

VILLAGE OF LOMBARD
SPECIFICATION & CONTRACT DOCUMENT NUMBER PWU-1101
FOR
FY2011 Automated Meter Replacement Project

Obtain information from and submit proposal to:

Carl S. Goldsmith
Director of Public Works
Village of Lombard
255 E. Wilson Avenue
Lombard, Illinois 60148
(630) 620-5700

Note: This cover sheet is an integral part of the contract documents and is, as are all of the following documents, part of any contract executed between the Village of Lombard and any successful bidder. Do not detach any portion of this document. Invalidation may result.

TABLE OF CONTENTS

	Page
Cover Sheet.....	1
Table of Contents.....	2
General Terms, Conditions & Instructions	3
Specific Terms, Conditions & Instructions.....	7
Village Contract.....	8
Village Contract Bond	10
Exhibit A (Contractor's Certification - Contract Execution)	12
Exhibit B (Contractor's Cert. - Sexual Harassment Policy).....	13
Exhibit C (Contractor's Cert. - Tax Compliance)	14
Exhibit D (Contractor's Cert. - Drug & Alcohol Testing)	15
Exhibit E (Additional Insured Endorsement)	16
Appendix A (HD Supply Waterworks, Ltd. Proposal).....	17
Appendix B (Village of Lombard FlexNet Propagation Study).....	22
Appendix C (Sensus/Customer FlexNet Deployment Project Responsibilities Statement of Work (SOW)).....	23
Appendix D (FlexNet Statement of Work Reference Chart).....	33
Appendix E (FlexNet Customer Acceptance Plan)	34
Appendix F (Sensus FlexNet Annual Maintenance Agreement).....	38

GENERAL TERMS, CONDITIONS & INSTRUCTIONS

SUBLETTING OF CONTRACT

No contract awarded by the Village of Lombard shall be assigned or any part sub-contracted without the written consent of the Director of Public Works. In no case shall such consent relieve the successful bidder from his obligation or change the terms of the contract.

GUARANTEES AND WARRANTIES

All guarantees and warranties from the manufacturers shall be furnished by the Contractor and shall be delivered to the Director of Public Works before final payment on the contract is made. The Contractor warrants to the Owner that materials and equipment furnished under the contract will be of good quality and new, unless otherwise required or permitted by the contract documents, and that the work will be free from defects in material and workmanship for one year from the date of issuance of the final payment by Owner and any deficiencies shall be corrected by the Contractor under this warranty immediately upon notification from the owner.

In deciding to proceed with the selected products and Contractor, the Village relied upon the FlexNet Propagation Analysis Option 1 performed by Sensus Metering Systems, and the May 2010 pilot project performed by HD Waterworks, which indicated satisfactory performance of the proposed system with the installation of only two (2) tower gateway base stations (TGB). The Contractor shall supply a fully operational two-way automated meter reading system and shall, at its own expense, add any and all additional infrastructure, devices or materials needed for the fully operational two-way automated meter reading system. A fully operational two-way automated meter reading system is defined as the Owner as being able to receive and query water meter readings for all commercial and multi-family customers within the Owner's water system, as of June 1, 2010, via the Sensus FlexNet System. Please see "Appendix E FlexNet Customer Acceptance Plan (CAP)" for criteria of a fully operational two-way automated meter reading system.

INSPECTIONS

The Village shall have the right to inspect any material, component equipment, supplies, services, or completed work specified herein before acceptance. Any of said items not complying with these specifications are subject to rejection at the option of the Village. Any items rejected shall be removed from the premises of the Village and/or replaced at the entire expense of the successful bidder.

TAXES

The Village is exempt, by law, from paying the following taxes: Federal Excise Tax, Illinois Retailer's Occupation Tax, Use Tax and Municipal Retailers' Occupation Tax on materials and

services purchased by the Village of Lombard. A copy of the Village Tax-Exempt letter will be provided to the successful bidder when requested.

OTHER CONTRACTOR RESPONSIBILITIES

The contractor shall be responsible for complying with all applicable Federal, State, County and Village laws and regulations in the performance of the contract.

CONTRACT BOND

The contractor must furnish and pay for a satisfactory Contract Bond in the amount of one hundred percent (100%) of the contract sum. Said Bond shall be in a form acceptable to the Village, shall be deposited with the Village at the time of execution of the contract and shall provide that they shall not terminate on completion of the work, but shall be reduced to ten percent (10%) of the contract sum upon completion of the work for a period of one (1) year to cover the one (1) year guaranty and maintenance period. Execution of any contract by the Village is contingent upon the provision of the required Bond by the contractor.

PREVAILING WAGES

The Village of Lombard requires all contractors (and any subcontractors) bidding on Village projects to comply with the Illinois Prevailing Wage Act, 820 ILCS 130/1 et seq., as applicable to the particular contract. Prevailing wage rate updates can be obtained by calling the Illinois Department of Labor at (312) 793-2914, or writing to the Illinois Department of Labor at: 310 S. Michigan Avenue, 10th Floor, Chicago, Illinois 60604, or calling the Lombard Village Hall at (630) 620-5700.

Note: On August 10, 2005, Public Act 94-0515 amended the Prevailing Wage Act by requiring the contractor and each subcontractor participating on public works projects to submit monthly a certified payroll to the public body in charge of the project.

INSURANCE

- (A) During the term of the contract, the contractor shall provide the following types of insurance in not less than the specified amounts:
1. Commercial General Liability - \$1,000,000.00 per occurrence, \$2,000,000.00 aggregate;
 2. Auto Liability - Combined Single Limit Amount of \$1,000,000.00 on any contractor owned, and/or hired, and/or non-owned motor vehicles engaged in operations within the scope of this contract;
 3. Professional Liability - \$1,000,000.00 (Required only where contracts are for professional services);

4. Workers Compensation - Statutory; Employers Liability \$1,000,000.00 (the policy shall include a 'waiver of subrogation'); and
 5. Umbrella Coverage - \$1,000,000.00
- (B) The aforementioned insurance requirements shall be fulfilled by the contractor by maintaining insurance policies which name the Village, its officers, agents, employees, representatives and assigns as additional insureds (except on policies for professional liability). Such insurance shall be primary with respect to any insurance or self-insurance programs covering the Village, its officers, agents, employees, representatives and assigns. The contractor shall furnish to the Village satisfactory proof of coverage by a reliable company or companies, before commencing any work. Such proof shall consist of certificates executed by the respective insurance companies and filed with the Village together with executed copies of an Additional Insured Endorsement (Insurance Form CG2010 - 1985 version). Said certificates shall contain a clause to the effect that, for the duration of the contract, the insurance policy shall be canceled, expired or changed so as to the amount of coverage only after written notification 30 days in advance has been given to the Village.
- (C) The contractor shall require subcontractors, if any, not protected under the contractor's policies, to take out and maintain insurance of the same nature in amounts, and under the same terms, as required of the contractor.

INDEMNIFICATION

The contractor shall indemnify, defend and save harmless the Village of Lombard, its officers, agents, employees, representatives and assigns, from lawsuits, actions, actual and direct costs (including reasonable attorneys' fees), claims or liabilities of any character, including, as allowed by law, liabilities incurred due to joint negligence of the Village and the contractor, brought because of any injuries or damages received or sustained by any person, persons, or property on account of any act or omission, neglect or misconduct of said contractor, its officers, agents and/or employees to the extent arising out of, or in performance of any of the provisions of the contract, including any claims or amounts recovered for any infringements of patent, trademark or copyright; or from any claims or amounts arising or recovered under the "Worker's Compensation Act" or any other law, ordinance, order or decree. In connection with any such claims, lawsuits, actions or liabilities, the Village of Lombard, its officers, agents, employees, representatives and their assigns shall have the right to defense counsel of their choice. To the proportionate extent of Contractor's negligence, the contractor shall be solely liable for all a pro rata share of costs of such defense and for all expenses, fees, judgments, settlements and all other costs arising out of such claims, lawsuits, actions or liabilities.

VENUE

The parties hereto agree that for purposes of any lawsuit(s) between them concerning the contract, its enforcement, or the subject matter thereof, venue shall be in DuPage County, Illinois, and the laws of the State of Illinois shall govern the cause of action.

PARTIAL PAYMENTS AND RETAINAGE

The Project Manager shall submit a partial payment estimate not more than once each month upon approval by the Village Board of Trustees and approval of the Contractor's affidavit and partial waiver(s) of lien. Subsequent pay estimates will not be processed until partial waivers have been received and approved for all previous pay estimates. Retainage will not be deposited under any trust agreement. Mobilization will not be paid.

ACCEPTANCE AND FINAL PAYMENT.

Any payment, final or otherwise, shall not release the Contractor or his sureties from any obligations under the Contract or the contract bond.

**SPECIFIC TERMS, CONDITIONS & INSTRUCTIONS
FOR
FY 2011 AUTOMATED METER REPLACEMENT PROJECT**

BACKGROUND

The Village of Lombard currently uses the touchpad meter reading technology to read approximately 12,700 residential, commercial and multi-family water meters on a bi-monthly basis. The FY 2011 Automated Meter Replacement Project will install the backbone of the automated meter reading system, commonly referred to as advanced meter infrastructure (AMI), replace all commercial and multi-family water meters and convert all commercial and multi-family meter accounts to the AMI technology. Approximately 1000 residential accounts will also be converted from touchpad read to AMI through the installation of a smartpoint on the existing touchpad.

A project team evaluated several AMI systems. Three vendors were asked to perform a propagation study to determine the infrastructure needed to read all of the meters in the Village. The Village received a proposal from the vendor that met the criteria set forth by the project team: use existing Village structures for antennae, minimize the number of repeaters, two-way reading system and install the smartpoint on the outside of the building. The Village merged the Vendor's proposal into this Contract Document.

VILLAGE OF LOMBARD

CONTRACT DOCUMENT NUMBER PWU-1101

This agreement is made this 19th day of August, 2010, by and between, and shall be binding upon, the Village of Lombard, an Illinois municipal Corporation hereinafter referred to as (the "Village") and HD Supply Waterworks, Ltd. hereinafter referred to as (the "Contractor").

