



SOUTHEAST ALASKA POWER AGENCY

Special Board Meeting AGENDA

SEAPA Offices | Ketchikan, Alaska

Tuesday, July 7, 2015 | 10:00 a.m. AKDT

For Telephonic Participation: Dial 1-800-315-6338 (Access Code: 73272#)

1. Call to Order
 - A. Roll call

2. Approval of the Agenda

3. New Business
 - A. Consideration and Approval of Award of Swan Lake Powerhouse Roof Membrane Contract
 - B. Consideration and Approval of Increase to Contract re Swan Lake Exciter Replacement Project
 - C. Executive Session

4. Adjourn



SOUTHEAST ALASKA POWER AGENCY

Swan Lake Powerhouse Roof Membrane Project

Date: June 26, 2015
To: Trey Acteson, CEO
From: Ed Schofield, Power System Specialist
Subject: Swan Lake Powerhouse Roof Membrane Project

A Request for Proposals for SEAPA's Swan Lake Powerhouse Roof Membrane Project was advertised on May 23, 2015. Four (4) bids were received on June 23, 2015. Each response was evaluated based on details in the Bidder Experience Record, contractor's general approach to the work, capacity to respond to the work in a timely and efficient manner, competitive pricing, completeness and quality of bid documents, and their manufacturer's warranty.

Staff conducted independent reviews of all of the bids received. In summary, CBC Construction Inc. of Sitka, Alaska, received the highest score for the proposed work. CBC's bid was \$396,080, which is \$59,511 higher than the lowest bid submitted by Day Night Construction of Anchorage, Alaska. Bids ranged from \$336,569 to \$566,258. Staff will elaborate further during the meeting on their recommendation for award. \$419,200 was allocated to this project in SEAPA's FY16 budget. Staff recommends award of the project to CBC Construction Inc.

The following is a suggested motion:

SUGGESTED MOTION
<p>I move to authorize staff to enter into a Contract with CBC Construction Inc. for the not-to-exceed value of \$396,080 for the removal of the existing powerhouse roofing system and installation of a new PVC membrane roofing system for SEAPA's Swan Lake Powerhouse Roof Membrane Project.</p>



SOUTHEAST ALASKA POWER AGENCY
 Swan Lake Generator Exciter Replacement Project

Date: June 26, 2015
To: Trey Acteson, CEO
From: Ed Schofield, Power System Specialist
Subject: Swan Lake Generator Exciter Replacement Project

At the June 10, 2015 board meeting, the board approved a sole source request for staff to contract with Basler Electric for the not-to-exceed value of \$283,558.06 for SEAPA's Swan Lake Generator Exciter Replacement Project. During the processing of the purchase order to Basler, the Basler Representative, DCS-Morgan, advised their quote had been misinterpreted and provided the attached corrected quote. The correction results in an increase of \$143,575 for the project. The total is \$427,133.00 for both Swan Lake Generators. The items in the attached quote required to meet the project design are as follows:

Item 1 (Basler Digital Exciter System)	\$220,720.00
Item 2 (Power Potential Transformer)	\$74,200.00
Item 4 (RIS 12 Pt Annunciator Panel)	\$11,220.00
Item 6 (Witness Testing)	\$3,000.00
Item 7 (Training – 1 to 5 students)	\$9,136.00
Spare Parts	\$44,477.00
Commissioning Estimate	\$64,380.00
<i>Total</i>	\$427,133.00
Less Board Approved Award on 6/10/15	\$283,558.06
Additional Sole Source Funds Requested	\$143,574.94

Although there is an increased cost due to misinterpretation of the original quote, purchasing directly from Basler Electric will still assure the most equitable pricing and best design practices. Attempting to purchase Basler equipment through a competitive process would result in an almost certain increased equipment cost or inferior design.

The board approved \$797,500 in SEAPA's FY16 budget for R&R #260-15 for the Swan Lake Exciter Replacement Project. Installation and engineering of the exciters is estimated to cost \$220,000. (A request for proposals for installation and engineering will issue sometime after the upcoming meeting.) After deducting the \$427,133 and \$220,000, there will be a budget reserve of \$150,367 for this project. The following is a suggested motion:

SUGGESTED MOTION

I move to authorize staff to increase the not-to-exceed value for the Purchase Order Contract with Basler Electric for the design and purchase of Basler Hardware for SEAPA's Swan Lake Exciter Replacement Project by \$143,575 for a total not-to-exceed value of \$427,133 for the Purchase Order Contract.

Attachment: Corrected Basler Quote



12570 STATE ROUTE 143

HIGHLAND IL 62249-1074 USA

http://www.basler.com, info@basler.com

PHONE 618/654-2341 Operator-assisted Fax 618/654-2341, ext 248 FAX 618/654-2351

Power System Control and Protection for the Electric Power Industry

QUOTATION

TO: Southeast Alaska Power Agency QUOTATION (SQ) No.: 828811R2
1900 1st Avenue, Suite 318
Ketchikan, AK 99901 DATE of QUOTE: June 24, 2015

ATTN: Mr. Ed Schofield eschofield@seapahydro.org

REF: Swan Lake Exciter Replacement Project

Item Qty Description Price Each Extended Price

The quoted system is generally in accordance with the technical requirements of the specification for "Southeast Alaska Power Agency - Swan Lake Exciter Replacement, Publish Date 04/07/2015". SUBJECT TO THE COMMENTS AND CLARIFICATIONS INCLUDED HEREIN, and includes:

New Static Exciters For Hydro Generators

1 2 Basler Digital Exciter System US\$110,360.00 US\$220,720.00
DECS-400N 125-87.5 KW, consisting of digital excitation controller and fan-cooled rectifier bridge assembly, complete with accessories listed below, mounted and wired and tested in a NEMA 1 Control/Rectifying cubicle with power potential transformer (PPT) quoted as a separate item. The quoted excitation equipment is for use with brush-type synchronous generators rated 14.375 MVA, with main field requirements of 572 Amperes at 97 Volts at rated load and power factor.

THE DECS-400N 125-87.5 KW HAS A CONTINUOUS CURRENT RATING OF 700 AMPERES WITH A 45-SECOND FORCING RATING OF 1008 AMPERES AT 180 VOLTS* AND NEGATIVE FORCING TO -162 VOLTS* - FOR OPERATION AT AMBIENT TEMPERATURES TO 40°C.

*When used with the transformer quoted in Item 2.

