

**ADVANCED METERING INFRASTRUCTURE (AMI)
TERMS
("Agreement")**

The number of pages in this Agreement is indicated below, and Customer represents that it has received and reviewed the entire Agreement. By their signatures below, the parties agree to the terms and conditions set forth in this Agreement and the parties have caused this Agreement to be executed by their duly authorized representatives as of the day and year written below.

Sensus USA Inc. ("Sensus")

By: _____

Name: _____

Title: _____

Date: _____

[Handwritten Signature]
[Handwritten Signature]
 John R. DeHoff
 EVP
 1/21/14

Customer: City of Morgan Hill, CA

By: _____

Name: Steve Rymer

Title: City Manager

Date: _____

[Handwritten Signature]
 12/10/13

The date of the last party to sign is the "Effective Date."

This Agreement shall continue in effect until the earlier of (a) twenty years after the Effective Date; and (b) Customer failing to timely pay the Ongoing Fees due to Distributor pursuant to the Distributor Agreement ("Term").

1. **Defined Terms.** All terms used in this Agreement as defined terms and which are not defined herein are defined in Exhibit H.
2. **Terms of Sale.** This Agreement is governed by Sensus' Terms of Sale, available at: <http://na.sensus.com/TC/TermsConditions.pdf>, or 1-800-METER-IT ("Terms of Sale"). The Terms of Sale are incorporated into this Agreement as if fully set forth herein. To the extent that the terms and conditions in this Agreement conflict with the terms and conditions in the Terms of Sale, the terms and conditions in this Agreement shall control, notwithstanding any statement to the contrary in the Terms of Sale.
3. **Purchase of Equipment.** Customer shall purchase from Golden State Flow Measurement, Inc., Sensus' authorized distributor ("Distributor") the necessary Field Devices, RF Field Equipment, Server Hardware and other goods (collectively, "Equipment") according to the terms and conditions in the Advanced Metering Infrastructure (AMI) Purchase & Installation Agreement between the Customer and Distributor ("Distributor Agreement").
4. **Hosting Services.** Customer shall receive and Sensus shall provide the Hosting Services & Support according to the terms set forth in Exhibit D only so long as Customer is paying for the Hosting Services & Support according to the terms set forth in the Distributor Agreement.
5. **Ongoing Maintenance of the System.**
 - A. **Field Devices.** Customer is responsible for maintaining its field population of Field Devices. Customer shall provide the field services labor to visit a problem Field Device and perform diagnostics and repair or replacement.
 - B. **RF Field Equipment.**
 - i. Customer shall be responsible for the ongoing monthly operations and expenses related to sitting of the RF Field Equipment, including any leasing costs, construction costs, taxes and costs of WAN Backhaul. Customer shall pay for electric power to the RF Field Equipment.
 - ii. **Network Warranty.** Notwithstanding anything to the contrary, the warranty in this Section 5(B)(ii) is in addition to the warranties in the Terms of Sale.
 - (a) Subject to subsection (b), if more than the Proposed RF Field Equipment is required for the AMI System to meet the Customer Acceptance Plan set forth in Exhibit G to this Agreement, Sensus shall deliver to the Customer the hardware for the additional RF Field Equipment without charge to the Customer, provided that the Customer shall locate and install all RF Field Equipment as directed by Sensus. Notwithstanding the preceding sentence, Customer shall pay for the installation, tower lease fees, and any Ongoing Fees for all equipment provided pursuant to this subsection (a). The Customer shall have title to all equipment provided pursuant to this subsection (a). This subsection (a) shall only apply to the Meter Territory, as defined in subsection (b). Furthermore, this subsection (a) shall cease three years after the Effective Date, such that after this date, Sensus shall have no obligation to provide RF Field Equipment hardware at no cost, and the Customer will have to purchase such hardware, even it is necessary to meet the Customer Acceptance Plan. For the purposes of this Agreement, "Proposed RF Field Equipment" means the quantities and types of RF Field Equipment set forth in Exhibit A to this Agreement.
 - (b) Notwithstanding anything to the contrary, the parties recognize and agree that the RF Field Equipment site design and build is based on the specific metering locations and antenna heights provided to Sensus by the Customer in writing prior

to the Effective Date ("Meter Territory"). For clarity, the Meter Territory only contains the individual meter locations and antenna heights specifically provided to Sensus by the Customer in writing prior to the Effective Date. New or different metering locations and/or antenna heights provided after the Effective Date may or may not require additional RF Field Equipment and/or changes to the RF Field Equipment locations. In the event new and/or different RF Field Equipment locations are required to accommodate these new metering sites and/or antennae heights, Customer agrees to: pay Sensus for the additional RF Field Equipment hardware, perform the necessary site preparation, and pay for the necessary installation, tower lease, and ongoing fees for all equipment purchased pursuant to this subsection (b). Any equipment required to be purchased by Customer pursuant to this subsection (b) is excluded from the network warranty calculation described in subsection (a). The preceding sentence does not limit any hardware warranty offered by Sensus.

C. **Server Hardware.** If the Server Hardware is located on Customer's property, Customer shall allow Sensus 24x7x365 remote access to the Server Hardware. Remote access to Server Hardware must be through a high speed Virtual Private Network (VPN). Customer shall allow physical access during Customer's hours of business, or, with suitable advance notice, at other times. Notwithstanding anything to the contrary, Sensus shall not be responsible for any failures, breaches, or other degradation that proximately results from Customer's delays or failures in granting Sensus access to the Server Hardware.

D. **Customer Support.** Sensus shall provide customer support as set forth in Exhibit F.

6. Software License, Third Party Software and Software Maintenance.

A. License.

- i. Subject to all the terms and conditions of this Agreement, and for the Ongoing Fees, Sensus hereby grants to Customer, in exchange for payment of the Ongoing Fees, a nonexclusive, non-transferable, license under Sensus' intellectual property rights (the "Software License") to use the Software solely for the purposes of reading its own meters in the Service Territory (the "Permitted Use"). The Software License is personal to Customer and is nonsublicenseable to Affiliates or other third parties. Customer shall have no rights to the Software other than those expressly granted in this Section; this Software License contains no implied licenses. Customer shall not use the Software other than for the Permitted Use.
- ii. Except as expressly authorized in accordance with the Permitted Use, Customer shall not (and shall not attempt to): (a) use, copy, adapt, translate, publish, display, sublicense, rent, lease, lend, transfer or distribute the Software, related documentation, or any copy thereof; (b) improve, enhance, revise, modify or make any other derivatives of the Software, related documentation or any copy or part thereof. Customer shall not reverse assemble, reverse compile, reverse engineer or otherwise translate or decode the Software or any part thereof, or any copy thereof. Sensus' suppliers of software and documentation (or any part thereof) are beneficiaries of this provision. Customer shall not destroy, remove or otherwise alter any proprietary notices (including, but not limited to, copyright notices) on the Software or related documentation, or any copy thereof, and agrees to reproduce any such notice(s) on any copy thereof it makes pursuant to this Software License.
- iii. The Software License shall commence on the Effective Date and shall terminate immediately when this Agreement expires or is earlier terminated for any reason or if Customer uses the Software other than for the Permitted Use.

