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William Logan, Finance Director
Avon Utility Department
36080 Chester Road
Avon, OH 44011

August 24, 2021

RE: Contract for ORION Cellular Based Automatic Water Meter Reading System between the City of Avon and Badger Meter (CVE Job #15082. 9/30/15); Cellular Assurance Agreement Activation

Dear Mr. Logan:

The following is a summary of our discussion following our June 15, 2021, meeting with regard to the announced CDMA (1XRTT) network sunset, which triggers the Cellular Assurance Agreement ("CAA") from the above-referenced contract.

The following is a summary of the CAA from the above-referenced contract.

- Upon notice of network shutdown by Badger Meter, the City has 45 days to provide written acceptance of the CAA.
- Acceptance of the CAA includes:
 - The City's binding commitment to extend its current BEACON agreement for another 10-year term, beginning November 6, 2025.
 - The City's agreement to pay an Activation Fee for all cellular endpoints replaced under the CAA. The Activation Fee will be invoiced as a unit price per delivered endpoint (i.e. similar to a sales price per unit):
 - The Activation Fee is calculated by:
 - Starting with the 2015 endpoint price of \$79.50, and
 - Increasing the price based on the increase of the PPI from the June 2015 base index of 172.9 to the May 2021 index of 193.5 (a 12% increase)
 - Resulting in an Activation Fee of \$89.04 per endpoint, if the Activation Fee, invoiced upon delivery of the endpoints, is paid within standard payment terms (i.e. net 30 days). If the City opts to pay the Activation Fee at the time of the extension of the BEACON agreement, the price will be recalculated then and will additionally reflect the increase from the May 2021 PPI to the October 2025 PPI, along with other potential market adjustments as mutually agreed.
- Similar to the calculation of the Activation Fee for endpoints, the monthly endpoint subscription fee for the extension of the BEACON agreement is increased by the same PPI escalator and results in a new monthly fee of \$0.91, beginning November 6, 2025.
- As added features to the current CAA, Badger Meter additionally offers:

- That each replacement endpoint will carry a new limited warranty that starts upon delivery of the replacement endpoints -- see Badger Meter Limited Warranty ORI-WR-02596-EN-10 (March 2021).
- The extension of the Activation Fee price to the City to replace ~3600 ORION SE endpoints with ORION Cellular endpoints, with the installation cost absorbed by Badger Meter.

This agreement represents the entire agreement of how to calculate the CAA between the City of Avon and Badger Meter in the above referenced contract and supersedes any existing verbal or written communications on the subject.

We hope you find this revised proposal acceptable, and we look forward to working with you on this project. If the above is acceptable, please have an authorized officer of the City of Avon accept this offer by signing below and returning the signed version to my attention at mleveille@badgermeter.com

Sincerely,
BADGER METER, INC.

Mark Leveille

Mark Leveille (Aug 27, 2021 16:14 CDT)

Mark Leveille
Director of Utility Sales

The above-mentioned offer and terms and conditions are hereby accepted by the City of Avon.

BY: _____
(Authorized Signature)

(Print Name and Title)

(Date)

CC: Brian Bruce, City of Avon Water Superintendent
Kim Stoll, Vice President – Sales & Marketing, Badger Meter