ECR International, Inc. LIMITED WARRANTY INDIRECT WATER HEATERS & STORAGE TANKS

By this Limited Warranty ECR International, Inc. ("ECR") issues limited warranties from the date of original installation of the H₂O Indirect Water Heater or Storage Tank ("Product") to the person that purchased the new Product directly (a) from the ECR brand dealer; or (b) in the case of a newly constructed home, from the contractor who purchased such new Product directly from an ECR brand dealer or wholesaler for installation and use in the newly constructed home (such person in either case referred to hereinafter as the "Original Purchaser"), subject to the terms and conditions set forth below.

WARRANTY COVERAGE FOR RESIDENTIAL USAGE

The following limited warranty set forth in this section shall apply to only the original installation of the Product in a single-family dwelling used without interruption by the Original Purchaser as his or her primary residence ("Residential Application"). "Residential Application" shall also mean usage in a multiple family dwelling provided that the Product services only one (1) dwelling in such multiple family dwelling. The term "Residential Application" shall not include any usage of the Product above one hundred fifty (150) degrees Fahrenheit.

First Year

ECR warrants its Product used in Residential Applications to be free from defects in material and workmanship under normal usage and service for a period of one (1) year from the date of original installation. In the event that any component of the Product is found to be defective in material or workmanship during this one-year period, then ECR will repair or replace, at its option, the defective component.

Second Year through Lifetime

During the remaining lifetime of the Product, ECR will repair or replace, at its option, any component of the Product found to have a defect or malfunction that results in a water leak from the outer jacket, inner tank, or heat exchanger of the Product under normal usage and service.

If ECR is unable to repair or replace the Product component so as to repair the water leak from the outer jacket, inner tank, or heat exchanger of the Product, after a reasonable number of attempts, then ECR will provide at its option, either a replacement Product, or a full refund of the purchase price.

If at the time of the request for service, the Original Purchaser cannot provide a copy of the original sales receipt for the Product, or equivalent document, then the warranty period for the Product shall be ten (10) years from the date of manufacture of the Product.

WARRANTY COVERAGE FOR COMMERCIAL USAGE

The following limited warranty set forth in this section shall apply to only the original installation of the Product in a Commercial Application, used without interruption by the Original Purchaser. "Commercial Application" as used herein shall mean, any usage not falling within the above definition of Residential Application. The term "Commercial Application" shall include any usage of the Product above one hundred fifty (150) degrees Fahrenheit.

First Year

ECR warrants its Product used in Commercial Applications to be free from defects in material and workmanship under normal usage and service for a period of one (1) year from the date of original installation. In the event that any component of the Product is found to be defective in material or workmanship during this one-year period, then ECR will repair or replace, at its option, the defective component.

Second Year through Fifth Year

During the second through fifth year after the date of original installation, ECR will repair or replace, at its option, any component of the Product having a defect or malfunction that results in a water leak from the outer jacket, inner tank, and heat exchanger of the Product under normal usage and service.

If ECR is unable to repair or replace the Product component so as to repair the water leak from the outer jacket, inner tank, or heat exchanger of the Product, after a reasonable number of attempts, then ECR will provide at its option, either a replacement Product, or a full refund of the purchase price.

LIMITATIONS AND EXCLUSIONS

1. Under no circumstances will ECR be responsible for any other costs associated with rectifying the defective part or Product, including, without limitation, costs associated with removing and reinstalling the defective part or Product and/or its replacement part or Product, and all labor and material costs connected therewith, including, without limitation, costs associated with returning the defective part or Product to ECR.

2. This Limited Warranty will not be applicable if the Product is (a) used or operated at a pressure over or under its rated capacity; (b) installed for uses other than home heating; (c) not maintained in accordance with ECR's recommendation or accepted good practice as determined by industry standards; or (d) subjected to unauthorized alteration.

3. This Limited Warranty will not be applicable if the Product has been damaged as a result of being improperly installed, serviced or operated, including, without limitation, operated with insufficient water, allowed to freeze or subjected to flood conditions.

4. In order for this Limited Warranty to be effective (a) the Product must have been assembled in strict compliance with installation instructions furnished with the Product; and (b) the Product sections must not have been damaged during shipment and installation.

