

GENERAL TERMS AND CONDITIONS FOR SERVICES, EQUIPMENT AND MATERIAL PROVIDED BY VELCO/VERMONT TRANSCO LLC

These **Terms and Conditions** shall govern all services and products provided by **Vermont Transco LLC** and **Vermont Electric Power Company Inc.** (“VT TRANSCO”) to a Customer (together the “Parties” and each a “Party”) and are deemed to be incorporated into a duly executed Work Confirmation (“WC”). Unless otherwise agreed to in writing by both parties, these Terms and Conditions supersede and take precedence over any other terms and conditions contained in any quote, bid, or invoice pertaining to the work, services, goods, and materials.

1. Scope of Work

VT Transco shall provide to Customer the services and/or products (hereinafter, the “Work”) as described on the WC.

2. Compensation

As compensation for the performance of the Work, Customer shall pay VT TRANSCO the billable amount specified on the WC (hereinafter sometimes referred to as the “Price”).

3. Performance

VT TRANSCO shall commence the Work as agreed to by the Parties and shall complete any various stages of work provided in the description of the WC as agreed to by the Parties.

4. Technical Materials

All design, blueprints, tools, dies, patterns, plates or other technical materials furnished to VT TRANSCO by Customer shall remain Customer’s sole and exclusive property. VT Transco shall treat as confidential any such materials clear marked as Confidential, using the care an ordinary person would use in similar circumstances. VT TRANSCO shall not copy or otherwise use any confidential materials for any purpose other than performance under the WC. All design, blueprints, tools, dies, patterns, plates or other technical materials furnished by VT TRANSCO to Customer shall remain the property of VT TRANSCO however VT TRANSCO grants Customer the right to reproduce, use and disclose in connection with the use, maintenance and service of the Work, all reports, drawings and reproductions thereof, and all data and technical information delivered to Customer.

5. Independent Contractor

For all Work to be performed under the WC, VT TRANSCO shall be an independent contractor and not the agent or employee of Customer. Except as authorized in or necessary to complete the Work in the WC, VT TRANSCO shall have no authority to make any statement or commitment, nor to take any action, which may be binding on Customer. Customer shall have no recourse against any of VT TRANSCO’s affiliates, owners, members, partners, joint ventures, shareholders, officers, directors, or employees for any reason, other than as set forth in the Agreement.

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6. Change of Work

The Parties may from time to time mutually agree to make changes in the Work through additions, deletions or other revisions. If such changes materially change the nature and/or scope of the WC, an equitable change to the Price shall be made. VT TRANSCO shall have the right at any time to request such changes using a Change Order form agreed. All changes shall be made pursuant to a Change Order and agreed to by both parties.

7. Payment

Payments pursuant to the WC will be made within 30 days after receipt of VT TRANSCO invoices with appropriate supporting documentation or 30 days after acceptance of the Work (or portions thereof if applicable), whichever is earlier. There shall be no right of set except for invoices that contain typographical errors.

8. Warranty

VT TRANSCO shall warranty all labor for a period of one (1) year unless otherwise agreed to by both VT TRANSCO and Customer. VT TRANSCO warrants that the Work shall conform with the standards of care and practice appropriate to the nature of the Work, and that the Work shall be free from material defects, errors and omissions, and in conformity with the WC. To the extent allowed by law, VT TRANSCO shall pass through any warranty for materials but otherwise provides all other materials on an "AS IS" basis with no warranty whatsoever, unless provided for expressly in a WC.

Compliance with Law

VT Transco warrants that its performance of the Work shall comply with applicable laws, statutes, ordinances, rules, regulations and orders, including, but not limited to, those relating to safety, employment, equal employment opportunity, the environment, taxes and withholding and labor, and with all of the terms, conditions and limitations contained in any certificate, permit or license applicable to the Work. Customer shall provide VT TRANSCO in advance with copies of any existing applicable certificates, permits or licenses applicable to the Work.

Breach of Warranty

If any of the Work is defective or otherwise breaches the warranties made in these Terms and Conditions, Customer shall provide written notice and allow VT TRANSCO no less than thirty (30) days to provide a plan for corrective action.