- B. Access to Software.** Customer shall ensure that only Customer employees and Customer independent contractors who need access to the Software for Customer to obtain the benefits of this Agreement may access it. Customer is liable for ensuring that its employees and independent contractors abide by the terms of this Agreement.
- C. Third Party Software.**
- i. In addition to the Software, Sensus shall provide Customer with the open source software listed in Exhibit C under the heading "Bundled Third Party Software" (the "Bundled Third Party Software"). Customer acknowledges that the Bundled Third Party Software is subject to various rights and restrictions in favor of or imposed by the licensors thereof and that its use of the Bundled Third Party software is subject to all such rights and restrictions. Sensus provides no warranty, indemnity nor support of or in relation to such third party software. Notwithstanding the foregoing, Sensus will provide the Customer Support, set forth in Exhibit F and comply with Sensus' performance requirements set forth in this Agreement, even if the Customer Support or performance requirement issue arises from the Bundled Third Party Software.
 - ii. Exhibit C contains, under the heading "Non-Bundled Third Party Software", certain third party software that Customer must license directly from third party licensors in order to operate the FlexNet System ("Non-Bundled Third Party Software"). Sensus provides no warranty, indemnity nor support of or in relation to such third party software. All such rights and obligations are a matter strictly between Customer and the relevant third party licensors.
- D. Support and Maintenance.**
- i. For so long as the Customer pays the Ongoing Fees, Sensus shall provide Customer with ongoing software Updates, ongoing software maintenance and remote telephone support of the Software according to the terms set forth in Exhibit F. Upgrades are not included hereunder and shall be priced separately.
 - ii. Sensus will support and will maintain compatibility with the most recently released Upgrade ("Current Upgrade") and all Updates released after the release of the Current Upgrade. Sensus will continue to support the previous Upgrade ("Previous Upgrade") and all Updates released after the release of the Previous Upgrade but before the release of the Current Upgrade for one year after the release of the Current Upgrade. If Customer requires support for versions that were released earlier than the Previous Upgrade or requires support for the Previous Upgrade beyond one year, Customer's Ongoing Fees for software maintenance shall increase by thirty-three percent (33%) per year until Customer upgrades to a supported version of the Software.
- E. Effect of Termination.** Upon the termination of the Software License, all rights of the Customer to use the Software shall immediately cease and Customer shall promptly remove and return to Sensus all copies of the Software and any related documentation and shall instruct all its employees that further use of the Software is prohibited.
- F. Intellectual Property.** Sensus and/or its supplier (as applicable) shall own all right, title, and interest in and to the Intellectual Property associated with the Software and related documentation. To the extent, if any, that any ownership interest in and to such Intellectual Property does not automatically vest in Sensus by virtue of this Agreement or otherwise, and instead vests in Customer, Customer agrees to grant and assign and hereby does grant and assign to Sensus all right, title, and interest that Customer may have in and to such Intellectual Property. Nothing in the preceding sentence shall apply to any Intellectual Property created or obtained by Customer for processing data after its receipt by Customer following successful transmission through the AMI system, provided

that such Intellectual Property does not use, does not incorporate, and is not derived from any of the Intellectual Property of Sensus.

- G. **UCITA.** To the maximum extent permitted by law, the Parties agree that the Uniform Computer Information Transaction Act as enacted by any state shall not apply, in whole or in part, to this Agreement.

7. Spectrum

- A. **Spectrum Lease.** Pursuant to the terms of this Agreement and the rules of the Federal Communications Commission ("**FCC**"), Sensus shall cause Sensus Spectrum LLC ("**Lessor**") to lease (the "**Spectrum Lease**") to Customer ("**Lessee**") some or all of the spectrum authorized by the FCC licenses identified on Exhibit E ("**FCC Licenses**"). Lessor shall grant such Spectrum Sublease on a nonexclusive basis, solely for the Permitted Use and solely within the Service Territory. Such Spectrum Lease shall be a long-term spectrum manager lease pursuant to 47 C.F.R. § 1.9020, or any successor rule. Lessee shall not use the portion of the spectrum leased hereunder (the "**Channels**"), or cause or permit the Channels to be used at any location outside the Service Territory or for any purpose other than the Permitted Use. Except upon Lessor's express written consent, Lessee shall not sublease, license, assign or transfer the Channels or the Spectrum Lease or otherwise authorize the use of the Channels to any other entity or individual except for an affiliate under Customer's control. Lessor shall retain de jure and de facto control of the respective Channels and the FCC Licenses.
- B. **Representations and Warranties.** Lessee represents and warrants that (i) it and any applicable affiliate are eligible, and will continue to satisfy all FCC eligibility requirements to operate on the Channels, (ii) any applicable affiliate will comply with the terms and conditions of this Agreement, and (iii) it and any applicable affiliate have all right, title and authority to enter into and perform the Spectrum Lease. Sensus represents and warrants that (w) Lessor is a wholly owned subsidiary of Sensus, that (x) Lessor will comply with applicable terms and conditions of this Agreement, (y) Lessor holds the FCC Licenses and that (z) Lessor has all right, title and authority necessary to grant and perform the Spectrum Lease.
- C. **FCC Compliance.** Pursuant to 47 C.F.R. § 1.9045(a), Lessor and Lessee acknowledge and agree that (i) Lessee shall comply at all times with FCC rules governing the FCC Licenses and the Spectrum Lease and other applicable law, the Spectrum Lease may be revoked, cancelled, or terminated by Lessor or the FCC if Lessee fails to comply with applicable requirements; (ii) if one or more of the FCC Licenses is revoked, cancelled, terminated or otherwise ceases to be in effect, Lessee has no continuing authority or right to use the Channels unless otherwise authorized by the FCC; (iii) the Spectrum Lease is not an assignment, sale or transfer of the FCC Licenses; (iv) the Spectrum Lease shall not be transferred or assigned except upon prior written approval of Lessor which approval may be withheld in Lessor's discretion and in any event shall not be assigned or transferred to any entity that is ineligible or unqualified under FCC rules to become a party to the Spectrum Lease; and (v) Lessor shall not consent to any assignment or transfer of the Spectrum Lease unless such assignment or transfer complies with applicable FCC rules and regulations. Lessee shall comply with all reasonable directives by Lessor regarding the use of the Channels. Lessee shall comply with FCC obligations that apply to it as a result of its own status as a service provider, including but not limited to the payment of any regulatory fees. Lessee shall cooperate fully with any inspection, investigation or inquiry conducted by Lessor or the FCC. Lessor shall retain such working control over the FCC Licenses and the Channels, as is required by the FCC and shall be responsible to the FCC for ensuring that Lessee complies with the Act. If

necessary in Lessor's reasonable judgment to prevent or minimize interference, or as directed by the FCC, Lessee shall immediately cease or suspend operations. If Lessor or the FCC determines that there is any violation of the FCC's rules or that Lessee's system is causing harmful interference, Lessor may upon notice take steps to remedy the violation, resolve the interference, suspend or terminate operations, or take such other measures as Lessor deems in its sole discretion necessary to prevent further harmful interference until the situation can be remedied. Lessor shall retain the right to inspect, upon advance notice and at reasonable business hours, if practicable, Lessee's premises, in a manner consistent with Lessee's security requirements, to ensure compliance with the requirements of Lessor or the FCC. Lessor shall make all contact with and be solely responsible for the submission of all applications and other filings to the FCC and other government agencies related to the FCC Licenses and the Channels.

