

OWNER'S STANDARD TERMS AND CONDITIONS

(IF THIS PURCHASE ORDER INCORPORATES ANY OTHER VERSION OF NiSOURCE CORPORATE SERVICE COMPANY'S, OR ANY OF ITS AFFILIATES' TERMS AND CONDITIONS, THEN THESE TERMS AND CONDITIONS ARE VOID)

1. Price and Shipping. A separate invoice shall be rendered for each order, or for each shipment made on an order. Invoice and bill of lading shall be dated and mailed on the day of actual shipment. All invoices shall be mailed to the Owner at the address shown on the face of the Purchase Order. ("Owner" shall mean the NiSource Affiliate Company named on the face of this Purchase Order.) This is the sole method of invoice delivery. An itemized delivery ticket, bearing Owner's Purchase Order number, must be left with the goods to insure their receipt. If delivery is made by carrier, an itemized delivery ticket must be attached to the outside of the package. The price includes all costs of packing and shipping and of delivery of the goods to the "F.O.B. point" or other delivery point specified. Any premium transportation costs incurred by Owner as a result of Seller's failure to meet the delivery schedule shall be paid by Seller. The cash discount or net payment period will date from the receipt of the invoice and not from the date of the invoice. Payment of Seller's invoices shall be subject to subsequent adjustment for shortages. Seller agrees that the prices stated on the face of the Purchase Order shall be firm unless otherwise noted. Invoices submitted more than 12 months after shipment shall not be honored.

2. Acceptance. Acceptance of this Purchase Order is limited to acceptance of the express terms contained on its face and these Terms and Conditions. Any additional or different terms proposed by Seller, or any attempt by Seller to vary any of the terms contained in this Purchase Order, are hereby rejected. This Purchase Order shall be deemed accepted by Seller without said additional or different terms. If a prior offer has been made by Seller with respect to the goods covered by this Purchase Order, Owner's acceptance of Seller's offer is expressly conditioned on assent to the Terms and Conditions contained in this Purchase Order. Commencement of work on the goods or services subject to this Purchase Order, or shipment of the goods, whichever occurs first, shall be an effective mode of acceptance by Seller of the Terms and Conditions in this Purchase Order.

3. Quantities: This is not a requirements contract. Owner reserves the right to use its own resources and to purchase the same or similar goods and services from third parties.

4. Timely Performance: Time is of the essence of this Purchase Order.

5. Specifications. Specifications for all goods and services are provided for in this Purchase Order. By accepting a Purchase Order, Seller agrees to accept full responsibility for and releases Owner from any liability for such specifications. No substitution will be permitted under this Purchase Order except on specific written authority of Owner.

6. Integration. This Purchase Order embodies the entire agreement and understanding between the parties with respect to the goods and services covered by this Purchase Order, and supersedes all prior agreements and understandings relating to the subject matter thereof, whether oral or written.

7. Taxes. Unless otherwise indicated on the face of this Purchase Order, Seller agrees that all applicable federal, state, and local sales and use taxes are included in the price. Such taxes are the sole obligation of the Seller.

8. Inspection. Owner shall have the right prior to acceptance to inspect any such goods and services and to reject any or all of said goods and services which are in its judgment defective or nonconforming. Such inspection shall not affect Seller's Warranties hereunder and such Warranties shall survive any such inspection. Payment for goods and services under this Purchase Order shall not constitute acceptance by Owner.

9. Warranties. In addition to Seller's customary warranties and any other warranties contained herein or implied by law, Seller expressly warrants that all of the goods and/or services as the case may be will: (i) conform to all specifications, descriptions and samples, (ii) be new, (iii) be free from defects in design, material or workmanship, (iv) conform to any statements made on the containers, labels or advertisements for such goods, (v) be adequately contained, packaged, marked and labeled, (vi) be merchantable, (vii) not infringe any patent, trademark, or copyright now existing or hereafter issued, and (viii) be safe and appropriate for the purpose for which the goods are intended and for which goods of that kind are normally used. Seller agrees to promptly replace or correct defects of any goods and to re-perform any services not conforming to the foregoing warranties, without expense to Owner, when notified of such nonconformity by Owner. In the event of Seller's failure to promptly correct defects in or replace nonconforming goods or to re-perform nonconforming services, Owner, after reasonable notice to Seller, may make such corrections or replace such goods or re-perform such services and may charge Seller the cost incurred by Owner in doing so. The foregoing warranties shall inure to the benefit of Owner, its assigns, successors, customers and other users of Seller's goods and services.

10. Proprietary Rights; Compliance with Laws. Seller warrants that: (a) all patents, trademarks, trade names, trade dress, copyrights, trade secrets, rights of publicity and other proprietary rights used by Seller in connection with the goods or the development or manufacture of the goods are owned by Seller or that Seller has been properly authorized by the owner of such proprietary rights to use such rights in connection with such goods and to sell such goods as incorporate such proprietary rights to Owner; and (b) all goods have been or shall be produced, packaged, tagged, labeled, packed, shipped and invoiced in compliance with all federal, state and local laws, regulations, and ordinances. If required by law, Seller shall provide Material Safety Data Sheets with each shipment with a copy to Owner at the address shown on the face of the Purchase Order.

