MTU ONSITE ENERGY FIVE (5) YEAR / 3,000 HOUR BASIC EXTENDED STANDBY LIMITED WARRANTY



MTU America Inc. d/b/a MTU Onsite Energy ("MTU Onsite Energy") issues the following express Limited Warranty subject to the following terms, conditions, and limitations:

An original consumer ("Owner") who purchases an MTU Onsite Energy engine generator set ("Product") is entitled to coverage under this Limited Warranty. MTU Onsite Energy warrants to the Owner that the Product is free of defects in material and workmanship and will perform under normal use and service from valid start-up performed by MTU Onsite Energy. Any nonconformity to the foregoing is defined as a Warrantable Defect. This Limited Warranty applies to Product shipped by MTU Onsite Energy after January 1, 2014.

1. Limited Warranty Periods

Limited Warranty Period. The Limited Warranty Period for a Warrantable Defect in the Product is twenty-four (24) months after the first commissioning of the Product. In all cases, the Limited Warranty period will expire not later than thirty-six (36) months from the date of shipment from MTU Onsite Energy's Mankato, MN facility or after 3,000 operation hours, whichever occurs first.

<u>Component Only Coverage Period</u>. The Component Only Coverage Period for a Warrantable Defect in the components of the Product is sixty (60) months after the first commissioning of the Product. In all cases, the Component Only Coverage period will expire not later than seventy-two (72) months from the date of shipment from MTU Onsite Energy's Mankato, MN facility or after 3,000 operation hours, whichever occurs first.

Accessories Coverage Period. The Accessories Coverage Period for a Warrantable Defect in cords, receptacles, cord reels, gas flex pipes, housing lights, space heaters, and associated equipment ("Accessories") is twelve (12) months from the date of shipment from MTU Onsite Energy's Mankato, MN facility.

MTU Onsite Energy's warranty obligations under this Limited Warranty are contingent upon distributor completing the following:

- (a) The MTU Onsite Energy warranty and the *Start-Up Validation and Pre-Inspection Form.* Return both to MTU Onsite Energy within sixty (60) days of the start-up date; and
- (b) The engine registration form (when applicable). Return to the manufacturer as stated in the engine registration form instructions.

2. MTU Onsite Energy Responsibilities

If a Warrantable Defect is found during the Limited Warranty Period and/or the Accessories Coverage Period, and provided the Owner has complied with its obligations under Section 3, MTU Onsite Energy will, during normal working hours, through MTU Onsite Energy's authorized distributor, dealer, or service outlet, perform some or all of the following:

- (a) Repair or replace, at MTU Onsite Energy's sole election, the defective part with a new or remanufactured replacement part;
- (b) Provide reasonable or customary labor needed to correct the Warrantable Defect;
- (c) Provide technician travel time of 400 miles to and from the closest MTU Onsite Energy authorized distributor, dealer, or service outlet to the Product location;
- (d) Part removal and re-installation, if necessary and as solely determined by MTU Onsite Energy.

If a Warrantable Defect is found during the Component Only Coverage Period, and provided the Owner has complied with its obligations under Section 3, MTU Onsite Energy will only pay for the cost of the parts repaired or replaced on the defective component (material cost only). All other costs including, but not limited to, labor, transportation, shipping costs, lubricating oil, filters, antifreeze, and other service items rendered by the defect are the Owner's sole responsibility.

MTU Onsite Energy's obligation to repair or replace defective parts does not include responsibility for reimbursement of incidental or consequential costs. If MTU Onsite Energy repairs or replaces an Accessory, part, or Product under this Limited Warranty, the repaired or replaced Accessory, part, or Product assumes the unexpired portion of the warranty period remaining from the original Accessory, part, or Product. Repair or replacement of an Accessory, part, or Product will not extend the term of the original Limited Warranty Period or Accessories Coverage Period. Parts or Product replaced shall become the property of MTU Onsite Energy.

MTU Onsite Energy's failure to enforce any of the terms or conditions stated herein shall not be construed as a waiver of such provision or of any other terms and conditions of this Limited Warranty.

3. Owner Responsibilities

During the Limited Warranty Period, Component Only Coverage Period, and Accessories Coverage Period, the Owner is responsible for, and MTU Onsite Energy will not reimburse for the following:

- (a) Battery;
- (b) Premium or overtime labor costs;
- (c) Labor and material costs for Product removal and reinstallation;
- (d) Any special access fees required to gain access to MTU Onsite Energy equipment, without limitation, training or safety policy requirement to gain access;
- (e) Transportation costs or travel expenses related to delivery of the Product to the designated distributor, dealer, or service outlet;
- (f) Incidental and consequential costs, damages, or administrative expenses of whatever nature;

MTU ONSITE ENERGY FIVE (5) YEAR / 3,000 HOUR BASIC EXTENDED STANDBY LIMITED WARRANTY



- (g) Non-Product repairs, vehicle damage, "downtime" expenses, cargo damage, fines, lost income, any business costs of any kind, Owner's travel expenses, and other losses resulting from a Warrantable Defect;
- (h) Shipping charges for replacement parts/Products in excess of those which are usual and customary; or
- (i) Local taxes, if applicable.

