



**City Council Meeting Agenda  
Special Meeting  
January 18, 2016, 12:00 pm  
City Council Chambers, City Hall, Bethel, AK**

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Rick Robb  
Council Member  
Term Expires 2017  
543-1879  
[rrobb@cityofbethel.net](mailto:rrobb@cityofbethel.net)

Leif Albertson  
Council Member  
Term Expires 2017  
543-2819  
[lalbertson@cityofbethel.net](mailto:lalbertson@cityofbethel.net)

Chuck Herman  
Council Member  
Term Expires 2016  
545-5394  
[cherman@cityofbethel.net](mailto:cherman@cityofbethel.net)

Zach Fansler  
Council Member  
Term Expires 2016  
545-3300  
[zfansler@cityofbethel.net](mailto:zfansler@cityofbethel.net)

Byron Maczynski  
Council Member  
Term Expires 2016  
545-0970  
[bmacynski@cityofbethel.net](mailto:bmacynski@cityofbethel.net)

Nikki Hoffman  
Council Member  
Term Expires 2017  
[nhoffman@cityofbethel.net](mailto:nhoffman@cityofbethel.net)

Alisha Welch  
Council Member  
Term Expires 2017  
[arwelch@cityofbethel.net](mailto:arwelch@cityofbethel.net)

Ann Capela  
City Manager  
543-2047  
[acapela@cityofbethel.net](mailto:acapela@cityofbethel.net)

Lori Strickler  
City Clerk  
543-1384  
[lstrickler@cityofbethel.net](mailto:lstrickler@cityofbethel.net)

Patty Burley  
City Attorney

- I. CALL TO ORDER**
- II. PLEDGE OF ALLEGIANCE**
- III. ROLL CALL**
- IV. PEOPLE TO BE HEARD – Five minutes per person**
- V. APPROVAL OF AGENDA**
- VI. NEW BUSINESS**
  - a) Approval of City Manager and Two City Council Members to Travel To the National League of Cities Conference March 5-9, 2016 (Mayor Robb)
  - b) Strategies To Improve Federal Relations (Mayor Robb)
  - c) CPA Contract With Carmen Jackson For Accounting Services (City Manager Capela)
  - d) Wind Turbine Maintenance Contract With Northern Power (City Manager Capela)
  - e) Approval Of Purchase Of A Water Truck
- VII. ADJOURNMENT**

## City of Bethel Action Memorandum

|                         |            |  |            |
|-------------------------|------------|--|------------|
| Action memorandum No.   | 16-04      |  |            |
| Date action introduced: | 01-12-2016 | Introduced by:                           | Mayor Robb |
| Date action taken:      | 01-12-2016 | A motion to adopt AM 16-04 was not made. |            |
| Confirmed by:           |            |  |            |

**SUBJECT/ACTION:** Travel Approval and Determination of two City Council Members to Attend the National League of Cities Conference March 5-9, 2016.

| Route to: | Department/Individual: | Initials: | Remarks: |
|-----------|------------------------|-----------|----------|
| X         | Finance                |           |          |
| X         | City Manager           |           |          |

| Amount of fiscal impact          |                         | Account information: |
|----------------------------------|-------------------------|----------------------|
| Approximately \$4,000 Per Person | Funds are budgeted for. | 10-56-545            |

The National League of Cities will be hosting their annual Congressional City Conference from March 5, through March 9, 2016, in Washington DC. The Conference schedule consists of General Sessions and Workshops for local government officials. The highlight of the trip would consist of one day of meetings with Federal representatives and their staff to go over the City's priorities and needs. This is a new strategic approach for the City to help bring more federal awareness to important projects such as the City's water and sewer needs as well as property transfers through the Bureau of Indian Affairs.

It has been suggested that two council members attend the conference and work with the City Manager to strategize the meetings and the City's approach.

|                             | Approximate Costs                |
|-----------------------------|----------------------------------|
| <b>Airline Ticket</b>       | \$793 - \$1192                   |
| <b>Hotel Accommodations</b> | \$1,614=tax (\$269 +tax a night) |
| <b>Registration</b>         | \$575                            |
| <b>Per Diem Rate</b>        | \$704 (\$88 per day)             |
| <b>Total</b>                | \$ 3,686 – 4,085                 |

The flights for this travel require an attendee to leave on March 3, to arrive to D.C. by the 5<sup>th</sup>.

# National League of Cities

## Preliminary Conference Schedule

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***Main Conference Events: Monday, March 7– Tuesday, March 8***  
**(note times are subject to change)**

### ***Monday, March 7***

7:30 a.m. – 9:00 a.m. Celebrate Diversity Breakfast\*

9:00 a.m. – 10:30 a.m. Opening General Session

10:45 a.m. – 12:15 p.m. Concurrent Workshops

1:45 p.m. – 3:15 p.m. Concurrent Workshops

3:30 p.m. – 5:00 p.m. General Session

5:15 p.m. – 6:30 p.m. State League Caucuses and Receptions

Constituency and Special Group Meetings/Events\*

### ***Tuesday, March 8***

8:45 a.m. – 10:15 a.m. Concurrent Workshops

10:30 a.m. – Noon Concurrent Workshops

12:30 p.m. – 2:00 p.m. General Session and Lunch

2:00 p.m. – 5:00 p.m. Delegates' Pre-scheduled Capitol Hill Visits and Events

5:15 p.m. – 6:30 p.m. State League Caucuses and Receptions

6:30 p.m. – 7:30 p.m. The Capitol Steps

Constituency and Special Group Meetings/Events\*

### ***Wednesday, March 9***

All-Day-Delegates' Pre-scheduled Capitol Hill Visits

***Pre-conference Activities:***

***Saturday, March 5***

9:00 p.m. – 5:00 p.m. NLC University Seminars\*

***Sunday, March 6***

8:30 a.m. – Noon NLC Board of Directors Meeting

NLC Advisory Council Meeting

9:00 p.m. – 5:00 p.m. NLC University Seminars\*

1:30 p.m. – 4:00 p.m. Federal Advocacy Committee Meetings/Events\*

5:30 p.m. – 6:45 p.m. Orientation to NLC for First Time Attendees

Constituency and Special Group Meetings/Events\*

*\* Additional fees may apply*

## **City of Bethel**

### **Federal Funding Strategies**

1. Set up remote conference (e.g., Skype) with each of the congressional delegation member to discuss federal issues as they relate to Bethel. Communicate how we can make our needs known, as well as what we can contribute.
2. Invite congressional delegation members to Bethel City Council Meeting, regular or special meeting. If/when any of them come to Bethel; they have standing invitation to be put on agenda as a Special Order of Business.
3. Set up regular communication with congressional delegation and their staff. Council members and the City Manager should visit Alaska offices when in Anchorage, Juneau, etc.
4. Consider trip to Washington DC to pursue federal funding.
5. Find out about other municipal lobbying efforts in Washington DC. Consider a Bethel lobbyist in DC.
6. Set up Bethel's Federal Priorities, in both capital requests, operating requests, and other potential laws/issues with the understanding that there are no more "earmarks." We can still search for programs, grants, and other funding sources.

### **Potential Bethel Federal Capital Priorities**

#### Water and Sewer Projects

Sewer Lagoon Rehabilitation and Excavation

Water and Sewer Truck fleet replacement

Institutional Corridor – Final Phase

Water and Sewer Pipe replacement in Bethel Heights Subdivision

Expand water and sewer pipes to: Downtown, Slough, State Highway, Tundra Ridge, etc

Explore feasibility of tapping new well/water treatment in Kasayuli and other location.

#### Port Projects

Bethel Bank Stabilization Project (seawall repairs)

Bethel Small Boat Harbor Improvements

Petro Dock expansion

East timber Wall replacement

City Dock replacement

Navigation/hydrology Study on Kuskokwim River

Possible Dredging of Kuskokwim

### Road Projects/Federal Highway Funds

Road from Tundra Ridge to BIA (Polk Road)

Donut Hole Road (Ptarmigan Street to State Highway)

Dust control: water spray trucks; use of calcium chloride, other implements

Road to Napakiak

Airport Issues/development (e.g., cross runway land)

### **Other Federal/municipal Issues**

#### Economic Development

Donlin Gold Mine

Energy Use, Availability, Cost

Fisheries

Tourism

Health Care

Education

Transportation

Housing

#### Energy Issues

Propane/natural gas pipeline or barge

High voltage/Direct Current Grid for Alaska

Wind Power

AVEC's capability to accept full-scale wind power

#### Federal/Municipal Issues

Payment in Lieu of Taxes (PILT)

Wildlife Issues

Federal Fisheries Management

Old BIA site in Bethel

#### Bethel Contributions

Vibrant multi-cultural community

Modern technology co-existing with traditional practices

Hunting/fishing/trapping

Bethel's role as a Hub community.

## **Port Projects**

Bethel Small Boat Harbor Improvements  
State Capital Request, needs \$2.5 million

Bethel Bank Stabilization Project (seawall repairs)  
Fix tiebacks on East Addition of Seawall. Approximate cost \$4 million. Corp of Engineers  
Ratio is 75-25 match

Petro Dock expansion  
\$17 million

East timber Wall replacement  
\$6 million. Need design by Corp of Engineers.

City Dock Issues  
Resurfacing \$3-4million  
Lighting \$150,000

Hydrology Survey  
Study has been completed, should have results by March.

Navigation Study of Kuskokwim  
Request \$100,000 in Corp of Engineers for feasibility study.

**PROFESSIONAL SERVICES AGREEMENT  
FOR  
CONTRACT ACCOUNTING SERVICES**

THIS AGREEMENT made and entered into this 12<sup>th</sup> day of January 2016 (Effective Date), by and between the CITY OF BETHEL (a municipal corporation) and CARMEN JACKSON CPA (an Alaska business).

**Section 01 Definition**

In this Agreement:

- A. The term "City" means the City of Bethel.
- B. The term "Accountant" means CARMEN JACKSON CPA.

**Section 02 Employment of Accountant**

The City hereby agrees to engage the services of Accountant and the Accountant hereby agrees to perform the services hereafter set forth.