The quoted system includes:

NEMA 1 Excitation Control/Rectifying Enclosure with C Channel base weldment for skid rails; Control Section on left side, Rectifier Section on right side measuring approximately

72"W x 94"H x 36"D weighing 2,100 lbs. containing:

DECS-400 digital controller with the following features:

- Voltage Regulation 0.20%, true RMS sensing
Paralleling Compensation, reactive droop or differential
Manual Field Current/Voltage Regulator
Var and Power Factor Controller
Dual Settings Groups

Table with 2 columns: Form/WT and Last Rev./CHECK THE MASTER LIST - VERIFY THAT THIS IS THE LATEST VERSION BEFORE USE

Item	Qty	Description	Price Each	Extended Price
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DECS-400 Features, continued

- Field-Flashing (Build-Up) Control
- Generator Voltage softstart
- Generator-to-bus Voltage matching
- Underfrequency limiting or selectable Volts/Hertz Ratio
- Over excitation limiting, (On-line and Off-line)
- Under excitation limiting
- Stator-Current Limiter
- Metering, real time at local LCD or at personal computer Control
 - Front panel keypad switches
 - Provisions for external hardwired contacts
 - ModBus™ software control by distributed control system
 - Analog input signal
- Preposition setpoints (maintain or release)
- Setpoint position indication
- Protection
 - Generator over/underVoltage
 - Field overVoltage
 - Field overcurrent
 - Watchdog
 - Failure to build Voltage
 - Loss of Voltage sensing
 - Loss of Field Isolation Transducer
 - Loss of Field (40Q)
 - Volts/Hertz (24)
- Communication
 - RS-232 Port
 - RS-485 port (ModBus™)
 - RJ-45 Ethernet port (ModBus™ TCP, 10 Base T speed)
 - IRIG-B time synchronization
 - NTP time synchronization (via Ethernet)
 - Phone Modem Capability
 - Two (2) Analog current loop outputs, 4-20 mA, for programmable metering outputs
- Real-Time Dynamic System Analyzer
 - Signal Generator
 - Two-channel chart Recorder
- Oscillography, data capture during system events
 - 6 event records, 6 variables per record
 - One Record, 6 Variable Trending
- Sequence of Events Recorder

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Item	Qty	Description	Price Each	Extended Price
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EXCITATION CONTROL/RECTIFYING ENCLOSURE, continued

DECS-400 Field Isolation Transducer

The Field Isolation Transducer is a field voltage and current transducer for the DECS-400 Controller.

Basler Electric Digital Firing circuit interface, IFM-150

6 SCR power rectifier bridge with current limiting fuses and field crowbar/discharge circuit

Sequencing relays

On/Off control
Auto/Manual transfer

Provisions for remote operation:

Start/Stop Exciter
Auto/Manual Transfer
Setpoint adjuster

Contacts wired for remote annunciation:

On/Off
Auto/Manual
Limiter active
Protection trip

Control Power Undervoltage Relay

Field Ground Detection Relay, Basler Model BE1-64F

PT/CT Test Switches

Voltage Matching Enable/Disable Toggle Switch,

With required custom DECS-400 logic programming

Thermo Imaging IR Window for rectifier section

AC Field Breaker (molded case switch with shunt trip)

Field Flashing Circuit (from customer's 125 Vdc batteries)

LED Cubicle light with convenience outlet

Strip Heater with thermostat

Shaft Voltage suppressor

ShockWatch2™ Impact Indicator Installed for Shipping

Standard Factory Tests (3 copies of FAT and individual Basler component bench test reports where available)

One Set DECS-400 BESTCOMS Software – compatible with Windows™

Three (3) Sets Instruction Books with “As-Built” Drawings

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Item	Qty	Description	Price Each	Extended Price
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Optional Price Adder: New PPT in NEMA 1 Enclosure

2	2	Power Potential Transformer (PPT) in NEMA 1 Enclosure with C Channel base weldment for skid rails; approximate dimensions of 60"W x 48"D x 94"H and estimated weight of 2,600 lbs including the following: BE32381-001, 158.5 kVA, 3 phase, 60 Hz Type AA, 200°C Insulation, 120°C Rise Primary: 13,800 Volts, 60 kV BIL with Primary Fuses Secondary: 160 Volts, 10 kV BIL, Top Access Thermo Imaging IR Windows, (Qty 2), one per side ShockWatch2™ Impact Indicator Installed for Shipping Standard Factory Tests with Test Reports (3 Copies)	US\$37,100.00	US\$74,200.00
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OPTIONAL PRICE ADDER- POWER SYSTEM STABILIZER

3	2	Activated Integrated PSS in DECS-400 This is an adder to <i>Item 1</i> . This option is only available with the purchase of <i>Item 1</i> . Purchase of <i>Item 3</i> does not affect lead-time. Integrated Power System Stabilizer Type: Two input; utilizing compensated frequency and power (IEEE Model PSS-2A) Up to four lead/lag stages Adjustable washout time constant Low power threshold Stabilizer gain setting Upper and lower Terminal voltage limits Frequency compensation Output scale adjustment Ramp-tracking filter time constant Two (2) gain and times setting groups for multiple system configurations PSS On/Off Switch, mounted in cubicle	\$7,500.00	\$15,000.00
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Optional Annunciator Panel

4	2	RIS 12 Point Annunciator Panel, Basler P/N 2188A88H01 installed in <i>Item 1</i> Enclosure. Reference SEAPA Black Eagle Exciter, Basler P/N 9438500100, for alarm points to monitor.	\$5,610.00	\$11,220.00
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Item	Qty	Description	Price Each	Extended Price
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Optional Generator Protection Relay

5	2	BE1-11g Generator Protection Relay	\$3,525.00	\$7,050.00
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Style Selection of BE1-11g **6D1N2J2P0E000**

Shipped Loose,

With: Dual 5A CT inputs, 48/125 V control power input, Ethernet with Modbus and BESTnetPlus 5 Communications, including **Current Differential Protection (87), Sync Check (25) One Set BESTCOMSPPlus Software** – compatible with Windows™

Style Selection Note: Other optional features are available for this relay. For full feature descriptions, BE-11g bulletin URJ can be found at www.basler.com/downloads

Witness Testing

6	per day	Basler Electric to arrange for customer/designate to witness factory acceptance tests. All T&L expenses incurred by the customer's representative are the responsibility of the customer.	US\$1,500/day
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Training

7	Lot	One – Five Students, Two, Two Day Training Sessions	US\$9,136.00
		Six – Ten Students, Two, Two Day Training Sessions	US\$9,776.00
		Note: The quoted price does not include Travel and living expenses which will be billed at cost plus 10%.	