- D. **Spectrum Fee.** Lessee shall pay Sensus \$800.00 per base station per year for use of spectrum channels during the Term, if and only if Lessee opts out of the annual support agreement as set forth in the Distributor Agreement.
- E. **Term of Spectrum Lease.** Promptly and in any event no later than fourteen (14) days after the Effective Date, Lessor shall notify the FCC of the Spectrum Lease. The Spectrum Lease shall become effective when the FCC accepts, or sufficient time has passed for the FCC to disapprove the Spectrum Lease (usually no more than 21 days after submission of the notification). The Spectrum Lease shall terminate immediately upon the termination or expiration of this Agreement, unless otherwise earlier terminated as provided herein. The FCC may (i) reconsider or otherwise investigate and terminate this Spectrum lease; (ii) order Lessor to terminate this Spectrum Lease; (iii) order Lessee to cease some or all operations in connection with its use of the Channels Lessor or the FCC may terminate this Spectrum Lease in the event that Lessee fails to comply with the terms of this Spectrum Lease or applicable FCC requirements. This Spectrum Lease shall terminate automatically, to the extent that one or more of the FCC Licenses encompassing the spectrum is canceled, revoked, not renewed or otherwise terminated for any reason. Either party may terminate this Spectrum Lease upon the material breach or default of the other party. Lessor will use best efforts to maintain the FCC Licenses in good standing and to have the FCC Licenses renewed at the end of their respective license term. Subject to other termination provisions affecting the Spectrum Lease, when the term of this Agreement runs beyond the then-current term of the FCC Licenses, the Spectrum Lease will automatically extend during the pendency of Lessor's application to renew the FCC Licenses and, where the FCC Licenses are renewed, the Spectrum Lease will extend until the expiration or termination of this Agreement. Sensus shall use good faith to maintain the FCC Licenses, provided that in the event the FCC Licenses are revoked, cancelled, or terminated due to no fault of Customer, Sensus will provide suitable replacement spectrum to Customer
- F. **Equipment.** Lessee agrees to and shall use only equipment provided by or expressly authorized by Sensus on the Channels. Lessee agrees to and shall meet all requirements of the FCC as may be adopted and/or modified from time-to-time. Lessor shall have the right to approve all equipment installations for compliance with these requirements prior to Lessee's use of the Channels. Lessee shall notify Lessor within five days after completion of any infrastructure installations for use with the Channels and shall keep Lessor apprised on an ongoing basis of the status of all such installation.
- G. **Copies.** Lessor and Lessee each shall maintain and shall make available to the FCC, upon its request, a copy of this Article 7, Spectrum.

- H. **Indemnification.** To the extent permitted by applicable law, Lessee shall indemnify and hold harmless Sensus and its Affiliates, and Sensus' and Sensus' Affiliates' officers, directors, employees and agents from all liabilities, claims, costs, damages, fines, forfeitures and expenses arising out of; (i) any breach or claimed breach of any representation, warranty, obligation or performance of Lessee under this Spectrum Lease; (ii) any actions by Lessee that are inconsistent with Lessor's obligations to the FCC; or (iii) Lessee's use, operation or maintenance of the Channels. Lessor shall indemnify and hold harmless Lessee, and its officers, directors, employees and agents from and against all liabilities, claims, costs, damages, fines, forfeitures and expenses (collectively, "Claims"), provided that such Claims are brought against Lessee by a third party to this Agreement, arising out of Lessor's breach of Section 7(E).
- I. **Third Party Beneficiary.** The provisions of this Article 7, Spectrum, are for the benefit of the parties. Notwithstanding the foregoing, the Customer, Sensus and its Affiliates, and their respective officers, directors, employees and agents, are intended third party beneficiaries of this Spectrum Lease. No other persons or entities are intended as beneficiaries and none shall have any right to enforce or benefit from the provisions of this Agreement.
- J. **Additional Documents.** Each party shall cooperate with the other and shall execute additional documents as may be reasonably necessary in order to carry out the provisions of this Article 7, Spectrum.
8. **Term and Termination.** This Agreement shall commence on the Effective Date and shall continue for the period of time set forth on the first page of this Agreement. Either party may earlier terminate this Agreement if the other party commits a material breach of this Agreement and such material breach is not cured within forty-five (45) days of written notice by the other party. Upon any expiration or termination of this Agreement, Sensus' and Customer's obligations hereunder shall cease and the Software License and Spectrum Lease shall immediately cease.
9. **Limitations on Liability.** Sensus' aggregate liability in any and all causes of action arising under, out of or in relation to this Agreement, its negotiation, performance, breach or termination (collectively "Causes of Action") shall not exceed the greater of (a) the total amount paid by Customer directly to Sensus under this Agreement; and (b) fifty thousand US dollars (\$50,000.00). This is so whether the Causes of Action are in tort, including, without limitation, negligence or strict liability, in contract, under statute or otherwise. As separate and independent limitations on liability, Sensus' liability shall be limited to direct damages. Sensus shall not be liable for; (i) any indirect, incidental, special or consequential damages; nor (ii) any revenue or profits lost by Customer or its Affiliates from any End User(s), irrespective whether such lost revenue or profits is categorized as direct damages or otherwise; nor (iii) any In/Out Costs; nor (iv) manual meter read costs and expenses; nor (v) damages arising from maincase or bottom plate breakage caused by freezing temperatures, water hammer conditions, or excessive water pressure. Notwithstanding anything to the contrary, the three preceding sentences shall not apply to claims successfully asserted by a Third Party, provided that such claims are caused by; (i) Sensus breaching this Agreement; or (ii) the negligence or intentional misconduct of Sensus. A "Third Party" means any entity that is neither a party to this Agreement, nor an Affiliate of a party to this Agreement, nor a third party beneficiary of this Agreement. The limitations on liability set forth in this Agreement are fundamental inducements to Sensus entering into this Agreement. They apply unconditionally and in all respects. They are to be interpreted broadly so as to give Sensus the maximum protection permitted under law. To the maximum extent permitted by law, no Cause of Action may be instituted by Customer against Sensus more than TWELVE (12)

MONTHS after the Cause of Action first arose. In the calculation of any damages in any Cause of Action, no damages incurred more than TWELVE (12) MONTHS prior to the filing of the Cause of Action shall be recoverable.

10. **Non-Waiver of Rights.** A waiver by either party of any breach of this Agreement or the failure or delay of either party to enforce any of the articles or other provisions of this Agreement will not in any way affect, limit or waive that party's right to enforce and compel strict compliance with the same or other articles or provisions.
11. **Amendments.** No alteration, amendment, or other modification shall be binding unless in writing and signed by both Customer and by a vice president of Sensus.
12. **Survival.** The provisions of this Agreement that are applicable to circumstances arising after its termination or expiration shall survive such termination or expiration.
13. **Severability.** In the event any provision of this Agreement is held to be void, unlawful or otherwise unenforceable, that provision will be severed from the remainder of the Agreement and replaced automatically by a provision containing terms as nearly like the void, unlawful, or unenforceable provision as possible; and the Agreement, as so modified, will continue to be in full force and effect.
14. **Four Corners.** This written Agreement, together with all Exhibits hereto, including the Terms of Sale, represents the entire understanding between and obligations of the Parties and supersedes all prior understandings, agreements, negotiations, and proposals, written or oral, between the Parties. There are no other terms or conditions, oral, written, electronic or otherwise. There are no implied obligations. All obligations of Sensus are specifically set forth in this Agreement and the Terms of Sale. Further, there are no representations that induced this Agreement that are not included in it or in the Terms of Sale. The ONLY operative provisions are set forth in writing in this Agreement and the Terms of Sale.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the day and year first above written.