**Section 03 Scope of Services**

In accordance with the Request for Proposals (RFP) issued by City on October 23, 2015 and Accountant's Proposal, Accountant agrees to perform accounting services as requested by the Finance Director, or his designee, and agreed to by Accountant. Such accounting services to include, but not be limited to:

- Once a month travel to Bethel for a full work-week to assist in the accounting department;
- Journal Entries;
- Accounts Payable processing;
- Payroll processing;
- Bank Reconciliations;
- Annual Audit Preparation;
- Grant Reporting;
- Budget Preparation;
- Sales Tax entries, reporting and reconciliation;
- Bookkeeping;
- Training onsite personnel

Additionally, Accountant agrees to complete a minimum of four (4) random sales tax audits annually of businesses operating within the City of Bethel for each year of the contract provided the City has not exhausted the total contract amount with other services requested. If the total contract amount is exhausted by other services requested by the City, an increase in the contract will be required to pay for the required number of sales tax audits.

**Section 04 Personnel**

Personnel shall be limited to employees or subcontractors of CARMEN JACKSON CPA.

- A. Professional Practices. All professional services to be provided by Accountant pursuant to this Agreement shall be provided by personnel experienced in their

respective fields and in a manner consistent with the standards of care, diligence and skill ordinarily exercised by professional accountants and accounting personnel in similar fields and circumstances in accordance with sound professional practices. It is understood that in the exercise of every aspect of its role, within the scope of work, Accountant will be representing the City, and all of its actions, communications, or other work, during its employment, under this contract is under the direction of the City. Accountant also warrants that it is familiar with all laws and regulations that may affect its performance of this Agreement and shall advise City of any changes in any laws/regulations that may affect Accountant's performance of this Agreement.

- B. Subcontractors: Accountant may utilize subcontractors without the need to obtain the consent of City. Accountant shall be solely responsible for all work performed by its subcontractors.

### **Section 05 Time of Performance**

The services of the Accountant shall commence upon execution of this Agreement by the City Manager and shall continue until no later than June 30, 2020. The period of performance may be extended for additional periods only by the mutual written agreement of the parties.

### **Section 06 Compensation**

- A. Subject to the provisions of this Agreement, the City shall pay the Accountant as outlined in the Engagement Letter (attached as Appendix A), attached hereto and incorporated herein by reference, for services required by this Agreement.
- B. Airfare will be reimbursed at actual cost with Accountant purchasing the lowest fare possible and purchasing the travel at least two (2) weeks in advance whenever possible to keep costs down. No rental vehicles will be reimbursed. Lodging and per diem will be reimbursed at the current CONUS Rates notwithstanding any other earlier written or verbal communication.
- C. Except as otherwise provided in this Agreement, the City shall not provide any additional compensation, payment, service or other thing of value to the Accountant in connection with performance of Agreement duties. The parties understand and agree that, except as otherwise provided in this section, administrative overhead and other indirect or direct costs the Accountant may incur in the performance of its obligations under this Agreement have already been included in computation of the Accountant's fee and may not be charged to the City.
- D. Total annual compensation shall not exceed ***Fifty Thousand (\$50,000) Dollars*** without the express written authorization of the City.

### **Section 07 Method and Time of Payment**

- A. Accountant shall invoice City on a monthly basis and City's payments are due within thirty (30) days of each invoice date. Such payments shall constitute the full and complete compensation for the Accountant's professional services. A billing is a summary of expenditures to date by line item categories (e.g.,

Personal Services, Travel, Contractual, Commodities and Equipment). Documentation of expenditures must be submitted with billings.

B. No payment will be disbursed until the work and associated expenditures are invoiced and have been approved by the City.

C. All invoices must be submitted in duplicate and addressed as follows:

Finance Director  
City of Bethel  
PO Box 1388  
Bethel AK 99559-1388

D. It is expressly understood and agreed that in no event shall the total compensation due the Accountant exceed FIFTY THOUSAND (\$50,000) DOLLARS per year unless this Agreement is modified, in writing and signed by both parties.

### **Section 08 Relationship of the Parties**

A. Independent Contractor: Accountant is and shall be acting at all times as an independent contractor and not as an employee of City. Accountant shall secure, at its expense, and be responsible for any and all payment of Income Tax, Social Security, Unemployment Compensation, and other payroll deductions for Accountant and its officers, agents, and employees, and all business licenses, if any are required, in connection with the services to be performed hereunder. Accountant agrees to have all of its Employees and subcontractors complete an acknowledgment form provided by the City indicating they understand that at no time will they be acting as an employee of the City. (see Appendix B)

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Accountant and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

### **Section 09 Ownership of Documents**

All findings, reports, documents, information and data paid for by the City including, but not limited to, computer tapes or discs, files and tapes furnished or prepared by Accountant or any of its subcontractors in the course of performance of this Agreement, shall be for and remain the sole use of City. City agrees that any such documents or information shall not be made available to any individual or organization without the prior consent of both City and Accountant. Any use of such documents for other projects not contemplated by this Agreement, and any use of incomplete documents, shall be at the sole risk of City and without liability or legal exposure to Accountant. City shall indemnify and hold harmless Accountant from all claims, damages, losses, and

expenses, including attorneys' fees, arising out of or resulting from City's use of such documents for other projects not contemplated by this Agreement or use of incomplete documents furnished by Accountant.

### **Section 10 Confidentiality**

Any City materials to which the Accountant has access, information that reasonably might be construed as private or containing personal identifiable information, or materials prepared by the Accountant during the course of this Agreement (collectively referred to as "confidential information") shall be held in confidence by the Accountant, who shall exercise all reasonable precautions to prevent the disclosure of confidential information to anyone except the officers, employees and agents of the Accountant as necessary to accomplish the rendition of services set forth in this Agreement. Except as otherwise provided by law, Accountant shall not release any reports, information, private or promotional information or materials, whether deemed confidential or not, to any third party without the approval of the City.

### **Section 11 Responsibility for Errors**

Accountant shall be responsible for its work under this Agreement. In the event that an error or omission attributable to Accountant occurs, then Accountant shall, at no cost to City, provide all necessary policies, estimates and other Accountant professional services necessary to rectify and correct the matter in accordance with accounting principles generally accepted in the United States of America.

### **Section 12 Insurance**

- A. Minimum Scope and Limits of Insurance. Accountant shall obtain and maintain during the life of this Agreement all of the following insurance coverages:
1. Worker's Compensation Insurance – As required under AS 23.30.045 et seq.
  2. Commercial General Liability with limits of not less than Three Hundred Thousand (\$300,00) Dollars combined single limit per occurrence;
  3. Comprehensive Automobile Liability – Covering all vehicles used by Accountant in the performance of this Agreement, with coverage not less than One Hundred Thousand (\$100,00) Dollars per occurrence;
  4. Professional Liability Insurance – covering all errors, omissions or negligent acts of the Accountant, subcontractor or anyone directly or indirectly employed by them, made in the performance of this Agreement, which results in financial loss to the City. Coverage limits of not less than One Hundred Thousand (\$100,000) Dollars per occurrence.
- B. Endorsements. Whenever feasible and as allowed by law, all policies of insurance shall contain or be endorsed to contain the following provisions:
1. Should any of the described policies be canceled or materially changed in coverages provided before expiration thereof, City, as certificate holder, will be provided no less than forty-five (45) days written notice.
  2. Other insurance: "Any other insurance maintained by the City of Bethel shall be excess and not contributing with the insurance provided by this policy."

- C. Certificates of Insurance: Accountant shall provide to City certificates of insurance showing the insurance coverages and required endorsements described above, in a form and content approved by City, prior to performing any services under this Agreement.
- D. Non-limiting: The requirement for this section shall not be construed as a representation that such insurance coverage is adequate or limits Accountant's liability.

### **Section 13 Defense and Indemnification: Accountant to City**

To the fullest extent permitted by law, the Accountant assumes liability for and shall save and protect, hold harmless, indemnify, and defend the City and its elected and appointed officials, officers, and employees (all the foregoing, hereinafter collectively, "Indemnities") from and against all claims, suits, demands, damages, losses, expenses, and liabilities of any kind whatsoever (all the foregoing, hereinafter collectively "Claims") including, without limitation, attorneys' fees, arising out of, resulting from, relating to, or claimed to have arisen out of, resulted from or related to the engagement of Accountant or the performance of this Agreement by the Accountant (including its subcontractors and suppliers).

It is expressly intended by the parties that Accountant's indemnity and defense obligations shall apply, and Indemnities shall be fully indemnified without offset, deduction or contribution, regardless of any negligence or other fault of Indemnities, or any of them, and whether or not such Indemnities negligence or other fault caused or contributed to the arising of the Claims.

"Claims" as used in this section shall include, without limitation, those for personal injuries, wrongful death, mental or emotional distress, loss of consortium, damage to or loss of use of real, personal or intangible property of any kind, loss of income, loss of earning capacity, and business, financial, commercial or pecuniary losses of any kind whatsoever, and attorneys fees, and costs and expenses of any kind whatsoever.

Accountant's indemnity and defense obligations shall cover the acts or omissions of any of Accountant's subcontractors, and suppliers, and the employees of any of the foregoing.

The Accountant's indemnity and defense obligation under this Section includes, without limitation, any claims, suits, demands, damages, losses, expenses, and liabilities arising from allegations of violations of any federal, State, or local law or regulation, and from allegations of violations of Accountant's or its subcontractor's personnel practices or from any allegation of an injury to an employee of the Accountant or subcontractor performing work or labor necessary to carry out the provisions of this Contract.

The indemnification obligations in this Section shall not be construed to negate, abridge or otherwise reduce any other obligation of indemnity the Accountant may

have with respect to the City which may otherwise exist. If any judgment is rendered against the City or any of the other individuals enumerated above in any such action, the Accountant shall, at its expense, satisfy and discharge the same. This indemnification shall survive termination or expiration of this Agreement.

#### **Section 14: Defense and Indemnification: City to Accountant**

To the fullest extent permitted by law, City assumes liability for and shall save and protect, hold harmless, indemnify, and defend the Accountant and its officials, officers, sub contractors, and employees (all the foregoing, hereinafter collectively, "Indemnities") from and against all claims, suits, demands, damages, losses, expenses, and liabilities of any kind whatsoever (all the foregoing, hereinafter collectively "Claims") including, without limitation, attorneys' fees, arising out of, resulting from, relating to, or claimed to have arisen out of, resulted from or related to the actions or inactions of City or the performance of this Agreement by the City.