5. ECR shall not be liable for any damages, defaults or delays in performance under this Limited Warranty caused by (a) any contingency beyond its control, including, without limitation, a shortage or reduced supply of energy or raw materials, freezing, flood, fire, wind or lightening; (b) the failure of external wiring, piping, or other attachments and accessory products not integral with the Product; (c) installation, service or operation that is not in compliance with all applicable federal, state and provincial laws or regulations; (d) misapplication or the use of the Product for purposes other than for which it was designed; (e) the use of parts not supplied or designated by ECR; (f) failure to maintain the Product free of water sediments or scale deposits; (g) components of a Product which are not defective, but must be replaced during the warranty period as a result of reasonable wear and tear; (h) failure of a component, control or component part other than a component part manufactured solely by ECR; or (i) potable water with a Ph exceeding 8.0 or below 6.0, and/or chloride concentrations exceeding 80 parts per million (ppm).

6. This Limited Warranty in no way can be considered as a guarantee of workmanship of an installer or repairman connected with the installation or repair of the Product or as imposing on ECR liability of any nature for unsatisfactory performance as a result of faulty workmanship in the installation or service of the Product, which liability is hereby expressly disclaimed.

7. The furnishing of replacement parts under the terms of this Limited Warranty will apply to the original warranty period and will not serve to extend such period.

8. This Limited Warranty only applies to Products installed in the United States or Canada.

9. The remedy for breach of this Limited Warranty is expressly limited to the repair or replacement of any part found to be defective under conditions of normal use, unless otherwise specifically set forth herein, and the remedy for breach of this Limited Warranty, statutory duty or by reason of tort (including, without limitation, negligence) does not extend to liability for incidental, special or consequential damages or losses, such as loss for the use of the material, inconvenience or loss of time. The maximum liability of ECR in connection with the sale of the Product shall not in any case exceed the price of the part claimed to be defective, or the price of the Product if the entire Product is claimed to be defective. This Limited Warranty is the complete and exclusive statement of warranty terms in regards to the Product.

10. FOR ALL SALES NOT SUBJECT TO THE MAGNUSON-MOSS WARRANTY ACT THE FOREGOING WARRANTIES ARE EXCLUSIVE AND ARE GIVEN AND ACCEPTED IN LIEU OF ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE. FOR ALL OTHER SALES, ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND/OR FITNESS FOR ANY PARTICULAR PURPOSE ARE LIMITED IN DURATION TO THE PERIOD OF THIS LIMITED WARRANTY.

PLEASE NOTE: Some states, provinces and territories do not allow the exclusion or limitation of incidental or consequential damages, or limitations on how long an implied warranty lasts, so the above limitations and exclusions may not apply to you.

MISCELLANEOUS

1. The Magnuson-Moss Warranty Act applies to "consumer" sales as contrasted with "commercial" sales. A consumer sale is one to a buyer for personal, family or household purposes and not for the purpose of resale.

2. If any provision of this Limited Warranty shall be determined to be illegal, unconscionable or unenforceable, all other terms and provisions hereof shall nevertheless remain effective and shall be enforced to the fullest extent permitted by law. The warranties made under this Limited Warranty are exclusive and may not be altered, enlarged or changed by a distributor, dealer, or other person whatsoever, other than pursuant to a written agreement executed by a duly authorized officer of ECR.

3. This Limited Warranty is nontransferable and shall be for the benefit of the Original Purchaser of the Product only.

4. This Limited Warranty gives the Original Purchaser only specific legal rights and you may have other legal rights which vary from state-tostate.

PROCEDURE FOR OBTAINING WARRANTY SERVICE

1. At the time a claim is filed under this Limited Warranty the Original Purchaser must present a copy of the original sales receipt, and a deed, utility bill, or equivalent document evidencing both ownership of the Product and installation in the dwelling or commercial property owned by the Original Purchaser. With regard to claims made by an Original Purchaser used in a Commercial Application, in no event shall notification of a service request be received later than five (5) years from the date of original installation.

2. For prompt warranty service, notify the installer who, in turn, will notify the ECR distributor from whom such distributor purchased the Product. If this action does not result in warranty service, the Original Purchaser or installer should contact ECR Customer Service (see contact information below), giving full particulars in support of the claim. Alleged defective part or parts must be returned through trade channels in accordance with ECR's procedure currently in force for handling returned goods for the purpose of inspection or determining the cause of failure. ECR will furnish the new part(s) to an authorized ECR distributor who, in turn, will furnish the part(s) to the heating contractor who installed the Product.

ECR International, Inc.

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