Witnesseth That in consideration of the mutual promises of the parties delineated in the Contract Documents, and herein, the Contractor agrees to sell and install and the Village agrees to pay for the following described items and the installation of the same as set forth in the Contract Documents:

- FY 2011 Automated Meter Replacement Project
- Appendix A: HD Waterworks Proposal Dated June 11, 2010
- Appendix B: Village of Lombard FlexNet Propagation Analysis
- Appendix C: Sensus/Customer FlexNet Deployment Project Responsibilities Statement of Work (SOW)
- Appendix D: FlexNet Statement of Work Reference Chart
- Appendix E: FlexNet Customer Acceptance Plan
- Appendix F: Sensus FlexNet Annual Maintenance Agreement

1. This Contract shall embrace and include all of the applicable Contract Documents listed below as if attached hereto or repeated herein:
 - a. Specification and Contract Document no. PWU-1101 for FY 2011 Automated Meter Replacement Project, consisting of the following:
 - i) Cover Sheet
 - ii) Table of Contents
 - iii) General Terms, Conditions and Instructions
 - iv) Specific Terms, Conditions and Instructions
 - b. The Contractor's Proposal Dated June 11, 2010
 - c. Required Contract Bond and Certificate of Insurance
2. The Village agrees to pay, and the Contractor agrees to accept as full payment for the items, and installation of the same, which are the subject matter of this Contract the total sum of \$1,736,044.42 paid in accordance with the provisions of the Local Government Prompt Payment Act and the provisions of the Contract Documents.
3. Risk of loss, destruction or damage of or to goods under this Contract shall be on contractor until installation and acceptance of the goods by the Village.

4. Contractor shall not delegate the duties involved in the performance of the installation services which are the subject matter of this Contract without the written approval of the Village.
5. The Contractor represents and warrants that it will comply with all applicable Federal, State and local laws concerning prevailing wage rates regarding installation services provided under this Contract and all Federal, state and local laws concerning equal employment opportunities.
6. The Contractor shall deliver the goods under this Contract by November 15, 2010, and shall complete installation by March 15, 2011 Time is of the essence of this Contract and Contractor agrees to achieve completion within the Contract time by all proper and appropriate means including working overtime without additional compensation.
7. In executing this Contract, Contractor agrees that it has examined the site of the work and the conditions existing therein, has examined the Contract Documents and taken and compared field measurements and conditions with those Documents.
8. This Contract represents the entire agreement between the parties and may not be modified without the written approval of both parties.
9. Where the terms of this Contract conflict with the provisions of the Contract Documents, the Contract Documents shall be binding.

IN WITNESS WHEREOF, the Village of Lombard, Illinois by William J. Mueller, Village President, and the Contractor have hereunto set their hands this 19th day of August, 2010.

If an individual or partnership, all individual names of each partner shall be signed or if a corporation, an officer duly authorized shall sign here:

Accepted this 19th day of AUGUST, 2010

Individual or LIMITED Partnership Corporation _____

Don Clayton
By: DON CLAYTON VP and CFO
Position/Title

By _____ Position/Title

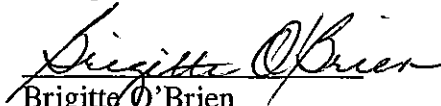
HD SUPPLY WATERWORKS, LTD
Print Company Name

THE VILLAGE OF LOMBARD, ILLINOIS
Accepted this 19th day of August, 2010.

William J. Mueller

William J. Mueller
Village President

Attest:


Brigitte O'Brien
Village Clerk

VILLAGE OF LOMBARD

CONTRACT BOND

BOND # CMS254179

KNOW ALL MEN BY THESE PRESENTS, that we HD Supply Waterworks, Ltd, a company organized under the laws of the State of Florida and licensed to do business in the State of Illinois as Principal and RLI Insurance Company, a corporation organized and existing under the laws of the State of Illinois, with authority to do business in the State of Illinois, as Surety, are now held and firmly bound unto the Village of Lombard, State of Illinois in the penal sum of One Million Seven Hundred Thirty Six Thousand Forty Four and 42/100 dollars (\$ 1,736,044.42) lawful money of the United States, well and truly to be paid unto said Village for the payment of which we bind ourselves, our successors and assigns, jointly, severally, and firmly by these presents.

THE CONDITION OF THE FOREGOING OBLIGATION IS SUCH that whereas the said Principal has entered into a written contract with the Village of Lombard, acting through the President and Board of Trustees of said Village, dated August 19, 2010, for the construction of the work designated:

FY 2011 Automated Meter Replacement Project

in Lombard, Illinois, which contract is hereby referred to and made a part hereof as if written herein at length, and whereby the said Principal has promised and agreed to perform said work in accordance with the terms of said contract, and has promised to pay all sums of money due for any labor, materials, apparatus, fixtures or machinery furnished to such Principal for the purpose of performing such work, and has further agreed to guaranty and maintain said work for a one (1) year period following final payment to such Principal, and has further agreed to pay all direct and indirect damages to any person, firm, company, or corporation suffered or sustained on account of the performance of such work during the time thereof and until such work is completed and accepted; and has further agreed that this bond shall inure to the benefit of any person, firm, company or corporation from whom any such labor, materials, apparatus, fixtures or machinery was so furnished and that suit may be maintained on such bond by any such person, firm, company or corporation for the recovery of any such money.

NOW, THEREFORE, if the said Principal shall well and truly perform said work in accordance with the terms of said contract and shall pay all sums of money due or to become due for any labor, materials, apparatus, fixtures or machinery furnished to him for the purpose of constructing such work and shall commence and complete the work within the time prescribed in said contract, and shall pay and discharge all damages, direct and indirect, that may be suffered or sustained on account of such work during the time of the performance thereof and until the said work shall have been accepted, and shall hold the Village of Lombard and its officers, agents and employeess, harmless on account of any such damages, and shall in all respects fully and faithfully comply with all the provisions, conditions, and requirements of said contract, then upon the final payment by the Village to said Principal under said contract, the amount of this bond shall be reduced to ten percent (10%) of the amount set forth on the first page hereof for a period of one (1) year; otherwise to remain in full force and effect.

NOW, THEREFORE, if the said Principal shall well and truly perform said guaranty and maintenance work in accordance with the terms of said contract for said one (1) year period after final payment and shall pay all sums of money due or to become due for any labor, materials, apparatus, fixtures or machinery furnished to him for the purpose of performing such guaranty and maintenance work and shall commence and complete the guaranty and maintenance work within the time prescribed in said contract, and shall pay and discharge all damages, direct and indirect, that may be suffered or sustained on account of such guaranty and maintenance work during the time of the performance thereof and until the said guaranty and maintenance work shall have been accepted, and shall hold the Village of Lombard and its officers, agents and employees, harmless on account of any such damages, and shall in all respects fully and faithfully comply with all the provisions, conditions, and requirements of said contract, then this obligation to be void; otherwise to remain in full force and effect.

APPROVED this 19th day of August, 2010.

IN WITNESS WHEREOF, We have duly executed the foregoing Obligation this 19th day of August, 2010.

VILLAGE OF LOMBARD

PRINCIPAL:

HD Supply Waterworks, Ltd.

BY:


Village President

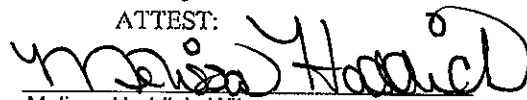
BY:


Amy Fowler, Attorney-in-Fact

ATTEST:

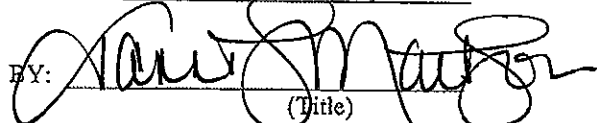

Village Clerk

ATTEST:


Melissa Haddick, Witness

SURETY: RLI Insurance Company

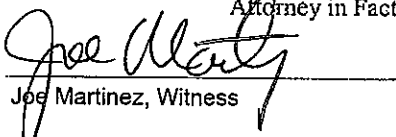
BY:


(Title)

BY: Tannis Mattson

Attorney in Fact

BY:


Joe Martinez, Witness

(SEAL)

LIMITED POWER OF ATTORNEY

The undersigned, HD Supply, Inc., a Delaware corporation (the Company”), hereby designates Sandra Parker, Tannis Mattson, Amy Fowler, Melissa Haddick, Gary D. Eklund, Michael F. Yadach, Barbara S. MacArthur, Virginia B. McManus and Chaun M. Wilson of Marsh USA Inc., a Delaware corporation, as its attorney in fact (referred to as “the Agent”) on the following terms and conditions:

- 1. **Authority to Act.** The Agent is authorized to act for the Company under this Power of Attorney.
- 2. **Powers of Agent.** The Agent shall have the full power and authority to execute and deliver surety, performance, bid and payment bonds (collectively, “Bonds”) in an amount not to exceed \$10,000,000.00 per Bond, upon receipt by the Agent of a written request for a Bond from an individual or individuals at the Company or its subsidiaries duly authorized to make such a request.
- 3. **Reliance by Third Parties.** Third parties may rely upon the representations of the Agent as to all matters regarding powers granted to the Agent. No person who acts in reliance on the representations of the Agent or the authority granted under this Power of Attorney shall incur any liability to the Company for permitting the Agent to exercise any power prior to actual knowledge that the Power of Attorney has been revoked or terminated by operation of law or otherwise.
- 4. **Indemnification of Agent.** No agent named or substituted in this power shall incur any liability to the Company for acting or refraining from acting under this power, except for such agent’s own misconduct or negligence.
- 5. **Original Counterparts.** Photocopies of this signed Power of Attorney shall be treated as original counterparts.
- 6. **Compensation.** The Agent shall be reimbursed for reasonable expenses incurred while acting as Agent and may receive reasonable compensation for acting as Agent.

Dated: [DATE] 4/15/10

Name: Carl McMiller

Signed in the presence of:

[Signature]
Witness

[Signature]
Witness

Subscribed and sworn to before me on [DATE] April 15, 2010.
 Notary Public, [COUNTY, STATE] Cobb County GA
 My Commission expires: 2-22-2014
 (SEAL)
 PUBLIC
 COBB COUNTY



RLI Surety
 P.O. Box 3967 | Peoria, IL 61612-3967
 Phone: (800)645-2402 | Fax: (309)689-2036
 www.rlicorp.com

POWER OF ATTORNEY

RLI Insurance Company

Know All Men by These Presents:

That this Power of Attorney is not valid or in effect unless attached to the bond which it authorizes executed, but may be detached by the approving officer if desired.

That **RLI Insurance Company**, an Illinois corporation, does hereby make, constitute and appoint:
Terri L. Morrison, Donald R. Gibson, Tannis Mattson, Sandra Parker, Joe Martinez, Melissa Haddick, Amy Fowler, jointly or severally

in the City of Houston, State of Texas its true and lawful Agent and Attorney in Fact, with full power and authority hereby conferred, to sign, execute, acknowledge and deliver for and on its behalf as Surety, the following described bond.

Any and all bonds provided the bond penalty does not exceed Twenty Five Million Dollars (\$25,000,000.00).

The acknowledgment and execution of such bond by the said Attorney in Fact shall be as binding upon this Company as if such bond had been executed and acknowledged by the regularly elected officers of this Company.

The **RLI Insurance Company** further certifies that the following is a true and exact copy of the Resolution adopted by the Board of Directors of **RLI Insurance Company**, and now in force to-wit:

"All bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or Agents who shall have authority to issue bonds, policies or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile."

