



Empowering the world through innovative energy solutions

Limited Product Warranty

Subject to the conditions, limitations and exclusions stated in this Limited Product Warranty, Next Generation Energy® LLC (“NGE”) warrants to the original purchaser (the “Customer”) of its:

•**Sun Bandit® SBES systems (“Systems”)** that the Systems (except for electronic components, water heater tanks and mixing valves) will be free from defects in workmanship and materials under normal application, use, installation, maintenance, environmental and service conditions for a period of 10 (ten) years from the date of purchase;

•**Sun Bandit® SB systems and any Sun Bandit® components sold separately, rather than as part of an entire System (“Components”)**, that the Components (except for electronic components, water heater tanks and mixing valves) will be free from defects in workmanship and materials under normal application, use, installation, maintenance, environmental and service conditions for a period of 6 (six) years from the date of purchase;

•**Electronic components (“Electronics”)**, which shall be specifically defined as the AC disconnect, AC disconnect fuses or breaker, Sun Bandit® monitor, resistive element(s) installed within the water heater tank, and electronics directly installed within the water heater tank, or on the external surface of the water heater tank for control of resistive element(s), whether sold as part of a System or as separate Components, will be free from defects in workmanship and materials under normal application, use, installation, maintenance, environmental and service conditions for a period of 1 (one) year from the date of purchase; and

•**Water heater tanks (“Tanks”)**, whether sold as part of a System or as separate Components, are covered by this warranty for the periods stated above **only against leakage** under normal application, use, installation, maintenance, environmental and service conditions. Any other Tank defects in workmanship or materials under normal application, use, installation, maintenance, environmental and service conditions are covered by this warranty for a period of 1 (one) year from the date of purchase.

Mixing valves (“Valves”), whether sold as part of a System or as separate Components, are covered solely by any warranty provided by the manufacturer of the Valves, subject to the conditions and limitations stated therein, and **are not covered by this warranty. All implied and express warranties on Valves are hereby excluded.**

Systems, Components, Electronics and Tanks are collectively referred to in this Limited Product Warranty as “Products” and individually as a “Product”.

This warranty will remain in effect as to any Product only if 1) the Product is installed and maintained in accordance with the requirements set forth in the current NGE installation manual, which is available on the Sun Bandit® web site (the “Manual”), and 2) Systems

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are installed using only NGE-approved components. **THIS LIMITED PRODUCT WARRANTY IS SOLELY FOR THE BENEFIT OF THE ORIGINAL CUSTOMER, AND IS NOT TRANSFERRABLE OR ASSIGNABLE BY THE CUSTOMER.**

THIS WARRANTY IS EFFECTIVE ONLY IF THE CUSTOMER COMPLETES THE WARRANTY REGISTRATION FORM ON THE SUN BANDIT® WEB SITE (WWW.NGEUS.COM/SUNBANDIT.ASPX): (A) NO LATER THAN 90 DAYS AFTER PURCHASE BY THE CUSTOMER AND (B) NO LATER THAN 180 DAYS AFTER NGE'S DELIVERY OF THE PRODUCT TO THE AUTHORIZED DEALER FROM WHICH THE CUSTOMER PURCHASED THE PRODUCT. NGE will notify the Customer and the Authorized Dealer of acceptance of warranty registration by e-mail within 10 days after NGE receives the completed warranty registration form. If the Customer does not receive that notice of acceptance, the Customer must contact NGE by email and satisfy the requirements described above to obtain notice of acceptance of the warranty registration from NGE.

THIS WARRANTY SETS FORTH THE ONLY WARRANTY APPLICABLE TO THE PRODUCTS, AND NGE DISCLAIMS, AND SHALL NOT BE RESPONSIBLE FOR, ANY OTHER ORAL OR WRITTEN REPRESENTATION OR WARRANTY MADE BY ANY PERSON WITH RESPECT TO ANY PRODUCT.

THIS WARRANTY WILL BE VOID IF THE CUSTOMER HAS NOT PAID IN FULL ALL AMOUNTS PAYABLE BY THE CUSTOMER TO NGE AND ITS AUTHORIZED DEALER.

