

13000 Automobile Blvd Suite 300 Clearwater, Florida 34684 Tel: 727-507-9749 / Fax: 727-507-9849 www.perma-liner.com

Re: Perma-LinerTM Warranty Information

Perma-Liner™ conducts 3rd party testing on all materials supplied. Our independent testing labs are as follows:

HTS, Inc. Consultants 416 Pickering Street Houston, Texas 77091

Tel: 713-692-8373

NSF International 789 Dixboro Road P.O. Box 130140

Ann Arbor, MI. 48113-0140

Tel: 734-769-8010

HTS provides 3rd party testing in compliance with specification ASTM F1216 for installation and minimum physical properties required. This testing is conducted at a minimum of 1 time per each year.

NSF provides 3rd party testing in compliance with specification ASTM F1216 and NSF Standard 14 for Plumbing Code requirements. This testing is performed every 6 months.

Perma-Liner™ materials are tested in house per batch. This is required by NSF and IAPMO as per our Quality Assurance Programs. All records for batch testing are reviewed on site by NSF and IAPMO representatives on unannounced visits to our facility in Clearwater, Florida. The Quality Assurance is required in order to have NSF 14 and IAPMO certification and usage marks on our materials.

IAPMO Research and Testing, Inc. 5001 E. Philadelphia Street Ontario, CA. 91761-2816 Tel: 909-472-4100

ASTM F1216 testing of materials provides a minimum design life of 50 years. This specification was based on Polyester Resin. Perma-LinerTM does not use Polyester Resins. Epoxy Resins are used in the Perma-Liner™ products. The Epoxy formulation does not allow creeping or shrinking as does Polyester Resins. Our Epoxy Resins contain no styrene and the formulation is environmentally safe.

Perma-LinerTM Epoxy Resins are much stronger and provide better chemical resistance then Polyester Resins. The actual design life is much higher for our Epoxy Resins. We have been told by engineers the design life is 80 years plus.

Based on our 3rd party testing and design life per ASTM F1216, Perma-Liner[™] will provide the following warranty:

In the event the materials provided by Perma-LinerTM fail during a time frame of 50 years from documented installation date, under normal **Sanitary Sewer Conditions. All materials provided by Perma-LinerTM will be replaced at no charge. Only materials that have failure due to manufacturing malfunction will be replaced by Perma-LinerTM.

Perma-Liner™ does not warrant workmanship provided by our independent installers. Any warranty on workmanship or cost associated with replacing original host pipe should be provided by the installer.

At the time of failure, Perma-LinerTM will require a section of the failed liner to be shipped to HTS Labs in Houston, Texas for 3^{rd} party independent testing. All results will be accepted by both parties (Perma-LinerTM and installer).

A portion of liner and resin may be required from the same batch as the failed liner originated. This may not be available. Suggest all batch numbers from Liner, Calibration Tubing, and Both A & B Resins be clearly marked on original install sheet and filed for the installers records.

Please don't hesitate to call me if you have any questions.

Sincerely,

Jerry S. D'Hulster President

** Normal sanitary sewer conditions is defined as human waste, soaps, washing detergents, & normal hot water heater temperatures. Chemicals found in common drain cleaners such as sulfuric and caustic acids, and temperatures exceeding 170 degrees Fahrenheit may void all warranties.

LIMITED CURED-IN-PLACE PIPE MATERIALS WARRANTY

Perma-Liner Industries, LLC ("PLI") warrants that the cured-in-place pipe materials (the "Materials"), when properly maintained and installed, will be free from defects in material and workmanship for ten (10) years from the date of delivery to PLI's customer ("Customer") or delivery to such other party as PLI's Customer may direct. PLI warrants to Customer that, when installed in accordance with applicable PLI standard operating procedures, the Materials are manufactured and supplied to the requirements of ASTMF1216, Standard Practice for Rehabilitation of Existing Pipelines and Conduits by the Inversion and Curing of a Resin-Impregnated Tube. THE FOREGOING WARRANTIES ARE THE SOLE AND EXCLUSIVE WARRANTIES GIVEN BY PLI WITH RESPECT TO THE MATERIALS AND ARE IN LIEU OF AND EXCLUDE ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, ARISING BY OPERATION OF LAW OR OTHERWISE, INCLUDING WITHOUT LIMITATION, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WHETHER OR NOT THE PURPOSE OR USE HAS BEEN DISCLOSED TO PLI, AND WHETHER OR NOT THE MATERIALS ARE SPECIFICALLY DESIGNED AND/OR MANUFACTURED BY PLI FOR CUSTOMER'S USE OR PURPOSE. Customer assumes all other responsibility and liability for any loss, damage, or injury to persons or property arising out of, connected with, or resulting from the use of the Materials, either alone or in combination with other products/components. PLI neither assumes nor authorizes any person to assume for it any other liability in connection with the sale or use of the Materials, and there are no oral agreements or warranties collateral to or affecting this warranty statement or the contract to which this warranty statement is incorporated. No claim by Customer alleging defects with respect to the Materials provided hereunder shall be valid unless reasonably verified by PLI to have resulted from a defect covered hereunder.

The warranties contained herein do not extend to any losses or damages due to acts of God, misuse, accident, abuse, neglect, normal wear and tear, corrosion, abrasion, use of unsuitable lubricants, negligence (other than PLI's), modification or alteration not performed by PLI, improper installation, improper repair, improper handling, or improper application, improper or insufficient maintenance, storage outside of the recommended temperature range, infringement of a third party's intellectual property rights, or PLI's reliance on the drawings, specifications, samples, descriptions and/or other requirements, including performance specifications, provided to PLI by Customer or at Customer's direction or on Customer's behalf, or any other cause not the fault of PLI (collectively, the "Warranty Exclusions"). Without limiting any installation requirements, the Materials must only be installed in gravity fed pipes no deeper than the depth approved by a certified engineer licensed to make such determinations (or such greater depth as may be approved in advance by PLI); the pipe must consist of normal, standard sanitary sewer flows; and the installation and operation of the Materials must be consistent with the techniques required by PLI and, when not in conflict, consistent with industry practice. The occurrence of any of the Warranty Exclusions shall render the warranties provided hereunder null and void. understands and agrees that the Materials shall be used only as directed and that Customer shall not modify the Materials in any way or use the Materials in any manner other than as intended by PLI. Further, Customer understands and agrees that any modification of the Materials or of any part or portion thereof presents a serious risk of personal and property damage. If Customer has any questions regarding this provision, Customer should contact PLI.

PLI shall, at its sole option and as Customer's exclusive remedy for breach of any warranty provided hereunder, repair or replace the defective Materials, or refund the purchase price received by PLI for the defective Materials. The correction of such defects by repair or replacement, or the refund of purchase price for the defective Materials, shall constitute the complete fulfillment of PLI obligations to Customer under the warranties provided herein. The term of the warranties for any Materials repaired or replaced pursuant to these Standard Terms shall continue for the remainder, if any, of the original, defective Material's warranty period. Notwithstanding the exclusive remedies provided hereunder, if it is ultimately determined that such remedies fails in their essential purpose, then any action which may be brought against PLI subject to this Limited Cured-in-Place Pipe Materials Warranty will be limited to 100% of the purchase price received by PLI for such portion of the Materials for which the exclusive remedy has so failed. PLI assumes no responsibility and shall have no liability for any repairs or replacements by Customer without PLI's prior written authorization (including, without limitation, the costs of removing or segregating any defective Materials so that the repairs or replacements can be made).