IN WITNESS WHEREOF, the **RLI Insurance Company** has caused these presents to be executed by its Vice President with its corporate seal affixed this 22nd day of April, 2010.



RLI Insurance Company

By: [Signature]
 Roy C. Die Vice President

State of Illinois }
 County of Peoria } SS

CERTIFICATE

On this 22nd day of April, 2010, before me, a Notary Public, personally appeared Roy C. Die, who being by me duly sworn, acknowledged that he signed the above Power of Attorney as the aforesaid officer of the **RLI Insurance Company** and acknowledged said instrument to be the voluntary act and deed of said corporation.

I, the undersigned officer of **RLI Insurance Company**, a stock corporation of the State of Illinois, do hereby certify that the attached Power of Attorney is in full force and effect and is irrevocable; and furthermore, that the Resolution of the Company as set forth in the Power of Attorney, is now in force. In testimony whereof, I have hereunto set my hand and the seal of the **RLI Insurance Company** this 19th day of August, 2010.

By: [Signature]
 Cherie L. Montgomery Notary Public

RLI Insurance Company

By: [Signature]
 Roy C. Die Vice President



4222599030110

Exhibit "A"

CONTRACTOR'S CERTIFICATION:

Contract Execution

HD SUPPLY WATERWORKS, LTD (Name of Contractor), having submitted a bid/proposal on a contract for FY 2011 Automated Meter Replacement Project to the Village of Lombard, hereby certifies that said contractor is not barred from bidding on the aforementioned contract as a result of a violation of either Section 33E-3 or 33E-4 of Article 33E of the Illinois Criminal Code or of any similar statute of another state or of a federal statute containing the same or similar elements.

By: [Signature]
Authorized Agent of Contractor
DON CLAYTON, VP & CFO

Subscribed and sworn to
before me this 24th
day of August, 2010.

[Signature]
Notary Public

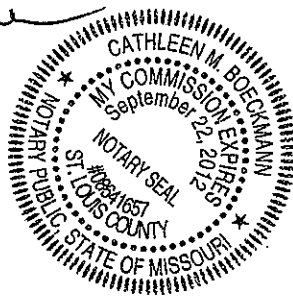


Exhibit "B"

CONTRACTOR'S CERTIFICATION:

Sexual Harassment Policy

HD SUPPLY WATERWORKS, LTD having submitted a bid/proposal for FY 2011 Automated Meter Replacement Project, to the Village of Lombard, hereby certifies that said contractor has a written sexual harassment policy in place in full compliance with 775 ILCS 5/2-105(A) (4).

By: [Signature]
Authorized Agent of Contractor
DON CLAYTON, VP & CFO

Subscribed and sworn to
before me this 9th
day of August, 2010.

Cathleen M. Beckmann
Notary Public

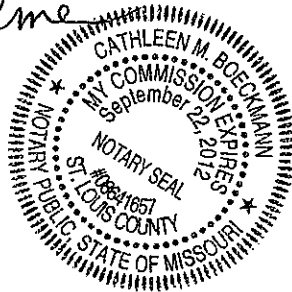


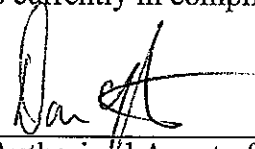
Exhibit "C"

CONTRACTOR'S CERTIFICATION:

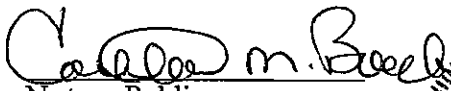
Illinois Department of Revenue - Tax Compliance

HD SUPPLY WATERWORKS, LTD having submitted a bid/proposal for FY 2011 Automated Meter Replacement Project, to the Village of Lombard, hereby certifies that said contractor is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, or if it is:

- a. it is contesting its liability for the tax or the amount of tax in accordance with procedures established by the appropriate Revenue Act; or
- b. it has entered into an agreement with the Department of Revenue for payment of all taxes due and is currently in compliance with that agreement.

By: 
Authorized Agent of Contractor
DON CLAYTON, VP & CFO

Subscribed and sworn to
before me this 9th
day of August, 2010.


Notary Public

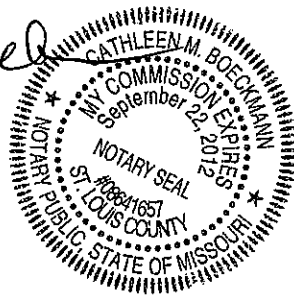


Exhibit "D"

CERTIFICATION OF CONTRACTOR c174E
FHA Rules, 49 CFR 382

HD SUPPLY WATERWORKS, LTD hereby certifies that it is in full compliance with the
[Company Name]
Federal Highway Administration Rules on Controlled Substances and Alcohol Use and Testing,
49 CFR 382 et.seq., and that ALL EMPLOYEE DRIVERS
[name of employee/driver or "all employee drivers"]
is/are currently participating in a drug and alcohol testing program pursuant to the
aforementioned rules.

By: HD SUPPLY WATERWORKS, LTD
[Company Name]
[Signature]
Its: VP and CFO

SUBSCRIBED AND SWORN TO
before me this day 14th day
of August, 2010.

Cathleen M. Boeckmann
NOTARY PUBLIC

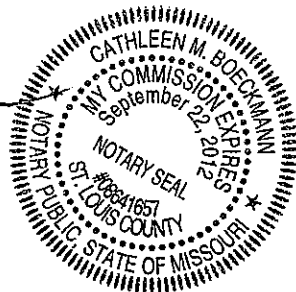


Exhibit "E"

ADDITIONAL INSURED ENDORSEMENT

Name of Insurer:
Named Insured:
Policy Number:
Policy Period:
Endors. Effective Date:

This endorsement modifies coverage provided under the following:

Commercial General Liability
Coverage Part

Name of Individuals or Organization:

WHO IS AN INSURED section of the policy/coverage document is amended to include as an insured, the individuals or organization shown above, but only with respect to liability "arising out of your work".

For purposes of this endorsement, "arising out of your work" shall mean:

1. Liability the Additional Insured may incur resulting from the actions of a contractor it hires.
2. Liability the Additional Insured may incur for negligence in the supervision of the Named Insured Contractors work.
3. Liability the Additional Insured may incur for failure to maintain safe worksite conditions.
4. Liability the Additional Insured may incur due to joint negligence of the Named Insured Contractor and the Additional Insured.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
08/02/2010

PRODUCER MARSH USA, INC. TWO ALLIANCE CENTER 3560 LENOX ROAD, SUITE 2400 ATLANTA, GA 30305		THIS CERTIFICATION IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
775978-HD-GAWX-09-10 WATE		INSURERS AFFORDING COVERAGE	
INSURED HD SUPPLY, INC. CUMBERLAND CENTER II 3100 CUMBERLAND BOULEVARD ATLANTA, GA 30339		INSURER A: Illinois National Ins Co	23817
		INSURER B: New Hampshire Ins Company	23841
		INSURER C: National Union Fire Ins Co Pittsburgh PA	19445
		INSURER D:	
		INSURER E:	

COVERAGES

3

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
C		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GENERAL AGGREGATE LIMIT APPLIES PER <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	0939610	08/30/2009	08/30/2010	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 250,000 MED EXP (Any one person) \$ 50,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 5,000,000 PRODUCTS - COMP/OP AGG \$ 4,000,000
C	B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input checked="" type="checkbox"/> SELF INSURED AUTO <input type="checkbox"/> PHYSICAL DAMAGE	0936292 (AOS) 0936293 (MA) 0936294 (VA)	08/30/2009	08/30/2010	COMBINED SINGLE LIMIT (Ea accident) \$ 5,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
C		EXCESS / UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE RETENTION \$	27471418	08/30/2009	08/30/2010	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
B	C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input checked="" type="checkbox"/> Y <input checked="" type="checkbox"/> N (Mandatory in NH) If yes, describe under SPECIAL PROVISIONS below	4288892 (AOS) 4288893 (CA) 4288894 (FL) 4288895 (MA)	08/30/2009	08/30/2010	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	B	OTHER WORKERS COMPENSATION	4288896 (OR) 4288897 (TX) 4288898 (KY,MO,ND,OH,UT WA,WI,WV,WY)	08/30/2009	08/30/2010	

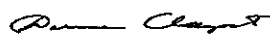
DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

RE: FY2011 AUTOMATED METER REPLACEMENT PROJECT
 VILLAGE OF LOMBARD, ITS OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES AND ASSIGNS ARE INCLUDED AS ADDITIONAL INSURED IF REQUIRED BY WRITTEN CONTRACT ON THE ABOVE GENERAL LIABILITY, AUTOMOBILE LIABILITY, AND EXCESS/UMBRELLA LIABILITY POLICIES, BUT ONLY WITH RESPECT TO LIABILITY ARISING OUT OF THE OPERATIONS OF THE NAMED INSURED. THIS INSURANCE IS PRIMARY AND NONCONTRIBUTING ONLY IF REQUIRED BY WRITTEN CONTRACT, WITH RESPECTS TO GENERAL LIABILITY ONLY.

CERTIFICATE HOLDER

ATL-002016462-06

CANCELLATION

VILLAGE OF LOMBARD ATTN: CARL S. GOLDSMITH - DIRECTOR OF PUBLIC WORKS 255 E. WILSON AVENUE LOMBARD, IL 60148	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.
	AUTHORIZED REPRESENTATIVE of Marsh USA Inc. Donna Clampitt 

IMPORTANT

If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

This Certificate of Insurance does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

ADDITIONAL INFORMATION

ATL-002016462-06

DATE (MM/DD/YY)
08/02/2010

PRODUCER MARSH USA, INC. TWO ALLIANCE CENTER 3560 LENOX ROAD, SUITE 2400 ATLANTA, GA 30305			
775978-HD-GAWX-09-10	WATE		
INSURED HD SUPPLY, INC. CUMBERLAND CENTER II 3100 CUMBERLAND BOULEVARD ATLANTA, GA 30339		INSURERS AFFORDING COVERAGE	NAIC #
		INSURER F:	
		INSURER G:	
		INSURER H:	
		INSURER I:	

