

Limited Extended Warranty

Applicability

This Limited Extended Warranty (this "Limited Warranty") is applicable to all Diehl Metering HYDRUS Ultrasonic water meters, sizes 5/8", 3/4" S (5/8" x 3/4"), 3/4" x 9" and 1", including HYDRUS System Components (Electronics, Battery, Transducers and Register) which are marked on the delivery note or the order confirmation as "Extended Warranty" (hereinafter referred to as a "Product").

Warranty, Material and Workmanship

Diehl Metering GmbH ("Diehl Metering") warrants, for a period of twenty (20) years from the date of delivery of the Products (the "Warranty Period"), that (a) at the date of delivery, Products comply with the applicable specifications and be free from defects in material and workmanship, and (b) Product housings are free from lead. Claims under this Limited Warranty are subject to the restrictions and conditions set forth herein and must be made in accordance with the procedures set forth under "Claim Handling" below.

Remedy

If Diehl Metering establishes that the Product has a defect that is covered by this Warranty, based on a claim submitted by a customer in compliance with the provisions set forth under "Claim Handling" below ("Covered Claim"), Diehl Metering will remedy such defect as set forth below:

- If the Covered Claim is received by Diehl Metering within the first 5 years of the Warranty Period, Diehl Metering will at its sole discretion repair or replace such Product free of charge and cover the reasonable costs for removal of the defective Product and installation of the repaired or replaced Product.
- If the Covered Claim is received by Diehl Metering after the 5th anniversary of the beginning of the Warranty Period and on or prior to the 10th anniversary thereof, Diehl Metering will, at its sole discretion, repair or replace such Product free of charge, and the customer shall bear the entire costs of the removal of the defective Product and installation of the repaired or replaced Product.
- If the Covered Claim is received by Diehl Metering after the 10th anniversary of the beginning of the Warranty Period and on or prior to the 14th anniversary thereof, Diehl Metering will sell to the customer a replacement Product at a discount of 60% of the then valid list price of such replacement Product.
- If the Covered Claim is received by Diehl Metering after the 14th of the beginning of the Warranty Period and on or prior to the 17th anniversary thereof Diehl Metering will sell to the customer a replacement Product at a discount of 40% of the then valid list price of such replacement Product.
- If the Covered Claim is received by Diehl Metering after the 17th anniversary of the beginning of the Warranty Period and on or prior to the 20th anniversary thereof, Diehl Metering will sell to the customer a replacement Product at a discount of 20% of the then valid list price.

If Diehl Metering elects to replace any defective Product, it may replace such Product with the same Product or a successor Product that may be new or refurbished. If Diehl Metering elects to repair any defective Product, it is free to determine the manner in which such repair is performed and may use new or reconditioned parts. Repaired or replaced Products remain covered under this Warranty until the later of the expiration of the original Warranty Period or 90 days from the date of the return shipment of the repaired or replaced Product to the customer.

Meter Accuracy

The Products will meet or exceed meter accuracy of +/-1.5% between the "minimum flow rate" to "maximum flow rate" for twenty (20) years from date of shipment:

- 5/8"
- 0.1 - 20 gpm
- 3/4" S (5/8" x 3/4") and 3/4" x 9"
- 0.1 - 30 gpm
- 1"
- 0.4 - 55 gpm

Claim Handling

To exercise its rights under this Warranty, the customer must notify Diehl Metering in writing at info-dmde@diehl.com and provide the name of the Product, the serial number, the specific defect, other relevant details, and customer's contact information. The customer may include test results, as long as such test results adhere to the standards set forth under "Testing" below. In case the customer does not include test results, the submission of a claim by the customer shall be deemed as the customer's consent to the performance of such tests by Diehl Metering, as Diehl Metering deems necessary or advisable, at the sole expense of the customer. Any claim submitted by customer under this Warranty shall include a copy of the applicable proof of purchase and delivery note.