Preliminary Spare Parts

Item	Qty	Description	Price Each	Extended Price
1		DECS-400 Digital Excitation Controller with PSS	US\$ 30,180.00	\$30,180.00
		or (select with or without power system stabilizer feature)		
1		DECS-400 Digital Excitation Controller (no PSS)	US\$ 22,680.00	\$22,680.00
1		Field Isolation Transducer & Cable	US\$ 2,020.00	\$ 2,020.00
1		Thyristor Gate Firing Control Module, IFM -150, circuit board only	US\$ 3,226.00	\$ 3,226.00
1		Power SCR Rectifier for crowbar and bridge rectifier	US\$ 796.00	\$ 796.00
3		Rectifier Bridge Semiconductor Protection Fuses	US\$ 960.00	\$ 2,880.00
1		Rectifier Control PC Board Assembly #2	US\$ 3,800.00	\$ 3,800.00
1		Gate Drive PC Board Assembly #1	US\$ 7,315.00	\$ 7,315.00
2		Fan, for forced air cooled rectifier bridge	US\$ 216.00	\$ 432.00
2		Metal Oxide Varistor for SCR protection	US\$ 664.00	\$ 1,328.00

Total Price of Preliminary Spare Parts Including DECS-400 with PSS = **\$51,977.00**

Total Price of Preliminary Spare Parts Including DECS-400 without PSS = **\$44,477.00**

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Item	Qty	Description	Price Each	Extended Price
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2015 Commissioning Assistance ESTIMATE Per Mobilization

Southeast Alaska Power Agency - Swan Lake Project

Basler Electric Field Service Engineering Trip **US\$32,190.00**

Estimated – BASED ON THE FOLLOWING

- Single mobilization, one engineer
- Five (5) consecutive, non-holiday days on site (2 weekend days), 8 hours each, with 2 overtime hours each day
- One full weekday of travel outbound and one full weekday of travel for return (estimated at 20 hours of travel each way)
- **Estimated** Daily Living Expenses
- **Estimated** Air Fare for Travel to jobsite and back

Field Service Quote Estimate			
DAYS ON SITE (INPUT):		5	
Qty	Description	Rate	Extended***
64	Normal, Standby & Travel Hours	\$260.00	\$16,640.00
6	Overtime, Weekday Hours	\$365.00	\$2,190.00
20	Weekend/Holiday Hours	\$470.00	\$9,400.00
7	Estimated Daily Living Expenses	\$300.00	\$2,310.00
1	Estimated Air Fare (variable by site)	\$1,500.00	\$1,650.00
0	Other:	\$0.00	\$0.00
TOTAL ESTIMATE:			\$32,190.00

Table FSE-3 1

*** Out of pocket travel costs will be invoiced at 110% Basler Electric’s actual cost. Such expenses include, but are not limited to, freight, custom duties, charges for luggage, passports and visas, medical vaccines, parking, fuel, transportation, airline or other transportation costs; board and lodging costs, hotel, food, refreshments, telecommunications, gratuities, and laundry.

Field Service Notes: All of the estimates in the table above are based on present hourly rates and on durations of on-site time and travel time based on general experience for such services. **This estimate is an example, provided as a courtesy to assist the client in budgeting future service work.**

If additional information is needed on Basler Electric’s current Field Service Terms, Conditions, and Rates, a copy can be obtained upon request of Basler **Form No. FA100006**, for on-site technical support details pertaining to hourly rates for startup and commissioning. International commissioning is subject to approval by country for travel limitations. These terms, conditions and rates are subject to change, and may vary from the time your service work on-site is actually required.

Contact:

- Laura Tebbe
 - Laura Tebbe@BASLER.com
 - +1 618 654 2341 Ext. 710
 - Highland, Illinois 62249-1074 United States

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Item	Qty	Description	Price Each	Extended Price
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POWER SYSTEM STABILITY ENGINEERING SERVICES

Ea.		Power System Stabilizer (PSS) Tuning Support -1st Unit Mathematical Simulation Modeling of PSS and digital excitation controller with limiter (OEL and UEL) modeling Stabilizer Settings (Tuning) Report of IEEE Model of Excitation System and Power System Stabilizer		US\$17,188.00
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Not Included in Fee for Tuning Support: Item does NOT include the following:

- On-site technical work of measuring generator characteristics
- On-site technical verification of the performance of the stabilizer

These on-site tasks are covered elsewhere in this proposal as field engineering services. Mobilization, for tuning a PSS will require the above-described mathematical study as well as 2-3 days on site for field service engineer to perform measurement tests and testing to verify performance on each exciter.

In accordance with **Form № FA100006, Field Service Terms, Conditions and Rates §9.3**, a request for Power System Stabilizer tuning must be accompanied by a completed PSS data collection form, which must be submitted to Basler Electric 30 days prior to the requirement of such tuning.

Ea.		SISTER unit PSS Tuning plus OEL and UEL modeling Mathematical Simulation Modeling of limiters, as well as the PSS and excitation controller SECOND machine identical to the initial unit tuning effort conducted on the same mobilization and only one report required for the two sister machines		US\$7,315.00
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Quoted pricing assumes a 30 day lead-time minimum. If a shorter lead-time is required an expediting fee will apply.

Contact:

- Laura Tebbe
 - LauraTebbe@BASLER.com
 - +1 618 654 2341 Ext. 710
 - Highland, Illinois 62249-1074 United States

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COMMENTS AND CLARIFICATIONS TO SPECIFICATION “Southeast Alaska Power Agency - Swan Lake Exciter Replacement, Publish Date 04/07/2015 ”

1.2 SCOPE OF SUPPLY

Services

- Settings calculation and programming of excitation system prior to factory acceptance test

BASLER: Setting calculations and programming of the excitation system prior to factory acceptance testing is not in our workscope. The customer should consider hiring a qualified provider of that type of service to determine proper settings based on the user’s power system. Once settings are determined by others, a Basler field service engineer (if contracted for commissioning service), may assist in programming the predetermined settings while present for commissioning.

- Factory Acceptance Test of Excitation System to be witnessed by SEAPA personnel.

BASLER: Basler Electric welcomes customers to witness Factory Acceptance Tests. Please see the quote for notes on Witness Testing prices for accommodating the changes to our manufacturing timelines. All T&L expenses incurred by the customer’s representative are the responsibility of the customer.

Basler Electric’s project coordinator will notify customer’s contact with at least two weeks’ notice of the schedule for final factory acceptance testing (FAT). Prior to the testing, Basler Electric’s project coordinator will submit the factory acceptance testing plan for review and acceptance. The customer shall notify Basler Electric’s project coordinator of who will be visiting the factory and when.

It is the policy of the Basler Electric Company to make reasonable efforts to provide for the security of its property, its employees, and authorized visitors to its premises. Photographs (any type) of Basler Electric company property, facilities, equipment, processes, products and people are strictly prohibited. All visitors will be issued a visitor’s badge which must be worn at all times while on the premises. Visitors must be escorted by a Company employee at all times while on the premises.

- Fuse sizing or settings calculation and programming of SEL 751 or equivalent transformer protection relay.

Basler Electric will provide properly sized primary fuses. Fuses are acceptable per James Volk’s E-mail to Hunter Siemer (DCS-Morgan / Basler Sales Representative) time stamped April 21, 2015, 11:34:32 AM MST.