It is expressly intended by the parties that City's indemnity and defense obligations shall apply, and Indemnities shall be fully indemnified without offset, deduction or contribution, regardless of any negligence or other fault of Indemnities, or any of them, and whether or not such Indemnities negligence or other fault caused or contributed to the arising of the Claims.

"Claims" as used in this section shall include, without limitation, those for personal injuries, wrongful death, mental or emotional distress, loss of consortium, damage to or loss of use of real, personal or intangible property of any kind, loss of income, loss of earning capacity, and business, financial, commercial or pecuniary losses of any kind whatsoever, and attorneys fees, and costs and expenses of any kind whatsoever.

City's indemnity and defense obligations shall cover the acts or omissions of any of City's elected officials, officers and employees.

The City's indemnity and defense obligation under this Section includes, without limitation, any claims, suits, demands, damages, losses, expenses, and liabilities arising from allegations of violations of any federal, State, or local law or regulation, and from allegations of violations of City's personnel practices or from any allegation of an injury to an employee of the City or subcontractor performing work or labor necessary to carry out the provisions of this Contract.

The indemnification obligations in this Section shall not be construed to negate, abridge or otherwise reduce any other obligation of indemnity the City may have with respect to the Accountant which may otherwise exist. If any judgment is rendered against the Accountant or any of the other individuals enumerated above in any such action, the City shall, at its expense, satisfy and discharge the same. This indemnification shall survive termination or expiration of this Agreement.

## **Section 15 Modifications**

The parties may mutually agree to modify the terms of the Agreement. Modifications to the Agreement shall be incorporated into the Agreement by written amendments signed by both parties.

- A. Additional Services. Accountant shall not receive compensation for any services provided outside the scope of services specified in the Proposal unless prior to Accountant performing the additional services, the City approves such additional services in writing and in advance. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable.

## **Section 16 Equal Employment Opportunity**

The Accountant will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, physical handicap, age, status as a disabled veteran, or veteran of the Vietnam War era. The Accountant shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identification, national origin, physical handicap, age, status as a disabled veteran, or veteran of the Vietnam War era. Such actions shall include, but not be limited to the following: employment, upgrading, demotions, or transfers; recruitment or recruitment advertising; layoffs or terminations; rates of pay or other forms of compensation; selection for training, including apprenticeship; and participation in recreational and educational activities. The Accountant agrees to post in conspicuous places available for employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause. The Accountant will, in all solicitations or advertisements for employees placed by or on behalf of the Accountant; state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, physical handicap, age, or status as a disabled veteran, or veteran of the Vietnam War era. The Accountant will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement.

## **Section 17 Termination of Agreement for Cause**

If, through any cause, the Accountant shall fail to fulfill in a timely and proper manner the obligations under this Agreement or if the Accountant shall violate any of the covenants, agreements, or stipulations of this Agreement, the City shall thereupon have the right to terminate this Agreement by giving written notice to the Accountant of such termination and specifying the effective date thereof, at least five (5) days before the effective date of such termination.

If, through any cause, the City shall fail to fulfill in a timely and proper manner the obligations under this Agreement or if the City shall violate any of the covenants, agreements, or stipulations of this Agreement, the Accountant shall thereupon have the right to terminate this Agreement by giving written notice to the City of such termination and specifying the effective date thereof, at least five (5) days before the effective date of such termination.

The Accountant shall be entitled to receive compensation in accordance with the payment provisions of this Agreement only for work invoiced and completed in accordance with accounting principles generally accepted in the United States of America in accordance with Appendix "A" of this Agreement and the other terms of this Agreement.

### **Section 18 Termination for Convenience**

Either party may terminate this contract at any time by giving written notice to the other party of such termination and specifying the effective date of such termination. In no event shall notice be less than thirty (30) days prior to termination. The Accountant shall be entitled to receive compensation for all work completed prior to termination of this Agreement but only for work completed in accordance with accounting principles generally accepted in the United States of America in accordance with Appendix "A" of this Agreement and the other terms of this Agreement. If this Agreement is terminated due to the fault of the Accountant, Section 16 of this Agreement shall govern the rights and liabilities of the parties.

### **Section 19 Causes beyond Control**

In the event the Accountant is prevented by a cause or causes beyond control of the Accountant from performing any obligation of this Agreement, non-performance resulting from such cause or causes shall not be deemed to be a breach of this Agreement which will render the Accountant liable for damages or give rights to the cancellation of the Agreement for cause. However, if and when such cause or causes cease to prevent performance, the Accountant shall exercise all reasonable diligence to resume and complete performance of the obligation with the least possible delay. The phrase "cause or causes beyond control," as used in this section, means any one or more of the following causes which are not attributable to the fault or negligence of the Accountant and which prevent the performance of the Accountant: fire, explosions, acts of God, war, orders or law of duly constituted public authorities, and other major uncontrollable and unavoidable events, all of the foregoing which must actually prevent the Accountant from performing the terms of the Agreement as set forth herein. Events which are peculiar to the Accountant and would not prevent another Accountant from performing, including, but not limited to financial difficulties, are not causes beyond the control of the Accountant. The City will determine whether the event preventing the Accountant from performing is a cause beyond the Accountant's control.

### **Section 20 Assignability**

- A. The Accountant shall not assign any interest in this Agreement and shall not transfer any interest in the same (whether by assignment or novation) without the prior written consent of the City, thereto; provided, however that claims for money due or to become due to the Accountant from the City under this Agreement may be assigned by court order or to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the City, or the Accountant shall be responsible to the

City for any moneys due the assignee of this Agreement which are paid directly to the Accountant.

### **Section 21 Permits, Laws and Taxes**

- A. The Accountant shall acquire and maintain in good standing all permits, licenses and other entitlements necessary to the performance under this Agreement. All actions taken by the Accountant under this Agreement shall comply with all applicable statutes, ordinances, rules and regulations. The Accountant shall pay all taxes pertaining to its performance under this Agreement.
- B. Prior to commencing any work for the City, Accountant shall provide the City with copies of the following:
  - 1. Copy of current State of Alaska Business License;
  - 2. Copy of current City of Bethel Business License;
  - 3. Copy of insurance certificates indicating compliance with all insurance requirements of Section 12 above.
  - 4. Computer Access Agreement

### **Section 22 Agreement Administration**

- A. The Finance Director, or his designee, will be the representative of the City administering this Agreement.
- B. The services to be furnished by the Accountant shall be administered, supervised, and directed by Carmen Jackson. In the event that the individual named above or any of the individuals identified in the proposal to perform work under the Agreement are unable to serve for any reason, the Accountant shall appoint a successor in interest subject to a written approval of the City of Bethel.

### **Section 23 Integration**

This instrument and all appendices and amendments hereto embody the entire agreement of the parties. There are no promises, terms, conditions or obligations other than those contained herein; and this Agreement shall supersede all previous communications, representations or agreements, either oral or written, between the parties. To the extent they are not inconsistent with the terms of this Agreement; the following documents are incorporated by reference into this Agreement as if fully set forth herein:

- 1. City's Request for Proposals
- 2. Accountant's Proposal
- 3. Accountant's Engagement Letter

### **Section 24 Interpretation and Enforcement**

This Agreement is being executed by the parties following negotiations between them. It shall be construed according to the fair intent of the language as a whole, not for or against any party. The titles of sections in this Agreement are not to be construed as limitations or definitions but are for identification purposes only.

**Section 25 Severability**

If any section or clause of this Agreement is held invalid by a court of competent jurisdiction, or is otherwise invalid under the law, the remainder of this Agreement shall remain in full force and effect.

**Section 26 Understanding**

The Accountant acknowledges that the Accountant has read and understands the terms of this Agreement, has had the opportunity to review the same with counsel of their choice, and is executing this Agreement of their own free will.

**Section 27 Notices**

Any notice required pertaining to the subject matter of the Agreement shall be personally delivered or mailed by prepaid first-class, registered or certified mail to the following address:

City: City Attorney  
City of Bethel  
PO Box 1388  
Bethel AK 99559

Accountant: Carmen Jackson, Owner  
Carmen Jackson, CPA  
3500 N. Wolverine Drive  
Wasilla AK 99654

**Section 28 Jurisdiction; Choice of Law**

Any civil action arising from this Agreement shall be brought in a Superior Court in the State of Alaska. The law of the State of Alaska shall govern the rights and obligations of the parties.

**Section 29 Non-Waiver**

The failure of the City at any time to enforce a provision of this Agreement shall in no way constitute a waiver of the provisions, nor in any way affect the validity of this Agreement or any part thereof, or the right of the City thereafter to enforce each and every protection hereof.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

**Section 30 Non Exclusive Agreement**

Accountant acknowledges that City may enter into agreements with other Accounting Firms for services similar to the services that are subject to this Agreement or may have its own employees perform services similar to those services contemplated by this Agreement.

CITY OF BETHEL

CARMEN JACKSON CPA

\_\_\_\_\_  
By: Ann K. Capela  
Title: City Manager  
Dated: \_\_\_\_\_

  
\_\_\_\_\_  
By: Carmen Jackson  
Title: Owner  
Dated: 01/12/16



December 10, 2015

Ann Capela, City Manager  
City of Bethel  
PO Box 1388  
Bethel, AK 99559

Dear Ann:

I appreciate the opportunity to work with you. This letter is to confirm and specify the terms of my engagement with you. I hope to better meet your expectations of service by clearly identifying the particular services to be provided and their frequency. The services will cover the fiscal year ending June 30, 2016.

You are responsible for assuming all management responsibilities, and for overseeing any accounting services or other services I provide by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience. In addition, you are responsible for evaluating the adequacy and results of and accept responsibility for the results of such services.

None of the services can be relied on to disclose errors, fraud, or illegal acts. However, I will inform you of any material errors and of any evidence of information that comes to my attention during the performance of my procedures, that fraud may have occurred. In addition, I will inform you of any evidence or information that comes to my attention during the performance of my procedures regarding illegal acts that may have occurred, unless they are clearly inconsequential. I have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement. I am not a forensic accountant and do not possess credentials as such.

I have indicated the services that I expect to provide. The frequency of the services will be on site for one week per month plus additional hours via remote access as requested. Please review the information below and make any changes necessary.

- journal entries
- accounts payable processing
- payroll processing
- bank reconciliations
- annual audit preparation
- sales tax audits
- grant reporting
- budget preparation

Carmen Jackson is the engagement partner and is responsible for supervising the engagement and signing reports or authorizing another individual to sign.