Exhibit List

Exhibit A	Service Territory
Exhibit B	Intentionally Omitted
Exhibit C	Software Listing
Exhibit D	Hosting & Support Services (if applicable)
Exhibit E	FCC Licenses
Exhibit F	Customer Support
Exhibit G	Customer Acceptance Plan (CAP)
Exhibit H	Terms and Trademarks

Exhibit A
Service Territory and Sensus Propagation Study

Channels (Base/Remote Frequency)	Locations (Coordinates)
940.100-940.150 MHz / 901.100-901.150 MHz 940.150-940.200 MHz / 901.150-901.200 MHz	37 08 41.5 N, 121 40 15.0 W
	37 08 03.7 N, 121 41 30.8 W
	37 07 58.8 N, 121 41 35.9 W
	37 07 54.7 N, 121 41 36.1 W
	37 07 34.9 N, 121 41 12.6 W
	37 07 31.7 N, 121 41 13.3 W
	37 07 31.1 N, 121 41 26.3 W
	37 07 42.8 N, 121 41 46.9 W
	37 07 22.9 N, 121 41 46.7 W
	37 07 18.8 N, 121 41 43.2 W
	37 07 13.9 N, 121 41 29.1 W
	37 07 11.8 N, 121 41 11.9 W
	37 07 13.9 N, 121 40 48.5 W
	37 07 20.5 N, 121 40 39.0 W
	37 07 29.3 N, 121 40 52.6 W
	37 07 43.3 N, 121 40 29.5 W
	37 07 50.2 N, 121 40 12.0 W
	37 07 43.9 N, 121 40 17.4 W
	37 07 26.1 N, 121 40 20.8 W
	37 07 24.4 N, 121 40 07.0 W
	37 07 21.2 N, 121 40 05.8 W
	37 07 20.8 N, 121 40 20.1 W
	37 07 17.5 N, 121 40 21.4 W
	37 07 11.1 N, 121 40 11.4 W
	37 07 10.4 N, 121 40 21.6 W
	37 07 06.5 N, 121 40 20.8 W
	37 07 05.2 N, 121 40 12.2 W
	37 06 54.4 N, 121 39 52.2 W
	37 06 53.9 N, 121 39 41.8 W
	37 06 17.8 N, 121 39 43.3 W
	37 06 21.2 N, 121 39 29.5 W
	37 06 17.7 N, 121 39 23.1 W
	37 06 15.0 N, 121 39 31.7 W
37 05 49.0 N, 121 39 14.0 W	
37 05 50.7 N, 121 38 59.4 W	
37 05 25.0 N, 121 38 41.3 W	
37 05 26.8 N, 121 38 21.0 W	
37 05 19.8 N, 121 38 12.3 W	
37 05 18.6 N, 121 37 55.1 W	
37 05 19.4 N, 121 37 49.0 W	
37 05 25.8 N, 121 37 44.2 W	

	37 05 30.2 N, 121 37 46.2 W
	37 05 41.1 N, 121 37 00.9 W
	37 05 47.0 N, 121 37 03.3 W
	37 06 16.9 N, 121 37 51.8 W
	37 06 22.4 N, 121 37 52.2 W
	37 06 28.4 N, 121 38 03.9 W
	37 06 39.9 N, 121 37 46.1 W
	37 06 52.5 N, 121 37 51.4 W
	37 07 01.3 N, 121 37 28.7 W
	37 07 08.1 N, 121 37 39.6 W
	37 07 15.2 N, 121 37 21.5 W
	37 07 29.6 N, 121 37 30.3 W
	37 07 32.7 N, 121 37 24.4 W
	37 07 52.7 N, 121 37 37.5 W
	37 07 59.1 N, 121 37 13.4 W
	37 07 55.4 N, 121 37 10.7 W
	37 08 02.9 N, 121 36 46.3 W
	37 07 50.5 N, 121 36 38.3 W
	37 07 59.1 N, 121 36 12.2 W
	37 07 55.4 N, 121 36 10.1 W
	37 08 02.1 N, 121 35 54.7 W
	37 07 59.3 N, 121 35 51.6 W
	37 08 05.7 N, 121 35 34.2 W
	37 08 04.9 N, 121 35 30.7 W
	37 08 07.3 N, 121 35 23.3 W
	37 08 08.9 N, 121 35 23.1 W
	37 08 12.6 N, 121 35 13.3 W
	37 08 17.7 N, 121 35 14.7 W
	37 08 19.0 N, 121 35 08.6 W
	37 08 16.7 N, 121 35 00.0 W
	37 08 21.7 N, 121 35 02.9 W
	37 08 41.3 N, 121 35 05.0 W
	37 09 00.7 N, 121 35 05.9 W
	37 09 08.6 N, 121 35 06.9 W
	37 09 05.1 N, 121 35 25.8 W
	37 09 08.0 N, 121 35 44.1 W
	37 09 14.2 N, 121 35 55.5 W
	37 09 18.2 N, 121 36 18.9 W
	37 09 27.1 N, 121 36 31.4 W
	37 09 28.5 N, 121 36 37.5 W
	37 09 33.3 N, 121 36 41.4 W
	37 09 43.1 N, 121 36 59.3 W
	37 09 28.7 N, 121 37 45.0 W
	37 09 18.7 N, 121 37 58.4 W
	37 09 31.2 N, 121 38 30.6 W
	37 09 40.7 N, 121 38 13.0 W
	37 09 54.8 N, 121 38 08.6 W
	37 10 10.8 N, 121 38 56.0 W

	37 09 47.5 N, 121 39 09.3 W
	37 09 45.8 N, 121 39 08.3 W
	37 09 28.7 N, 121 39 14.8 W
	37 09 30.7 N, 121 39 17.1 W
	37 09 26.2 N, 121 39 22.9 W
	37 09 24.7 N, 121 39 21.0 W
	37 09 05.0 N, 121 39 54.6 W
	37 09 22.5 N, 121 40 12.8 W
	37 09 37.5 N, 121 39 55.7 W
	37 09 46.9 N, 121 40 05.7 W
	37 09 20.9 N, 121 40 38.3 W
	37 09 24.4 N, 121 40 42.6 W
	37 09 17.4 N, 121 40 52.7 W
	37 09 10.0 N, 121 40 45.5 W
	37 09 02.3 N, 121 40 55.1 W