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9. Termination

a. Termination for Default

Upon an a material breach of the Agreement for which VT TRANSCO fails to provide a corrective action plan in accordance with Section 8 (a “Default”) Customer may give written notice to VT TRANSCO of its intent to terminate the WC for Default. If the Agreement is terminated, Customer shall pay VT TRANSCO in full for all completed Work.

10. Indemnification

Each party shall, at its sole expense, defend, indemnify and hold harmless the other Party, its directors, officers, agents and employees (collectively, the “Indemnatee Party”), from and against all claims, causes of action, suits, losses and damages (including attorneys’ fees) (the “Liabilities”), and from threatened loss or expense by reason of Liabilities, arising in whole or in part, from or out of the Work or the Agreement, except to the extent that the Liabilities arise from the negligence or wrongful act or omission of Indemnatee Party, its officers, agents, employees, or subcontractors.

11. Insurance

VT Transco shall maintain at a minimum the following insurance coverage throughout the term of the Agreement:

Workers’ Compensation/Employers’ Liability

Statutory requirements for the State of Vermont, the location where performance occurs or both, if obligations arise in both.

Comprehensive Automobile Liability

Combined Single Limit for Bodily Injury and Property Damage for owned, non-owned and hired automobiles of not less than \$500,000.

Comprehensive General Liability

Combined Single Limit for Bodily Injury, Property Damage, Personal Injury/Advertising Injury, to include Blanket Contractual coverage, of not less than \$500,000 per occurrence.

Umbrella Liability

Combined Single Limit - Excess of Primary Limits - \$1,000,000. These limits apply to all of the above-mentioned policies.

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Professional Liability

For Engineers/Architects, Professional Liability Insurance with a Combined Single Limit of \$1,000,000 is also required.

12. Applicable Law, Dispute Resolution, and Arbitration

The WC and these General Terms and Conditions is made under and shall be governed by and construed under the laws of the State of Vermont, without regard to principles of conflicts of laws.

In the event of any dispute under the WC, the parties agree to first negotiate in good faith to resolve the dispute. If negotiation fails, the parties agree to submit the dispute to mediation at a mutually agreeable location, with a mutually agreeable, impartial mediator. If that fails, except for the right of either party to apply to a court of competent jurisdiction for a temporary restraining order, a preliminary injunction, or other equitable relief to preserve the status quo or prevent irreparable harm pending the selection and confirmation of the arbitrator(s), all disputes, controversies, or differences which may arise between the parties, out of, in relation to, or in connection with the WC, or the breach thereof, will be finally settled by binding arbitration pursuant to the Commercial Arbitration Rules of the American Arbitration Association in effect as of the date the dispute arises. The arbitration will be subject to and governed by the procedures and requirements of the Vermont Arbitration Act except as permissibly modified herein. Unless otherwise agreed, all hearings will be held in Rutland, Vermont. The arbitrator(s) will have no authority to award punitive damages or any damages expressly excluded by the terms of the WC or these General Terms and Conditions. The arbitrator's award may be enforced in any court of competent jurisdiction.

ACKNOWLEDGMENT OF ARBITRATION:

The Parties understand that the WC and these General Terms and Conditions contain an agreement to arbitrate. After agreeing to the WC, the Parties understand that it will not be able to bring a lawsuit concerning any dispute that may arise which is covered by the arbitration agreement, unless it involves a question of constitutional or civil rights. Instead, the Parties agree to submit any such dispute to an impartial arbitrator.

13. Assignment

VT TRANSCO may assign its rights or subcontract any of its obligations under the WC with the consent of Customer, which consent shall not be unreasonably delayed, conditioned or denied.

14. Severability

In the event any provision of the WC and these General Terms and Conditions are found by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect under applicable

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law, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

15. Notices and Correspondence

Non-environmental, health and safety notices to, and correspondence with, VT TRANSCO shall be sent first class, postage prepaid, with copies via e-mail, to:

Vermont Transco LLC
366 Pinnacle Ridge Road
Rutland, VT 05701
Attention: Procurement Department
E-mail: Procurement@velco.com

Notices to, and correspondence with, Customer shall be sent to the address indicated on the first page of the applicable WC or such other address agreed to by the parties, with copies via facsimile or e-mail to the number/address provided by Contractor.

16. Entire WC

The WC, these Terms and Conditions, Change Orders, documents, certificates, agreements, forms and instruments referred to herein or therein, embodies the entire WC between the VT TRANSCO and Customer.