To ensure that my independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform me before entering into any substantive employment discussions with any of my personnel.

I may from time to time, and depending on the circumstances, use certain third-party service providers in serving your account. I may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, I maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, I will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and I will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that I am unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, I will remain responsible for the work provided by any such third-party service providers.

Fees for these services will be \$125 per hour for CPA services, \$85 per hour for Accounting Assistant, and \$65 per hour for Administrative staff. You will also be billed for my-of-pocket costs such as report production, word processing, postage, travel, lodging, etc. No retainer will be required for this engagement. All fee estimates are based on anticipated cooperation from you and/or your personnel and the assumption that unexpected circumstances will not be encountered during the work performed. If significant additional time is necessary, I will discuss it with you before I incur the additional costs. My invoices for these fees will be rendered each month or on a per event basis and are payable on presentation.

In accordance with my firm policies, work may be suspended if your account becomes 30 days or more overdue and will not be resumed until your account is paid in full. If I elect to terminate services for nonpayment, the engagement will be deemed to have been completed upon written notification of termination, even if I have not completed a report. You will be obligated to compensate me for all time expended and to reimburse me for all out-of-pocket expenditures through the date of termination.

You may request that I perform additional services not contemplated by this engagement letter. If this occurs, I will communicate with you regarding the scope of the additional services and the estimated fee. I may also issue a separate engagement letter covering the additional services. In the absence of any other written communication from me documenting such additional services my services will continue to be governed by the terms of this engagement letter.

I appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of me engagement. If you have any questions, please let us know. If you

agree with the terms of the engagement as described in this letter, please sign the enclosed copy and return it to me.

If you have any questions, please do not hesitate to contact me. I appreciate the opportunity to work with you.

Sincerely,



Carmen Jackson, CPA

Accepted by:

\_\_\_\_\_  
Ann Capela

\_\_\_\_\_  
Date

Comments or additional requests:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

# New GSS Customer Setup Form

## Legal name, address, and contact information

|                                   |  |
|-----------------------------------|--|
| Legal Name                        |  |
| Business Street Address           |  |
| City                              |  |
| State                             |  |
| Zip Code                          |  |
| Shipping Street Address (if diff) |  |
| City                              |  |
| State                             |  |
| Zip Code                          |  |
| Contact Name/Buyer                |  |
| Phone #                           |  |
| Fax #                             |  |
| Email address                     |  |
| DNB # (if known)                  |  |



## **Service and Monitoring Agreement** **Northern Power® Wind Turbine**

This Service Agreement (this "Agreement") is made as of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_ and Northern Power Systems, Inc. ("Northern Power") with respect to monitoring, maintenance and repair of the Northern Power wind turbine(s) (the "Turbines") designated by serial number on the attached Order Form (the "Service Order").

### **1. Covered Services; Additional Services**

1.1 End-User hereby engages Northern Power to provide, and Northern Power hereby agrees to provide the services (the "Services") specified on the Service Order attached hereto in accordance with the terms and conditions of this Agreement and consistent with Section 8 of the Northern Power Operations & Maintenance Manual for the Turbines (the "O&M Manual"). Northern Power's current service and maintenance offerings are set forth on the Service and Monitoring Agreement Rate Sheet attached hereto (the "Rate Sheet"). Northern Power may change the offerings and prices on the Rate Sheet from time to time, provided that no such changes shall affect an existing Service Order between End-User and Northern Power.

1.2 End-User may purchase additional services under this Agreement by making such a request to the Northern Power Service Department detailing the nature and type of services required, the dates for the services to be delivered, and the primary End-User contact. Northern Power will provide the End-User with a Service Order in a timely fashion that details the scope of services, the scheduled services dates, and the fee and expenses for such services. Northern Power will only provide such services once the Service Order has been prepared and approved by the End-User.

### **2. Provision of Services**

2.1 In the provision of these services, End-User and Northern Power agree on the following terms and conditions:

- (a) Northern Power will provide the services in accordance with the maintenance schedule for each Turbine which may be revised in the normal course of business based on the Turbine's maintenance standards and fleet maintenance history.
- (b) End-User shall at all times observe the guidance provided in this Agreement and O&M Manual and updates, thereto provided by Northern Power.
- (c) End-User recognizes that Northern Power may make Turbine control system and software modifications as part of providing Services. Northern Power also agrees to use commercially reasonable efforts to provide the End-User notice of software upgrades, through email notification, which the End-User may choose to purchase.
- (d) End-User agrees to provide Northern Power prompt unencumbered access to site power and facilities where the Turbine is located for purposes of providing the Services; including arranging all necessary permissions, permits and/or approvals required on a timely basis to facilitate site visits.
- (e) End-User agrees to provide a contact person and relevant contact information to Northern Power for purposes of maintaining updated product and service information as well as for coordinating services hereunder; End-User agrees to keep such information current and up to date.

Signatory initials \_\_\_\_\_

- (f) This Service Agreement shall remain valid pending normal operation of the Turbine on a continuous basis in accordance with the guidelines as defined in the O&M Manual.
- (g) End-User recognizes that for safety reasons the Turbine will need to be shut off during service. Maintenance will occur during normal business hours Monday through Friday. Other service times are subject to published rates per Northern Power's then-current Rate Sheet.
- (h) Services will be provided only if Northern Power determines that the Turbine is safe to service and that the End-User represents that to its knowledge there are no prevailing safety issues that would prevent the Turbine from being serviced by Northern Power or its designee.
- (i) Prior to execution of this Agreement, the End-User will acknowledge its compliance with the O&M Manual and Northern Power or its designee may ask End-User for a Safety Declaration prior to the performance of the services. If such declaration is not furnished, Northern Power will investigate the performance history of the turbine and make a judgment on the "serviceability" of the turbine. Northern Power will promptly notify the End-User of the issues that need to be addressed and reach agreement on a plan to proceed.

**3. Safety. END-USER ACKNOWLEDGES THAT, AS WITH ANY SOPHISTICATED INDUSTRIAL MACHINERY, THE TURBINE MAY BE UNSAFE OR EVEN DANGEROUS IF NOT OPERATED WITH DUE CARE AND CONSISTENT WITH THE OPERATIONS AND MAINTENANCE MANUAL PROVIDED BY NORTHERN POWER. UNSAFE OPERATION OF THE TURBINE – INCLUDING BY PROVIDING ACCESS THERETO TO PERSONS OTHER THAN QUALIFIED SERVICE AND MAINTENANCE PROFESSIONALS -- MAY CREATE CIRCUMSTANCES THAT COULD CAUSE SERIOUS INJURY, DEATH, OR PROPERTY DAMAGE. OPERATION OF THE TURBINE OTHER THAN IN STRICT AND FULL COMPLIANCE WITH O&M MATERIALS PROVIDED BY NORTHERN POWER WILL LIMIT OR ELIMINATE THE OPERABILITY OF THE TURBINE AND SHALL VOID THE LIMITED WARRANTY. END-USER ACKNOWLEDGES THAT IT IS END-USER'S SOLE RESPONSIBILITY TO ENSURE SAFE OPERATION OF THE TURBINE.**

#### **4. Turbine Monitoring.**

4.1 If End-User opts for SmartView 24X7 Monitoring, End-User grants Northern Power unconditional access to all information relating to the operation of the Turbine, including electronic access via SmartView to enable Northern Power to provide continuous monitoring of Turbine operation and performance and access to SmartView hardware at the site where the Turbine is located.

4.2 End-User agrees to provide real time Internet access only to Northern Power or Northern Power's designated agent. Northern Power agrees to provide monitoring of the operation and performance of the Turbine through its Network Operations Center, using SmartView or other software data collection and analysis..

#### **5. CONFIDENTIALITY AND INTELLECTUAL PROPERTY.**

5.1 End-User expressly recognizes that (i) the software and/or firmware associated with the SmartView remote monitoring system and related user manuals (the "SmartView Software"), (ii)

Signatory initials \_\_\_\_\_



the software and/or firmware associated with the direct drive generator and the power converter and related user manuals (the “Turbine Control” and “Power Electronics Software”) used with or included in the Turbine, and (iii) the design of Turbine, including the direct drive generator and the power converter, embody and constitute confidential and proprietary information of Northern Power (“Confidential Information”). Such direct drive generator and power converter, excluding the Turbine Control and Power Electronics Software, are collectively referred to herein as the “Power System.” End-User shall not tamper with, disassemble, modify, or reverse engineer any part of the Power System, either supplied by Northern Power as part of a system or as a separate item, nor shall End-User disassemble, reverse compile or reverse engineer any SmartView Software or Turbine Control and Power Electronics Software. End-User acknowledges that the disclosure by End-User of Confidential Information may cause irreparable injury to Northern Power and damages that may be difficult to ascertain. **IN THE EVENT OF THE ACTUAL OR THREATENED DISCLOSURE OF CONFIDENTIAL INFORMATION, NORTHERN POWER SHALL, IN ADDITION TO ANY OTHER RIGHTS OR REMEDIES AND NOTWITHSTANDING SECTION 17 OF THIS AGREEMENT, BE ENTITLED TO INJUNCTIVE RELIEF FROM A COURT OF COMPETENT JURISDICTION TO PROTECT AND RECOVER THE CONFIDENTIAL INFORMATION; NORTHERN POWER RESERVES ALL RIGHTS TO PURSUE AND OBTAIN APPROPRIATE LEGAL AND EQUITABLE REMEDIES FOR ANY VIOLATION OF THIS SECTION 5,** End-User shall not object to the entry of an injunction or other equitable relief against End-User on the basis of an adequate remedy at law, lack of irreparable harm or any other reason.

5.2 Northern Power shall not be required to provide End-User with maintenance, support or updates regarding the Power System and Turbine Control and Power Electronics Software unless End-User opts to purchase RTU Maintenance and TSW Updates as indicated in the Rate Sheet.

5.3 End-User acknowledges that the SmartView Software is not intended to be used as billing software or to otherwise calculate charges or credits for electricity generated by the Turbine. End-User acknowledges that Northern Power has an absolute and unconditional right to monitor the performance of any Turbine, including via SmartView monitoring, and expressly and irrevocably confirms here its permission for Northern Power to do so. End-User acknowledges connectivity to the Internet must be maintained at its expense for any and all monitoring services. Maintaining Internet connectivity is exclusive of temporary power outages beyond the control of the End-User.

