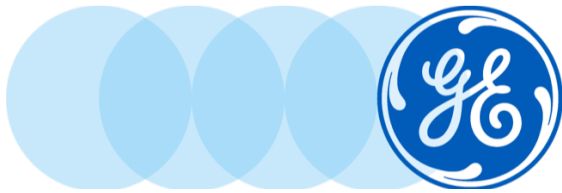


CITY OF RIVERSIDE

Low Pressure Turbine, Combustor, and Hot Section Exchange

Site: Riverside Acorn

Unit Serial: 191-525



Proposal Number: 1479177

Rev: 0

Date: November 14, 2019

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November 14, 2019

To: City of Riverside

Site: Acorn

Attn: Bryan Atkisson

Role: Plant Manager

GE Power
Power Services

Stanford Wiley
Services Sales Manager

16415 Jacintoport Blvd.
Houston, TX 77015

T 713 305 2146
F 832 553 7229

Subject: LPT, Combustor, and Hot Section Exchange ESN 191-525- GE Proposal 1479177

Dear Mr. Atkisson

GE Packaged Power LLC (hereinafter referred to as "GE" or "Seller") is pleased to provide "CITY OF RIVERSIDE" (hereinafter referred to as "Buyer" or "CITY OF RIVERSIDE") with this proposal 1479177, for the repair/refurbishment of ESN 191-525 Gas Turbine.

This proposal replaces all previous offers to the Buyer in their entirety and becomes the only valid offer to the Buyer at present, subject to prior sale.

Seller's proposal provides two options per Buyer's request

Option #1 – Base Repair Damage Scope

- HPT Turbine Repair including combustor
- LPT module repair
- Performed at Houston Service Center (Level 4 shop). Earliest induction is Feb. 2019
 - Tat estimated at 110 days

Option#2 – Base Refurbished Rotable Scope

- Rotable Hot Section and Combustor
- LPT Module Rotable
- Performed at site or a GE level 2 shop (Bakersfield, CA or Houston, TX)
- Tat estimated at 6 day shifts. Estimated to start Dec. 15, 2019.

I look forward to reviewing the benefits of this opportunity with you. If you have any questions about this proposal, please feel free to contact me.

Kind Regards,

Stanford Wiley
Senior Sales Manager

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Scope of Supply Description

Option 1 (Level 4)

- Seller will ship the engine from Buyer's site to Sellers Houston Service Center (HSC)
- Induct Engine and perform incoming inspection
- Low Pressure Compressor (LPC) and High-Pressure Compressor (HPC) are inspect only – inspection findings will be reviewed with the Buyer as well as other modules not specifically called out.
- Perform Repair via one of two options

1a.- Firm Fixed Price to repair Combustor, Hot section, and Low-Pressure Turbine (LPT) assuming at Zero fall out with recommended Fall Out Calculator (FOC)

- Additionally, component not usually associated with an overhaul, such as cases, spools, discs, frames or shafts. In case of a major component falling out, attempts will be made to identify rotatable replacement hardware as applicable.

Service Bulletins inclusion to be discussed by Seller to Buyer prior to final workscope acceptance

2a. – Firm Fixed price to replace with rotatable Combustor, Hot section, Low Pressure Turbine (LPT)

- Refurbished SAC Baseline Combustor
- Refurbished HPT S1 and S2 Blades
- Refurbished HPT S1 and S2 Nozzles
- Refurbished S1 and S2 Shrouds
- Refurbished Lower Pressure Turbine Module

Option 2 (Level 2)

Firm Fixed price to replace with rotatable Combustor, Hot section, Low Pressure Turbine (LPT)

- Refurbished SAC Baseline Combustor
- Refurbished HPT S1 and S2 Blades
- Refurbished HPT S1 and S2 Nozzles
- Refurbished S1 and S2 Shrouds
- Refurbished Lower Pressure Turbine Module

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Pricing Summary

Option #1 Base Repair Damage Scope

Seller provides Hot Section, Combustor, and LPT module repair, while later assessing damage with FOC Fall Out Calculator for actual damage, billing accordingly