- On-site startup and commissioning of each exciter

o Testing to be done per IEEE 421.2, IEEE Guide for Identification, Testing, and Evaluation of the Dynamic Performance of Excitation Control Systems.

o Testing to determine excitation system parameters to be used in power system simulation studies per IEEE 421.5.

BASLER: If contracted for startup commissioning, the Basler field service engineer will follow commissioning procedures developed by Basler Electric. The Basler field service engineer will assist in additional testing of the excitation system where possible, and at the direction of others familiar with the aforementioned IEEE testing.

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Item	Qty	Description	Price Each	Extended Price
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Comments and Clarifications to Specification, continued:

2.3 Shipping / Packaging Information

“The fixed price quote is to include shipping to Ketchikan via Samson Tug & Barge in Seattle, Washington.”

Basler Electric’s standard practice, terms and conditions include for FOB Highland, IL, Freight prepaid and added to the invoice. Per an E-mail sent from Ed Schofield (SEAPA) to Hunter Siemer of DCS-Morgan, Basler Electric’s Sales Representative, on April 13, 2015 3:36PM, Basler Electric’s terms of FOB Highland, IL with freight prepaid and added to the invoice is acceptable. Bug-free skids with shrink-wrapped, fully enclosed crating for maximum equipment protection will be provided.

“If there are standard installation parts required for installation but not provided these are to be clearly identified such that these can be supplied by the installation vendor.”

BASLER: Site installation is not part of Basler Electric’s work scope nor expertise and therefore, Basler Electric shall refrain from listing parts required for installation.

3.1 Cabinet Lineup

The excitation system will consist of a cabinet lineup that contains the complete excitation system including digital section, rectifier / bridge section, PPT section, and 13.8 kV high voltage section.

BASLER: The quoted excitation system includes the digital (control) section and rectifier section in a double door enclosure and a separate enclosure for the PPT which is intended for top cable entry of the 13.8 KV generator input. Unlike the Siemens system, no separate 13.8 KV high voltage section is included in this proposal

3.5 PPT

The vendor / manufacturer will provide the necessary protection calculations to properly size the fuses or digital protection system.

Basler Electric’s normal practice for PPT protection includes primary fuses. Basler Electric will provide properly sized primary fuses in the PPT’s NEMA 1 enclosure.

Fuses are acceptable per James Volk’s E-mail to Hunter Siemer (DCS-Morgan / Basler Sales Representative) time stamped April 21, 2015, 11:34:32 AM MST.

4.1 Excitation Limiters

BASLER: A “General Limiting” output contact is provided when any or all of the excitation limiters are active. A “general protection” output contact is also provided. HMI displays will indicate which particular limiter or protection element is active. Discreet limiter or protection contact outputs are not available.

6.5 Communications

The communications interface is to be designed such that discrete set point raise / lower commands have provisions for a minimum of two pulse widths (long pulse / short pulse) which are managed by the excitation system. This is intended to simplify the communications by allowing the pulse length to be set internally to the exciter so that the control functions are independent of any network latencies.

BASLER: Contact recognition time for a discrete raise/lower command (a dry contact input signal) is up to 50ms and is non-adjustable. Once a (dry contact input) raise/lower command is recognized, BESTCOMS provides a user setting to adjust the TRAVERSE RATE between the range of the minimum and maximum setpoints. No other adjustment internal to the

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Item	Qty	Description	Price Each	Extended Price
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DECS-400 is available. If the author has misinterpreted the intent of SEAPA's specification, Basler Electric is open to having further discussions on the subject.

10.3 INSTALLATION AND COMMISSIONING TESTING

Manufacturer or vendors field representative is requested for verification of field installation and commissioning of excitation system.

Expected time at the Swan Lake site for each commissioning is five (5) days.

Additional days are to be quoted on a time / material basis.

BASLER: For clarification, installation is not in Basler Electric's workscope. Due to the many unforeseen circumstances involved with commissioning excitation systems, Basler Electric does not provide firm, fixed prices for field service. The examples provided in this quotation for field service are strictly estimates provided for the customer's convenience for budgeting purposes. Please see Basler Electric Form FA100006 Field Service Rates, Terms and Conditions which will be in force for contracted field services.

Comments and Clarifications to Specification, continued:

13. WARRANTY

During warranty period manufacturer / vendor is responsible for all shipping to / from site when a warrantied replacement part is required.

Basler Electric does not agree with this language. All warranty issues will be handled according to clauses in the attached document FA100001, Basler Electric Terms and Conditions of Sales.

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Note, when pricing travel and living expenses the following items are to be considered.

- Firm price is to include travel expenses to Ketchikan.

BASLER: Due to the many unforeseen circumstances involved with commissioning excitation systems, Basler Electric does not provide firm, fixed prices for field service or travel and living expenses. The examples provided in this quotation for field service, travel and living expenses are strictly estimates provided for the customer's convenience for budgeting purposes. Please see Basler Electric Form FA100006 Field Service Rates, Terms and Conditions which will be in force for contracted field services.

Machine Data:

Hydro Turbine/Generator rated 14.375 MVA, 13,800 V, 601 Aac, 90% PF, 3 Phase, 60 Hz, Excitation at rated load: 97 VDC, 572 Adc

Existing Power Potential Transformers: 13,800:110 Vac, per Rich Schaefer, KVA rating not disclosed. PPT secondary is 120 Vac per Ed Schofield e-mail sent April 17, 2015 to James Volk, Hunter Siemer and Rich Schaefer.

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Item Qty Description Price Each Extended Price

Project Milestone	Weeks	Explanation
Engineering Drawing Creation	4	Approval drawings for submittal can be created in approximately 4 weeks ARO, and will consist of system interconnection diagram, excitation cubicle outline, and transformer enclosure outline (if ordered) drawings.
Customer Drawing Review & Approval	2	The quoted lead-time anticipates customer approval notification within 2 weeks of drawing submittal. System design and/or manufacturing will remain on hold until customer approval is received. If the approval process extends beyond 2 weeks, Basler Electric reserves the right to re-evaluate quoted shipping schedule based on manufacturing backlog.
System Manufacturing Process	12	Based on current production backlogs and material procurement lead times, systems can typically be manufactured in 12 weeks after engineering designs are released to the factory.
Total Time ARO (After Receipt of Order) Estimate	18	This total 18-week time covers the Drawing Creation, Customer Review/Approval, Procurement, and Manufacturing Processes. Please contact Basler if shorter lead times are required.

Delivery: Delivery will be made FOB Seller's manufacturing plant, title and risk of loss shall pass to Buyer at that point, freight collect.

Packaging Requirements: Basler will provide bug-free skids with shrink-wrapped, fully enclosed crating for all equipment shipping outside the contiguous 48 States. Any other special requested packaging requirements may be subject to re-quote and must be specified at time of order. Changes requested less than 2 weeks from ship date may be subject to scheduling changes and/or price adjustments.