5.4 Except for limited usage rights in connection with End-User’s operation of the Turbine, this Agreement does not grant to End-User any right, title, or interest in or to Northern Power’s intellectual property, other proprietary rights or other information, including, but not limited to, Northern Power’s name, trademarks, trade names, trade dress, trade symbols, copyrights, patents, patent applications, inventions, trade secrets, customer lists, product names or designations, processes, designs, or formulas.

5.5 This Section 5 shall survive the termination of this Agreement.

## 6. ON-SITE ACTIVITY.

The following conditions shall apply to any on-site Services provided by Northern Power:

6.1 End-User shall provide such assistance as Northern Power may reasonably require to facilitate timely performance of this Agreement. End-User is responsible for support and facilitation by End-User of Northern Power’s performance of this Agreement. If Northern Power is unable to perform through no fault of its own or as a result of End-User’s failure to cooperate or provide assistance, Northern Power shall be excused from performance. In such event, Northern Power may, at its option, terminate this Agreement or continue to perform to the extent possible, and shall

Signatory initials \_\_\_\_\_



be entitled to an equitable adjustment in purchase price and/or schedule. End-User assistance shall be free of charge to Northern Power and shall include but not be limited to:

- (a) End-User shall provide reasonable security and protection for all persons, property and equipment employed or used by Northern Power.
- (b) End-User shall make available to Northern Power the use of any required utilities, including electrical power, transport and water.
- (c) End-User shall assist Northern Power to obtain access to all necessary roads, railways, pumping stations, power lines, pipelines, canals, and the like.
- (d) End-User shall obtain any permits, licenses, or authorizations necessary to perform this Agreement.

**7. Payments:**

7.1 All prices in the Rate Sheet are in U.S. dollars. Prices do not include any taxes (sales and use, VAT or other), tariffs, import or export duties, shipping, delivery, set fees, which are all payable by the End-User unless specifically listed otherwise. End-User shall pay any and all taxes and charges or provide Northern Power with acceptable exemption certificates before execution of this Agreement and payment of any amounts hereunder.

7.2 End-User shall make all payments, in U.S. (dollars) currency, either:

- a) U.S. Customers please remit payment via electronic funds transfer to:

Comerica Bank  
San Jose, CA 95110  
ABA/Routing: 121 137 522  
Swift Code: MNBDUS33  
Credit Account Name: Northern Power Systems, Inc.  
Final Credit Acct No: 1894469616  
Currency: USD

Domestic Remit Address for Check Payments:

Northern Power Systems, Inc.  
PO BOX 674519  
Detroit, MI 48267-4519

- b) Non-U.S. Customers please remit payment via electronic funds transfer to

Comerica Bank  
San Jose, CA 95110  
ABA/Routing: 121 137 522  
Swift Code: MNBDUS33  
Credit Account Name: Northern Power Systems, Inc.  
Final Credit Acct No: 1894469608  
Currency: USD

7.3 End-User represents and warrants that it has the financial ability to fully perform its obligations under this Agreement. End-User has obtained any commitments, consents or

Signatory initials\_\_\_\_\_

approvals from third parties necessary for End-User to perform hereunder, and such commitments, consents or approvals are binding and non-discretionary. End-User's performance of its obligations hereunder will not violate any agreement or instrument to which End-User is a party or by which its properties are bound.

7.4 End-User shall make all payments due to Northern Power hereunder without deduction, set-off or counterclaim.

7.5 Unscheduled work or events: To be paid within 30 days of service.

## **8. Term and Termination**

8.1 This Agreement will become effective on the date hereof and will remain in effect for the duration of the period specified on the Service Order. Either party may terminate this Agreement at any time upon thirty (30) days' prior written notice as long as no Service Order is in effect at such time.

8.2 Termination.

(a) Upon the failure of either party to remedy a material breach of any of its obligations under this Agreement within 30 days following receipt of written notice of said breach, the other party may terminate this Agreement immediately by written notice and pursue all available remedies for breach.

(b) Either party may terminate this Agreement immediately upon written notice to the other party in the event that (i) the other party is declared insolvent or bankrupt by a court of competent jurisdiction, (ii) the other party becomes involved in a voluntary or involuntary bankruptcy or other insolvency petition or proceeding for the benefit of its creditors, or (iii) this Agreement is assigned by such party for the benefit of creditors.

## **9. Limitation of Liability**

**9.1 NORTHERN POWER SHALL NOT BE LIABLE TO END-USER FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE, INDIRECT OR EXEMPLARY DAMAGES ARISING OUT OF THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO LOST PROFITS OR COSTS OF COVER, LOSS OF REVENUE, LOSS OF PRODUCTION, LOSS OF USE OR BUSINESS INTERRUPTION OR THE LIKE, REGARDLESS OF WHETHER NORTHERN POWER WAS ADVISED OR AWARE OF THE POSSIBILITY OF SUCH DAMAGES.**

**9.2 EXCEPT IN CASES OF INJURY TO PERSONS OR PROPERTY CAUSED BY NORTHERN POWER'S NEGLIGENT ACTS OR OMISSIONS, IN NO EVENT WILL THE TOTAL LIABILITY OF NORTHERN POWER ARISING OUT OF THIS AGREEMENT EXCEED THE AMOUNT PAID OR PAYABLE TO NORTHERN POWER FOR SERVICES UNDER THIS AGREEMENT WITH REGARD TO THE TURBINE(S) WITH RESPECT TO WHICH A CLAIM AROSE. THIS LIMITATION OF THE TOTAL LIABILITY OF NORTHERN POWER SHALL APPLY REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, CONTRIBUTION OR OTHERWISE.**

## **10. Dispute Resolution.**

10.1 Any controversy, dispute or claim between the Parties not settled by mutual agreement (a "Dispute") shall be governed by and construed in accordance with the laws of Vermont. Each Party hereby submits to the exclusive jurisdiction of the state or federal courts located in Vermont for

Signatory initials\_\_\_\_\_



purposes of any action relating to the interpretation or enforcement of the provisions of this Agreement, and agrees that any legal proceedings arising under or pursuant to this agreement shall be conducted in such state.

## **11. General Provisions.**

11.1 No action, failure of action or delay by either party will constitute a waiver of any of its rights or remedies under this Agreement. The waiver of a breach of any provision does not constitute a waiver of a subsequent breach of the same or different provision.

11.2 Northern Power is an independent contractor. End-User and Northern Power are not, and will not be, joint venturers, partners, agents, servants, or employees or fiduciaries of the other, and do not have the power to bind or obligate the other.

11.3 The rights and liabilities of the parties under this Agreement are governed in all respects by the laws of the State of Vermont, without reference to or application of its conflicts of law provisions.

11.4 This Agreement may not be amended, modified or altered except in writing signed by both Parties. If any provision of this Agreement shall be held to be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired thereby.

11.5 Any preprinted terms and conditions contained in any Service Order or other similar document shall be null and void and have no force in modifying the terms of this Service Agreement.

11.6 Any correspondence relating hereto shall be directed to the address indicated for the respective parties on the signature page of this Agreement.

11.7 End-User may not assign its rights and obligations hereunder without the prior written consent of Northern Power, which will be in Northern Power's sole discretion but not to be unreasonably withheld. Northern Power may freely assign its rights hereunder to a service provider authorized by Northern Power. The rights and obligations under this Agreement will inure to the benefit of, and be binding upon, the parties hereto and their respective heirs, administrators, executors, personal representatives, successors and permitted assigns.

11.8 This Agreement may be executed by the Parties in counterparts, including counterparts executed and delivered via facsimile, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

Signatory initials\_\_\_\_\_



IN WITNESS WHEREOF, the Parties have caused this Extended Service and Monitoring Agreement to be executed by their duly authorized representatives as of the date first written above.

**Northern Power Systems, Inc.**

**[End User Entity]**

By: \_\_\_\_\_  
Signature

By: \_\_\_\_\_  
Signature

Name \_\_\_\_\_  
Print/Type

Name \_\_\_\_\_  
Print/Type

Title \_\_\_\_\_  
Print/Type

Title \_\_\_\_\_  
Print/Type

Date \_\_\_\_\_

Date \_\_\_\_\_

**End User Address for Notices:**

Attention:

Phone: (----) -----

Fax: (----) -----

**Service and Maintenance Agreement Order Form:**

Turbine Serial Number(s): \_\_\_\_\_

Service Program Type: \_\_\_\_\_

Term of service: \_\_\_\_\_ Commencing on (date): \_\_\_\_\_

Price per term: \$0 Total Contract Price: \$ \_\_\_\_\_

*Annual Maintenance to be performed on:*

Signatory initials \_\_\_\_\_

## Service and Monitoring Agreement Rate Sheet:

### Description of Services, Turbines no longer under Warranty:

**SmartView® Monitoring:** NPS 24x7 turbine monitoring option ensures that your turbine is being watched for conditions that cause shutdown of the turbine. Monitoring includes both analyzing and clearing faults that can be safely reset, and notification of conditions that require intervention. This service is included when you have an active warranty agreement. However, when your warranty expires we no longer monitor your turbine unless a new monitoring agreement is in place.

**Remote Terminal Unit (RTU) Maintenance and Turbine Software (SW) updates:** This service ensures you are up-to-date with the best turbine software for your application, designed to maximize availability, performance, and safety. In addition, should your RTU have a component failure, Northern will cover the cost of a replacement RTU for only the cost of shipping. This service is also covered for those on standard or extended warranty.

**Remote/phone support:** Designed to go hand-in-hand with onsite basic training, we provide remote phone support for the duration of the agreement at a fixed cost. When a turbine is down for whatever reason, we can provide live support while your designated in-house Operations & Maintenance, Site engineer or delegate of your choice works to resolve any issues.

**Full Coverage:** For those end-users without staff suitable for working on your turbine, our full service maintenance package ensures annual maintenance is performed by a certified NPS service provider for a fixed annual cost. This option comes with the added benefit of a 20% parts discount for parts required to fix the turbine outside of the regularly scheduled annual maintenance cycle.