Item	Description	Quantity	Price
1	HPT, Combustor, and LPT Repair at Zero fall out <ul style="list-style-type: none"> Includes Hot Section and Combustor Repair Includes LPT Repair 	1	\$1,899,893
2	Fall Out Calculator (Estimated fallout) on HPT and LPT <ul style="list-style-type: none"> 10% Fall out - HPT S2N, LPT S1 through S5 Shrouds 20% Fall out - HPT S1 and S2 Blades, LPT S1 Blade and S1 Nozzle (G22) 25% Fall out - HPT S1 Nozzles (G03) 40% Fall out - HPT S2 Nozzle, LPT Stage 2 Nozzle, LPT S5 Blades 50% Fall out - LPT S3, S4, S4 Nozzle, LPT S2, S3,S4 Blades 	1	\$2,050,730
3	Field Services <ul style="list-style-type: none"> Includes 4 field services reps for two (2) shifts (12 hours shifts/day) Includes 4 field services reps for three (3) shifts (12 hours shifts/day), includes start up and alignment Includes Consumables 	1	\$142,840
Total			\$4,093,463

Option #2 Base Refurbished Rotable Scope

Item	Description	Quantity	Price
4	LM6000PC Base Hot Section	1	\$1,401,900
5	LM6000PC G42 Combustor Rotable		\$157,500
6	Overhauled LM6000PC Low Pressure Turbine Exchange	1	\$1,820,200
7	Field Services <ul style="list-style-type: none"> Includes 4 field services reps for three (3) shifts (12 hours shifts/day), includes start up and alignment 	1	\$77,100

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Item	Description	Quantity	Price
	<ul style="list-style-type: none"> Includes Consumables 		
Total			\$3,456,700

Price Adjustment

Pricing listed above is for 2019 delivery only and any delivery beyond 2019 will require revised pricing.

Scope of Supply and Pricing Notes:

- GEPP LLC assets offered in this proposal are subject to prior sale.**
- Pricing is valid for delivery up to December 31, 2019
- Shipping of rotables to and from customer Site is included in the price
- The prices are exclusive of any Taxes, Local Taxes, VAT, Withholding Taxes, Levies or Import Duties for the Seller's Part(s) or Materials.
- The GEPP LLC supplied asset is covered by a 12-month warranty.
- The GEPP LLC supplied asset includes 100% GE OEM hardware.
- GE Field Service support, special tooling and consumables are included.
- The rotatable exchange pricing listed above assumes that the returned asset from the Buyer is in a repairable condition at the time that the asset is title transferred to Seller. This does not apply to parts that have normal wear and tear conditions, consumables and other parts that are scrapped due to normal operating conditions.
- Pricing assumes that Buyer's asset contains all GE OEM Hardware and / or GE OEM Hardware with authorized repairs only. Seller reserves the right to adjust pricing if Buyers returned asset contains any hardware that does not meet the above requirement

Field Services - Engine Removal and Installation

GEPP LLC proposes to provide Removal and Installation Services for base repair workscope provided above in Option #1. The following services are provided:

- Four (4) GE technicians per shift, working 12-hour shifts
- One (1) GE technician is provided for Gas Turbine startup.
- Mobilization, Removal of the Engine and ship to Houston Service Center
- Remobilization, Receive and Installation of Engine
- Engine Consumable Kit required for Engine installation is included
- Preparation of the Engine shipping
- Any Buyer caused delays will be invoiced at Time and Material rates per the GE Products and/or Services Terms and Conditions, PSTC/Emma (Standard) (May 2018)
- Engine alignment included
- Field Service portion is estimated at five (5), twelve (12) hour shifts

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Field Services - Hot Section, Combustor, and LPT Removal and Installation

GEPP LLC proposes to provide Removal and Installation Services for the Engine and labor to perform Low Pressure Turbine, Combustor and/or Hot Section exchange on-site per Option #2. The following services are provided:

- For the removal and installation of the unit and for the removal and installation of the Low Pressure Turbine, Hot Section and Combustor, GE will provide four (4) Aero Technicians.
- Representatives are working 1 shift/day, 12 hour shifts total of three (6) shifts
- One (1) GE technician is provided for Gas Turbine startup
- Removal of the used Low Pressure Turbine, Hot Section and/or Combustor
- Installation of replacement Low Pressure Turbine, Hot Section and/or Combustor
- Engine Consumable Kit is Included
- Gas Turbine Lift Fixture and Support Stands
- Preparation of the Removed Low Pressure Turbine, Hot Section and Combustor for shipping