ShockWatch2™ Impact Indicator Installed for Shipping

Field Service: Attached you will find Basler Electric's current Field Service Terms, Conditions, and Rates **Form No. FA100006**, for on-site technical support pertaining to startup and/or training. These terms, conditions and rates are subject to change, and may vary from the time your service work on-site is actually required. Please contact Basler for the most current published rates. Any on-site technical support will be invoiced at the rates published at the time the service work is completed.

Terms and Conditions: Basler Terms and Conditions **Form No. FA100001** apply to this quotation. All prices are quoted in United States Dollars (US\$). Quoted price is based on current costs of raw material and purchased parts. Due to the present state of unprecedented instability of these costs, adjustments to the selling price may be required on production releases. The unit price for equipment included in this quotation is valid for 60 days from the date of issuance. If this quotation includes an ESTIMATE for field service work, please note that the ESTIMATED price is not fixed, and those rates are subject to change dependent upon the date the service is actually required.

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Item	Qty	Description	Price Each	Extended Price
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Progress payment invoices against the equipment portion of this quotation will be issued, upon credit approval at time of order placement, at the following project milestones:

1. Drawings sent out for customer approval - 20% of equipment pricing (due upon receipt).
2. Drawings returned approved and final engineering design completed and released to manufacture - 30% of equipment pricing (due upon receipt).
3. Equipment shipped-remainder of equipment pricing - 50% of equipment pricing (net thirty days).

Invoices for services will be issued at the time the indicated service is completed.

Your Basler Sales Rep is:

Mr. Hunter Siemer
 DCS-Morgan
 5718 76th Avenue NE
 Marysville, WA 98270

Phone: 503-266-8077 x 114
 Cell: 206-818-8005
 E-Mail: hunters@dcs-morgan.com

Form FT100008	Dated 6/24/15	CHECK THE MASTER LIST - VERIFY THAT THIS IS THE LATEST VERSION BEFORE USE
W.I. WT100007		



BOX 269, HIGHLAND, ILLINOIS 62249, U.S.A. PHONE: 618-654-2341 FAX: 618 654-2351

FIELD SERVICE TERMS, CONDITIONS, AND RATES

1. Scope of Services Provided

1.1 Commissioning, troubleshooting, repair and replacement of static excitation, voltage regulation, protection, substation automation, engine control and other control devices. This service is not limited to Basler Electric equipment.

1.2 Training is available in operation, maintenance, and troubleshooting of Basler Electric equipment.

1.3 For other services, such as supervision of installation of Basler Electric equipment, contact Basler Electric.

2. Basler Electric Obligations

2.1 Basler Electric, through its representative, a Field Service Engineer, will undertake to carry out the work agreed to in a workmanlike and professional manner.

3. Customers Obligations

3.1 The Customer shall undertake all that is deemed necessary in order that work can be completed on time and carried out without hindrance or interruption.

3.2 Basler Electric personnel shall not be called upon until all preparatory work has been completed.

3.3 The Customer shall inform Basler Electric, in writing, of any legal, official, and/or other regulations, requirements or restrictions that might apply to the work to be carried out by Basler Electric.

3.4 The Customer shall, at its expense, have taken all the necessary safety prevention measures required. In particular, the Customer shall inform Basler Electric if any special precautions are to be taken with regard to the work to be carried out by Basler Electric.

3.5 The Customer shall provide suitable working conditions with suitable sanitary facilities for the Basler Electric personnel.

3.6 The Customer shall ensure that Basler Electric receives the necessary information and documentation necessary to perform the work requested and all necessary permits for the import and export of tools, equipment, and materials needed at the job site.

3.7 Should the Customer fail to fulfill their obligations, in whole or in part, Basler Electric is authorized to correct such deficiencies itself or by means of a third party. The costs arising to correct such deficiencies shall be paid by the Customer in full.

3.8 Should Basler Electric encounter any danger or be materially hindered in carrying out the work due to any reason beyond the control of Basler Electric, Basler Electric shall be allowed to withdraw its personnel from the site. In such event, the hourly/daily rates are invoiced as standby time, plus travel, board and lodging costs.

3.9 The Customer shall have executed Basler Electric's work order prior to Basler Electric's personnel having been dispatched to the job site.

4. Working Time

4.1 The normal working time is 8 hours per day, Monday through Friday, except for Basler observed Holidays.

4.2 The limits for normal daily working hours shall be for 8 consecutive hours starting not prior to 6:00 a.m. and ending not later than 8:00 p.m. Basler Electric Field Service Engineers will be given at least a half hour meal break at approximately mid shift.

4.3 Working hours in excess of the normal daily working time, 8 hours, is defined as overtime and will be invoiced in accordance with Section 15.

4.4 Overtime work should not, as a rule, exceed the normal daily working time by more than four hours. If more than 12 hours of consecutive work is desired, the weekend rate will apply. The maximum hours worked by a Field Service engineer shall not exceed 16 consecutive hours. If two consecutive days of 16 hours are required, contact Basler Electric for authorization.

4.5 Work performed on Saturdays, Sundays, and Basler Electric Holidays listed in Section 16 will be invoiced in accordance with Section 15.

5. Travel and Other Equivalent Time

5.1 Traveling times, appropriate preparatory and review time, and any other additional time expended after the service trip which is necessary in order to complete the required work are to be regarded as being equivalent to normal working time in accordance with Section 4.

5.2 Traveling time is defined as the time required to travel from Basler Electric's Field Service engineer's job location or place of residence plus the time to return back to the point of origin.

5.3 A minimum travel time of 8 hours will be invoiced per day if no other work is performed on that day. Any travel time exceeding 8 hours will be invoiced at the normal travel rate in section 15, if no other work is performed that day. If work and travel is performed on the same day in excess of 8 hours, the overtime rate applies. Any travel on a Saturday, Sunday or Basler Electric Holiday (see Section 16) will be invoiced at the Travel and Work on Saturday, Sunday and Holiday time (see Section 15).

6. Standby Time

6.1 If Basler Electric's personnel are hindered or delayed in carrying out or completing the agreed work due to any acts, requests or omissions of the Customer, Basler Electric will invoice the Standby time as working time in accordance with Section 4.

7. Warranty Time

7.1 Warranty time is defined as the work time spent on repairing or replacing Basler equipment which is within the warranty period provided by Basler Electric at time of purchase. Warranty time hours will be limited as working time in accordance with Section 4. If Basler Electric's personnel are hindered or delayed in carrying out or completing the warranty work due to acts, requests or omissions of the Customer, Basler Electric will invoice that time as Standby time in accordance with Section 6.

7.2 The Customer will pay to Basler Electric travel expenses, board and lodging costs for warranty service in accordance with Sections 8.4 and 8.5.