**Preventive maintenance:** For those end-users without staff suitable for working on your turbine, our preventive maintenance package ensures annual maintenance is performed by a certified NPS service provider for a fixed annual cost. (Price quote available upon request)

**Onsite Basic Training:** For larger facilities with technically capable full time maintenance staff, we offer one-time on-site basic training for 3-8 participants that includes instruction on how to replace the majority of components in the turbine as well as how to self-perform annual maintenance. If you or your staff are qualified industrial climbers, this training can help customers improve profitability by reducing the labor cost of maintenance and on-site troubleshooting. (Price quote available upon request)

### Description of Services, Turbines under Warranty:

**Preventative Maintenance Package:** As part of the standard and/or extended NPS warranty the following are automatically included in the Preventative Maintenance Package: SmartView 24x7 Monitoring & Reporting, Maintenance and Turbine SW updates, Remote/Phone Support. The Preventative Maintenance Package adds all annual scheduled maintenance for the contract period. The addition of a PM Package to an optional 3 Yr. extended warranty purchased as part of the original turbine sale provides the maximum value and protection to turbine performance.

Signatory initials \_\_\_\_\_

| 2015   |  | Post Warranty Service Support |              |               | Preventive maintenance for turbines still under Warranty |
|--|---|-------------------------------|--------------|---------------|--|
|  |   | RTU support & TSW updates     | Self Support | Full Coverage |  |
| Support Options  | <b>Smartview 24x 7 Monitoring and fault notification</b>                          | √                             | √            | √             | ○  |
|  | <b>RTU Manintenance and Turbine SW updates</b>                                    | √                             | √            | √             | ○  |
|  | <b>Remote phone support</b>   |                               | √            | √             | ○  |
|  | <b>Preventive Maintenance</b>   |                               |              | √             | √  |
| Price Breakout   | <b>Annual Price</b>   | \$2,400                       | \$3,200      | \$6,700       | \$4,200  |
|  | <b>3 yr discount</b>  | ~25%                          | ~25%         | ~13%          | ~10%   |
|  | <b>Price of 3 yr contract</b>   | \$5,400                       | \$7,200      | \$17,500      | \$11,000   |
|  | <b>5 yr discount</b>  | ~32%                          | ~34%         | ~20%          | ~19%   |
|  | <b>Price of 5 yr contract</b>   | \$8,100                       | \$10,500     | \$26,500      | \$17,500   |
| <p>*Full Coverage includes an applied 20% discount to all Northern Power supplied parts and unscheduled (non-maintenance) labor according to the prevailing Commercial Rates Schedule. The 20% discount does not apply to freight, expenses and any services rendered by other vendors, contractors, or third-party service providers.</p> |   |                               |              |               |  |

All Services Pricing subject to change

- (1) All unscheduled maintenance contracted to Northern Power Systems will be billed at rates according to the prevailing Commercial Rate Schedule.
- (2) Phone support is only available for qualified trained L1 technicians during business hours (7:00 AM to 5:00 PM EST Monday-Friday). Remote phone support for end-users without an existing agreement will be billed at the engineering rate according to the prevailing Commercial Rate Schedule.
- (3) Onsite training pricing is available for the self-support program based location and the number students. T&E not included.

Cost Items Specifically Excluded from the Maintenance Schedule:

- Utilities to support operation of the Turbine (including isolation transformer)
- Telephone/DSL or internet access services
- End-User requested maintenance not part of the annual maintenance schedule
- Any travel that is more than 200 Miles from NPS service provider are the responsibility of the End-User
- Parts and services related to non-maintenance service and or repairs will be billed per the approved Service Order

Other vendors, contractors or providers of services (such as cranes or lifts) necessary to complete unplanned maintenance and repairs will be at the End-User's expense. It is understood that Northern Power is providing service technician(s), diagnostic equipment and hand tools only.

Signatory initials \_\_\_\_\_



## **Service and Monitoring Agreement** **Northern Power® Wind Turbine**

This Service Agreement (this "Agreement") is made as of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_ and Northern Power Systems, Inc. ("Northern Power") with respect to monitoring, maintenance and repair of the Northern Power wind turbine(s) (the "Turbines") designated by serial number on the attached Order Form (the "Service Order").

### **1. Covered Services; Additional Services**

1.1 End-User hereby engages Northern Power to provide, and Northern Power hereby agrees to provide the services (the "Services") specified on the Service Order attached hereto in accordance with the terms and conditions of this Agreement and consistent with Section 8 of the Northern Power Operations & Maintenance Manual for the Turbines (the "O&M Manual"). Northern Power's current service and maintenance offerings are set forth on the Service and Monitoring Agreement Rate Sheet attached hereto (the "Rate Sheet"). Northern Power may change the offerings and prices on the Rate Sheet from time to time, provided that no such changes shall affect an existing Service Order between End-User and Northern Power.

1.2 End-User may purchase additional services under this Agreement by making such a request to the Northern Power Service Department detailing the nature and type of services required, the dates for the services to be delivered, and the primary End-User contact. Northern Power will provide the End-User with a Service Order in a timely fashion that details the scope of services, the scheduled services dates, and the fee and expenses for such services. Northern Power will only provide such services once the Service Order has been prepared and approved by the End-User.

### **2. Provision of Services**

2.1 In the provision of these services, End-User and Northern Power agree on the following terms and conditions:

- (a) Northern Power will provide the services in accordance with the maintenance schedule for each Turbine which may be revised in the normal course of business based on the Turbine's maintenance standards and fleet maintenance history.
- (b) End-User shall at all times observe the guidance provided in this Agreement and O&M Manual and updates, thereto provided by Northern Power.
- (c) End-User recognizes that Northern Power may make Turbine control system and software modifications as part of providing Services. Northern Power also agrees to use commercially reasonable efforts to provide the End-User notice of software upgrades, through email notification, which the End-User may choose to purchase.
- (d) End-User agrees to provide Northern Power prompt unencumbered access to site power and facilities where the Turbine is located for purposes of providing the Services; including arranging all necessary permissions, permits and/or approvals required on a timely basis to facilitate site visits.
- (e) End-User agrees to provide a contact person and relevant contact information to Northern Power for purposes of maintaining updated product and service information as well as for coordinating services hereunder; End-User agrees to keep such information current and up to date.

- (f) This Service Agreement shall remain valid pending normal operation of the Turbine on a continuous basis in accordance with the guidelines as defined in the O&M Manual.
- (g) End-User recognizes that for safety reasons the Turbine will need to be shut off during service. Maintenance will occur during normal business hours Monday through Friday. Other service times are subject to published rates per Northern Power's then-current Rate Sheet.
- (h) Services will be provided only if Northern Power determines that the Turbine is safe to service and that the End-User represents that to its knowledge there are no prevailing safety issues that would prevent the Turbine from being serviced by Northern Power or its designee.
- (i) Prior to execution of this Agreement, the End-User will acknowledge its compliance with the O&M Manual and Northern Power or its designee may ask End-User for a Safety Declaration prior to the performance of the services. If such declaration is not furnished, Northern Power will investigate the performance history of the turbine and make a judgment on the "serviceability" of the turbine. Northern Power will promptly notify the End-User of the issues that need to be addressed and reach agreement on a plan to proceed.

**3. Safety. END-USER ACKNOWLEDGES THAT, AS WITH ANY SOPHISTICATED INDUSTRIAL MACHINERY, THE TURBINE MAY BE UNSAFE OR EVEN DANGEROUS IF NOT OPERATED WITH DUE CARE AND CONSISTENT WITH THE OPERATIONS AND MAINTENANCE MANUAL PROVIDED BY NORTHERN POWER. UNSAFE OPERATION OF THE TURBINE – INCLUDING BY PROVIDING ACCESS THERETO TO PERSONS OTHER THAN QUALIFIED SERVICE AND MAINTENANCE PROFESSIONALS -- MAY CREATE CIRCUMSTANCES THAT COULD CAUSE SERIOUS INJURY, DEATH, OR PROPERTY DAMAGE. OPERATION OF THE TURBINE OTHER THAN IN STRICT AND FULL COMPLIANCE WITH O&M MATERIALS PROVIDED BY NORTHERN POWER WILL LIMIT OR ELIMINATE THE OPERABILITY OF THE TURBINE AND SHALL VOID THE LIMITED WARRANTY. END-USER ACKNOWLEDGES THAT IT IS END-USER'S SOLE RESPONSIBILITY TO ENSURE SAFE OPERATION OF THE TURBINE.**

#### **4. Turbine Monitoring.**

4.1 If End-User opts for SmartView 24X7 Monitoring and Reporting as indicated in the Rate Sheet, End-User grants Northern Power unconditional access to all information relating to the operation of the Turbine, including electronic access via SmartView to enable Northern Power to provide continuous monitoring of Turbine operation and performance and access to SmartView hardware at the site where the Turbine is located.

4.2 End-User agrees to provide real time Internet access only to Northern Power or Northern Power's designated agent. Northern Power agrees to provide monitoring of the operation and performance of the Turbine through its Network Operations Center, using SmartView or other software data collection and analysis..

#### **5. CONFIDENTIALITY AND INTELLECTUAL PROPERTY.**

5.1 End-User expressly recognizes that (i) the software and/or firmware associated with the SmartView remote monitoring system and related user manuals (the "SmartView Software"), (ii)

the software and/or firmware associated with the direct drive generator and the power converter and related user manuals (the “Turbine Control” and “Power Electronics Software”) used with or included in the Turbine, and (iii) the design of Turbine, including the direct drive generator and the power converter, embody and constitute confidential and proprietary information of Northern Power (“Confidential Information”). Such direct drive generator and power converter, excluding the Turbine Control and Power Electronics Software, are collectively referred to herein as the “Power System.” End-User shall not tamper with, disassemble, modify, or reverse engineer any part of the Power System, either supplied by Northern Power as part of a system or as a separate item, nor shall End-User disassemble, reverse compile or reverse engineer any SmartView Software or Turbine Control and Power Electronics Software. End-User acknowledges that the disclosure by End-User of Confidential Information may cause irreparable injury to Northern Power and damages that may be difficult to ascertain. **IN THE EVENT OF THE ACTUAL OR THREATENED DISCLOSURE OF CONFIDENTIAL INFORMATION, NORTHERN POWER SHALL, IN ADDITION TO ANY OTHER RIGHTS OR REMEDIES AND NOTWITHSTANDING SECTION 17 OF THIS AGREEMENT, BE ENTITLED TO INJUNCTIVE RELIEF FROM A COURT OF COMPETENT JURISDICTION TO PROTECT AND RECOVER THE CONFIDENTIAL INFORMATION; NORTHERN POWER RESERVES ALL RIGHTS TO PURSUE AND OBTAIN APPROPRIATE LEGAL AND EQUITABLE REMEDIES FOR ANY VIOLATION OF THIS SECTION 5,** End-User shall not object to the entry of an injunction or other equitable relief against End-User on the basis of an adequate remedy at law, lack of irreparable harm or any other reason.

