

SETTLEMENT AND RELEASE AGREEMENT

This SETTLEMENT AND RELEASE AGREEMENT (the “Agreement”), dated and effective as of _____, 2015 (“Effective Date”), is by and between Sensus USA Inc., a Delaware corporation (“Sensus”), and the City of Aurora, Illinois (“City”).

WHEREAS, the City has purchased approximately fifteen thousand (15,000) Sensus iPERL water meters (the “Meters”);

WHEREAS, a dispute arose between Sensus and the City regarding the Meters (the “Dispute”); and

WHEREAS, following good faith negotiations, Sensus and the City have agreed to resolve the Dispute on the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual agreements set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, Sensus and the City hereby agree as follows:

1. Recitals. The recitals set forth above are hereby incorporated into and made a part of this Agreement.

2. Replacement Meters and Monitoring.

a. Replacement Meters. During the three (3) year period following the Effective Date, Sensus will provide the City with up to three thousand (3,000) iPERL water meters (the “Replacement Meters”) at no cost to the City to replace Meters manufactured prior to July 1, 2014. To obtain a Replacement Meter, the City will provide the serial number of the Meter to be replaced to the Sensus Territory Manager and Sensus will confirm the Meter was manufactured prior to July 1, 2014. The Replacement Meters will be of like sizes necessary to replace the Meters to be replaced (the “Replaced Meters”).

b. Monitoring. Sensus will work with the City to continue monitoring the Meters for a period of one year from the Effective Date. In addition to the three thousand (3,000) iPERL water meters to be provided by Sensus pursuant to Section 2.a above, Sensus will provide replacement iPERL water meters, at no cost to the City, for any additional Meters identified with analytics during such period that Sensus and the City mutually agree need to be replaced. All such replacement meters shall constitute “Replacement Meters” and all replaced Meters shall constitute “Replaced Meters” under this Agreement and will be subject to the terms and conditions hereof. Sensus and the City acknowledge and agree that the main objective of the Sensus Infrastructure and Sensus Analytics Proposal dated July 15, 2015 is to identify any suspect Meters for further investigation and replacement and each party agrees that it will apply sufficient time and resources to utilize the analytics analysis to prove the performance levels of the Meters.

c. Warranty on Replacement Meters. Sensus' standard limited warranty attached hereto as Exhibit A will apply to each Replacement Meter; provided, however, that Section XIII will be extended to 15 years with no proration; the standard warranty terms apply in years 16-20.

d. Disposal of Meters. Upon replacement with a Replacement Meter, Sensus will take possession and ownership of the Replaced Meter. Sensus will scrap the Replaced Meters or take such other action as Sensus deems appropriate and Sensus will own all amounts generated by such activity.

3. Installation of Replacement Meters.

a. The City will install the Replacement Meters at the City's cost and expense.

b. Sensus hereby issues to the City a Seventy Thousand Dollar (\$70,000) product credit against the City's future purchases of SmartPoints and iPERL meters from Sensus. For purposes of applying the product credit, the unit price to the City for SmartPoints is One Hundred Ten Dollars (\$110) each and the unit price for iPERL meters is One Hundred Twenty-Five Dollars (\$125) each. The City may use the product credit to purchase up to two hundred fifty (250) total SmartPoints and iPERL meters combined in any given month. The product credit is not convertible into cash and any amount not applied against the City's purchases of SmartPoints or iPERL meters on or before December 31, 2016 will expire.

4. Release.

a. Release of Sensus. The City, for itself and its affiliates, successors, and assigns, for and in consideration of the terms and conditions of this Agreement, and by its execution of this Agreement, hereby fully, completely, and forever releases, remises, and discharges and agrees to reimburse, defend, indemnify, and hold harmless Sensus and its directors, officers, shareholders, employees, affiliates, distributors, and agents from any and all claims, actions, causes of action, lawsuits, suits, demands, damages, injuries, losses, costs, and liabilities whatsoever, whether currently known, unknown, or which may arise in the future, resulting from, arising out of, or in any way connected to the Meters, the Dispute, or the underlying facts giving rise to the Dispute. The foregoing release is a condition precedent to Sensus entering into this Agreement. It is to be interpreted broadly so as to provide Sensus and the other released parties the maximum scope of release permitted under law.

b. This Agreement. Nothing in this Section 4 of this Agreement, or anywhere else in this Agreement, is meant to, and does not, release claims and remedies for breach of this Agreement or relieve any party hereto of its obligations under this Agreement.