8. Pricing

8.1 The services of Basler Electric are invoiced according to work time, travel, board, lodging and material costs, unless a fixed price has been agreed upon in writing prior to the commencement of the service trip.

8.2 The Customer shall verify the completion and accuracy of the work performed by Basler Electric's personnel by signing the time sheets of the Field Service Engineer upon presentation.

8.3 The Customer agrees to pay the rates set forth in Section 15 and 16 for all normal working time, travel, standby, preparatory, review, overtime, weekend, holiday and other time.

8.4 Out of pocket travel costs will be invoiced at 110% Basler Electric's actual cost. Such expenses include, but are not limited to, freight, custom duties, charges for luggage, passports and visas, medical vaccines, parking, fuel, transportation, and airline or other transportation costs.

8.5 Board and lodging costs will be invoiced at 110% Basler Electric's actual costs. Such expenses include, but are not limited to, hotel, food, refreshments, telecommunications, gratuities, and laundry.

8.6 In the event a fixed price has been agreed to by Basler Electric and the customer, such price is based upon the Customer fulfilling all obligations set forth in Section 3. Extra work and costs incurred by Basler Electric due to the Customer not fulfilling its obligations or due to change in the content or scope of the agreed upon work, plus standby time, re-working, additional travel or additional materials will be paid by the Customer in accordance with this Section 8.

8.7 The Customer agrees to pay any present or future Federal, State, Local, or other governmental sales, use, excise, manufacturing, processing or importation tax, or any other tax or charge, that is or may be imposed on the materials or services provided by Basler Electric. Any such taxes or charges will be added to the invoices as a separate item, unless appropriate exemption certificates are furnished to Basler Electric.

9. Field Service Request

9.1 All Field Service requests shall be sent to Basler Electric's Sales and Customer Service Department in Highland, IL.

9.2 Any request for Field Service must be accompanied by a signed Field Service request, Form FF100050, setting forth the nature and scope of the work to be performed along with the Customer's purchase order number. If there is any change in the scope or nature of the work to be performed, such changes are to be agreed to in writing by Basler Electric and the Customer.

9.3 Any request for Power System Stabilizer (PSS) tuning must have a completed PSS data collection form, as already provided in our quotation, and must be submitted to Basler Electric Company 30 days prior to the requirement of such tuning.

9.4 Any changes, additional labor or expense of the Customer, or other costs relating to the Field Service work will only be the responsibility of Basler Electric if agreed to in writing by Basler Electric prior to the Customer signing the Field Service engineer's time sheet as set forth in Section 8.2.

10. Payment

10.1 Upon credit approval, the Customer agrees to pay for all charges for Field Service work within 30 days of invoice by Basler Electric. The Customer agrees to pay a service charge of 1.5% of the invoice price per month for all delinquent payment. The Customer agrees to pay all costs incurred by Basler Electric in collecting any sums due, including a reasonable attorney's fee.

11. Indemnity and Liability

11.1 The Customer agrees to hold harmless and indemnify Basler Electric from any and all claims, losses, damage, injuries, suits or demands arising out of the Customer's breach of its obligations set forth in Section 3 or arising out of Basler Electric complying with any of the Customer's directions or instructions.

11.2 Basler Electric's sole liability for any damages, injuries or claims arising out of the Field Service work performed, including any negligence, breach of warranty or contract, shall be limited to the Customer's out of pocket expenses or costs, and Basler Electric shall not be liable for any special, consequential, exemplary or punitive damages or loss of profit of the Customer.

12. Force Majeure

12.1 Basler Electric shall have no liability whatsoever for delays due to act of God, civil or military riot or disturbance, strikes, labor disturbances, vandalism, fire, war, insurrection, transportation, weather, federal, state or municipal orders and directions, default of supplier or subcontractor or due to any other cause beyond Basler Electric's reasonable control.

13. Arbitration

13.1 In the event of any dispute between the Customer and Basler Electric, the Customer and Basler Electric agree that all such disputes shall be resolved by binding arbitration under the rules of the American Arbitration Association. The Arbitration hearing shall take place in Highland, IL. The Arbitrator shall have the right to award to the prevailing party the costs and expenses of arbitration, including the prevailing party's attorneys fees.

14. Venue

14.1 The agreement to provide Field Service work is made and entered into in Highland, IL and shall be construed under the laws of the State of Illinois.

15. Field Service Rates

15.1 The below rates are subject to change. If rates change, the Customer will be advised prior to acceptance of the purchase order.

TIME	RATE	
Normal Working Time	\$2,000.00 US	Minimum Daily Charge (8 hrs.)
Normal Travel, Standby, Preparatory, and Review Time	\$260.00 US	Per Hour
Warranty Time	\$0.00 US	Per Hour
Overtime Work on Weekdays (Work in excess of 8 hrs per day)	\$365.00 US	Per Hour
Travel, Standby & Work on Saturday, Sunday, or Holiday	\$470.00 US	Per Hour

16. Holidays

16.1 For the purpose of billing, Basler Electric holidays include: Veteran's Day, Thanksgiving Day, Day after Thanksgiving, Christmas Eve, Christmas Day, Day after Christmas, New Year's Eve, New Year's Day, Day after New Year's, Good Friday, Memorial Day, Independence Day, Labor Day.