5.2 Northern Power shall not be required to provide End-User with maintenance, support or updates regarding the Power System and Turbine Control and Power Electronics Software unless End-User opts to purchase RTU Maintenance and TSW Updates as indicated in the Rate Sheet.

5.3 End-User acknowledges that the SmartView Software is not intended to be used as billing software or to otherwise calculate charges or credits for electricity generated by the Turbine. End-User acknowledges that Northern Power has an absolute and unconditional right to monitor the performance of any Turbine, including via SmartView monitoring, and expressly and irrevocably confirms here its permission for Northern Power to do so. End-User acknowledges connectivity to the Internet must be maintained at its expense for any and all monitoring services. Maintaining Internet connectivity is exclusive of temporary power outages beyond the control of the End-User.

5.4 Except for limited usage rights in connection with End-User’s operation of the Turbine, this Agreement does not grant to End-User any right, title, or interest in or to Northern Power’s intellectual property, other proprietary rights or other information, including, but not limited to, Northern Power’s name, trademarks, trade names, trade dress, trade symbols, copyrights, patents, patent applications, inventions, trade secrets, customer lists, product names or designations, processes, designs, or formulas.

5.5 This Section 5 shall survive the termination of this Agreement.

## **6. ON-SITE ACTIVITY.**

The following conditions shall apply to any on-site Services provided by Northern Power:

6.1 End-User shall provide such assistance as Northern Power may reasonably require to facilitate timely performance of this Agreement. End-User is responsible for support and facilitation by End-User of Northern Power’s performance of this Agreement. If Northern Power is unable to perform through no fault of its own or as a result of End-User’s failure to cooperate or provide assistance, Northern Power shall be excused from performance. In such event, Northern Power may, at its option, terminate this Agreement or continue to perform to the extent possible, and shall

be entitled to an equitable adjustment in purchase price and/or schedule. End-User assistance shall be free of charge to Northern Power and shall include but not be limited to:

- (a) End-User shall provide reasonable security and protection for all persons, property and equipment employed or used by Northern Power.
- (b) End-User shall make available to Northern Power the use of any required utilities, including electrical power, transport and water.
- (c) End-User shall assist Northern Power to obtain access to all necessary roads, railways, pumping stations, power lines, pipelines, canals, and the like.
- (d) End-User shall obtain any permits, licenses, or authorizations necessary to perform this Agreement.

## 7. Payments:

7.1 All prices in the Rate Sheet are in U.S. dollars. Prices do not include any taxes (sales and use, VAT or other), tariffs, import or export duties, shipping, delivery, set fees, which are all payable by the End-User unless specifically listed otherwise. End-User shall pay any and all taxes and charges or provide Northern Power with acceptable exemption certificates before execution of this Agreement and payment of any amounts hereunder.

7.2 End-User shall make all payments, in U.S. (dollars) currency, either:

- a) U.S. Customers please remit payment via electronic funds transfer to:

Comerica Bank  
San Jose, CA 95110  
ABA/Routing: 121 137 522  
Swift Code: MNBDUS33  
Credit Account Name: Northern Power Systems, Inc.  
Final Credit Acct No: 1894469616  
Currency: USD

Domestic Remit Address for Check Payments:

Northern Power Systems, Inc.  
PO BOX 674519  
Detroit, MI 48267-4519

- b) Non-U.S. Customers please remit payment via electronic funds transfer to

Comerica Bank  
San Jose, CA 95110  
ABA/Routing: 121 137 522  
Swift Code: MNBDUS33  
Credit Account Name: Northern Power Systems, Inc.  
Final Credit Acct No: 1894469608  
Currency: USD

7.3 End-User represents and warrants that it has the financial ability to fully perform its obligations under this Agreement. End-User has obtained any commitments, consents or

approvals from third parties necessary for End-User to perform hereunder, and such commitments, consents or approvals are binding and non-discretionary. End-User's performance of its obligations hereunder will not violate any agreement or instrument to which End-User is a party or by which its properties are bound.

7.4 End-User shall make all payments due to Northern Power hereunder without deduction, set-off or counterclaim.

7.5 Unscheduled work or events: To be paid within 30 days of service.

## **8. Term and Termination**

8.1 This Agreement will become effective on the date hereof and will remain in effect for the duration of the period specified on the Service Order. Either party may terminate this Agreement at any time upon thirty (30) days' prior written notice as long as no Service Order is in effect at such time.

8.2 Termination.

(a) Upon the failure of either party to remedy a material breach of any of its obligations under this Agreement within 30 days following receipt of written notice of said breach, the other party may terminate this Agreement immediately by written notice and pursue all available remedies for breach.

(b) Either party may terminate this Agreement immediately upon written notice to the other party in the event that (i) the other party is declared insolvent or bankrupt by a court of competent jurisdiction, (ii) the other party becomes involved in a voluntary or involuntary bankruptcy or other insolvency petition or proceeding for the benefit of its creditors, or (iii) this Agreement is assigned by such party for the benefit of creditors.

## **9. Limitation of Liability**

**9.1 NORTHERN POWER SHALL NOT BE LIABLE TO END-USER FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE, INDIRECT OR EXEMPLARY DAMAGES ARISING OUT OF THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO LOST PROFITS OR COSTS OF COVER, LOSS OF REVENUE, LOSS OF PRODUCTION, LOSS OF USE OR BUSINESS INTERRUPTION OR THE LIKE, REGARDLESS OF WHETHER NORTHERN POWER WAS ADVISED OR AWARE OF THE POSSIBILITY OF SUCH DAMAGES.**

**9.2 IN NO EVENT WILL THE TOTAL LIABILITY OF NORTHERN POWER ARISING OUT OF THIS AGREEMENT EXCEED THE AMOUNT PAID OR PAYABLE TO NORTHERN POWER FOR SERVICES UNDER THIS AGREEMENT WITH REGARD TO THE TURBINE(S) WITH RESPECT TO WHICH A CLAIM AROSE. THIS LIMITATION OF THE TOTAL LIABILITY OF NORTHERN POWER SHALL APPLY REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, CONTRIBUTION OR OTHERWISE.**

## **10. Dispute Resolution.**

10.1 Any controversy, dispute or claim between the Parties not settled by mutual agreement (a "Dispute") shall first be submitted to non-binding mediation. In the event the Dispute is not resolved through non-binding mediation it will be resolved by final and binding arbitration. Any controversy, Dispute or claim between the Parties not settled by mutual agreement will be resolved by final and binding arbitration in Burlington, Vermont, USA in accordance with the Commercial Arbitration



Rules of the American Arbitration Association (“AAA”), and governed by the substantive laws of the State of Vermont, without regard to conflicts-of-laws rules, and by the Federal Arbitration Act (Title 9, U.S. Code).

10.2 THE PARTIES KNOWINGLY AND VOLUNTARILY WAIVE THEIR RIGHTS TO HAVE ANY DISPUTE TRIED AND ADJUDICATED BY A JUDGE OR A JURY.

### **11. General Provisions.**

11.1 No action, failure of action or delay by either party will constitute a waiver of any of its rights or remedies under this Agreement. The waiver of a breach of any provision does not constitute a waiver of a subsequent breach of the same or different provision.

11.2 Northern Power is an independent contractor. End-User and Northern Power are not, and will not be, joint venturers, partners, agents, servants, or employees or fiduciaries of the other, and do not have the power to bind or obligate the other.

11.3 The rights and liabilities of the parties under this Agreement are governed in all respects by the laws of the State of Vermont, without reference to or application of its conflicts of law provisions.

11.4 This Agreement may not be amended, modified or altered except in writing signed by both Parties. If any provision of this Agreement shall be held to be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired thereby.

11.5 Any preprinted terms and conditions contained in any Service Order or other similar document shall be null and void and have no force in modifying the terms of this Service Agreement.

11.6 Any correspondence relating hereto shall be directed to the address indicated for the respective parties on the signature page of this Agreement.

11.7 End-User may not assign its rights and obligations hereunder without the prior written consent of Northern Power, which will be in Northern Power’s sole discretion. Northern Power may freely assign its rights hereunder to a service provider authorized by Northern Power. The rights and obligations under this Agreement will inure to the benefit of, and be binding upon, the parties hereto and their respective heirs, administrators, executors, personal representatives, successors and permitted assigns.

11.8 This Agreement may be executed by the Parties in counterparts, including counterparts executed and delivered via facsimile, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Extended Service and Monitoring Agreement to be executed by their duly authorized representatives as of the date first written above.

**Northern Power Systems, Inc.**

**[End User Entity]**

By: \_\_\_\_\_  
Signature

By: \_\_\_\_\_  
Signature

Name \_\_\_\_\_  
Print/Type

Name \_\_\_\_\_  
Print/Type

Title \_\_\_\_\_  
Print/Type

Title \_\_\_\_\_  
Print/Type

**End User Address for Notices:**

Attention:

Phone: (---) -----

Fax: (---) -----

**Service and Maintenance Agreement Order Form:**

Turbine Serial Number(s): \_\_\_\_\_

Service Program Type: \_\_\_\_\_

Term of service: \_\_\_\_\_ Commencing on (date): \_\_\_\_\_

Price per term: \$0 Total Contract Price: \$ \_\_\_\_\_

*Annual Maintenance to be performed on:*

**Service and Monitoring Agreement Rate Sheet:**

**Description of Services, Turbines under Warranty:**

**Preventative Maintenance Package:** As part of the standard and/or extended NPS warranty the following are automatically included in the Preventative Maintenance Package: SmartView 24x7 Monitoring & Reporting, Maintenance and Turbine SW updates, Remote/Phone Support. The Preventative Maintenance Package adds all annual scheduled maintenance for the contract period. The addition of a PM Package to an extended warranty provides the maximum value and protection to turbine performance.

