

June 2, 2017

Dear City of Appleton, WI,

At Sensus USA Inc. ("Sensus"), we value your business and the water users you serve. This value starts with the quality of products. Quality is the top priority from the Chairman of the Board and the President of Sensus to all facets of our organization. We are committed to standing behind our products and the opportunity to serve our customers and general water users.

In development of the meters, we implement a variety of testing. During manufacturing and through the supply chain we have a rigorous quality assurance and control process. Unfortunately, some issues still arise during the long life of the meters. As we take these issues seriously, we continuously measure the return rate and have a robust root cause, corrective and preventative action process in place to improve the product for all of our customers. Utilizing our best-in-class data center, we also work with customers to proactively identify any potential product issues. In addition to our internal tests, we regularly send iPERL meters to independent test facilities to validate the accuracy of the units.

Our testing and monitoring efforts have identified a potential risk to the performance of the batteries contained in certain number of your water meters. Accordingly, in the interest of customer satisfaction, Sensus is hereby extending your warranty coverage for the following iPERL water meter serial numbers:

Size	Beginning Serial #	Ending Serial #
5/8"	80043479	81685105
3/4"S or 5/8"x3/4"	78043762	81467936
3/4"L	80041265	81679642
1"	79974039	81722434

Beginning Manufacture Date	Ending Manufacture Date
9/23/15	7/18/16

Sensus warrants its water meters pursuant to its standard warranty attached hereto as Exhibit A. Specifically for Appleton, WI and for the serial numbers or manufacture dates identified above, the warranty period set forth in Section XIII of the standard warranty is hereby extended to state as follows:

Sensus will repair or replace non-performing iPERL meter batteries, and/or the iPERL meter flowtube, the flow sensing and data processing assemblies, and the register with hourly reads at no cost for the first fifteen (15) years from the date of Sensus shipment, and for the remaining five (5) years, at a prorated percentage, applied towards the published list prices in effect for the year product is accepted by Sensus under warranty conditions according to the following schedule:

Year	Replacement Price
1-15	0%
16	30%
17	40%
18	50%
19	60%
20	70%
>20	100%

In addition to the extended warranty, Sensus will be extending a line of credit for \$3,000 to the City of Appleton, WI to cover the cost of exchanges for units affected by this issue. For each confirmed suspended state failure returned via RMA that is confirmed as a failure due to lock up by the RMA team, the City of Appleton can draught \$60 against the credit line for any Sensus product purchased via HD Supply. The \$3,000 would replenish if they have more than 50 failures.

Please contact me should you have any additional questions regarding Sensus' products.

Kind Regards,



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