TEXT

HD SUPPLY INSUREDS
 HD Supply, Inc. Entity List

HD Supply, Inc.
 HDS Holding Corporation
 HD Supply Holdings, LLC
 HD Supply Holdings, LLC f/k/a Hughes Holdings, LLC
 HD Supply Utilities Group, Inc.
 HD Supply Utilities Group, Inc. f/k/a Hughes Utilities Group, Inc.
 HD Supply Facilities Maintenance Group, Inc.
 HD Supply Facilities Maintenance Group, Inc. f/k/a Hughes MRO Group, Inc.
 HD Supply Plumbing/HVAC Group, Inc.
 HD Supply Plumbing/HVAC Group, Inc. f/k/a Apex Supply Company, Inc.
 HD Supply Construction Supply Group, Inc.
 HD Supply Construction Supply Group, Inc. f/k/a White Cap Industries, Inc.
 HD Supply Waterworks Group, Inc.
 HD Supply Waterworks Group, Inc. f/k/a National Waterworks, Inc.
 Utility Supply of America, Inc.
 Utility Supply of America, Inc. d/b/a USA Bluebook
 White Cap Construction Supply, Inc.
 White Cap Construction Supply, Inc. d/b/a Greenwald Industrial Products Company, Inc.
 White Cap Construction Supply, Inc. d/b/a Southwest Rebar Fabricators & Accessories, Inc.
 White Cap Construction Supply, Inc. d/b/a Texas Contractors Supply, LP
 Brafasco Holdings II, Inc.
 Brafasco Holdings, Inc.
 HD Supply Distribution Services, LLC
 HD Supply Distribution Services, LLC f/k/a Crown Bolt, LLC
 HD Supply Repair & Remodel, LLC
 HD Supply Repair & Remodel, LLC f/k/a HD Supply Supply Repair & Remodel, LLC f/k/a Contractors' Warehouse, LLC
 Southwest Stainless, L.P.
 Southwest Stainless, L.P. f/k/a Southwest Stainless, LP
 Southwest Stainless, L.P. d/b/a HD Supply Industrial PVF
 HD Supply Electrical, Ltd.
 HD Supply Electrical, Ltd. f/k/a Hughes Electric Supply, Ltd.
 HD Supply Utilities, Ltd.
 HD Supply Utilities, Ltd. f/k/a Hughes Utilities, Ltd.
 HD Supply Facilities Maintenance, Ltd.
 HD Supply Facilities Maintenance, Ltd. f/k/a Hughes MRO, Ltd.
 HD Supply Facilities Maintenance, Ltd. f/k/a Maintenance Warehouse
 HD Supply Plumbing/HVAC, Ltd.
 HD Supply Plumbing/HVAC, Ltd. f/k/a Hughes Plumbing Supply, Ltd.
 HD Supply Construction Supply, Ltd.
 HD Supply Construction Supply, Ltd. f/k/a Hughes Building Materials, Ltd.
 HD Supply Construction Supply, Ltd. d/b/a White Cap
 HD Supply Construction Supply, Ltd. f/k/a Western Fasteners LLC
 HD Supply Waterworks, Ltd.
 HD Supply Waterworks, Ltd. f/k/a Hughes Water & Sewer, Ltd.
 Williams Bros. Lumber Company, LLC
 HD Builder Solutions Group, Inc.
 HD Supply Fasteners & Tools, Inc.

CERTIFICATE HOLDER

VILLAGE OF LOMBARD
 ATTN: CARL S. GOLDSMITH - DIRECTOR OF PUBLIC WORKS
 255 E. WILSON AVENUE
 LOMBARD, IL 60148

AUTHORIZED REPRESENTATIVE
 of Marsh USA Inc.
 Donna Clampitt

Donna Clampitt

ADDITIONAL INFORMATION

ATL-002016462-06

DATE (MM/DD/YY)
08/02/2010**PRODUCER**MARSH USA, INC.
TWO ALLIANCE CENTER
3560 LENOX ROAD, SUITE 2400
ATLANTA, GA 30305

775978-HD-GAWX-09-10

WATE

INSURERS AFFORDING COVERAGE**NAIC #****INSURED**HD SUPPLY, INC.
CUMBERLAND CENTER II
3100 CUMBERLAND BOULEVARD
ATLANTA, GA 30339

INSURER F:

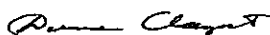
INSURER G:

INSURER H:

INSURER I:

TEXT

HD Supply Fasteners & Tools, Inc. f/k/a C & J Fasteners, Inc.
Cox Lumber Co.
Sunbelt Supply Canada, Inc.
Sunbelt Supply Canada, Inc. f/k/a Hughes Canada, Inc.
HD Supply GP & Management, Inc.
HD Supply GP & Management, Inc. f/k/a Hughes GP & Management, Inc.
HD Supply Management, Inc.
HD Supply Management, Inc. f/k/a Hughes Supply Management, Inc.
World-Wide Travel Network, Inc.
HSI IP, Inc.
Madison Corner, LLC
Marden Susco, Inc.
Park-Emp, LLC
ProValue, LLC
HD Supply International Holdings, Inc.
HD Supply Belgium, SA
HD Supply India Private Limited
HD Supply India Limited
Pro Canadian Holdings I, ULC
HD Supply Canada, Inc.
HD Supply Support Services, Inc.
HD Supply Support Services, Inc. f/k/a Hughes Supply Shared Services, Inc.
HDS IP Holding, LLC
Intra-Power, LLC
NHDSA, LLC
NHDSA Holdings, LLC
HD Supply Construction Supply, Ltd., d/b/a HD Supply White Cap Construction Supply
Southwest Stainless LP, dba Sunbelt Supply

CERTIFICATE HOLDERVILLAGE OF LOMBARD
ATTN: CARL S. GOLDSMITH - DIRECTOR OF PUBLIC WORKS
255 E. WILSON AVENUE
LOMBARD, IL 60148AUTHORIZED REPRESENTATIVE
of Marsh USA Inc.
Donna Clappitt

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):	Location(s) Of Covered Operations
Name of Person or Organization: Only those persons or organizations where required by written contract.	Designation of Premises: Only those premises where required by written contract.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):	Location And Description Of Completed Operations
Name of Person or Organization: Only those persons or organizations where required by written contract.	Designation of Premises: Only those premises where required by written contract.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work"

at the location designated and described in the schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

Appendix "A" HD Waterworks Proposal



220 South Westgate Drive
Carol Stream, IL 60188

t 630.665.1800
f 630.665.1887

June 11, 2010

Village of Lombard
Village Hall
255 E. Wilson Ave.
Lombard, Illinois 60148

Attn: Mrs. Angela Podesta -Utilities Superintendent

Subject: Proposal for Supplying and Installation of New Water Meters and Sensus FlexNet Automatic Meter Reading System.

In response to your request, we have enclosed descriptive literature and quote as follows:

<u>ITEM #</u>	<u>DESCRIPTION</u>	<u>APPROXIMATE QTY</u>	<u>UNIT PRICE</u>	<u>TOTAL AMOUNT</u>
<u>5/8" Sensus Water Meters</u>				
1.	5/8" x 1/2" New Sensus iPERL Water Meters with Solid State Register, 510M TouchCoupler MXU (Meter Transceiver Unit) including <u>installation</u>	<u>295</u>	<u>\$ 316.00 ea. net</u>	<u>\$ 93,220.00</u>
<u>3/4" Sensus Water Meter</u>				
2.	3/4" New Sensus Model iPERL Water Meters with Solid State Register, 510M TouchCoupler MXU (Meter Transceiver Unit) including <u>installation</u>	<u>343</u>	<u>\$ 329.00 ea. net</u>	<u>\$ 112,847.00</u>

1" Sensus Water Meter

3.	1" <u>New</u> Sensus Model iPERL Water Meters with Solid State Register, 510M TouchCoupler MXU (Meter Transceiver Unit) including <u>installation</u>	<u>192</u>	<u>\$ 365.00 ea. net</u>	<u>\$ 70,080.00</u>
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1-1/2" Sensus Water Meter

4.	1-1/2" <u>New</u> Sensus Omni C2 Water Meter with Integral Strainer and Solid State Register, Model 510M TouchCoupler MXU (Meter Transceiver Unit) including <u>installation</u>	<u>284</u>	<u>\$ 1,302.00 ea. net</u>	<u>\$ 369,768.00</u>
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2" Sensus Water Meter

5.	2" <u>New</u> Sensus Omni C2 Water Meter with Integral Strainer and Solid State Register, Model 510M TouchCoupler MXU (Meter Transceiver Unit) including <u>installation</u>	<u>239</u>	<u>\$ 1,463.00 ea. net</u>	<u>\$ 349,657.00</u>
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3" Sensus Water Meter

6.	3" <u>New</u> Sensus Omni C2 Water Meter with Integral Strainer and Solid State Register, Model 510M TouchCoupler MXU (Meter Transceiver Unit) including <u>installation</u>	<u>119</u>	<u>\$ 2,036.00 ea. net</u>	<u>\$ 242,284.00</u>
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4" Sensus Water Meter

7.	4" <u>New</u> Sensus Omni C2 Water Meter with Integral Strainer and Solid State Register, Model 510M TouchCoupler MXU (Meter Transceiver Unit) including <u>installation</u>	<u>61</u>	<u>\$ 3,210.00 ea. net</u>	<u>\$ 195,810.00</u>
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6" Sensus Water Meter

8.	6" <u>New</u> Sensus Omni C2 Water Meter with Integral Strainer and Solid State Register, Model 510M TouchCoupler MXU (Meter Transceiver Unit) including <u>installation</u>	<u>6</u>	<u>\$ 5,340.00 ea. net</u>	<u>\$ 32,040.00</u>
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9.	<u>New</u> Sensus Model 510M TouchCoupler MXU (Meter Transceiver Unit)	<u>1000</u>	<u>\$ 118.00 ea. net</u>	<u>\$ 118,000.00</u>
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SCRAP METER CREDIT ALLOWANCE

<u>DESCRIPTION</u>	<u>APPROXIMATE QTY</u>	<u>UNIT PRICE</u>	<u>TOTAL AMOUNT</u>
5/8" scrap meter credit	295	\$ 2.50 cr.	(\$ 737.50)
3/4" scrap meter credit	343	\$ 3.00 cr.	(\$ 1,029.00)
1" scrap meter credit	192	\$ 6.00 cr.	(\$ 1,152.00)
1-1/2" scrap meter credit	284	\$ 11.50 cr.	(\$ 3,266.00)
2" scrap meter credit	239	\$ 33.32 cr.	(\$ 7,963.48)
3" scrap meter credit	119	\$ 47.60 cr.	(\$ 5,664.40)
4" scrap meter credit	61	\$ 115.20 cr.	(\$ 7,027.20)
6" scrap meter credit	6	\$ 139.50 cr.	(\$ 837.00)

NOTE: Scrap allowance is for brass meters only. We offer no allowance for plastic or cast iron water meters.

Please Note: All installations include replacing the existing meter, installing new Sensus FlexNet radio transceiver on the exterior of the structure utilizing existing wire, programming radio transceiver, and recording all data for Village use/input.