LIMITATIONS ON WARRANTY; DISCLAIMERS:

EXCEPT AS SPECIFICALLY PROVIDED IN THIS LIMITED PRODUCT WARRANTY, NGE MAKES NO WARRANTY REGARDING ANY PRODUCT, AND SO FAR AS IS PERMITTED BY LAW NGE EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES AND INDEMNITIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF DESIGN OR OF MERCHANTABILITY, SATISFACTORY QUALITY, PERFORMANCE, NONINFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE, OR ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICE. NGE DOES NOT WARRANT THAT THE PRODUCTS' DESIGN OR FUNCTIONS WILL MEET THE CUSTOMER'S REQUIREMENTS, OR THAT THE PERFORMANCE OF THE PRODUCTS WILL NOT DEGRADE OVER TIME.

THE CUSTOMER ACKNOWLEDGES ITS RESPONSIBILITY TO INSPECT THE PRODUCTS IMMEDIATELY UPON RECEIPT AND AFTER INSTALLATION, AND TO MAINTAIN THE PRODUCTS IN THE MANNER REQUIRED BY THE MANUAL.

Remedies or Repairs:

The Customer must inspect the Products immediately upon receipt and after installation, and notify NGE or the Authorized Dealer of any damage to any Product and of any missing components, promptly by email, with receipt of the email acknowledged by NGE.

If a Product malfunctions or becomes inoperable due to a covered defect in workmanship or material during the warranty period, NGE will, at its sole option, either (a) supply to the Customer or Authorized Dealer the parts required to repair the Product, (b) repair the Product or (c) supply a replacement Product. **Deinstallation and removal**

of Products due to any defect that is covered by this warranty, and shipping and installation of replacement Products, are not covered by this warranty.

NGE reserves the right to replace Products that are no longer in stock or that are no longer being produced with a new Product of similar design. A Product that is repaired or replaced under warranty shall be covered for the remainder of the original warranty period, subject to the conditions, limitations and exclusions set forth in this Limited Product Warranty.

The remedies described in this Limited Product Warranty shall be the sole and exclusive remedies provided by NGE or its Authorized Dealer with respect to the Products.

Exclusions:

This Limited Product Warranty does not cover:

- Damage due to neglect, abuse, accident, fire, alterations, excessive wind, hail, flood, freezing, earthquakes, lightning, installation or maintenance inconsistent with the Manual or other events or acts which are not within the reasonable control of NGE.
- Improper installation, especially where the installation violates applicable plumbing, electrical, housing, or building codes.
- Products moved from the original installation site.
- Products exposed to excessive dead loads, especially loads in excess of those described in the Manual, or physical impacts to the Products.
- Products exposed to inappropriate settings (especially settings that exceed values described in the Manual), excessive pressures (especially pressures that exceed those described in the Manual), or excessive temperatures (especially temperatures that exceed those described in the Manual).
- Products exposed to adverse local conditions and specifically sediment or lime precipitation in the tank or corrosive elements in the atmosphere or unacceptable water quality.
- Normal discoloration or degradation of materials.
- Fuses or Valves.
- Products that have been modified in any way.
- Parts or components not supplied by NGE.
- Water damage, loss or damage to real or personal property, inconvenience, loss of use or any other consequential or indirect damages.
- Damage to Products caused by components or other factors that are not covered by this Limited Product Warranty.

Warranty Claims:

The Customer must make any warranty claim either through the NGE Authorized Dealer from which the Customer purchased the Product or by submission of the electronic warranty claim form on the Sun Bandit® web site. The Authorized Dealer and/or NGE

shall have the right to inspect the Product that is the subject of the warranty claim to establish the cause of the failure. If the Customer does not permit the Authorized Dealer and/or NGE to have access to the Customer's premises to inspect the Product, this warranty shall be void.

Upon a determination by NGE that a Product failure is covered by this warranty, the Customer shall return the failed Product to NGE or to the Authorized Dealer designated by NGE, as NGE so instructs, at the Customer's expense. Warranty repairs or replacements will be made by the NGE Authorized Dealer if NGE determines that the Authorized Dealer can do so. Otherwise they will be made by NGE. Costs of shipping replacement Products to the Customer, and costs of shipping defective Products to NGE, are the responsibility of the Customer.

Any warranty claims that are not made as and within the time permitted by this Limited Product Warranty shall be deemed irrevocably waived by the Customer.