Rates, Fees, Payment and Commercial Terms

Workscope Fees

The pricing for the Services work scope set forth in this Proposal and any resulting mutually agreed workscope will be at the rates and fees as follows

Work Scope Item	Amount
Service Center Labor	\$145.00/Hr
Genuine GE LM Unique Parts	Current GE List Less 12%
Genuine GE CF6 Parts	Current GE List
Outside Services	Vendor Invoice Plus 10%
Customer Furnished OEM Hardware	15% of GE List, 10K Cap Per Line

Terms of Payment

Seller will invoice Buyer after the completion of each installment for the percentage amount due. Payment terms from invoice date are shown in the table below.

Option #1 - Base Repair Workscope

Installment Description	Percentage of Overhaul Price Due
Upon PO Acceptance	25% Of Initial Contract Price - Net 30 days from Invoice Date
Upon Engine Induction	20% of Initial Contract Price -
Upon Final Workscope Acceptance	Up to 75% of the Contract Price prior to Shipment - Net 30 from Invoice date
Upon Engine Shipment to Site	15% of Final Contract Price - Net 30 from Invoice Date

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Upon Engine Installation and Generator Testing & Inspection Services Completion	10% of final Contract Price – Net 30 from Invoice Date
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Option #2 – Refurbished Rotable

Installment Description	Percentage of Overhaul Price Due
Upon PO Acceptance	40% Of Contract Price – Net 30 days from Invoice Date
Upon Hardware Shipment	30 % of Contract Price – Net 30 days from Invoice Date
Upon Rotable Hardware Installation and Services Completion	30% of Contract Price – Net 30 days from Invoice Date

All invoices to be paid via wire transfer to the instructions contained on each invoice.

Delivery to Seller’s Service Center

Shipping fees to deliver the Buyer’s engine to the Seller’s Service Center and back to the Buyer’s site is included, Risk of Loss remaining with the Buyer during all transportation.

Delivery and Transfer of Title

Delivery will be FOB Buyers Site (Incoterms 2010) and transfer of title for materials and services provided under this proposal pass to the Buyer upon leaving Sellers facility, Risk of Loss remaining with the Buyer during all transportation.

Delivery of the GE supplied rotatable asset(s) (herein also referred to as "Parts") will be FCA, “Free Carrier” Seller’s facility Incoterms 2010 Buyer’s site. Title Transfer will be per the following applicable clause.

- Title to Parts to be shipped from within the country where the Part will be installed shall pass to Buyer upon shipment.
- Risk of Loss shall transfer from Seller to Buyer upon Incoterm defined above
- Title to services transfer as they are performed

Seller will take title to the returning rotatable asset upon departure from Buyer's site.

Buyer warrants to Seller and its successors and permitted assignees that the title to the Parts are free and clear of all liens and encumbrances on the date of transfer and Buyer will defend such title forever against all claims and demands.

Buyer further warrants to Seller that Buyer is the beneficial owner of the removed Parts and that Buyer has full right, power, and authority to execute this Bill of Sale.

Buyer will be responsible for any tax or import duties for the Seller's rotatable(s) or materials.

Buyer is also responsible for any tax or export duties to return Buyer's rotatable(s) to designated service center of the Seller.

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Terms and Conditions of Sale

This Proposal is based on the terms stated herein and incorporated by reference, GE Products and/or Services Terms and Conditions PSTC Emma May 2018 .In the event of any conflict in the terms and conditions between this proposal and GE Products and/or Services Terms and Conditions PSTC Emma May 2018 GE Products and/or Services Terms and Conditions PSTC Emma May 2018 the terms and conditions of the proposal shall govern.