In addition to the above, we offer the following **add-on prices** if needed;

Supply & Install new meter wire (only if existing is not usable)	\$30.00 ea net
Filler spool for 3" thru 6" meters if required	\$120.00 ea net

HD Supply Waterworks, Ltd., through it's sub-contractor, would be responsible for plumbing failure due to installation, except for non-functioning shut-off valves. We offer valve replacement at customer expense at the following price schedule:

3/4" ball valve including installation	\$ 130.00 ea. net
1" ball valve including installation	\$ 140.00 ea. net
1-1/2" ball valve including installation	\$ 278.00 ea. net
2" ball valve including installation	\$ 317.00 ea. net
3" gate valve including installation	\$ 944.00 ea. net
4" gate valve including installation	\$1,028.00 ea. net
6" gate valve including installation	\$1,175.00 ea. net
Plumbing modification Labor Only	\$ 105.00 per hour

INDIVIDUAL LINE ITEM PRICES

5/8" x 1/2" New Sensus iPERL Water Meters with Solid State Register.	\$ <u>107.00 ea. net</u>
3/4" New Sensus iPERL Water Meters with Solid State Register.	\$ <u>120.00 ea. net</u>
1" New Sensus iPERL Water Meters with Solid State Register.	\$ <u>156.00 ea. net</u>
1-1/2" New Sensus Omni C2 Water Meter with Integral Strainer and Solid State Register.	\$ <u>960.00 ea. net</u>
2" New Sensus Omni C2 Water Meter with Integral Strainer and Solid State Register.	\$ <u>1,107.00 ea. net</u>
3" New Sensus Omni C2 Water Meter with Integral Strainer and Solid State Register.	\$ <u>1,402.00 ea. net</u>
4" New Sensus Omni C2 Water Meter with Integral Strainer and Solid State Register.	\$ <u>2,435.00 ea. net</u>
6" New Sensus Omni C2 Water Meter with Integral Strainer and Solid State Register.	\$ <u>4,207.00 ea. net</u>
Model 510M TouchCoupler MXU (Meter Transceiver Unit).	\$ <u>118.00 ea. net</u>

Sensus FlexNet (Fixed Network) Reading Equipment and Software

ITEM #	<u>DESCRIPTION</u>	<u>APPROXIMATE QTY</u>	<u>UNIT PRICE</u>	<u>TOTAL AMOUNT</u>
10.	Sensus 3096+ TouchReader	<u>2</u>	\$ <u>No Charge</u>	\$ <u>No Charge</u>
11.	Intermec CN 50 Programmer	<u>1</u>	\$ <u>2,325.00 ea.net</u>	\$ <u>2,325.00</u>
12.	Sensus FlexNet Tower Gateway Base Station (TGB) Model E2000	<u>2</u>	\$ <u>65,000.00 ea. net</u>	\$ <u>130,000.00</u>

13. Sensus FlexNet Regional Network Interface (RNI) Model 2000 including (MDM) software	1	\$ 30,500.00 ea. net	\$ 30,500.00
14. Contract Bond based on estimated grand total			\$ 17,189.00

ESTIMATED GRAND TOTAL **\$1,736,044.42**
(Includes scrap credit noted above)

**Pricing includes installation, project management, startup and 2 days onsite training.*

**Pricing includes one (1) complete programming package for each TGB purchase.*

**One programming package includes: AR5501 with GPS receiver, command Link, charging stand and AutoRead software.*

**Pricing and installation does not include communication link between (TGB) to (RNI).*

** Standard one (1) year warranty on parts and labor. Annually renewable Extended warranties and software support available upon request. (Software support \$1,320.00 annually) (TGB extended warranty \$3,000.00 annually).*

Please Note:

Quantities are estimated based on best available information. Final billing and payment will be based on actual quantities, size and type of meters installed. Unit prices by size and description will remain firm for one (1) year from notification to proceed.

Please find enclosed detailed Radio Frequency propagation study indicating the maximum fixed network infrastructure investment for the Village of Lombard.

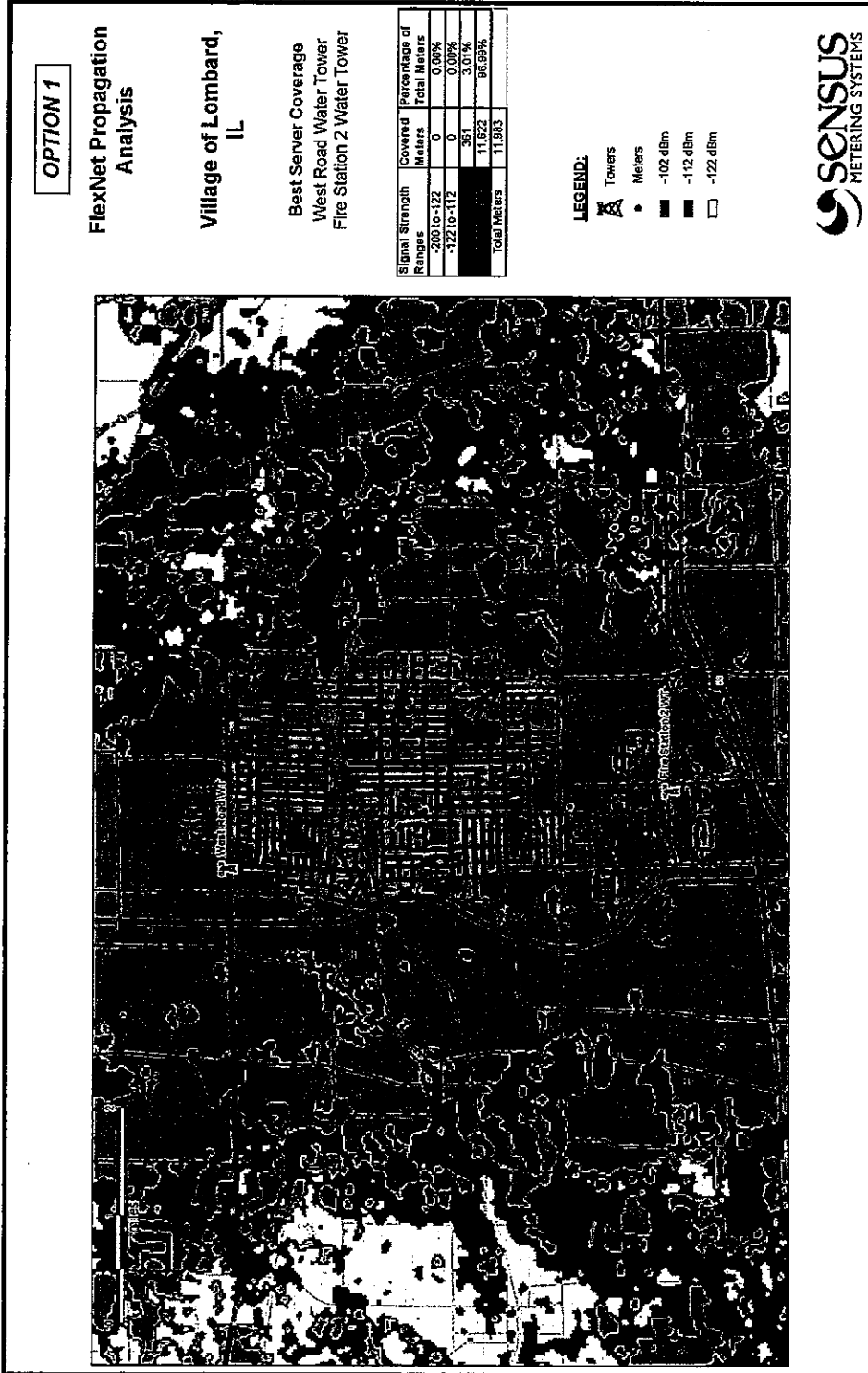
All HD Supply Waterworks, Ltd. meter installers are plumbers who are licensed in the State of Illinois.

We offer full freight allowed. Delivery can be made from stock to eight (8) weeks from receipt of your purchase order. Our terms of payment are net thirty (30) days.

We project completion of the project within six (6) months from notification to proceed. We sincerely appreciate your inquiry and trust our product, prices and service will meet with your favorable approval.


Rob Capps
Territory Manager

Appendix "B" Village of Lombard FlexNet Propagation Analysis



Appendix "C"
Sensus/Customer FlexNet Deployment Project Responsibilities Document
Statement of Work (SOW)



Print Form

Sensus/Customer FlexNet Deployment Project Responsibilities Document
Statement of Work (SOW)

To: All Sensus Sales Channels/Project Managers

The information on the following pages pertain to items that are specific to both Sensus and the end Customer with regards to responsibilities for a FlexNet system deployment.





Date: _____

To: _____

FROM: Sensus

SUBJECT: Statement of Work

This document is designed to assist the customer with the planning and installation of the Sensus FlexNet Advanced Metering Infrastructure (AMI) system. For illustrative purposes, an architectural diagram is provided below that depicts equipment to be installed at the Tower Gateway Basestation (TGB) site and the customer site which will typically house the Regional Network Interface (RNI). In addition, the following pages provide details pertaining to responsibilities for both Sensus and the _____ during the planning, installation and commissioning of the FlexNet system.

Customer Name

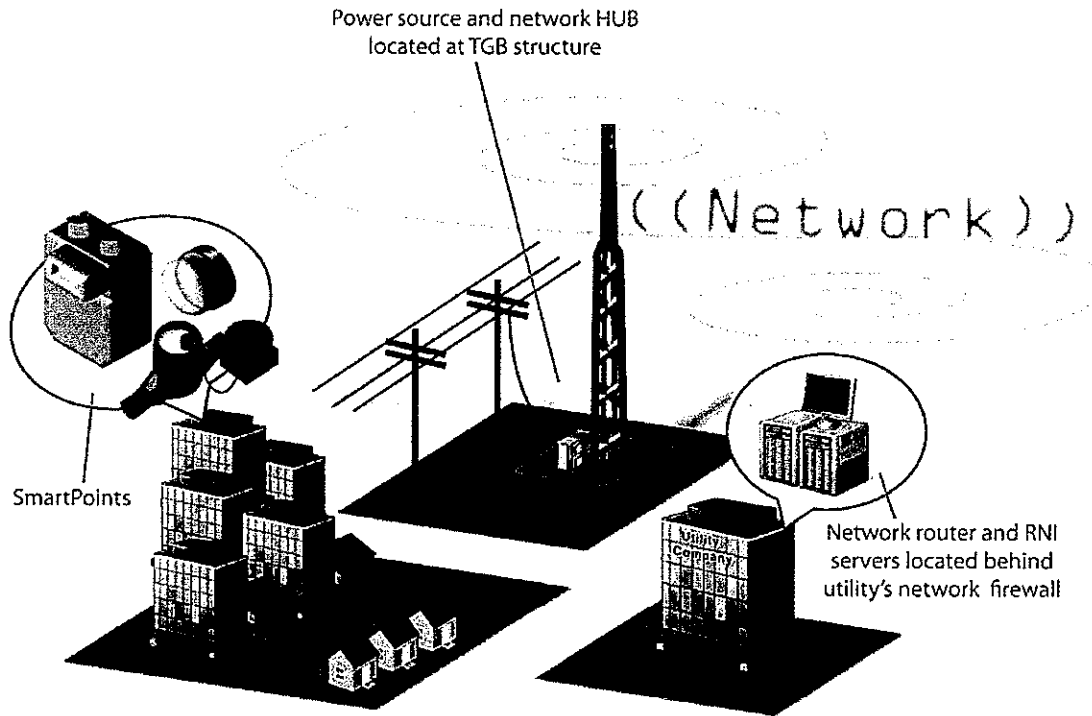


Diagram 1 - TGB/RNI



General Responsibilities:

Sensus will:

1. Provide a project manager to coordinate all FlexNet installation activities with the customer and be the main contact point between the customer and Sensus during deployment. The project manager will also coordinate all installation activities with the Sensus field engineers and contract installation crews hired by Sensus to install any equipment that is the responsibility of Sensus.
2. Conduct a propagation study to determine the locations best suited for installation of the TGB's and to ensure proper communications with end point transmitters and the RNI.
3. Hire a qualified installation contractor to install the TGB equipment and run all data and power cables between the antennae and the TGB. TGB's are available as indoor units and outdoor units.
4. Commission the RNI hardware and software and provide training to operate the software and manage the RNI to identified personnel at the customer location.