In addition, Owner must:

- (a) Operate, use, and maintain the Product in accordance with the applicable Owner's manual and/or any other manuals specified by MTU Onsite Energy, including without limitation handling, inspection, servicing, or operating instructions;
- (b) Promptly notify MTU Onsite Energy or its authorized representative of a Warrantable Defect and make the Product available for repair;
- (c) Comply with MTU Onsite Energy's or MTU Onsite Energy's authorized representative's reasonable directions regarding the timing, sequence, and location of warranty repairs and make the Product available for inspection;
- (d) Perform all required maintenance and maintain and provide proof that all required maintenance has been performed;
- (e) Use MTU Onsite Energy specified parts, components, and consumables;
- (f) Promptly return to MTU Onsite Energy all parts replaced under this Limited Warranty;
- (g) Comply with MTU Onsite Energy's long term storage guidelines, if applicable, and maintain and provide proof of compliance;
- (h) Routinely exercise the Product in accordance with operating instructions;
- (i) Install the Product in accordance with the installation guide provided; and
- (j) Reimburse MTU Onsite Energy for all costs incurred in providing warranty service where, following examination, the request or claim for warranty coverage proves to be unfounded or excluded, as well as all incidental costs including those incurred investigating the claim.

4. Limitations

MTU Onsite Energy is not responsible, and this Limited Warranty is not available under any circumstances, for any of the following:

- (a) Failure of Owner to fulfill its obligations under Section 3;
- (b) Failure of Owner to follow MTU Onsite Energy's instructions for Product stored by Owner longer than 180 days from date of shipment from MTU Onsite Energy's Mankato, MN facility;
- (c) Defects caused by adjustments made by Owner to the fuel system or governor system;
- (d) Defects which were obvious or capable of being identified by reasonable inspection and were not reported to MTU Onsite Energy within a reasonable time;
- (e) Rental equipment used during warranty work;
- (f) Defects caused or potentially caused by service work performed by non-MTU Onsite Energy authorized service providers and/or the use of non-genuine MTU Onsite Energy parts;
- (g) Defects resulting from natural wear and tear, external action, negligence, natural disasters, accidents, incorrect use, improper handling or storage, inadequate corrosion-proofing, incorrect assembly or installation, or modification of the Product;
- (h) Defects resulting from abuse or neglect, including unauthorized modifications to the Product;
- (i) Repair or any use or installation which MTU Onsite Energy, in its sole discretion, determines to be improper;
- (j) Defects caused by incorrect maintenance;
- (k) Defects resulting from Owner's delay in making the Product available after being notified of a potential problem or Owner's failure to take immediate measures to avoid or mitigate damage;
- (I) Damage caused by shipping;
- (m) Repair of parts sold by MTU Onsite Energy that are warranted directly to the Owner by the respective part's manufacturer;
- (n) Misapplication of the Product;
- (o) Diesel engine "wet stacking" due to lightly loaded diesel engines;
- (p) Acts of nature or acts of God;
- (q) Any failure, other than those resulting from a defect in material or factory workmanship of the Product;
- (r) Use of the Product for purposes other than those for which it was intended, including without limitation use of the Product under extraordinary operating conditions not made known to MTU Onsite Energy in writing at the time of the order; or
- (s) Material provided by or a design specified by the Owner.
- 5. Software Warranty. Where software is included in the Product, MTU Onsite Energy warrants to the Owner that 1) the software will be substantially free from material program errors and material defects in material and workmanship, and that 2) it shall function substantially in accordance with MTU Onsite Energy's specification at the time of dispatch from the MTU Onsite Energy manufacturing facility. MTU Onsite Energy does not warrant that the software is error-free or free from "bugs" as commonly categorized by the computer industry. MTU Onsite Energy shall, during the Limited Warranty Period, endeavor to remedy at its cost, in its sole discretion, by repair or replacement of any material program errors or material defects of which Owner has promptly notified MTU Onsite Energy. MTU Onsite Energy, at its option, may elect to provide the most current software at no cost, and in such case MTU Onsite Energy will not cover the cost to install the applicable updated software. MTU Onsite Energy shall have no obligation with respect to any nonconformities resulting from unauthorized modifications to the software or any Owner interfacing.
- 6. Emissions Warranty. The Product may be covered under an emissions warranty specified by the U.S. Environmental Protection Agency and/or the California Air Resources Board. The terms of the warranty, if applicable, may be accessed by following the link: http://www.mtuonsiteenergy.com/technical-info/emissions-warranty/. Any such Emissions Warranty is incorporated herein by reference in its entirety to the extent and with the same force as if fully set forth herein. The Product, if certified, may only be certified to comply with the required country or region specific emission regulations. Where applicable, the Product is only certified to those specific emission regulations/standards which are clearly stated in the respective RRPS/MTU Onsite Energy defined technical specifications. IT IS THE

MTU ONSITE ENERGY FIVE (5) YEAR / 3,000 HOUR BASIC EXTENDED STANDBY LIMITED WARRANTY



OWNER'S SOLE RESPONSIBILITY TO ENSURE THAT THE EXPORT/IMPORT, INSTALLATION, AND USE OF THE PRODUCT(S) COMPLIES WITH THE APPLICABLE EMISSION REGULATIONS IN THE COUNTRY OR REGION WHERE THE PRODUCT(S) WILL BE USED.