**Description of Services, Turbines no longer under Warranty:**

**SmartView® Monitoring and Performance Reporting:** NPS 24x7 turbine monitoring option ensures that your turbine is being watched for conditions that cause shutdown of the turbine. Monitoring includes both analyzing and clearing faults that can be safely reset, and notification of conditions that require intervention. This service is included when you have an active warranty agreement. However, when your warranty expires we no longer monitor your turbine unless a new monitoring agreement is in place.

**Remote Terminal Unit (RTU) Maintenance and Turbine Software (SW) updates:** This service ensures you are up-to-date with the latest updates to turbine software, designed to maximize availability, performance, and safety. In addition, should your RTU have a component failure, Northern will cover the cost of a replacement RTU for only the cost of shipping. This service is also covered for those on standard or extended warranty.

**Onsite Basic Training:** For larger facilities with technically capable full time maintenance staff, we offer one-time on-site basic training for 3-8 participants that includes instruction on how to replace the majority of components in the turbine as well as how to self-perform annual maintenance. If you or your staff are qualified industrial climbers, this training can help customers improve profitability by reducing the labor cost of maintenance and on-site troubleshooting

**Remote/phone support:** Designed to go hand-in-hand with onsite basic training, we provide remote phone support for the duration of the agreement at a fixed cost. When a turbine is down for whatever reason, we can provide live support while your designated in-house Operations & Maintenance (O&M) provider works to resolve any issues.

**Preventive maintenance:** For those end-users without staff suitable for working on your turbine, our preventive maintenance package ensures annual maintenance is performed by a certified NPS service provider for a fixed annual cost.

|  | Post Warranty Service Support |             |              |                | Preventive Maintenance for Turbines still under Warranty |
|---|-------------------------------|-------------|--------------|----------------|--|
|   | Remote Monitoring             | RTU support | Self Support | Full Coverage* |  |
| Smartview 24x7 Monitoring and Reporting   | √                             | √           | √            | √              | o  |
| RTU Maintenance and Turbine SW updates  |                               | √           | √            | √              | o  |
| Remote/Phone Support  |                               |             | √            | √              | o  |
| Preventive Maintenance  |                               |             |              | √              | √  |
| <b>Annual price</b>   | \$ 1,200                      | \$ 2,200    | \$ 3,000     | \$ 6,500       | \$ 4,200   |
| <i>3yr discount</i>   | 0%                            | ~32%        | ~33%         | ~15%           | ~17%   |
| <b>Price of 3 yr contract</b>   | \$ 3,600                      | \$ 4,500    | \$ 6,000     | \$ 16,500      | \$ 10,500  |
| <i>5yr discount</i>   | ~17%                          | ~36%        | ~40%         | ~23%           | ~22%   |
| <b>Price of 5 yr contract</b>   | \$ 5,000                      | \$ 7,000    | \$ 9,000     | \$ 25,000      | \$ 16,500  |

*\* Full Coverage includes an applied 20% discount to all Northern Power supplied parts and unscheduled (non-maintenance) labor according to the prevailing Commercial Rate Schedule. The 20% discount does not apply to freight, expenses, and any services rendered by other vendors, contractors, or third-party service providers.*

All Services Pricing subject to change

- (1) All unscheduled maintenance contracted to Northern Power Systems will be billed at rates according to the prevailing Commercial Rate Schedule.
- (2) Phone support is only available for qualified trained L1 technicians during business hours (7:00 AM to 5:00 PM EST Monday-Friday). Remote phone support for end-users without an existing agreement will be billed at the engineering rate according to the prevailing Commercial Rate Schedule.
- (3) Onsite training pricing is available for the self-support program based location and the number students. T&E not included.

Cost Items Specifically Excluded from the Maintenance Schedule:

- Utilities to support operation of the Turbine (including isolation transformer)
- Telephone/DSL or internet access services
- End-User requested maintenance not part of the annual maintenance schedule
- Parts and services related to non-maintenance service and or repairs will be billed per the approved Service Order

Other vendors, contractors or providers of services (such as cranes or lifts) necessary to complete unplanned maintenance and repairs will be at the End-User's expense. It is understood that Northern Power is providing service technician(s), diagnostic equipment and hand tools only.

| Fleet Replacement Fund (58-50)             |   | FY 2012<br>Actuals | FY 2013<br>Actuals | FY 2014<br>Actuals | FY 2015<br>Approved<br>Budget | FY 2015<br>Revised<br>Budget | FY 2016<br>Approved<br>BUDGET |
|--|---|--------------------|--------------------|--------------------|-------------------------------|------------------------------|-------------------------------|
| <b>OTHER FINANCING SOURCES (REVENUES):</b> |   |                    |                    |                    |                               |                              |                               |
| 401  | From General Fund-City Administration           | -                  | -                  | -                  | -                             | -                            |                               |
| 402  | From General Fund-City Clerk                    | -                  | -                  | -                  | -                             | -                            |                               |
| 403  | From General Fund-Finance                       | -                  | -                  | -                  | -                             | -                            |                               |
| 404  | From General Fund-Planning                      | -                  | -                  | -                  | -                             | -                            |                               |
| 405  | From General Fund-Fire                          | -                  | -                  | -                  | -                             | -                            | 40,000                        |
| 406  | From General Fund-Police                        | -                  | -                  | -                  | -                             | -                            |                               |
| 407  | From General Fund-PW Admin                      | -                  | -                  | -                  | -                             | -                            |                               |
| 408  | From General Fund-Streets & Roads               | -                  | -                  | -                  | -                             | -                            |                               |
| 409  | From General Fund-Property Maintenance          | -                  | -                  | -                  | -                             | -                            |                               |
| 411  | From General Fund-Parks & Recreation            | -                  | -                  | -                  | -                             | -                            |                               |
| 412  | From General Fund-Community Service             | -                  | -                  | -                  | -                             | -                            |                               |
| 413  | From General Fund-In-Kind and Transfers         | -                  | 70,000             | -                  | -                             | -                            |                               |
| 440  | From Capital Projects Fund-Water/Sewer Proj.    | -                  | -                  | -                  | -                             | -                            |                               |
| 450  | From Enterprise Fund-Utility Billing            | -                  | -                  | -                  | -                             | -                            |                               |
| 451  | From Enterprise Fund-Hauled Water               | 75,000             | 35,000             | 35,000             | 35,000                        | 35,000                       | 35,000                        |
| 452  | From Enterprise Fund-Hauled Sewer               | 75,000             | 35,000             | 35,000             | 35,000                        | 35,000                       | 35,000                        |
| 453  | From Enterprise Fund-Piped Water                | -                  | -                  | 35,000             | -                             | -                            |                               |
| 454  | From Enterprise Fund-Piped Sewer                | -                  | -                  | -                  | -                             | -                            |                               |
| 455  | From Enterprise Fund-Refuse Hauling             | -                  | -                  | -                  | 35,000                        | 35,000                       | 35,000                        |
| 456  | From Enterprise Fund-Landfill Operations        | -                  | -                  | -                  | -                             | -                            |                               |
| 457  | From Enterprise Fund-Water Trmt.-Bethel Hgts    | -                  | -                  | -                  | -                             | -                            |                               |
| 458  | From Enterprise Fund-Sewer Lagoon               | -                  | -                  | -                  | -                             | -                            |                               |
| 455  | From Enterprise Fund-Bethel Hgts Water Trmt.    | -                  | -                  | -                  | -                             | -                            |                               |
| 456  | From Enterprise Fund-City Sub Water Trmt.       | -                  | -                  | -                  | -                             | -                            |                               |
| 460  | From Enterprise Fund-Hauled Refuse              | 75,000             | 35,000             | -                  | -                             | -                            |                               |
| 461  | From Enterprise Fund-Landfill Operations        | -                  | -                  | -                  | -                             | -                            |                               |
| 462  | From Enterprise Fund-Recycling Operations       | -                  | -                  | -                  | -                             | -                            |                               |
| 470  | From Enterprise Fund-Port                       | -                  | 30,000             | 30,000             | -                             | -                            | 25,000                        |
| 475  | From Enterprise Fund-Bethel Transit System      | -                  | -                  | -                  | -                             | -                            |                               |
| 480  | From Internal Service Fund-Employee Benefits    | -                  | -                  | -                  | -                             | -                            |                               |
| 481  | From Internal Service Fund - IT Services        | -                  | -                  | -                  | -                             | -                            |                               |
| 482  | From-Internal Service Fund V & E Maint.         | -                  | -                  | -                  | -                             | -                            |                               |
| 487  | Investment Income                               | 105                | -                  | -                  | -                             | -                            |                               |
| <b>Total Revenues</b>                      |   | 225,105            | 205,000            | 135,000            | 105,000                       | 105,000                      | 170,000                       |
| <b>CAPITAL OUTLAY (EXPENSES)</b>           |   |                    |                    |                    |                               |                              |                               |
| 690  | Capital Expenditures                            | 238,879            | -                  | -                  | -                             | -                            | 470,000                       |
| 691  | PW Admin - 1 Ford Pickup Truck                  | -                  | 34,138             | -                  | -                             | -                            |                               |
| 692  | I.T. Services Dept - 1 Ford Pickup Truck        | -                  | 30,507             | -                  | -                             | -                            |                               |
| 693  | Police Department - 2 Ford Escapes              | -                  | 58,448             | -                  | -                             | -                            |                               |
| 694  | FIRE  | -                  | -                  | -                  | -                             | -                            | 40,000                        |
| 695  | Streets and Roads Dept - 2 Ford Pickup Trucks   | -                  | 50,970             | -                  | -                             | -                            |                               |
| 696  | Property Maintenance Dept - 1 Ford Pickup Truck | -                  | 24,368             | -                  | -                             | -                            |                               |
| 697  | Piped Wtr/Piped Swr Depts - 1 Ford Pickup Truck | -                  | 23,450             | -                  | -                             | -                            |                               |
| 698  | Port - 1 Ford Pickup Truck                      | -                  | 30,225             | -                  | -                             | -                            | 25,000                        |
| <b>Total Capital Outlay</b>                |   | 238,879            | 252,106            | -                  | -                             | -                            | 535,000                       |
| <b>TOTAL REVENUES/EXPENSES</b>             |   | (13,774)           | (47,106)           | 135,000            | 105,000                       | 105,000                      | (365,000)                     |