Exhibit B
Intentionally Omitted

**Exhibit C
Software Listings**

THIRD PARTY SOFTWARE		
	Software	Version
BUNDLED THIRD PARTY SOFTWARE	Apache Tomcat	Version 5.5.23
	Apache Camel	Version 2.5
	Geos	Version 2.2.3-1
	Java	Version 1.6.20
	JMS/Active MQ	Version 5.4.2
	Ntpd	Version 3.9
	Open LDAP	Version 2.3.43-3
	Open SSH	Version 4.4
	Open SSL	Version 0.9.8e-7
	Peri	Version 5.8.8
	PostgreSQL	Version 8.4
	Spring Framework	Version 3.0.5
	Apache HTTP Server	Version 2.2.3
	copSSH	Version 2.1.0
	cURL	Version 7.15.5-2
	PostGIS	Version 1.3.5-1
	Sarissa	Version 0.9.7.1
	ImageMagick	Version 6.2.8.0-4
Ghostscript	Version 8.15.2-9.4	
NON-BUNDLED THIRD PARTY SOFTWARE	Oracle database OR MS SQL Server (standard edition)	Oracle Database: 11g
	MS Windows Server 2003 (Stats)	Enterprise Edition (64 bit installation)
	MS Windows Server 2008 (Database/Parser)	Enterprise Edition (64 bit installation)
	RedHat Linux	RedHat Enterprise Linux AS 5.5 Premium Edition
	Big Brother or HP Open View	Version 3.1 Version 7.51 or newer
	Red Gate SQL Backup or Veritas Netbackup	Standard Edition Version 6.0 or newer
	Google Earth	Version 4.1 or newer
SENSUS SOFTWARE LIST		
	Software	Version
FLEXWARE™ SOFTWARE	Sensus RNI	Version 3.0
	FlexNet Base Station Software	Version 100120
DA SOFTWARE	PowerVista™ Application	Customer will only have a license to the Distribution Automation ("DA") Software if Customer specifically pays for such DA Software pursuant to the Distributor Agreement. Such DA Software license shall immediately cease if the Customer does not make timely payments.
	SCADA-Xchange™ Software	

Exhibit D
Hosting & Support Services
(if applicable)

I. Description of Services

This exhibit contains the details of the hosting services that Sensus shall provide to Customer for the prices set forth in the Distributor Agreement.

A. Termination of Hosting & Support Services. Customer shall have the option at any time after full deployment but before the end of the Term to terminate the Hosting & Support Services by giving Sensus one hundred twenty (120) days prior written notice. Upon delivery of the notice, Customer shall purchase the necessary RNI(s) and shall pay all applicable fees, including any unpaid hosting fees. Such notice, once delivered to Sensus, is irrevocable. Should Customer elect to terminate the Hosting & Support Services, it acknowledges that; (a) it shall purchase the RNI hardware; and (b) Sensus will cease to provide the Hosting & Support Services.

B. Hosting & Support Services Definition.

1. **"Hosting & Support Services"** means only the following services:
 - i. Use of RNI hardware, located at Sensus' or a third party's data center facility (as determined by Sensus), that is necessary to operate the AMI System.
 - ii. Providing Updates and Upgrades to latest Sensus FlexWare Software releases.
 - iii. Providing FCC spectrum, pursuant to the terms of the spectrum lease, to operate the AMI System (for USA customers).
 - iv. Providing remote firmware maintenance for FlexNet Base Stations and SmartPoint Modules (Customer must provide IP access to each FlexNet Base Station in order to perform secure shell (SSH) functions).
 - v. Providing certain third party software required to operate the RNI (specifically, Microsoft SQL server, Microsoft Windows Server, Red Hat Linux OS, and other Bundled Software).
 - vi. Providing secure Web portal access to the hosted FlexWare Software application for the Customer (Customer system administrator grants RNI access to authorized Customer personnel as they are added).
 - vii. If requested, submitting a "daily reading file" in standard file format containing hourly consumption reads and all available alarms collected by the AMI System, including exception reports, such as zero consumption reads and non-responding meters (including traceability to the meter location when the meter installer provides the location information).
 - viii. 24x7x365 server and network monitoring and trouble ticket generation, advanced security monitoring and preventative maintenance monitoring using diagnostic software tools.
 - ix. Network optimization after the final propagation study and FlexNet Base Station site plan is verified by Sensus, and network tuning of endpoints deployed in the service area

- x. Performing daily off-site vaulting of encrypted backup tapes containing one year of history for auditing purposes.
- xi. Providing current Sensus fixed base reporting software (for up to 50,000 SmartPoint Modules) for up to thirteen (13) months of hourly data retention for basic reporting, route processing and querying functionality.
- xii. Providing telephone support consistent with the Sensus Customer Support Procedures as set forth in Exhibit F.
- xiii. Providing "hot failover" disaster recovery solution within twenty four (24) hours.
- xiv. Providing FlexNet Base Station parts repair or replacement, at Sensus' discretion. This excludes field repair labor and field maintenance labor.

2. **Hosting & Support Services** does not include any of the following services:

- i. Normal periodic processing of accounts or readings for Customer's billing system for billing or other analysis purposes (other than daily file delivery).
- ii. Field labor to troubleshoot any SmartPoint Modules in the field in meter populations that have been previously accepted.
- iii. First response labor to troubleshoot FlexNet Base Station, Echo Transceivers, Remote Transceivers or other field network equipment.
- iv. Parts or labor required to repair damage to any field network equipment that is the result of a Force Majeure event.
- v. Customer understands that the Sensus route manager meter data management (MDM) application is limited to 50,000 or fewer SmartPoint Modules, and Customer must utilize an enterprise MDMS (or other suitable solution) to manage reading data when system size exceeds 50,000 SmartPoint Modules.

If an item is not listed in subparagraphs I.B.1 or I.B.2 above, such item is excluded from the Hosting & Support Services and is subject to additional pricing.

II. Further Agreements

A. System Uptime Rate

1. Sensus (or its contractor) shall host the FlexWare Software application on computers owned or controlled by Sensus (or its contractors) and shall provide Customer access to the hosted FlexWare Software application via internet or point to point connection (i.e., Hosted-Access use), according to the terms below. Sensus endeavors to maintain an average System Uptime Rate equal to ninety-nine (99.0) per Month (as defined below). The System Uptime Rate shall be calculated as follows:

System Uptime Rate =

$$100 \times \frac{(\text{TMO} - \text{Total Non-Scheduled Downtime minutes in the Month})}{\text{TMO}}$$

2. **Calculations**

- i. "**Targeted Minutes of Operation**" or "**TMO**" means total minutes in the applicable month ("Month") minus the Scheduled Downtime in the Month.
 - ii. "**Scheduled Downtime**" means the number of minutes during the Month, as measured by Sensus, in which access to the FlexWare Software is scheduled to be unavailable for use by Customer due to planned system maintenance. Sensus shall provide Customer notice (via email or otherwise) at least seven (7) days in advance of commencement of the Scheduled Downtime.
 - iii. "**Non-Scheduled Downtime**" means the number of minutes during the Month, as measured by Sensus, in which access to FlexWare Software is unavailable for use by Customer due to reasons other than Scheduled Downtime or the Exceptions, as defined below (e.g., due to a need for unplanned maintenance or repair).
 3. **Exceptions.** "Exceptions" mean the following events:
 - i. Force Majeure;
 - ii. Emergency Work, as defined below; and
 - iii. Lack of Internet Availability, as described below.
 4. **Emergency Work.** In the event that Force Majeure, emergencies, dangerous conditions or other exceptional circumstances arise or continue during TMO, Sensus shall be entitled to take any actions that Sensus, in good faith, determines is necessary or advisable to prevent, remedy, mitigate, or otherwise address actual or potential harm, interruption, loss, threat, security or like concern to any of the Host Systems or the FlexWare Software ("Emergency Work"). Such Emergency Work may include, but is not limited to: analysis, testing, repair, maintenance, re-setting and other servicing of the hardware, cabling, networks, software and other devices, materials and systems through which access to and/or use of the FlexWare Software by the Customer is made available (the "Host Systems"). Sensus shall endeavor to provide advance notice of such Emergency Work to Customer when practicable and possible.
 5. **Lack of Internet Availability.** Sensus shall not be responsible for any deterioration of performance attributable to latencies in the public internet or point-to-point network connection operated by a third party. Customer expressly acknowledges and agrees that Sensus does not and cannot control the flow of data to or from Sensus' networks and other portions of the Internet, and that such flow depends in part on the performance of Internet services provided or controlled by third parties, and that at times, actions or inactions of such third parties can impair or disrupt data transmitted through, and/or Customer's connections to, the Internet or point-to-point data connection (or portions thereof). Although Sensus will use commercially reasonable efforts to take actions to mitigate the effects of any such events, Sensus cannot guarantee that such events will not occur. Accordingly, Sensus disclaims any and all liability resulting from or relating to such events.
- B. Host Site-Security.** Although Sensus may modify such security arrangements without consent or notice to Customer, Customer acknowledges the following are the current arrangements regarding physical access to and support of the primary hardware components of the Host Systems:
 1. The computer room(s) in which the hardware is installed is accessible only to authorized individuals.

