BUT NOT LIMITED TO SPECIAL, DIRECT, INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, RESULTING FROM PRODUCT INSTALLATION, USE, REMOVAL OR REINSTALLATION. THE REMEDIES SET FORTH HEREIN ARE EXCLUSIVE, AND IN NO EVENT SHALL THE LIABILITY OF ACLARA TECHNOLOGIES LLC EXCEED THE PRICE OF THE PRODUCT ON WHICH SUCH LIABILITY IS BASED. THE LIMITATION OF REMEDIES SET FORTH HEREIN IS IN RECOGNITION OF THE DIFFICULTIES OF PROOF OF LOSS AND THE INCONVENIENCE AND NON-FEASIBILITY OF OTHERWISE MEASURING DAMAGES AND OBTAINING AN ADEQUATE REMEDY.

THE WARRANTIES CONTAINED HEREIN MAY NOT BE ALTERED, AMENDED, OR MODIFIED, EXCEPT BY A WRITTEN INSTRUMENT SIGNED BY AN AUTHORIZED REPRESENTATIVE OF ACLARA TECHNOLOGIES LLC.

STAR® Utility DCU Warranty

Aclara Technologies LLC warrants to the original PURCHASER of a STAR® Utility Data Collection Unit (DCU) that the DCU shall perform in accordance with the specifications in effect at the time of original product shipment and shall be free from defects in material and workmanship for a period of one (1) year from the date of original product installation.

Any STAR® Utility DCU manufactured by Aclara Technologies LLC that, within the warranty period: (i) fails to perform in accordance with the specifications in effect at the time of original product shipment or (ii) fails as a result of a defect in material or workmanship, will be repaired or replaced at the option of Aclara Technologies LLC without charge to the PURCHASER. PURCHASER may either;

- 1) Request return authorization from Aclara Technologies LLC, and return defective DCU for repair. Aclara Technologies LLC will be responsible for lowest cost inbound and outbound freight when using shipping method of Aclara Technologies LLC's choice. Should PURCHASER request alternative shipping method, PURCHASER will be responsible for all excess freight charges. All costs associated with the removal and/or reinstallation of a defective STAR® Utility DCU shall be the responsibility of the PURCHASER, or
- 2) Request on site repair by Aclara Technologies LLC, provided PURCHASER pays all reasonable Aclara Technologies LLC travel expenses. PURCHASER must assure reasonable access to the equipment, and shall be responsible for additional costs incurred should Aclara Technologies LLC be prevented access at the scheduled time.

Aclara Technologies LLC warrants replacement DCU's for the longer of (i) the remaining term of the full warranty period applicable to the STAR® Utility DCU repaired or replaced or (ii) six (6) months from the date the repaired STAR® Utility DCU or its replacement is returned to PURCHASER. Aclara Technologies LLC reserves the right to supply factory refurbished equipment, new equipment, or a newer model that provides equivalent or better performance.

The STAR® Utility DCU warranty does not cover repairs or replacements required as a result of: misuse, mishandling, improper storage, accident, modification, improper operation, installation errors, theft, vandalism, acts of god or repair by unauthorized personnel.

Aclara Technologies LLC makes no warranty whatsoever with respect to the minimum communication distance or reliability of the radio propagation path or required density of STAR® Utility DCUs.

Each DCU includes software which is proprietary to Aclara Technologies LLC and which is protected by United States Copyright Laws with which the PURCHASER must comply. PURCHASER has the right to utilize the software in the DCU with the DCU, but PURCHASER may not disassemble, decompile, or modify the software. The software is confidential and the property of Aclara Technologies LLC and shall not be disclosed to others.

THE WARRANTIES CONTAINED HEREIN ARE IN LIEU OF ALL WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING WARRANTIES FOR MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

THE LIABILITY OF ACLARA TECHNOLOGIES LLC SHALL BE LIMITED TO REPAIR OR REPLACEMENT OF ANY DEFECTIVE PRODUCT. IN NO EVENT SHALL ACLARA TECHNOLOGIES LLC BE LIABLE FOR ANY DAMAGES, INCLUDING BUT NOT LIMITED TO

SPECIAL, DIRECT, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, RESULTING FROM PRODUCT INSTALLATION, USE, REMOVAL OR REINSTALLATION. THE REMEDIES SET FORTH HEREIN ARE EXCLUSIVE, AND IN NO EVENT SHALL THE LIABILITY OF ACLARA TECHNOLOGIES LLC EXCEED THE PRICE OF THE PRODUCT ON WHICH SUCH LIABILITY IS BASED. THE LIMITATION OF REMEDIES SET FORTH HEREIN IS IN RECOGNITION OF THE DIFFICULTIES OF PROOF OF LOSS AND THE INCONVENIENCE AND NON-FEASIBILITY OF OTHERWISE MEASURING DAMAGES AND OBTAINING AN ADEQUATE REMEDY.

THE WARRANTIES CONTAINED HEREIN MAY NOT BE ALTERED, AMENDED, OR MODIFIED, EXCEPT BY A WRITTEN INSTRUMENT SIGNED BY AN AUTHORIZED REPRESENTATIVE OF ACLARA TECHNOLOGIES LLC