

	AUTOMATED METERING INFRASTRUCTURE AGREEMENT
	EXHIBIT B1: ADDITIONAL TERMS AND CONDITIONS RELATING TO ITRON, ITS PRODUCTS & SERVICES

1. GENERAL PROVISIONS

1.1. Cancellation/Modification of Orders.

1.1.1. Equipment. NBU may change or cancel an order without charge for Communications Modules, Network Equipment and all other Itron Products Anixter provided to NBU by Anixter without payment of any cancellation/change fee if such change or cancellation is made prior to the commencement of the Purchase Order Lead Time. NBU must pay all of Anixter's reasonable costs for changes or cancellations made after commencement of the Purchase Order Lead Time. Orders from other suppliers may be cancelled by NBU only to the extent cancellable by Anixter. NBU may not return delivered Itron Products to Anixter. "Purchase Order Lead Time" means the required minimum amount of time between Anixter's receipt of a Purchase Order and the delivery by Anixter of the Equipment to the carrier or the commencement date for Services. Purchase Order Lead Time shall be twenty (20) weeks for Equipment and four (4) weeks for Software supplied to Anixter by Itron, unless otherwise stated in a SOW (i.e., not in the Purchase Order itself).

1.1.2. Services and Software. NBU may change or cancel Purchase Orders for Itron Services and Itron Software at any time prior to the date Itron Services are performed or Itron Software is delivered, provided that NBU pays for all reasonable costs Anixter incurs arising from the cancellation or change.

1.2. Shipment/Delivery. NBU shall pay for all shipping costs, transit insurance (if any) and import duties and tariffs, except any amount from which Purchase is exempt by virtue of its status as a governmental entity. Title to, and risk of loss of, the Equipment, will pass to NBU upon delivery to NBU.

1.3. Equipment Inspection and Acceptance. NBU will inspect the Equipment within thirty (30) days following delivery to NBU to ascertain correct quantities and identify visible damage or deviation from the Purchase Order. Unless NBU provides written notice to Anixter within the inspection period that Equipment is damaged or does not meet the Purchase Order requirements, NBU will be deemed to have accepted the Equipment. Anixter will deliver, at Anixter's expense, Equipment to replace defective Equipment or to meet the correct quantities.

2. WARRANTIES

2.1. Software. Itron warrants to NBU that, for a period of 180 calendar days from the date that the Software is made accessible to NBU, the Itron Software will substantially perform and conform to its Itron Specifications in the Itron Documentation. NBU will test the software within thirty (30) days following delivery to NBU to verify conformance. Unless NBU provides written notice within the testing period that Software does not conform to its Specifications, NBU will be deemed to have accepted the Software. NBU's sole and exclusive remedy, and Itron's sole liability, for any breach of this warranty will be repair or replacement of the defective Itron Software. This warranty covers problems reported to Itron in writing during the warranty period. The foregoing warranty will not apply to non-conformities caused by: (a) modifications not made or approved by Itron in writing; (b) any party's negligence or intentional acts (except those of Itron); (c)

misuse or abuse, including the failure to properly use or install the Software by NBU or a third party; (d) incorrect data, or data entry or output by the NBU or a third party; (e) third party software, hardware or firmware not provided or authorized by Itron in writing; or (f) accident, Force Majeure, or other catastrophic damage not caused by Itron. Itron Software not conforming to the warranty herein as a result of any of the foregoing causes will be repaired or replaced only upon NBU's payment of additional fees.

2.2. Equipment.

2.2.1.Limited Warranty. Itron warrants that, for a period of one (1) year after the Itron Delivery Date, the Itron Equipment will conform in all material respects to the Itron Specifications in the applicable Itron Documentation. The warranty provided hereunder covers problems reported to Itron in writing during the warranty period. Each item of Itron Equipment is manufactured from new parts. A replacement may not be new, but will be in good working order and will be subject to the remaining term of the warranty for the Itron Equipment being replaced or six (6) months after delivery of the replacement Itron Equipment, whichever is longer. If any unit of Itron Equipment does not meet the above warranty during the warranty period, Itron will, at its option and expense, and as NBU's sole and exclusive remedy, repair or replace such non-conforming unit.

2.2.2>Returns. NBU shall send all defective Itron Equipment to Itron for inspection. NBU shall advance all shipping fees for the return of defective Itron Equipment. Prior to returning a unit of Itron Equipment to Itron for repair or replacement, NBU shall obtain from Itron an RMA number, which must be included on all packaging, labeling, and other communications relating to the return. Provided Itron confirms the nonconformity or defect and determines that it cannot be repaired at NBU's site, Itron will repair or replace the Itron Equipment.

2.2.3.Exclusions. The above warranty does not cover Itron Equipment in poor operating condition due to one or more of the following causes: (a) an alteration or modification not made or approved by Itron in writing; (b) NBU's or any third party's negligence or intentional acts; (c) use with cables, mounting kits, antennas, battery backups and other devices connected to Itron Equipment that Itron has not provided to NBU or approved in writing; (d) misuse or abuse, including the failure to operate Itron Equipment in accordance with its specifications or documentation; (e) improper handling, installation, testing, or use; (f) fire originating outside of the Itron Equipment; (g) accident, Force Majeure or other types of catastrophic damage; (h) where NBU fails to reasonably assist Itron in verifying, reproducing and correcting conditions producing the failure in performance or defect, or Itron is unable after using reasonable efforts to verify and reproduce such failure or defect condition reported by NBU; or (i) any failure of the computer operating systems, hardware environment, and/or third party software utilized by NBU. Itron Equipment damaged by any of the foregoing causes will be repaired or replaced only upon NBU's payment of additional charges.

