

LIMITED WARRANTY FOR CANADA AND UNITED STATES

QBD Modular Systems Inc. (QBD) agrees to sell to the Customer the Product at the Price specified and on the terms as set out in the Invoice, Quotation or Acknowledgement of Order, as the case may be.

Together the Invoice, Quotation or Acknowledgement of Order, as the case may be, and this Warranty Agreement constitute the Sales Agreement between QBD and the Customer.

QBD neither assumes nor authorizes any representative or other person to assume for it any obligation or liability in connection with the QBD product, its sale, operation or use other than such as is expressly set forth herein.

Specifications

The Product's specifications are as set out in the Invoice, Quotation or Acknowledgement of Order, as the case may be.

QBD reserves the right to change specifications of the Product (including materials) without notice.

Delivery

The terms for delivery of the Product are as set out in the Invoice, Quotation or Acknowledgement of Order, as the case may be.

Limited Warranty

1. The price charged by QBD reflects the allocation of the risk of loss between QBD and the Customer arising from defects in the design or manufacture of the Product. In agreeing to sell the Product to the Customer for the price specified in this Agreement, QBD is relying on the Customer's acceptance of the risks allocated to it by this Limited Warranty.

2. Except to the extent prohibited by applicable law, no other warranties or conditions, whether express, statutory or implied, written or oral, including but not limited to, any warranties or conditions of merchantability or fitness for a particular purpose which extends beyond the description of the Product set out above shall apply to the Product.

3. This warranty does not cover any Product that has been built according to the specifications provided by the Customer if it is later found that the specifications were deficient, incorrect or otherwise inappropriate for the use to which the Product was put by the Customer. Subject to the general limitations of the responsibility of QBD under this Limited Warranty, QBD warrants that the Product has been manufactured to the Customer's specifications.

Exclusions from Warranty Coverage

4. This warranty does not cover:

- (a) spoilage of products, loss of sales, incidental, indirect, consequential or special damages, or any injury, loss, cost or expense directly or indirectly sustained in connection with the Product, its sale, operation or use.
- (b) without limiting the generality of the foregoing, spoilage of products, loss of sales, incidental, indirect, consequential or special damages, or any injury, loss, cost or expense arising directly or indirectly from fungi or fungal derivatives sustained in connection with the Product, its sale, operation or use.
- (c) glass or light bulb breakage.
- (d) any product that has been subject to misuse, neglect, alteration, tampering, accident, or to any damage to any Product caused during transportation, improper installation (except when the Product

is installed by employees of QBD), flood, fire, water damage, burglary, terrorism or acts of God.

Limited Warranty

5. QBD warrants to the original purchaser at the location of original installation of the Product that the Product is free from defects in material or workmanship under normal use and service for a period of one (1) year from the date of shipment. QBD's obligation under this warranty shall be limited to repairing or replacing at QBD's option, any part of such product, which proves thus defective and which upon examination by QBD and to its satisfaction to be defective shall be determined to be defective. Notwithstanding this assumption of responsibility by QBD, QBD's responsibility for the costs and labour incurred in repairing or replacing the Product shall not exceed the sale price of the Product.

Conditions of Warranty coverage

6. Conditions of warranty coverage:

- (a) All defective parts must be returned to QBD within thirty (30) days and must be accompanied by a record of model number, serial number and return authorization number, and such return shall be on the basis of freight pre-paid.
- (b) Issues arising from improper operation due to low voltage conditions, inadequate wiring, and installation other than by QBD and accidental damage are not manufacturing defects and are solely the responsibility of the Customer.
- (c) Condenser coils must be cleaned every 2 weeks or more frequently as dictated by the space. Failure to do so causes compressor, electrical and other failure and will result in this warranty being immediately terminated and QBD's responsibility coming to an end.
- (d) All parts must be replaced with original parts supplied by QBD. Failure to do so will result in this warranty being immediately terminated and QBD's responsibility coming to an end.
- (e) QBD highly recommends using only genuine QBD parts, supplied by QBD after the warranty period to avoid potential problems and safety hazards. If the Customer chooses to use non-QBD parts after the warranty period, the Customer does so at its own risk.

Optional Four (4) year Compressor Warranty

7. Upon payment of the required additional fee, and in addition to the warranty set out above, QBD warrants the hermetically sealed compressor for an additional four (4) years (exchange only) to a total of five (5) years from the date of the shipment from our plant, provided upon receipt of the compressor, manufacturer examination shows the sealed compressor to have been defective due to manufacturing defect. This extended warranty applies only to the original customer and it covers only hermetically sealed and semi-hermetically sealed compressors and does not cover labour and/or any other parts or components.

This warranty is applicable only in the United States and Canada.

This warranty does not apply to remote Products that have a remote condensing unit and/or control system.

QBD's warranty on remote installations that are performed by others is only for the replacement of parts that are supplied with the unit by QBD to the point of connection by others.