7. Disclaimers

LIMITATION OF WARRANTIES: THIS LIMITED WARRANTY IS GIVEN EXPRESSLY AND IN PLACE OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE, FREEDOM FROM INFRINGEMENT OR THIRD PARTY INTELLECTUAL PROPERTY RIGHTS, OR ARISING FROM COURSE OF DEALING, COURSE OF PERFORMANCE OR USAGE OF TRADE. THERE ARE NO UNDERSTANDINGS, AGREEMENTS, REPRESENTATIONS, OR WARRANTIES NOT SPECIFIED HEREIN.

THIS LIMITED WARRANTY, THE OBLIGATIONS OF MTU ONSITE ENERGY AND THE RIGHTS AND REMEDIES OF THE OWNER SET FORTH IN THIS LIMITED WARRANTY ARE EXCLUSIVE AND ARE EXPRESSLY IN LIEU OF, AND THE OWNER HEREBY WAIVES AND RELEASES ALL OTHER OBLIGATIONS, WARRANTIES (INCLUDING WARRANTY AGAINST REDHIBITORY DEFECTS), REPRESENTATIONS OR LIABILITIES, EXPRESS OR IMPLIED, ARISING BY LAW IN CONTRACT, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY) OR OTHERWISE, INCLUDING BUT NOT LIMITED TO ANY CLAIMS ARISING OUT OF, CONNECTED WITH OR RESULTING FROM THE PERFORMANCE OF THIS LIMITED WARRANTY OR FROM THE DESIGN, MANUFACTURE, SALE, REPAIR, LEASE OR USE OF THE PRODUCT, ANY COMPONENT THEREOF AND SERVICES DELIVERED OR RENDERED HEREUNDER OR OTHERWISE.

IN NO EVENT, WHETHER AS A RESULT OF BREACH OF CONTRACT OR WARRANTY, ALLEGED NEGLIGENCE, OR OTHERWISE, SHALL MTU ONSITE ENERGY BE SUBJECT TO LIABILITY FOR INCIDENTAL, CONSEQUENTIAL, INDIRECT, SPECIAL OR PUNITIVE DAMAGES OF ANY KIND, INCLUDING WITHOUT LIMITATION, DAMAGE TO THE PRODUCT, OR OTHER PROPERTY, COMMERCIAL LOSSES, LOST PROFITS, LOSS OF USE, INCONVENIENCE, LOSS OF TIME, COST OF CAPITAL, COST OF SUBSTITUTE EQUIPMENT, DOWNTIME, OR CLAIMS OF CUSTOMERS.

MTU ONSITE ENERGY SHALL NOT BE LIABLE FOR ANY CLAIM GREATER IN AMOUNT THAN THE PURCHASE PRICE OF THE PRODUCT.

- 8. The Owner is entitled to rectify the defect or to have it rectified by third parties only in urgent cases where operational safety is at risk or in order to prevent disproportionately extensive damage; provided that Owner has informed MTU Onsite Energy and obtained MTU Onsite Energy's prior written consent. In such cases, MTU Onsite Energy shall, in its sole discretion, reimburse the costs incurred by the Owner up to an amount equivalent to the costs MTU Onsite Energy would have incurred had it remedied the defect itself.
- 9. This Limited Warranty gives the Owner specific legal rights, and the Owner may also have other rights, which vary from state to state. Some states do not allow warranty duration limitations and/or certain exclusions or limitation of incidental or consequential damages. Therefore, the previously expressed exclusion(s) may not apply to Owner. If any one or more of the provisions contained in this Limited Warranty shall be invalid, illegal, or unenforceable in any respect, the validity, legality, or enforceability of the remaining provisions contained therein shall not in any way be affected or impaired thereby.
- 10. This Limited Warranty is governed by the laws of the State of Minnesota without regard to its conflicts of law principles and excluding the United Nations Convention for the International Sale of Goods.
- 11. In order to obtain performance of an MTU Onsite Energy warranty obligation, the Owner should contact the nearest MTU Onsite Energy authorized distributor, dealer, or service outlet for instructions. To find the location of the nearest MTU Onsite Energy authorized distributor, dealer, or service outlet call 800-325-5450 or write to: MTU Onsite Energy Warranty Department, 100 Power Drive, Mankato, MN 56001.