2.3. Disclaimers. Some software tools that Itron may provide (e.g., the Meter Program Configurator and Firmware Upgrader) enable NBU to change the content, programming and configuration of Itron Equipment. **Itron and Anixter shall not be responsible or liable to NBU or third parties for any consequences of, or losses or damages arising from, the use or misuse of such software tools, including but not limited to outages, device non-reachability, loss or inaccurate reading or transmission of data. Except for the express limited warranties provided in the end user license agreement provided by Itron and attached hereto as Attachment 1 ("EULA"), Itron makes no warranty of any kind, whether express, implied, statutory, or otherwise relating to the Itron Products. Itron and its suppliers specifically disclaim all implied warranties of design, merchantability, fitness for a particular purpose, title and non-infringement. Itron and its licensors and suppliers do not warrant or represent that the Itron Software will be free from bugs or that its use will be uninterrupted, error-free or secure, or make any other representations regarding the use,**

or the results of the use, of Itron Products provided hereunder. Itron assumes no liability or responsibility for any interruption or cessation of transmission to or from its data centers via WAN, cellular or other public communications or broadband systems.

2.4. Limited Warranty for Project Management Services and Solution Services. Itron warrants that Project Management Services and Solution Services will be provided in accordance with the applicable SOWs and will be performed in a competent and professional manner, in accordance with usual and customary industry standards, using skilled Itron employees, subcontractors or other agents having the appropriate background and skills. These warranties will be in effect for Project Management Services for a period of ninety (90) days following the Project's completion, and for Solution Services, during the term Solution Services are purchased; *provided* that NBU provides written notice of a breach of this warranty during the applicable warranty period. NBU's exclusive remedy, and Itron's entire liability, for breach of the foregoing warranty will be for Itron to correct or re-perform any nonconforming Services, at Itron's expense. **Except as expressly specified in this section or any service levels in a SOW, all Project Management Services and Solution Services are provided "as is", without warranty of any kind. Without limiting the foregoing, and except as expressly provided in this Agreement, Itron and Anixter disclaim any warranty, whether express or implied, statutory or otherwise, that the Project Management Services and Solution Services will be error-free or uninterrupted or that all errors will be corrected. No advice or information, whether oral or written, obtained from Itron or elsewhere will create any warranty not expressly stated in this Agreement.**

2.5. Third Party Products. Except for third party software or components embedded in Itron Products that are covered by the above Itron warranties, any third party products Itron provides to Anixter under this Agreement are sold or licensed pursuant to the terms and conditions contained in any separate license or agreement provided by their third party suppliers. Anixter will have no obligation for any warranties or maintenance of stand-alone third party products and will not accept their return.

3 PRICING/PAYMENT TERMS/TAXES/AUDIT RIGHTS

3.1 Taxes. NBU shall pay and be responsible for all taxes, duties, fees and other governmental charges of any kind (including value added, excise, sales, services and use taxes) that may lawfully be imposed upon the sale of Itron Products, Itron Software licenses, and Itron services to NBU, except any taxes from which NBU is exempt by virtue of its status as a government entity. If applicable, NBU shall provide evidence to Anixter of its exemption from applicable sales, use or other taxes.

3.2 Audit.

3.2.1 Promptly, upon at least thirty (30) days' prior written notice, not more frequently than once annually and only during normal business hours at a mutually agreeable location, and only to the extent permitted by and in accordance with NBU's standard policies and procedures and all applicable laws and regulations, Itron and/or Anixter will have the right to audit NBUs' records to: (i) verify that Itron Software is being licensed pursuant to this Agreement, (ii) verify that Itron Software is being used pursuant to the EULA, and (iii) confirm the number, identification, type and location of Managed Devices being managed by NBUs' use of the Itron Software; *provided, however*, that NBU need not provide the number of Managed Devices if Itron is providing Solution Services to NBU. NBUs may use the reporting feature of the Itron Software for this purpose; *provided, however*, if Itron is not providing Solution Services, NBU must provide this data on request of Anixter or Itron but not more frequently than biannually. Promptly, upon at least thirty (30) days' prior written notice, not more frequently than once annually and only during normal business hours at a mutually agreeable location, Itron and/or Anixter shall have the right to inspect

NBUs' facilities and records to ensure compliance with the terms of this Agreement and the EULA, as applicable.

3.2.2 Payment/Reimbursement of Fees. All amounts found to be owed under Section 3.2.1 hereof shall be payable within thirty (30) days after date of invoice from Itron and/or Anixter.

3.2.3 Records Retention. During the term of this Agreement, and for at least three (3) years thereafter, each Party will keep and maintain records applicable to their performance under this Agreement, except that NBU's compliance with its standard policies and procedures and applicable laws and regulations shall override this section 3.2.3.