TERMS AND CONDITIONS OF SALE

- ACCEPTANCE:** All quotations are valid for 30 days unless otherwise stated. For the purpose of these terms and conditions "Seller" includes Basler Electric Company and its wholly owned subsidiaries (Basler Plastics, LLC; Basler Electric Company (Singapore) PTE. LTD). The nature of our business is such that we handle for our customers a large number of orders, many of which specify terms and conditions which would add to, or differ from, those set forth herein. To negotiate individually with respect to these terms and conditions, which vary from customer to customer, would seriously interfere with our service to all our customers. Consequently, notwithstanding any terms or conditions which may appear on the Buyer's order, Seller products are offered for sale only, on the conditions and terms contained herein. Acceptance of Buyers' order is made only on the expressed understanding and condition that insofar as the terms and conditions of this acceptance, quotation or acknowledgement conflict with any terms and conditions of Buyer's order, the terms and conditions of this document shall govern irrespective of whether the Buyer accepts these conditions by a written acknowledgement, by implication or acceptance and payment of goods hereunder. Seller's failure to object to provisions contained in any communications from Buyer shall not be deemed a waiver of the provisions of this document.
- COMPLIANCE WITH LAWS:** Seller, to the best of his knowledge and belief, is complying with all State and Federal laws, orders and regulations applicable to the manufacture of the articles ordered.
- PRICES:** The price of any article, is subject to increase by Seller, until the goods are ready for shipment unless otherwise agreed to by Seller in writing. All prices quoted are based upon current labor, raw material and purchased parts prices and will be reviewed and prices are subject to change at the time of shipment unless otherwise agreed to in writing by Seller. Prices are Ex - Works Seller's manufacturing plant or shipping point, unless Seller otherwise specifies. Additional services are subject to charge at Seller's standard rates. Prices include ordinary packing only, unless otherwise specified in writing by Seller.
- TRANSPORTATION AND DELIVERY:** Unless Seller otherwise specifies, delivery will be made Ex Works manufacturing plant or shipping point, title and risk of loss shall pass to Buyer at the point freight collect. Seller shall have the right to change means of transportation and to route shipment when specific instructions are not included with Buyer's order. When Buyer's shipping instructions are vague, such as "ship best way" or "ship cheapest way", Seller shall not accept nor be responsible for any claims for alleged excess transportation cost. Seller shall have no liability whatsoever nor shall this order be subject to cancellation for delays in delivery due to act of God, civil or military riot or commotion, strikes, labor disturbance, vandalism, fire, war, insurrection, transportation, weather, federal, state or municipal orders and directions, default of supplier or subcontractor or due to any other cause beyond Seller's control. In such an event or events causing delay for any such cause, the specified delivery date shall be extended for a reasonable length of time but not less than the period of delay.
- SPECIFICATIONS:** All drawings, plans, specifications, additions and change orders must be in writing furnished by Buyer subject to acceptance and approved by Seller.
- TERMS OF PAYMENT:** All orders are net thirty days from date of shipment by Seller on approved credit if credit is not granted Seller may require progress payments and/or cash in advance; interest of 1-1/2% per month on billings will be charged on all past due accounts until paid. All expenses of collection shall be paid by Buyer, including costs and reasonable attorney's fees.
- LIMITED WARRANTY POLICY:** Seller warrants that Articles sold hereunder to be free from defects in material and workmanship. THESE EXPRESS WARRANTIES ARE THE SOLE WARRANTIES OF SELLER AND ANY OTHER WARRANTIES, EXPRESSED, IMPLIED IN LAW OR IMPLIED IN FACT ARE HEREBY SPECIFICALLY EXCLUDED. Seller's sole obligation under its warranty shall be, at its option, to either issue a credit, or repair or replace any article or part thereof, which is proved to be a warrantable item. Any adjustment of credits will be based upon original billing prices. Warranties for products are 18 months from the date of shipment by Seller unless otherwise specified in other written communications from Seller. Notice of claimed breach of warranty must be given within the applicable period. No allowances shall be made to Buyer for any transportation, duties, brokerage fees, labor costs or parts adjustments or repairs, or any other work, unless said charges are authorized in writing, in advance, by Seller. SELLER SHALL IN NO EVENT BE LIABLE FOR SPECIAL OR CONSEQUENTIAL DAMAGES OR FOR LOSS OF PROFIT. If any article is claimed to be defective in material or workmanship, Seller, upon notice promptly given will either examine the Articles at its site, or issue shipping instructions for return to Seller. The warranty shall not extend to any Articles or parts thereof which have been installed, used or serviced, other than in conformity with Seller's applicable specifications, manuals, bulletins, or instructions, or, if none, shall have been subjected to improper installation, misuse or neglect. The warranties shall not apply to any materials or parts thereof, furnished by Buyer, or acquired from others at Buyer's request and/or to Buyer's specifications or designs. THE FOREGOING LIMITATIONS ON SELLER'S LIABILITY IN THE EVENT OF BREACH OF WARRANTY, SHALL ALSO BE THE ABSOLUTE LIMIT OF SELLER'S LIABILITY IN THE EVENT OF SELLER'S NEGLIGENCE IN MANUFACTURE, INSTALLATION, SERVICE OR OTHERWISE, WITH REGARD TO THE ARTICLES COVERED HEREBY; AND UPON THE EXPIRATION OF THE STATED WARRANTY PERIOD, ALL SUCH LIABILITIES SHALL TERMINATE. Seller warrants only those Articles which are custom designed based upon Buyer's specifications, specifically for Buyer, to be fit for the particular purpose identified by Buyer, in writing, for a period set forth on the front page of this document or on our quote. In no event shall Seller be liable for special or consequential damages or loss of profit respecting said Articles and Seller's sole obligation shall be to either issue a credit or to repair or replace said article or part thereof.
- NUCLEAR USE:** Products produced and sold by Seller are commercial grade products and as such products produced and sold hereunder by seller are not intended for use in connection with any nuclear facility or activity, unless specifically identified in writing by Seller. Seller disclaims all liability, if so used, for any nuclear damage, injury or contamination and buyer shall and does hereby agree to indemnify and hold seller and its representatives and employees, its successors, assigns and customers, harmless, including damages, expenses, attorneys fees and cost of defense or otherwise caused by or resulting from reason of such use.
- ORDER CHANGES:** Buyers shall have the right, by giving written notice to Seller, to make changes in the quantity, drawings, designs or specifications for the articles to be manufactured. Upon receipt of any such notice, Seller shall notify Buyer as promptly as possible changes in price of, or the time required for performance of, the order and an equitable adjustment shall be made in the contract price or delivery schedule, or both, prior to incorporating said changes into the manufactured article. Seller reserves the right to accept or reject any requested changes by Buyer
- CANCELLATION:** Orders are not subject to cancellation, complete or partial, without Seller's written consent. Any reduction in quantities ordered shall constitute a partial cancellation subject to this clause. Where Seller consents to cancellation, settlement will be made on the following basis: Buyer will pay to Seller, upon delivery, the full purchase price of all articles completed at the time Seller agrees to cancellation. Buyer will further pay to Seller a percentage of the purchase price of all other articles equivalent to the percentage of completion thereof as determined by Seller's normal cost accounting methods. Buyer will also pay the full unamortized cost of materials, dies, tools, patterns and fixtures, made or contracted specifically for Buyer's order. Invoices for all cancellation charges are payable promptly upon presentation. If within sixty (60) days from the presentation of such invoice, Buyer does not instruct Seller as to the disposition of the material, etc. arising from the cancellation, Seller may sell the same, crediting buyer for the proceeds. Buyer will also pay the reasonable cost and expenses incurred by Seller in making a settlement hereunder and in protecting property in which Buyer has an interest. Where United States Government contracts are involved, cancellation shall be in accordance with the appropriate Armed Service's procurement Regulation and contract provisions. Seller will defer manufacture or delivery of any articles only if and to the extent agreed to in writing.