2. Power infrastructure includes one or more uninterruptible power supply (UPS) devices and diesel generators or other alternative power for back-up electrical power.
3. Air-conditioning facilities (for humidity and temperature controls) are provided in or for such computer room(s) and can be monitored and adjusted for humidity and temperature settings and control. Such air systems are supported by redundant, back-up and/or switch-over environmental units.
4. Such electrical and A/C systems are monitored on an ongoing basis and personnel are available to promptly respond to system emergencies (if any) .
5. Dry pipe pre-action fire detection and suppression systems are provided.
6. Data circuits are available via multiple providers and diverse paths, giving access redundancy.

C. Responsibilities of Customer

1. Customer shall pay all hosting & support fees according to the pricing schedule in the Distributor Agreement.
2. Customer may not (i) disrupt, harm, abuse or interfere with the FlexWare Software, Host Systems or any of their functionality, performance, security or integrity, nor threaten, or attempt to threaten; (ii) impersonate any person or entity, including, but not limited to, Sensus, a Sensus employee or another user; or (iii) forge, falsify, disguise or otherwise manipulate any identification information associated with Customer's access to or use of the FlexWare Software application.
3. The provisioning, compatibility, operation, security, support, and maintenance of Customer's hardware and software ("Customer's Systems") is exclusively the responsibility of Customer. Customer is also responsible, in particular, for correctly configuring and maintaining (i) the desktop environment used by Customer to access the FlexWare application hosted by Sensus; and (ii) Customer's network router and firewall, if applicable, to allow data to flow between the Customer's Systems and Sensus' Host Systems in a secure manner via the public Internet.
4. Each of Customer's authorized users will receive a username and password upon completion of the applicable Sensus registration process ("Authorized Users"). Such usernames and passwords will allow Authorized Users to access the FlexWare Software application. Customer shall be solely responsible for maintaining the security and confidentiality of each user ID and password pair associated with Customer's account, and Sensus will not be liable for any loss, damage or liability arising from Customer's account or any user ID and password pairs associated with Customer. Customer is fully responsible for all acts and omissions that occur through the use of Customer's account and any user ID and password pairs, except that the District shall not be responsible for acts and omissions that result from hackers who obtained access to Customer's account and any user ID and password pairs despite commercially reasonable firewall and other security protocols. Customer agrees (i) to obtain and maintain commercially reasonable firewall and other security protocols to prevent anyone other than the

Authorized Users to have any access to, or use of Customer's account or any user ID and password pairs at any time; (ii) to notify Sensus immediately of any actual or suspected unauthorized use of Customer's account or any of such user ID and password pairs, or any other breach or suspected breach of security, restricted use, or confidentiality; and (iii) to take the Sensus-recommended steps to log out from and otherwise exit the FlexWare Software application and Host Systems at the end of each session. Customer agrees that Sensus shall be entitled to rely, without inquiry, on the validity of the user accessing the FlexWare Software application through Customer's account, account ID, usernames or passwords.

- D. Disaster Recovery.** In the case of a disaster and loss of access to or use of the FlexWare Software application, Sensus shall use commercially reasonable efforts to restore operations at the same location or at a backup location within twenty four (24) hours. Customer acknowledges and agrees that such an event may result in partial or degraded service when restored. The pre-disaster/loss level of service shall be restored as a soon as commercially reasonable.

Exhibit E
FCC Licenses

Call Sign	Market Number	Channel Block	Market Name
KNKV203	NWA255	03	U.S. and Possessions
KNKV204	NWA255	04	U.S. and Possessions

Exhibit F Customer Support

1. Introduction

1.1. Purpose.

The purpose of this document is to outline Sensus Technical Services procedures for identifying, tracking, escalating, and resolving Customer's issues

1.2. Function.

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

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

The following sections categorize and describe levels of support and procedures

2. Support Categories

- 2.1. General questions regarding functionality, use of product, how-to, and requests for assistance on Sensus AMR, AMI, RF Network Equipment, Metering Products, Sensus Lighting Control, and Demand Response Management System (FlexNet Home).
- 2.2. Proactive reporting and resolution of problems.
- 2.3. Reactive reporting to isolate, document, and solve reported hardware/software defects.
- 2.4. Responding to service requests and product changes.
- 2.5. Addressing Customer's inquiries with printed or electronic documentation, examples, or additional explanation/clarification.

3. Support Hours

- 3.1. Standard Support Hours: Toll-free telephone support (1-800-638-3748 option #2) is available Monday thru Friday from 8:00AM EST to 6:00PM EST. After-hours, holiday and weekend support for Severity 1 and Severity 2 issues is available by calling 1-800-638-3748, option #8.

4. Support Procedures

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

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

a. Severity Levels Description:

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

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

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

Examples: Network equipment failure (e.g., FlexNet Echo, FlexNet Remote, Base Station transceiver, or VGB); inoperable reading devices (e.g., AR5500, VXU, VGB, or CommandLink); head end software application has important functionality not working and cannot create export file for billing system operations.

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

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

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

Examples: Minor system issues, general questions, and "How-To" questions Brief description of questions, problem symptoms, or error messages depending on nature of the incident.

b. Brief description of questions, problem symptoms, or error messages depending on nature of the incident

4.3. The Customer Service Associate or Technical Support Engineer identifies whether or not the customer has paid all invoices for Ongoing Fees. If the customer has not paid all invoices for Ongoing Fees, the customer is advised of the service options as well as any applicable charges that may be billed.

4.4. Calls are placed in a queue from which they are accessible to Technical Support Engineers on a first-come-first-serve basis. A first level Customer Service Associate may assist the customer, depending on the difficulty of the call and the

representative's technical knowledge. Technical Support Engineers (Tier 1 support) typically respond/resolve the majority of calls based on their product knowledge and experience. A call history for the particular account is researched to note any existing pattern or if the call is a new report. This research provides the representative a basis and understanding of the account as well as any associated problems and/or resolutions that have been communicated.

- a. Technical Services confirms that there is an issue or problem that needs further analysis to determine its cause. The following information must be collected: a detailed description of the issue's symptoms, details on the software/hardware product and version, a description of the environment in which the issue arises, and a list of any corrective action already taken.
- b. Technical Services will check the internal database and product defect tracking system, to see if reports of a similar problem exist, and if any working solutions were provided. If an existing resolution is found that will address the reported issue, it shall be communicated to the customer. Once it is confirmed that the issue has been resolved, the ticket is closed.
- c. If there is no known defect or support that defines the behavior, Technical Services will work with the customer to reproduce the issue. If the issue can be reproduced, either at the customer site or within support center test lab, Technical Services will escalate the ticket for further investigation / resolution.