11. Termination. Owner reserves the right to terminate this Purchase Order (i) for cause if Seller fails to comply with any of the terms in this Purchase Order and (ii) for its sole convenience regardless of compliance with the terms of this Purchase Order. In the event of termination for convenience, Seller shall (i) immediately stop all work under

this Purchase Order and immediately cause its suppliers or subcontractors to cease such work, (ii) be paid a reasonable termination charge consisting of a percentage of the Purchase Order price reflecting the percentage of the work performed prior to the notice of termination (which shall in no event exceed the purchase price), and (iii) not be paid for any work done after receipt of the notice of termination, nor for any costs incurred by its suppliers or subcontractors which Seller could reasonably have avoided. Any claim by Seller for payment of the termination charge provided for hereunder is waived unless asserted in writing to Owner within fifteen (15) days after receipt of the notice of termination. In the event of termination for cause, Owner shall not be liable to Seller for any amount.

12. Indemnification. To the fullest extent permitted by law, Seller waives any right of contribution and shall indemnify, defend and hold harmless Owner and its parent company, agents, affiliates and employees from and against all claims, damages, losses, fines, penalties and expenses, including, but not limited to, attorneys' fees, arising out of or resulting from or in connection with Seller's performance under this Purchase Order. Seller waives any immunity from or limitation on its contribution liability to Owner based upon the applicable workers' compensation act or any judicial interpretation of that act. Except as may be otherwise provided by applicable law or any governmental authority, Owner's right to indemnification under this paragraph shall not be impaired or diminished by any act, omission, conduct, misconduct, negligence or default (other than gross negligence or wilful misconduct) of Owner or any employee of Owner who contributed or may be alleged to have contributed thereto.

13. Insurance. Seller shall carry, at its sole cost and expense, commercial general liability (CGL) insurance, including product liability and completed operations coverage with limits of not less than \$1,000,000 combined single limits per occurrence and in the aggregate. Seller's CGL policy shall stipulate that such insurance is primary, and not contributing or additional, to any other insurance carried by Owner. If required by Owner and before any work begins, Seller shall deliver to Owner a certificate of insurance showing Owner as an additional insured under the foregoing coverage. Seller shall carry, at its sole cost, workers' compensation and employer's liability coverages providing statutory benefits and limits which shall fully comply with all state and federal requirements applying to this insurance in the states where the goods are manufactured and delivered with a waiver of subrogation in favor of Owner. Whenever Seller shall have Owner's property in its possession for Seller's fabrication or otherwise as herein required, Seller shall be deemed the insurer thereof and shall be responsible for such property until its return to and acceptance by Owner.

14. Non-Waiver of Rights. No right of either party under this Purchase Order may be waived except as expressly set forth in a writing signed by an authorized representative of the party waiving such right. No waiver of any provision shall be implied by a party's failure to enforce any of its rights or remedies herein provided, and no express waiver shall affect any provision other than that to which the waiver is applicable and only for that occurrence.

15. Owner's Remedies. In addition to all other remedies available to Owner under the Uniform Commercial Code or otherwise, any and all goods may be rejected by Owner and abandoned, returned or held at Seller's expense and risk, when such goods: (a) are not produced, sold, shipped and/or delivered in compliance with the terms of this Purchase Order; (b) are delivered in excess of the quantities ordered, in broken packs or partial shipments, or in packages or assortments other than as specified; (c) violate or allegedly violate any laws, regulations, or any governmental administrative orders, rules or regulations; or (d) infringe or allegedly infringe any patent, trademark, trade name, trade dress, copyright, trade secret, right of publicity or other proprietary right, or involve or allegedly involve any unfair competition. At its election, Owner may accept nonconforming goods or services and Seller shall be liable for any reduced value of such goods and services and the costs to repair or to re-perform the same. Owner may also charge to Seller all direct and indirect costs incurred by Owner as a result of any nonconforming goods or delivery including any consequential damages resulting from such nonconforming goods or delivery. Each of Owner's rights and remedies hereunder, including without limitation the right to consequential damages, shall be cumulative and additional to any other or further rights or remedies provided in law or equity or hereunder. **In the event of any default of any Terms and Conditions of this Purchase Order, Seller agrees to pay all damages including, but not limited to, consequential and incidental, and all costs and attorneys' fees resulting from such breach.**

16. Subcontracts: It is Owner's policy that small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals have the maximum practicable opportunity to participate in the performance of contracts let by Owner. The Seller hereby agrees to carry out this policy in the awarding of subcontracts to the fullest extent consistent with the efficient performance of this Purchase Order.

By acceptance of this Purchase Order, Seller agrees to comply with all applicable federal, state, and local anti-discrimination laws.

17. Governing Law. This Purchase Order shall be governed by and construed in accordance with the laws of the state where the goods and services that are the subject of this Purchase Order are delivered to Owner.

18. Assignment. Seller shall not assign or transfer any rights, claims, or duties under, or related to, this Purchase Order without the prior written consent of Owner which consent may be withheld in Owner's sole discretion. Owner may assign or transfer its interest in this Purchase Order without limitation. This Purchase Order

shall be binding upon and inure to the benefit of the parties hereto and their successors and permitted assigns.