- PARTIAL SHIPMENTS:** Seller reserves the right to make and to invoice for partial shipments of completed articles.
- CUSTOMER CREDITS AND DEFAULTS:** Accounts are opened only with firms or individuals on approved credit. The Seller reserves the privilege of declining to make deliveries whenever, for any reason, doubt as to the Buyer's financial responsibility develops, and shall not, in such event be liable for non-performance of contract in whole or in part. If Buyer shall fail to pay promptly, when due, any sum owing to Seller, or to perform any agreement under this order or under any other order, heretofore or hereafter placed with Seller or Buyer shall be adjudicated bankrupt or insolvent, or shall make an assignment for the benefit of creditors, or if there shall be instituted by or against Buyer any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt or insolvency law of any jurisdiction, or for the appointment of a receiver or trustee in respect of any of Buyer's property and if such proceeding shall be instituted against Buyer, and it shall not be dismissed within twenty (20) days, or if Seller shall reasonably believe that Buyer is unable to meet Buyer's debts as they mature, then, and in any such event, Seller may, in addition to exercising any or all other rights that Seller may have, require payment of Cash upon delivery, and Seller may, upon written notice to Buyer at any time, terminate all Seller's obligations under any one or more of such orders. Upon any termination pursuant to this clause, Buyer shall thereupon become obligated to pay to Seller the same sum in respect to each such order as if such order had been cancelled by Buyer with Seller's consent and consent and settlement had been made on the basis set forth in Paragraph 10 of these Terms and Conditions.
- TAXES:** Prices do not include any present or future Federal, State or Local sales, use, excise, manufacturing, processing or importation tax, or any other tax or charge, that is or may be imposed on the articles or services covered hereby or on subsidiary articles or material incorporated therein. Any such taxes or charges will be added to the invoices as separate items, unless appropriate exemption certificates are furnished to Seller.
- MANUFACTURING POLICY:** Production quantity under-runs will be held to a minimum consistent with accepted industry manufacturing practices.
- PATENTS:** Seller will defend any suit or proceeding against Buyer, insofar as it is based on a claim that any article or part thereof furnished by Seller hereunder constitutes an infringement of any patent of the United States, if Seller is notified promptly in writing by Buyer and Seller is given authority, information and assistance from Buyer (at Seller's expense) for the defense or settlement of the same; except if such suit or proceeding shall result from (a) any such article or part was manufactured by Seller in accordance with any design, drawing or specification that is furnished to Seller by or for Buyer, and that is not based on Seller's design, drawing or specification, or (b) alleged infringement arises out of, or is based upon, the use of Seller's article with another article or material, or in a particular manner, not furnished by Seller. If any article or part furnished by Seller does infringe upon a patent, then Seller will, at Seller's expense, and at Seller's option, either (i) procure for Buyer the right to continue using such article or part; (ii) replace it with a non-infringing article or part; (iii) modify it so that it becomes non-infringing, or (iv) refund the purchase price and transportation costs upon return to Seller of the infringing article or part. The foregoing provision sets forth Seller's entire liability for, or resulting from patent infringement or claim thereof..
- FORCE MAJEURE:** Seller shall have no liability whatsoever, nor shall this order be subject to cancellation for delays and delivery due to act of God, civil or military riot or commotion, strikes, labor disturbance, vandalism, fire, war, insurrection, transportation, weather, federal, state or municipal orders and directions, default of supplier or subcontractor or due to any other cause beyond Seller's control. In such an event or events causing delay for such cause, the specified delivery date shall be extended for a reasonable length of time, but not less than the period of delay.
- Indemnification:** TO THE EXTENT ALLOWED BY LAW BUYER AGREES TO INDEMNIFY AND HOLD HARMLESS SELLER IT'S DIRECTORS, OFFICERS AND EMPLOYEES, FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, ATTORNEYS' FEES AND EXPENSES ARISING FROM THE NEGLIGENCE ACT OR OMISSION OR WILFUL MISCONDUCT OF BUYER RELATED TO THIS AGREEMENT WHICH CAUSES THE DEATH OF, INJURY TO, OR DAMAGE TO THE PROPERTY OF, ANY PERSON
- Ownership:** The Products may be covered by one or more patents and copyrights in the United States and other countries. Through Buyer's purchase of the Products, Seller grants to Buyer, and Buyer accepts, a paid-up, royalty-free, non-exclusive, non-transferable license to use the purchased Products, under said patents and copyrights. Seller owns copyrights in any software that is embedded or loaded in the Products, and/or in software provided by Seller for use in conjunction with the Products (collectively "Accompanying Software"). Seller grants Buyer the right to perform and display copyrighted Accompanying Software in conjunction with the use or sale of the Products, but Buyer has no right to copy Accompanying Software except to make a single backup copy of each program for Buyer's exclusive use. Seller grants Buyer the right to use, but not reproduce, any drawings, prints, manuals, and specifications delivered by Seller with the Products to Buyer under a Purchase Order with the sole exception that the material can be copied for internal use for the sole purposes of using and maintaining such products. Seller may grant Buyer other licenses as to Accompanying Software for use in conjunction with Products, and Buyer's rights and duties under any such licenses shall be in addition to the terms of this license.
- GENERAL:** If any such clause, sentence, word or other terms of this agreement are found or declared by law or legal proceedings to be unenforceable, void or illegal, the remainder of said agreement shall remain in full force and effect and binding on the parties hereto. The terms and conditions herein contained shall, unless otherwise specifically agreed to by Seller in writing, be the sole terms and conditions governing any purchase and sales contract entered into between the Buyer and Seller. Stenographic and clerical errors are subject to correction. No modification or addition to or waiver of any of the terms and conditions hereof will be effective unless agreed to in writing by Seller. This contract is made and entered into in the State of Illinois, therefore, this agreement and all amendments, additions and modifications thereto shall be governed and construed and interpreted in accordance with and by the laws of the State of Illinois and is so accepted. Any action brought with respects to this agreement shall be brought in Madison County Illinois and Buyer accepts and agrees to the exclusive venue of Madison County Illinois.

**MEMORANDUM
ATTORNEY-CLIENT COMMUNICATIONS**

TO: John Jensen, Chairman
Southeast Alaska Power Agency

FROM: Joel R. Paisner, Ascent Law Partners, LLP

DATE: June 26, 2015

RE: Suggested Motion for Executive Session for July 7, 2015

To the extent that the Board of Directors seek to discuss in executive session an appeal of a contract award and legal matters regarding the Mahoney project, I recommend the following motion be made:

I move to recess into Executive Session to facilitate discussions relating to obtaining legal advice regarding an Appeal of the Agency's Recommendation of Award to BAM LLC for its Swan-Tyee Helipad Project (Assembly and Installation of Phase II Helipads), and to discuss the Agency's legal strategy regarding the Mahoney Lake Hydroelectric Project. The Executive Session will be conducted pursuant to SEAPA's Bylaws, which are consistent with Alaska Statute 44.62.310 as the discussions will involve matters discussed with an attorney retained by the board, the immediate knowledge of which could have an adverse effect upon the finances and legal position of the Agency, the Projects, or any of the Member Utilities represented on the Board.