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

5. Response and Resolution Targets.

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

Severity	Standard Target Response	Standard Target Resolution	Resolution (one or more of the following)
1	30 Minutes	Immediately assign trained and qualified services staff to correct the error on an expedited basis. Provide ongoing communication on the status of a correction.	<ul style="list-style-type: none"> • Satisfactory workaround is provided. • Program patch is provided. • Fix incorporated into future release. • Fix or workaround incorporated into SensusCare Knowledge Base.
2	4 hours	Assign trained and qualified Services Staff to correct the error. Provide communication as updates occur.	<ul style="list-style-type: none"> • Satisfactory workaround is provided. • Program patch is provided. • Fix incorporated into future release. • Fix or workaround incorporated into SensusCare Knowledge Base.
3	1 Business Day	90 business days	<ul style="list-style-type: none"> • Answer to question is provided. • Satisfactory workaround is provided. • Fix or workaround incorporated into

			SensusCare Knowledge Base.
			<ul style="list-style-type: none"> • Fix incorporated into future release.
4	2 Business Days	12 months	<ul style="list-style-type: none"> • Answer to question is provided. • Fix or workaround incorporated into SensusCare Knowledge Base.

6. Problem Escalation Process.

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

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

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

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

7. General Support Provisions and Exclusions.

7.1. A Dell-provided three-year ProSupport hardware service plan plus a 4 hour "Mission Critical" upgrade accompanies the server/system hardware that Sensus procures on behalf of the customer. Sensus does not warrant third party server hardware. The customer may renew the ProSupport service plan directly with Dell. The "Dell Master Services Agreement" and "Pro Support for IT Services Description" documents may be found at www.dell.com/service contracts.

7.2. Sensus procures certain third party software licenses (e.g. Red Hat Enterprise Linux) required to operate the FlexNet-based applications on the Dell hardware. Sensus registers all the applicable third party software licenses in the customer's name and ships all documentation and licensing information to the customer with the server. The customer is responsible for maintaining all third party software licenses that are registered and shipped in accordance with the preceding sentence.

7.3. In the event of a server hardware failure at the customer site, Sensus will provide replacement Sensus proprietary software (e.g., FlexWare) either on digital media or downloadable from an internet site, as necessary. The method of software redistribution is at Sensus' discretion. The customer is responsible for re-installing the replacement software. Sensus installation support is not covered under this standard customer support program but may be provided as a fee-based service.

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

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

Exhibit G Customer Acceptance Plan (CAP)

The objective of the CAP is to verify that the AMI System will operate and meet or exceed the criteria set forth in this Exhibit. All capitalized words not defined in this Exhibit shall have the meaning set forth in the Agreement to which this exhibit is attached. The CAP shall consist of the Test Equipment, as defined below, and such additional goods as set forth below. The parties will jointly administer the CAP. Customer may choose to waive testing of any requirement if it believes that such testing is unnecessary. Should any specific test be waived, such test shall be deemed to have passed.

"Test Equipment" means the quantity and types of Server Hardware and RF Field Equipment set forth in the final version of Customer's propagation study, as provided by Sensus.

For all tests below, Sensus will calculate the applicable performance requirements using the existing software features within the AMI System. Unless stated otherwise below, any disputes regarding the performance of the AMI System shall be settled using printouts of meter read data from the RNI's database ("RNI Database").

1. Water Acceptance Test

The objective of Water Acceptance Test is to verify that the water meters and water SmartPoint Modules in the AMI System, when actually installed in specific, mutually agreed reading routes (each a "Route"), will operate and meet or exceed the criteria set forth below. The test is intended to provide incremental acceptance of distinctly defined geographical areas and populations of meters. Each Route shall contain a statistical sample of water Available Meters ("Water Route Units"). Water Route Units only includes the water Available Meters installed in the applicable Route.

Before beginning the Water Acceptance Test, the Test Equipment must be installed in locations defined in the propagation study. Additionally, all Water Route Units must be installed. Customer shall send written notice to Sensus once all Water Route Units are installed ("Water Deployment Date").

Within thirty (30) days of the Water Deployment Date, the parties shall begin the Water Acceptance Test on the Water Route Units. For purposes of clarity, the tests in this section shall only be conducted on Water Route Units, and Water Route Units shall only include deployed water Available Meters. Customer and Sensus shall work in good faith to undertake reasonable efforts to complete the Water Acceptance Test no later than thirty (30) days after commencement of testing. The Water Acceptance Test shall consist of only one test: Water Read Success.

A. Testing Specifications - Water Read Success

The Water Read Success will test whether water Available Meters deliver billing reads within the Billing Window. Water Read Success shall only include Water Route Units that are Available Meters throughout the entire Billing Window. This test is achieved when Water Read Success reaches a level of 98.5% successful reads during a Billing Window that begins on a mutually agreed upon date.

Water Read Success = $100 \times ((\text{number of Water Route Units read during the Billing Window}) / (\text{Water Route Units population}))$.

If Water Read Success is equal or greater than 98.5, then Customer shall promptly issue written notice to Sensus that Sensus has successfully completed the Water Read Success test for the applicable Route. Such notice shall specify the applicable Route and shall state the date on which the Water Read Success test was successfully completed. If such notice is not provided to Sensus within five days after successful completion of the Water Acceptance Test for an applicable route, then the test shall be deemed completed and maintenance responsibility will pass to Customer at that time. This process shall continue until all Routes have successfully completed the Water Acceptance Test.

B. Completion of Water Acceptance Test

Once all Routes have successfully completed the Water Acceptance Test, Customer shall promptly issue written notice to Sensus that Sensus has successfully completed the Water Acceptance Test for all Routes. Such notice shall specifically state that the test is successfully completed for all Routes, and shall state the date on which the test was completed for all Routes. If such notice is not provided to Sensus within five days after successful completion of the Water Acceptance Test, then the test shall be deemed completed.