The Customer will:

customer project manager name here

1. The Customer will provide a key point of contact *customer project manager name here*, contact information, for project management activities to work with the Sensus project manager to help facilitate a timely installation of the FlexNet system.
2. The Customer will be responsible to provide the network infrastructure in the Power and RNI Location areas in Diagram 1, including network cabling and power identified in blue in Diagram 1.
3. The Customer will be responsible for monthly fees associated with the network access for all sites where network access is needed.
4. The Customer will be responsible to provide communications link (high speed DSL is preferred) between the Regional Network Interface (RNI) and TGB.
5. The Customer will purchase any routers, hubs, mounting equipment, uninterruptible power supply and/or security equipment needed to connect the RNI to the customer's internal network.



RNI Responsibilities:

Sensus will:

1. The RNI consists of two servers which have mounting hardware and can be installed into a standard rack or rack cabinet. If the customer has a suitable rack cabinet with adequate space then Sensus can install the hardware if desired on the customers rack. Each server requires 1 rack space (3 rack spaces would be needed to accommodate ancillary equipment) The customer will instruct Sensus as to the desired location for the RNI installation.
2. Supply and configure the RNI hardware and data management software necessary to operate on the RNI hardware.
3. Stage all Software and configure the RNI hardware for operation with the FlexNet network.
4. Install the RNI hardware, test, and verify proper network connectivity to access the TGB.

The Customer will:

1. Purchase all needed FlexNet (RNI) computer equipment.
2. Provide a location for the RNI Servers, typically in the IT room which will host the data management software.
3. Provide a cabinet to house the servers when rack space is not available.
4. Provide the network cabling from servers to a Network router.
5. Be responsible for fees associated with acquiring and maintaining the static IP addresses needed to access network equipment located at the TGB site.
6. Provide the necessary static IP addresses for the FlexNet system components.
7. Be responsible to provide a power source for the RNI hardware equipment.
8. Be responsible to secure a suitable contractor to connect the data management software to the billing system to allow for data to be imported for billing purposes.
9. Allow a minimum of thirty (30) to forty-five (45) days from the time the TGB, RNI and sufficient endpoints have been operational before requiring that data be used for billing purposes.
10. Be responsible to provide any necessary equipment should the utility require system backup.
11. Be responsible to perform system backup on a regular basis as recommended by Sensus.
12. Be responsible to assure that the servers provided for the FlexWare application are provided for the exclusive use of FlexNet. Customer cannot add, and/or delete applications within the FlexWare software or the servers that house the software without the written approval of Sensus.
13. Provide remote network access to the FlexNet (RNI) computer and TGB network by authorized Sensus AMR Technical Services personnel for the purpose of performing system maintenance, troubleshooting and system monitoring (If the customer prefers, they can require that Sensus personnel coordinate with them to have a remote login port opened only during the period Sensus requires access).



TGB Site Responsibilities:

Sensus will:

1. The TGB is available in two configurations, indoor unit and outdoor unit. The configuration for this project is:
to be completed per project
2. Sensus will make all data and power terminal, and antennae connections at the TGB Cabinet, this includes the connection from the power source (supplied by the customer), connection of the CAT 5 data line (supplied by the customer) from the network access point at the site.
3. Sensus will provide all bracketing needed to mount the antennae at the site.
4. Mount the TGB cabinet (if needed) to the structure provided and identified by the customer.
5. Sensus will provide all strapping hardware needed to run the data and power cables from the base of the TGB site to the antennae if needed.
6. Sensus will provide the TGB and antennae sufficient to receive meter data and provide the meter data to the RNI via the network connection provided by the customer.
7. Sensus will identify and hire a qualified installation team to install the TGB equipment and make final end connections to the equipment.
8. Sensus will have access to a ground field (supplied by customer) to properly ground the TGB and antenna equipment.
9. Sensus will not be held responsible for damage to any interior or exterior coatings on water tanks that results from welding of antenna mounts to those tanks. Parties will mutually agree to the scope of work prior to the installation.

The Customer will:

1. Be responsible to provide an area at the TGB site for installation if the TGB is installed at a customer provided site.
2. Be responsible to provide a 120 VAC power source to the TGB. All necessary electric requirements which will include 120 VAC Non GFI receptacles to be located within 1 foot of the final location of the TGB installation. If trenching of the power line is needed, the Customer will be responsible to provide the necessary trenching, conduit, and cabling needed to supply power from the power source outlet to the base station cabinet. All electrical equipment will be installed in accordance with local codes.
3. Be responsible to provide network access at the site where the TGB is located. Customer should consult with Sensus representative regarding the available options for network connections between TGB and RNI.
4. Be responsible to provide any conduit and/or trenching required to provide cabling requirements from the tower site to within 1 foot of the TGB installation.
5. Be responsible to provide CAT 5 UV and weather resistant network cable from the network service provider access link to the cabinet.
6. Be responsible to provide any conduit or trenching needed to run the data cable to the TGB. Customer is responsible to assure that data cable is located within 1 foot of the final location of the TGB.
7. Be responsible to provide padlocks at TGB location for security purposes.
8. Be responsible to provide sufficient foundation to secure the outdoor cabinet should an outdoor cabinet be required to house the TGB. This foundation will consist of a concrete pad or steel structure that is designed to hold 600 lbs per square inch.
9. Be responsible to provide 240 VAC of power to the TGB unit should an outdoor cabinet be required. Receptacles to be located within 1 foot of the final location of the TGB installation. If trenching of the power line is needed, the Customer will be responsible to provide the necessary trenching, conduit, and cabling needed to supply power from the power source outlet to the base station cabinet. All electrical equipment will be installed in accordance with local codes.
10. Be responsible for installing grounding material at the location of the TGB installation. At a minimum, the material should consist of # 4 or #2 stranded copper wire which will connect to the TGB.
11. Customer will be responsible for proper ground field at the TGB site and Sensus will have access to this ground field to properly ground the TGB and antenna equipment.
12. Customer will be responsible for getting access/permission to any structure that is not owned by the customer.



Repeater Site Responsibilities:

Sensus will:

Insert quantities if needed

1. Sensus will provide up to _____ Repeaters with mounting brackets for the installation.
2. Sensus will install the Repeater units and ancillary equipment necessary to a structure as needed.
3. Sensus will identify and hire a qualified installation team to install the Repeater equipment and make final end connections to the equipment.
4. Sensus will identify the optimum location to install the repeaters and communicate those locations to the customer.
5. Repeater locations will be identified only after sufficient TGB's and endpoints have been installed and it is apparent that additional infrastructure in the form of Repeaters is required to optimize system performance.

The Customer will:

1. Be responsible to provide a 120 VAC power source and cable run, in compliance with local code, to the point where each Repeater will be installed. These boxes can be installed on top of poles, buildings, etc. For such cable runs, 18 AWG UV and weather resistant power cable for runs less than 470 ft. and 16 AWG for runs less than 750 ft. are needed.
2. Be responsible to initiate, coordinate and acquire authorization for installation crews to climb poles, buildings and other structures necessary to safely affix cable runs as needed for the installation of the Repeaters.
3. Be responsible to provide adequate electricity to the Repeater locations and is responsible for any and all recurring electricity charges for Repeater operations.
4. Be responsible for on-going maintenance and support of the equipment after completion of the Sensus installation and acceptance phase.



End Points & Field Installation Responsibilities:

The Customer will:

1. Be responsible to purchase end points, transmitters.
2. Be responsible to install or hire an installation contractor to install all end points transmitters to be used in the system.
3. Be responsible for quality assurance for their personnel and/or an installation contractor as it relates to proper installation of Sensus SmartPoints.
4. Be responsible to visit and troubleshoot endpoints that are not reporting into the system. Investigate any non-reporting SmartPoints to ensure that there are no cut wires, improper installations, improper programming and resolve all data entry errors in the system.
5. Be responsible to assign an internal and/or installation contractor SmartPoint installation auditor to ensure installation work is correct. Sensus will train this individual to properly identify and correct any known problems in the field. This individual will be the primary contact to troubleshoot, identify and correct non reporting SmartPoints and installation errors.
6. Once the installer has completed troubleshooting of installation issues, Sensus will investigate the remaining endpoints to identify and fix any coverage issues.
7. Be required to coordinate with Sensus to establish the SmartPoint installation schedule, shipment quantities, and overall project timeline.
8. Be responsible to rent or purchase handheld programming devices in sufficient quantities to meet the demands of the installers.

Miscellaneous Responsibilities:

The Customer will:

1. Be responsible for the payment of any taxes, renewal, regulatory or license fees associated with the network hardware and software.
2. Be responsible for applying for and purchasing any needed work permits.



IN WITNESS WHEREOF, the parties have caused their authorized representatives to execute this Agreement as of the date first set out above.

SENSUS METERING SYSTEMS INC.

By: _____
Name: _____
Title: _____
Date: _____

Customer Name Here
By: _____
Name: _____
Title: _____
Date: _____

Distributor Organization

By: _____
Name: _____
Title: _____
Date: _____

Please check one of the following:

- CAP Document signed with no additions and or deletions
- Customer requested changes to the CAP. See attached "Sensus FlexNet Change Order Form"

This page superceded by Village of Lombard contract



DEFINITIONS

The definitions set forth below shall apply for the purposes of this Agreement.