5. Acknowledgement. Each party hereto understands that the facts in respect of which this Agreement is made may hereafter turn out to be other than or different from the facts now known or believed by it to be true. Each party hereto accepts and assumes all risk of facts turning out to be different, such as any potential claim being greater, different, or more extensive than now known, anticipated, or expected. In spite of this risk, each party hereto agrees that this Agreement shall be and remain in all respects effective and not subject to termination or rescission by virtue of any such mistake,

change, or difference in facts. Each party hereto further agrees to waive and relinquish all rights it has or may have under any statute or legal decision providing that a general release does not extend to claims not known or suspected to exist at the time of executing the release, which if known by a claimant might have materially affected the settlement. Each party hereto specifically agrees that this Agreement and all releases set forth herein apply in such case to all such claims related to the Dispute.

6. Confidentiality; Non-Disparagement; Public Statement.

a. Except as required by law, neither party will directly or indirectly disclose to any non-party the facts or contents of this Agreement, or any documents or communications related to this Agreement or the Dispute, without the prior written consent of the other party. In the event that a party receives a document request, subpoena, or other legal process, such party shall immediately notify the other party so as to provide an opportunity for said other party to object to challenge the subpoena, request, or other process in court. The party receiving the request, subpoena, or other process shall not, absent the written consent of the other party, produce this Agreement or any documents or communications related to this Agreement or the Dispute until the last day on which it may do so without incurring legal sanction or penalty.

b. Subject to the City's disclosure and information requirements pursuant to any State or Federal law or regulation, any official verbal or written statement or communication to the media or general public in relation to the Meters or this Agreement, or any of the terms hereof, will be first negotiated and agreed to by Sensus and the City. Each party hereto agrees to provide written notice to the other party of any intention to make any official verbal or written statement or communication regarding the Meters or this Agreement at least two (2) business days prior to making any such statement.

7. Joint Effort. The preparation of this Agreement has been a joint effort of the parties hereto and shall not be construed more strictly against any party.

8. Free and Voluntary Agreement. Each party hereto acknowledges and agrees that it has been fully advised by legal counsel concerning the language and legal effect of this Agreement and knowingly enters into this Agreement freely and without coercion of any kind.

9. No Waiver. Any failure by a party hereto to enforce any of the provisions of this Agreement or to require at any time performance by the other party of any of the provisions hereof shall in no way affect the validity of this Agreement, or any part hereof, and shall not be deemed a waiver of the rights of either party thereafter to enforce any and each such provision.

10. No Admission. The execution of this Agreement affects the settlement of potential claims and allegations which are disputed, contested, and denied. Each party hereto understands and agrees that nothing herein is intended, nor shall be deemed nor construed to be, an admission of liability by any party in any respect and to any extent whatsoever.

11. Authority. Each person signing this Agreement on behalf of a party hereto represents and warrants that he or she has the legal right, status, and authority to enter into this Agreement on behalf of the party for which he or she is signing. This includes specifically the authority of the representative of the City to execute this Agreement.

12. Governing Law and Dispute Resolution. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Illinois. Any and all disputes arising under, out of, or in relation to this Agreement, its negotiation, execution, performance, breach, or termination shall first be resolved by the parties attempting executive level meetings. If the dispute cannot be resolved within sixty (60) days of the commencement of the meetings, it shall be litigated in the state or federal courts with jurisdiction over Kane County, Illinois. TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE PARTIES AGREE TO A BENCH TRIAL AND THAT THERE SHALL BE NO JURY IN ANY DISPUTES.

13. Counterparts. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original, but all such counterparts shall constitute one and the same instrument. The exchange of executed copies of this Agreement by facsimile, portable document format (PDF) transmission, or other reasonable form of electronic transmission shall constitute effective execution and delivery of this Agreement.

14. Integration; Modification. This Agreement constitutes the sole agreement of the parties with respect to the terms hereof and shall supersede all oral negotiations and the terms of prior writings with respect thereto. No modification hereof or any agreement referred to herein shall be binding or enforceable unless in writing and signed on behalf of the party against whom enforcement is sought.

15. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

16. Successors and Assigns. This Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and assigns.

[The next page is the signature page.]

IN WITNESS WHEREOF, Sensus and the City have executed this Settlement and Release Agreement as of the Effective Date.

SENSUS USA INC.

By: _____

Name: _____

Title: _____

CITY OF AURORA, ILLINOIS

By: _____

Name: _____

Title: _____

Exhibit A

Warranty

(see attached)