Exhibit H
Terms and Trademarks

1. **"Affiliate"** of a party means any other entity controlling, controlled by, or under common control with such party, where "control" of an entity means the ownership, directly or indirectly, of 50% or more of either; (i) the shares or other equity in such entity; or (ii) the voting rights in such entity.
2. **"AMI System"** identifies the Sensus FlexNet Advanced Meter Infrastructure System comprised of the SmartPoint Modules, RF Field Equipment, Server Hardware, software licenses, FCC licenses, and other equipment provided to Customer hereunder. The AMI System only includes the foregoing, as provided by Sensus. The AMI System does not include goods, equipment, software, licenses or rights provided by a third party or parties to this Agreement.
3. **"Available Meter"** means an installed Sensus FlexNet meter or a Sensus SmartPoint Module which has been installed on a third party meter, and which, in either case, is not an Unavailable Meter (or on an Unavailable Meter in the case of SmartPoint Modules on third party meters) and which satisfies all of the following criteria:
 - A. it functions properly, is powered and is not a damaged or failed meter (provided that warranty items will be addressed by the relevant warranty set forth in the Distributor Agreement)
 - B. It is not an "Unavailable Meter" as defined below
 - C. it is serviced by a tower FlexNet Base Station or Echo Transceiver or Remote Transceiver that has not been subjected to a power failure greater than eight (8) consecutive hours;
 - D. neither it nor the FlexNet Base Station, Echo Transceiver or any other network equipment that serves that meter has been affected by a Force Majeure event;
 - E. illegal or unauthorized jamming of the radio spectrum is not preventing or interfering with radio communication to or from the meter;
 - F. it is installed in the Service Territory;
 - G. it has not been reported to Customer under Sensus' or Customer's preventative maintenance program;
 - H. its functioning or performance has not been adversely affected by a failure of Customer to perform its obligations or tasks for which it is responsible under this Agreement,
 - I. its functioning or performance has not been adversely affected by a failure or insufficiency of the back haul telecommunications network of Customer for communications among the components of the Sensus AMI System; and
 - J. it has been installed in compliance with the procedures and specifications approved by Customer and Sensus.
4. **"Billing Window"** for a meter means the four day period commencing one day prior to the relevant billing day for such meter and ending two days after such billing day.
5. **"CPI"** means the percentage change, for the relevant period, of the United States Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U) "All Items Less Food and Energy" for the U.S. City Average for All Items, 1982-84 = 100, not seasonally adjusted, or substantially similar succeeding index. Any CPI increases called forth in this Agreement shall be calculated to the third decimal point (e.g. 2.576%).
6. **"Echo Transceiver"** identifies the Sensus standalone, mounted relay device that takes the radio frequency readings from the SmartPoint Modules and relays them by radio frequency to the relevant FlexNet Base Station.
7. **"End User"** means any end user of water that pays Customer for the consumption of water.
8. **"Field Devices"** means the meters and SmartPoint Modules

9. "**FlexNet Base Station**" identifies the Sensus manufactured device consisting of one transceiver, to be located on a tower that receives readings from the SmartPoint Modules (either directly or via an Echo Transceiver) by radio frequency and passes those readings to the RNI by TCP/IP backhaul communication.
10. "**FlexWare™ Software**" identifies the Sensus software listed in Exhibit C under the heading "FlexWare™ Software" and any Updates and purchased Upgrades to such software.
11. "**In/Out Costs**" means any costs and expenses incurred by Customer in transporting goods between its warehouse and its End User's premises and any costs and expenses incurred by Customer in installing, uninstalling and removing goods.
12. "**Intellectual Property**" means patents and patent applications, inventions (whether patentable or not), trademarks, service marks, trade dress, copyrights, trade secrets, know-how, data rights, specifications, drawings, designs, maskwork rights, moral rights, author's rights, and other intellectual property rights, as may exist now or hereafter come into existence, and all renewals and extensions thereof, regardless of whether any of such rights arise under the laws of the United States or of any other state, country or jurisdiction, any registrations or applications thereof, and all goodwill pertinent thereto.
13. "**Ongoing Fee**" means the annual or monthly fees, as applicable, to be paid by Customer to Distributor, pursuant to the Distributor Agreement.
14. "**Remote Transceiver**" identifies the Sensus standalone, mounted relay device that takes the radio frequency readings from the SmartPoint Modules and relays them directly to the RNI by TCP/IP backhaul communication.
15. "**RF Field Equipment**" means, collectively, FlexNet Base Stations, Echo Transceivers and Remote Transceivers.
16. "**RNI**" means Regional Network Interface and identifies the regional network interfaces consisting of hardware (including but not limited to a server) and software used to gather, store, and report data collected by the FlexNet Base Stations from the SmartPoint Modules.
17. "**Service Territory**" means the geographic area described in Exhibit A.
18. "**Server Hardware**" means the RNI hardware
19. "**SmartPoint™ Modules**" identifies the Sensus transmission devices installed on devices such as meters, distribution automation equipment and demand/response devices located at Customer's End Users' premises that take the readings of the meters and transmit those readings by radio frequency to the relevant FlexNet Base Station, Remote Transceiver or Echo Transceiver.
20. "**Software**" means the Sensus software listed in Exhibit C under the heading "Sensus Software List" and any Updates and purchased Upgrades to such software.
21. "**TouchCoupler Unit**" identifies an inductive coupler connection from a water register to the SmartPoint Module.
22. "**Unavailable Meters**" include meters with sockets with power cut at the pole, meters that are booted on the line side, sockets that are not provided power due to a power delivery system failure, meters with tamper, theft or other human induced failures that render the meter or SmartPoint Module incapable of providing a read, a Force Majeure event induced failures of the power delivery system, socket or meter, and/or any system or meter maintenance issue that precludes the meter from transmitting its message to the network. Examples of Unavailable Meters include:
 - A. Cut At Pole – a meter for which power has been turned off to the socket by Customer
 - B. Booted on Line Side – nominally a meter for which power has been turned off by placing "boots" in the socket from which the power to the meter has effectively been turned off.

- C. Failed or flawed power delivery to the meter socket – Customer power generation, distribution or delivery system failure that has effectively turned off power to the socket and/or meter.
 - D. Tampered Meters – sockets, meters or distribution assets that have been modified by unauthorized personnel rendering the meter incapable of providing accurate usage readings from that meter.
 - E. Broken TouchCoupler unit — the TouchCoupler unit is damaged by intentional or unintentional acts.
 - F. Broken Clip — the clip that holds the TouchCoupler unit into the radio package housing is broken and the unit can not complete the inductive electrical connection.
 - G. Improper installation of the TouchCoupler unit — the TouchCoupler unit is not pushed all the way into the housing clip causing the unit to not be able to complete the inductive electrical connection.
 - H. Unit not installed through the pit lid — the unit is not installed with the antenna positioned through the pit lid and properly secured with the retaining nut. The radio unit must also be securely attached to the antenna section.
 - I. Radio unit not securely attached to the Antenna unit — The water-proof SmartPoint Module housing is not properly installed and secured to the antenna unit.
 - J. Damaged antenna - the unit's antenna is damaged by intentional or unintentional acts.*
 - K. Damaged radio package — the unit's water-proof radio package is damaged by intentional or unintentional acts.
 - L. Data Base errors — the unit is removed from the system but not updated in the database. Still shown as in the system when in fact has been removed.
 - M. Phantom Units — the unit is removed from the system but is still transmitting and being heard by the system.
 - N. Other Installation Defect—the unit is otherwise installed improperly so that it does not communicate with the FlexNet Base Station.
23. **“Updates”** means patches or other maintenance releases of the Software that correct processing errors and other faults and defects found in the last two previous minor or major releases of the Software.
24. **“Upgrades”** means all releases of new versions of the Software which constitute a significant improvement in functionality (i.e., have new functionality not present in any prior release) or architecture of the Software.
25. **“WAN Backhaul”** means the communication link between the FlexNet Base Stations and Remote Transceivers and the RNI.



Memorandum

Public Works Department

Date: December 10, 2013

To: Jimmy Forbis, Utility Systems Business Manager

From: Mario Iglesias, Utility Systems Manager 

Subject: Sensus Radio License Agreement

The City must enter into a licensing agreement with Sensus USA Inc. in order to use their Advanced Metering Infrastructure radio frequencies. The license requires us to abide by the rules and regulation typical of radio frequency users. There is no financial obligation to the City to execute the agreement. The City Attorney has reviewed the document and approved the content. The license is necessary to develop the City's automated meter reading system. The City has installed Sensus meters and is satisfied with their performance. With the addition of Sensus' next generation reading system, the City will be positioned to provide additional services to our residents, save money, and reduce our liability.