- 1) "AMI or AMI System" means the integrated Sensus Advanced Metering Infrastructure technology and Services consisting of FlexNet, Approved Meters, installation tools, Licensed Software, AMI Equipment, Network Equipment, RNI, TGB and related components.
- 2) "FlexNet SmartPoints" means collectively any FlexNet communicating device intended to transmit meter reading and other information as appropriate from water, gas or electricity meters.
- 3) "Billing Window" means, with respect to the three or four day period beginning one or two days prior to, and ending two days following, the Utility's preferred billing day for a particular meter.
- 4) "Available Meter" means an installed FlexNet Meter or installed SmartPoint satisfying all of the following criteria:
 - a) it functions properly is not damaged or failed or an Unavailable Meter during the Billing Window;
 - b) it is serviced by a TGB or FNP that has not been subjected to a power failure greater than eight (8) continuous hours during the Billing Window;
 - c) neither it, nor the TGB, FNP or any other network equipment that serves that meter has been affected by a Force Majeure Event;
 - d) interference or jamming of the Radio Spectrum is not preventing or interfering with radio communication to or from a SmartPoint, provided that Sensus is diligently working to effect a cure and provides a weekly status report;
 - e) it is installed in a mutually agreed upon coverage area of the Utility as defined in the final propagation study;
 - f) it has not been reported to the applicable Utility under Sensus' or the Utility's preventive maintenance or trouble ticket generation service, unless the parties agree that the reason for the report was resolved before the Billing Window opened or that the meter is functioning normally;
 - g) its functioning or performance has not been adversely affected by a failure of the Utility or its SmartPoint installation team to perform its obligations or tasks for which it is responsible, or to properly maintain network equipment owned by the Utility;
 - h) its functioning or performance has not been adversely affected by a failure or insufficiency of the back haul telecommunications network of the Utility used for communications among the components of the Sensus Network; and
 - i) It is installed in compliance with the procedures and specifications approved by and provided to the Utility in writing by Sensus.
- 5) "FlexNet™" means the system comprised of the Sensus Network and the approved SmartPoints in service in the Territory with customers of Affiliated Utilities, including back-end hardware and Licensed Software. The back-end hardware consists of the RNI hardware and TGB hardware.
- 6) "FlexNet Network Portal (FNP)" means a pole mounted unit with simple store and forward capability that communicates directly to a TGB.
- 7) "RNI" means the Regional Network Interface consisting of equipment and FlexWare software used to gather, store and report data collected from SmartPoints and TGBs that are part of the Sensus Network. The FlexWare software operates on the RNI.
- 8) "TGB" means a Tower Gateway Basestation consisting of hardware, firmware and software installed at a tower site and used to communicate by radio with SmartPoints and the RNI.



- 9) "Tower Site" means a site on a radio tower, building, or elsewhere where a TGB is located or intended to be installed.
- 10) "Tower Site Lease" means a lease, license or other right to use or occupy all or a portion of a Tower Site for a TGB.
- 11) "Unavailable Meters" include, but are not limited to the following:
 - a) Cut At Pole — nominally a meter for which power has been turned off to the socket by the Affiliated Utility
 - b) Booted on Line Side — nominally a meter for which power has been turned off by placing "boots" in the socket from which the power to the meter has effectively been turned off.
 - c) Failed or flawed power delivery to the meter socket — an Affiliated Utility power generation, distribution or delivery system failure that has effectively turned off power to the socket and/or meter.
 - d) Tampered Meters — sockets, meters or distribution assets that have been modified by unauthorized personnel rendering the meter incapable of providing accurate usage readings from that meter.
 - e) Failed Register — the meter register is not responding to a read message.
 - f) Cut Wire — the wire and all associated components connecting the SmartPoint to the meter register is cut in some way causing the radio to not be able to read the register.
 - g) Broken TouchCoupler — the TouchCoupler is damaged by intentional or unintentional acts.
 - h) Broken Clip — the clip that holds the TouchCoupler into the radio package housing is broken and the unit can not complete the inductive electrical connection.
 - i) Improper installation of the TouchCoupler — the TouchCoupler is not pushed all the way into the housing clip causing the unit to not be able to complete the inductive electrical connection.
 - j) Unit not installed through the pit lid — the unit is not installed with the antenna positioned through the pit lid and properly secured with the retaining nut. The radio unit must also be securely attached to the antenna section.
 - k) Radio unit not securely attached to the Antenna unit — The water-proof SmartPoint housing is not properly installed and secured to the antenna unit.
 - l) Damaged antenna - the unit's antenna is damaged by intentional or unintentional acts.
 - m) Damaged radio package — the unit's water-proof radio package is damaged by intentional or unintentional acts.
 - n) Data Base errors — the unit is removed from the system but not updated in the database. Still shown as in the system when in fact has been removed.
 - o) Phantom Units — the unit is removed from the system but is still transmitting and being heard by the system.
- 12) "Unread Meters" means any Available Meter that is not read by the FlexNet Network.
- 13) "FlexWare"™ software, developed by Sensus, is the software utilized in the RNI to decrypt the data from meters, filter the data by application, and route the data appropriately to the utility customer. FlexWare™ includes the software in all of the RNI components.
- 14) "SmartPoint" is a printed circuit board that provides an AMI endpoint the ability to acquire data from its connected meter and transmit the data to AMI collection devices located at AMI towers. SmartPoints are mounted either integral to the meter or remotely depending upon meter type and manufacturer.
- 15) "TouchCoupler" is an inductive coupler connection from a water register to the SmartPoint unit.
- 16) "Register" is a mechanical or electronic device attached to a water meter designed to capture meter consumption.

Appendix "D" FlexNet Statement of Work Reference Chart

Rev 5-2009

FlexNet Statement of Work Reference Chart

Sensus Responsibilities: General

- Provide a Project Manager to coordinate all FlexNet installation activities
- Conduct a propagation study to determine locations best suited for Tower Gateway Base stations (TGB) locations
- Perform site selection survey and propagation analysis to determine the tower sites (Sensus would do this collaboratively with the utility to use utility tower sites if utility has sites they would like to make available for this use.)
- Hire a qualified installation contractor to install TGB equipment
- Commission the Regional Network Interface (RNI) hardware and software: provide training to operate the software

Sensus Responsibilities: RNI

- Supply and configure the RNI hardware and data management software
- Stage all software and configure the RNI hardware
- Install the RNI hardware, test and verify proper network connectivity

Sensus Responsibilities: TGB

- Determine the correct TGB configuration for project. TGB are available in three configuration: indoor, outdoor and rack mounted.
- Make all data and power terminal connection and antennae connections at the TGB cabinet
- Provide bracketing to mount antennae
- Mount the TGB cabinet (if needed) to the structure provided by the customer
- Provide strapping hardware needed to run the data and power cables
- Provide the TGB and antennae sufficient to receive meter data and provide the meter data to the RNI via the customer provided network
- Identify and hire a qualified installation team to install the TGB equipment and make final end connections

Sensus Responsibilities: Repeaters

- Provide mounting brackets for installation
- Install the repeaters and ancillary equipment
- Identify and hire a qualified contractor to install repeater
- Identify the optimum location to install the repeaters

Customer Responsibility: General

- Provide a key point of contact to interface with Sensus Project Manager
- Responsible for any monthly fees associated with network access for all sites
- Responsible for high speed network communications link between RNI and TGB
- Purchase routers, hubs, mounting equipment, uninterruptible power supply and/or security equipment required to connect the RNI to the customers internal network

Customer Responsibility: RNI

- Purchase all needed FlexNet (RNI) computer equipment
- Provide a location for the RNI servers
- Provide the network cabling from servers to network router
- Responsible for fees associated with acquiring and maintaining the static IP addresses needed to access network equipment
- Provide power source for the RNI equipment
- Secure a suitable contractor to connect the data management software to the billing system
- Allow 30 to 45 days from the time the TGB, RNI and sufficient endpoints have been operational before requiring data be used for billing

Customer Responsibilities: TGB

- Provide an area at the TGB site if the TGB installation is at the customers site
- Provide 120 VAC power source to the TGB to supply all the necessary electric requirements. 240 VAC will be required for outdoor installations
- Provide network access at the site where TGB is installed
- Provide CAT 5 UV and weather resistant network cable
- Provide any conduit or trenching required to run the data cable
- Provide sufficient foundation in the case of an outdoor TGB

Customer Responsibilities: Repeaters

- Provide 120 VAC power source to the repeater to supply all the necessary electric requirements
- Initiate, coordinate and acquire authorization for installation of repeaters
- Provide adequate electricity to the repeater location

Customer Responsibilities: End points and Installation/Miscellaneous

- Purchase endpoints/transmitters



P.O. Box 487 | 450 North Galatin Avenue
Uniontown, PA 15401 USA
T: 1-800-638-3748
F: 1-800-888-2403
www.sensus.com/water
h2oinfo@sensus.com

Appendix "E"
Sensus FlexNet Customer Acceptance Plan (CAP)



Print Form

FlexNet Customer Acceptance Plan (CAP)

As part of the FlexNet system deployment, three milestones have been established and defined. The customer will accept and operate the FlexNet system once milestone three (3) has been completed. At that point, Sensus will provide support per the agreed upon service levels.





Milestone Terms and Requirements

Milestone 1: Network Deployment

- Milestone 1, Network Deployment, is considered achieved when the agreed number of TGB's have been installed at the identified locations and are providing coverage for the area as defined in the customer propagation study.

Milestone 2: Meter and/or AMI Delivery and Installation

- Meter and/or AMI system endpoint delivery and installation is considered achieved 30 to 45 days after the last meter to be automated has been installed as required for the relevant phase of the project.

Milestone 3: Customer Acceptance Plan (CAP)

- The CAP is achieved when the system performance has reached a level of 98.5% or better successful reads in the defined acceptance period.
- The System CAP is determined by dividing the number of installed SmartPoints that are registered on the network by those that have successfully provided a reading during a three (3) day reading window.
- CAP should be completed on an individual route basis.
- A complete route should be installed, optimized and then determined to meet the criteria identified as the acceptance criteria before proceeding to the next route installation.
- The CAP reading window period is a mutually agreed upon period between the Customer and Sensus not to exceed ninety days (90) after Milestone 2 has been achieved.
- The 98.5% CAP parameters will be confirmed as a result of the propagation study prepared for the customer.
- Completed propagation studies that identify areas of non-coverage that would reduce the percentages below 98.5% will be communicated to the customer and new CAP percentages will be mutually agreed upon or additional infrastructure will be identified to achieve these numbers.
- The successful read threshold is subject to the following exceptions for which any SmartPoints shall not be included in CAP calculations:
 - Daily reads lost during tower power failures > 24 hours
 - Force Majeure Events or Acts of God.
 - SmartPoints removed from service
 - Damaged, tampered, or failed SmartPoints
 - SmartPoints reported to the utility customer by Sensus indicating that radio contact has been lost or degraded within 3 days of the reading window.
 - SmartPoints installed out of the territory as defined by Network Coverage requirements defined in the propagation study.