With respect to (i) non-OEM material or OEM Material that has been repaired with a process or by a service provider, that is not authorized by the OEM for those specific parts (“Alternate Material”), (ii) OEM material that has been previously operated in conjunction with Alternate Material, or (iii) any material, whether OEM, or Alternate Material or OEM material that has been previously operated in conjunction with Alternate Material, that is provided by the Buyer to install as part of the Parts or Services supplied herein (“Buyer Supplied Material”), the Parties hereby acknowledge and agree that Seller shall not be obligated to install, reinstall or reuse any of the types of material mentioned in (i), (ii) or (iii) above as part of any Services or Parts supplied herein. If Seller does agree, however, to incorporate any of the types of material mentioned in (i), (ii) or (iii) above as part of any Services or Parts supplied herein, those material will not be covered by any warranty conditions, either express or implied. Buyer further acknowledges and agrees that Seller shall be released from any and all liability associated with the types of material mentioned in (i), (ii) or (iii) above and Buyer shall indemnify, defend and hold the Seller harmless from and against any and all liability arising out of claims made by a third party related to the types of material mentioned in (i), (ii) or (iii) above. Notwithstanding the foregoing, to the extent that Seller, in its sole discretion, is able to re-repair OEM Material that has previously been repaired with a process or by a service provider that is not authorized by the OEM for those specific parts, then Seller’s normal warranty shall apply to only those parts that have been re-repaired and reused.

“Outside Services” means those parts, materials, labor and services, including craft labor, which are manufactured by and/or performed by subcontractors or other third parties, including Seller Affiliates, outside of Sellers Service Center Repair Facility.

All components replaced as a result of or part of the FFP module overhaul process in the depot will be dispositioned as GE Owned scrap materials. Materials declared scrap as a part of T&M repair scope will be the Buyers to disposition.

Parts supplied hereunder are manufactured in accordance with GE Distributed Power's standard specifications for industrial gas turbines. These parts are not intended for use and are not certified for use in on-wing aircraft modules or any other application.

This quotation is based solely on the GE terms and conditions referenced herein, and also on the presumptions that (a) no U.S. Government (U.S.G.) funds are being utilized to pay for the goods/services being quoted, (b) there are no U.S.G. terms, conditions or other requirements contained in any resultant sales transaction, and (c) any parts being furnished are not to be used for flight module applications; if any of these presumptions are incorrect, this quotation may be withdrawn by Seller prior to receipt of Buyer’s acceptance.

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Freight

Seller will be responsible for freight for **Option #2** above (i.e. for the Seller's supplied asset(s) to Buyer's (Site/Port of Import) and for the return of the removed asset(s) to the Seller's facility. Buyer will be responsible for any applicable import duties or taxes for Seller's asset(s). Seller is responsible for the freight while the Buyer is responsible for any export taxes and duties to return the Buyer's asset(s) to the designated Seller's facility.

If after 30 days from the date the rotatable asset is received by the Buyer, the removed rotatable asset has not shipped back to Seller from the Buyer's (Site/Port of Import), a penalty of 0.5% of purchase price per day will be assessed until the date that the asset is shipped back to Seller.

Buyer should contact Feng Gao at 513-552-6829, if they have any questions or issues regarding shipment of the returning asset to Seller.

Buyer shall pay all delivery costs and charges or pay Seller's standard shipping charges plus up to ten (10%) percent for Engine Shipment to/from Buyer's site for **Option# 1**.

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Purchase Order Issuance

If this proposal meets your requirements, please issue the purchase order as follows: and please reference the **Proposal Number 1479177** and is governed by **GE Products and/or Services Terms and Conditions PSTC Emma May 2018** in the body of the purchase order:

Please issue your Purchase Order with separate line items for the FS installation and the specific options selected to:

GE Packaged Power LLC
16415 Jacintoport Blvd
Houston, TX 77015-6589USA
USA

e- mail to: Stanford.wiley@ge.com

Validity

This proposal is valid for thirty days (30) from the date of this proposal, subject to prior sale of the offered equipment.

Attachments

Attachment 1: Fall Out Calculator

Attachment 2: GE Products and/or Services Terms and Conditions

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Submittal and Acceptance

This proposal submitted by:

Name: Stanford Wiley

Title: Sales Manager

For: GE Packaged Power, LLC

Date: November 14, 2019

Upon acceptance, this Proposal shall constitute the entire agreement between the parties and any understanding, promise, representation; warranty or conditions not incorporated herein shall not be binding on either party:

This Proposal is accepted by:

Name: _____

Title: _____

For: _____

Date: _____

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