The Customer is solely responsible for maintaining written records regarding the purchase, installation and maintenance of the Product, which the Customer must make available to NGE and its Authorized Dealer upon their request.

LIMITATIONS ON NGE LIABILITY:

THE TOTAL AGGREGATE LIABILITY OF NGE WITH RESPECT TO THE ALL PRODUCTS PURCHASED BY THE CUSTOMER, INCLUDING BUT NOT LIMITED TO LIABILITY ARISING OUT OF OR BASED UPON NEGLIGENCE, BREACH OF CONTRACT, TORT, BREACH OF WARRANTY, STRICT LIABILITY, STATUTORY VIOLATION, PRODUCT LIABILITY, PERSONAL INJURY OR OTHERWISE, REGARDLESS OF THE BASIS OR FORM OF ACTION, SHALL BE LIMITED TO THE TOTAL AMOUNT PAID BY THE CUSTOMER FOR THE DEFECTIVE PRODUCT THAT IS COVERED BY THIS WARRANTY (NET OF TAXES, INSTALLATION AND SHIPPING CHARGES), DECREASED ON A STRAIGHT LINE PRO-RATED BASIS OVER THE WARRANTY PERIOD.

IN NO EVENT SHALL NGE OR ITS AUTHORIZED DEALER BE LIABLE FOR ANY INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE, INDIRECT OR CONSEQUENTIAL DAMAGES, DAMAGES TO PERSONS OR PROPERTY, LOSS OF BUSINESS, LOSS OF PROFITS, LOSS OF USE, LOSS OF GOODWILL OR TORTIOUS CONDUCT RELATING TO, CAUSED BY OR ARISING OUT OF THE PERFORMANCE OR NON-PERFORMANCE OF ANY PRODUCT OR FROM THE CUSTOMER'S USE OR INABILITY TO USE THE PRODUCT, WHETHER BASED IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR ANY OTHER THEORY OR FORM OF ACTION, EVEN IF NGE HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

Other Provisions:

The terms of this Limited Product Warranty are an essential aspect of the bargain made between NGE and the Customer. If any provision of this Limited Product Warranty is held by a court of competent jurisdiction to be illegal, invalid or unenforceable, the parties intend that the court reform this Limited Product Warranty to the minimum extent required so that it continues to reflect the parties' original bargain and intent.

This warranty will be interpreted under and governed by the internal laws of the state of Colorado, U.S.A., without reference to any conflicts of laws principles which would cause the laws of a different jurisdiction to apply.

Dispute Resolution:

If any dispute relating to this warranty cannot be settled by the parties negotiating in good faith, then either NGE or the Customer may seek to enforce any provision of, or any right arising out of, this warranty by arbitration conducted under the then-current Commercial Arbitration Rules (the "AAA Rules") of the American Arbitration Association (the "AAA"), except as the AAA Rules are modified herein. The arbitration shall be conducted before a single arbitrator mutually agreed on by the parties. If the parties do not agree on the arbitrator within thirty (30) days after a notice of arbitration has been given by one party to the other, then an arbitrator shall be appointed by the AAA. The arbitration shall be conducted at a location in Boulder, Colorado that is acceptable to NGE and the Customer or, if they cannot agree, at a location in Boulder, Colorado chosen by the arbitrator.

The arbitrator's award shall be in writing and shall be final and binding on the Customer and NGE. If either party fails to appear or be represented at the arbitration proceedings, then the arbitrator shall render a decision, which shall have the same force and effect as if the absent party had been present. Each party shall bear its own costs and expenses in connection with arbitration, and the parties shall share equally the costs of arbitration, including the arbitrator's fees. Any award rendered by an arbitrator may be entered for enforcement in any court of competent jurisdiction, and the party against whom enforcement is sought shall bear the expenses, including attorneys' fees, of enforcement.

Force Majeure:

Neither NGE nor its Authorized Dealer shall be liable for its failure to perform or delay in performing its obligations under this warranty due to events beyond its reasonable control, including but not limited to labor strikes or lockouts, riots, war, power failures, embargo, government action or inaction, shortages of materials, earthquakes, severe weather or acts of nature. Notwithstanding the preceding sentence, NGE and/or its Authorized Dealer shall use its reasonable commercial efforts to remedy any disruption in its performance under this warranty as quickly as possible.