All such SmartPoints shall be deemed successfully read for the purposes of calculating read percentage.



IN WITNESS WHEREOF, the parties have caused their authorized representatives to execute this Agreement as of the date first set out above.

SENSUS METERING SYSTEMS INC.

By: _____
Name: _____
Title: _____
Date: _____

Customer Name Here

By: _____
Name: _____
Title: _____
Date: _____

Distributor Organization

By: _____
Name: _____
Title: _____
Date: _____

Please check one of the following:

- CAP Document signed with no additions and or deletions
- Customer requested changes to the CAP. See attached "Sensus FlexNet Change Order Form"

This page superceded by Village of Lombard contract



Formula

Calculating system performance will be accomplished using the following formula:

- **SmartPoints** minus **Unavailable SmartPoints** (including all sub categories) equals **Available SmartPoints**.
- **Unread SmartPoints** divided by **Available SmartPoints** equals the total Read Success Rate expressed as a percentage.

Example 1:

- **FlexNet SmartPoints** = 100
- **Unavailable SmartPoints** = 12
- **Unread SmartPoints** = 2

Then:

- $100 - 12 = 88$ and
- $88 - 2 = 86$ then
- $86 / 88 = 97.7\%$ Read Success Rate

Example 2:

- **FlexNet SmartPoints** = 1,777,328
- **Unavailable SmartPoints** = 12,000
- **Unread SmartPoints** = 2500

Then:

- $1,777,328 - 12,000 = 1,765,328$ and
- $1,765,328 - 2500 = 1,762,828$ then
- $1,762,828 / 1,765,328 = 99.8\%$ Read Success Rate

Conclusion: Monthly Billing Window Read Success Rate will be calculated using this formula for SmartPoints that deliver a read to the TGB and, subsequently, the RNI within the prescribed four (4) day billing window for that meter.

Appendix "F" Sensus FlexNet Annual Maintenance Agreement

AMR-454-R2

Sensus FlexNet[®] Annual Maintenance Agreement

Customer Information Form

INTRODUCTION

The FlexNet Annual Maintenance Agreement was established to provide FlexNet utility customers with up to 50,000 endpoints a cost-effective array of services to meet their individual hardware and software support requirements.

PARTICIPATION AND COVERAGE

All new FlexNet systems receive Standard Support free for the first year of operation; Premium Support is available for an additional cost at the price listed below. After the first year of operation, customers may choose to extend coverage under Premium Support or Alternate Service Pricing. Participation in Premium Support is strongly recommended for maximum cost effectiveness.

Standard or optional Premium Support coverage begins upon completion of MDM training. Annual renewal notices will be mailed to customers approximately sixty (60) days prior to expiration of their current agreement. Customers who allow their support agreement to expire will be subject to current Alternate Service pricing for support needs. See Coverage Terms for more information.

FlexNet STANDARD SUPPORT

(Included for 1st year of New FlexNet systems)

- FCC license protection and maintenance
- 8AM – 6PM EST Phone support. (1-800-METER-IT) For hardware and software technical support
- FlexWare/MDM software updates.
- Loaner programming equipment, if necessary.

FlexNet PREMIUM SUPPORT

\$3,000.00/year (net per year per TGB)

Includes Standard Support plus:

- 24/7 Phone support. (1-800-METER-IT)
- Sensus Extended Maintenance Program (SEMP) for one FlexNet Programming Tool Set. (AR5001, Charge Stand and M900)
- Annual Support Agreement for AutoRead (if applicable)

Tower Gateway Base Station (TGB)

- Sensus software updates
- Remote diagnostics² of operational issues (remote access required)
- Repair or replacement of defective parts or unit, at Sensus' discretion. Includes cost for parts and labor.
- Two business day response time for on-site analysis¹

FlexNet PREMIUM SUPPORT (continued)

- Replacement equipment within 48 hours of completion of primary troubleshooting
- Does not cover 'Acts of God'
- Does not include costs associated with tower rental, electrical fees or site maintenance.
- Does not include costs associated with purchase, maintenance or support of ancillary network equipment or network backhaul connection.

FlexNet Network Portal (FNP)

- Two business day response time for on-site analysis¹.
- Repair or replacement of defective parts or unit, at Sensus' discretion. Includes costs for parts and labor.
- Does not cover 'Acts of God'
- Does not include costs associated with tower rental, electrical fees or site maintenance.
- Does not include costs associated with purchase, maintenance or support of ancillary network equipment or network backhaul connection.

FlexWare/MDM Software

- Sensus software updates
- Remote diagnostics of Sensus software issues² (Remote access required)
- Two business day response time for on-site analysis¹
- Does not include RNI hardware²
- Does not include RNI operating system upgrades or updates after initial coverage⁴

HHD Programming Software

- Sensus software updates

ALTERNATE SERVICE PRICING

Phone Support

- \$75 per call; \$7.50 per minute after first ten (10) minutes.

Yearly Software Updates

- \$4000.00 (net)

On Site Visits

- \$1600.00 per day

Additional MDM/FlexWare WebEx Remote Training Session

- \$750.00 per session

NOTES:

1. The two-day response time begins after primary troubleshooting personnel determine that all remote options have been exhausted and that a site visit is required.
2. Remote diagnostic services require the customer to provide high speed remote access to Sensus support personnel. Customer is responsible for any cost associated with the installation and ongoing costs or maintenance of the connection.
3. Contact Dell support at 1-800-624-9896 or <http://www.dell.com> for Server Hardware issues or extended Dell Support Options
4. Sensus includes a three year license for Red Hat Linux updates and support with every new RNI Operating System. Customers are responsible for costs associated with upgrades, support and licensing of Linux or Microsoft applications for RNI Operating Systems as per Red Hat and Microsoft policies. The support programs for Microsoft and Red Hat Linux are recommended but not required for system operation. For more information regarding Red Hat Linux and Microsoft Server and Microsoft SQL support, see the information included with the RNI equipment or visit Red Hat at: <https://www.redhat.com/apps/support/>; or Microsoft at: <http://support.microsoft.com/>

Coverage Terms:

- Annual support costs are based on the total number of TGBs in the customer's system.
- The date customers complete MDM training establishes the anniversary date for annual support renewal. Standard Level Support is included free for one year following MDM training; customers opting for Premium Support for the first year will be billed the upgrade price after completion of MDM training. Standard Support is not renewable after the first year of operation.
- Customers are responsible for monitoring hardware and software components of their FlexNet system and contacting Sensus when support is needed. The FlexNet Annual Maintenance Agreement does not cover system monitoring on a continuous or on-going basis beyond that which is necessary to provide solutions for the customer's immediate hardware or software support needs.
- Customer acknowledges that Sensus reserves the right to repair or replace malfunctioning equipment at its discretion and at Sensus' choice of location, either customer site, Sensus manufacturing facility or other appropriate site determined by the technician.
- Renewal notices for FlexNet Annual Maintenance Agreements will be mailed 60 days prior to the MDM training anniversary date; invoices must be paid no later than 30 days following the anniversary date, or the support agreement will be cancelled. FlexNet customers not covered by an Annual Sensus Maintenance Agreement will be charged current Alternate Service Pricing rates for their support needs.

For additional information concerning the FlexNet Annual Maintenance Agreement, please contact your local Sensus representative, authorized distributor, or call:

1-800-METER-IT (1-800-638-3748)



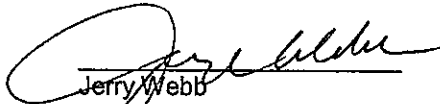
**CERTIFICATE OF AUTHORITY
(Chief Financial Officer)**

Name of Company: HD Supply Waterworks, Ltd., a Florida limited partnership
Reference: Contracts, Bids and Related Matters
Date: January 31, 2008

THE UNDERSIGNED DOES HEREBY CERTIFY that I am an Officer of HD Supply GP & Management, Inc., a Delaware corporation and the general partner of HD Supply Waterworks, Ltd., a Florida limited partnership; as the general partner, HD Supply GP & Management, Inc. is authorized to sign on behalf of HD Supply Waterworks, Ltd. As an Officer, I am authorized to make and deliver this certificate. I do hereby designate Don Clayton as my designee, and authorize him to execute and deliver, or cause to be executed and delivered, any and all bids and offers for furnishing materials and/or services, including related non-disclosure agreements, supply agreements, distributor agreements, purchase orders and similar agreements ("Documents"), and to take or cause to be taken any and all actions in connection therewith as such individual or individuals may consider necessary or desirable, with such necessity or desirability being conclusively evidenced by the actions so taken. Further I hereby ratify and approve all previous actions taken with respect to the execution and delivery of such Documents in the name of and on behalf of the company.

The authorization hereunder is effective as of the date hereof, and shall continue until the earlier of the undersigned's revocation of such authorization in writing, or the last date of the applicable employee's employment with the company.

IN WITNESS WHEREOF, the undersigned has executed this instrument as of the 4TH day of FEBRUARY, 2008.


Jerry Webb
President - HD Supply Waterworks

**CERTIFICATE OF AUTHORITY
(Chief Financial Officer)**

Name of Company: HD Supply Waterworks, Ltd., a Florida limited partnership

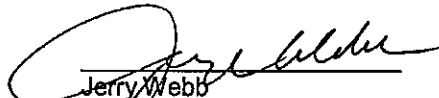
Reference: Contracts, Bids and Related Matters

Date: January 31, 2008

THE UNDERSIGNED DOES HEREBY CERTIFY that I am an Officer of HD Supply GP & Management, Inc., a Delaware corporation and the general partner of HD Supply Waterworks, Ltd., a Florida limited partnership; as the general partner, HD Supply GP & Management, Inc. is authorized to sign on behalf of HD Supply Waterworks, Ltd. As an Officer, I am authorized to make and deliver this certificate. I do hereby designate Don Clayton as my designee, and authorize him to execute and deliver, or cause to be executed and delivered, any and all bids and offers for furnishing materials and/or services, including related non-disclosure agreements, supply agreements, distributor agreements, purchase orders and similar agreements ("Documents"), and to take or cause to be taken any and all actions in connection therewith as such individual or individuals may consider necessary or desirable, with such necessity or desirability being conclusively evidenced by the actions so taken. Further I hereby ratify and approve all previous actions taken with respect to the execution and delivery of such Documents in the name of and on behalf of the company.

The authorization hereunder is effective as of the date hereof, and shall continue until the earlier of the undersigned's revocation of such authorization in writing, or the last date of the applicable employee's employment with the company.

IN WITNESS WHEREOF, the undersigned has executed this instrument as of the 4TH day of FEBRUARY, 2008.



Jerry Webb
President - HD Supply Waterworks