At Diehl Metering's sole discretion, the defective Product shall be shipped by the customer prepaid F.O.B. to the nearest Diehl Metering factory or distribution center, as communicated by Diehl Metering from time to time (Incoterms 2010). Any return delivery has to be agreed and coordinated with Diehl Metering beforehand.

If requested by Diehl Metering, the customer shall furnish proof that the Products were installed by customer or an authorized installer in full compliance with the Product specifications, the installation manual, or any other written instructions by Diehl Metering, and provide Diehl Metering with any other information reasonably required by Diehl Metering.

Testing

Test results must be obtained according to AWWA standards and the HYDRUS Testing Instruction, which can be obtained from Diehl Metering.

General Provisions

This Warranty is not transferable and shall only apply to the original customer who bought the respective Products from Diehl Metering or the original customer of an authorized Diehl Metering reseller.

Warranty Limitations

This Warranty shall not apply

- to Products repaired, replaced modified, altered or tampered with by the customer or any other third party without the prior written approval from Diehl Metering,
- if the Products have not been installed in compliance with the Product's installation manual provided or Diehl Metering's written instructions,
- if the Products have not been operated, used, stored, or maintained in accordance with the Product specifications, technical literature or any other written instructions provided by Diehl Metering with respect to the Products,
- to Products connected to, or integrated or combined with, another product without the prior written approval of Diehl Metering or used with substances other than potable water, or with water containing dirt, debris, deposits or other impurities,
- to Products that have been subjected to improper periodic testing or exposed to conditions other than those detailed in the Product specifications or any other written instructions with respect to the Product,
- if the defect is caused by damage or destruction resulting from the action or inaction of any person other than Diehl Metering, vandalism, accidents, chemical contamination or physical impact, exposure to inappropriate environments by acts of nature or other events beyond Diehl Metering's control.

Descriptions of the Products and information regarding the Products, regardless of form or origin, shall not IMPLY any warranties. EXCEPT FOR THE WARRANTIES EXPLICITLY SET FORTH HEREIN, DIEHL METEREING MAKES NO OTHER WARRANTIES WHATSOEVER, AND ANY AND ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT, ARE HEREBY EXPRESSLY DISCLAIMED.

This Warranty is the only warranty provided by Diehl Metering with respect to the Products. No representative, dealer or any other person is authorized to make any additional or different warranty, representation, condition or promise on behalf of Diehl Metering with respect to the Products. No terms or conditions other than those stated herein or provided by applicable law, and no oral or written agreement, understanding, promise, or commitment, may in any way modify this warranty without Diehl Metering's express prior written consent, and no such modification may be relied upon by any party or under any circumstances other than the party for which, and the circumstances under which, such modification is granted.

If the Products are consumer Products, federal law does not allow an exclusion of implied warranties. To the extent certain customers are entitled to implied warranties under federal law, to the extent permitted by applicable law, they are limited to the duration of this Warranty. Some states do not allow limitations or exclusions on implied warranties or on the duration of an implied warranty or on the limitation or exclusion of incidental or consequential damages, so the above limitation(s) or exclusion(s) may not apply to certain customers. This Warranty gives such customers specific legal rights. Certain customers may have other rights which may vary from state to state.

Liability Limitations

THE REMEDIES SET FORTH HEREIN SHALL BE THE CUSTOMER'S SOLE AND EXCLUSIVE REMEDY AND DIEHL METERING'S ENTIRE LIABILITY FOR ANY BREACH OF THIS WARRANTY.

THE LIABILITY OF DIEHL METERING FOR ANY CLAIMS, OBLIGATIONS AND WARRANTIES OUT OF OR IN CONNECTION WITH THE PRODUCTS SHALL BE LIMITED TO THE TOTAL AMOUNT PAID BY THE CUSTOMER FOR THE PRODUCT GIVING RISE TO THE RESPECTIVE CLAIM.

IN NO EVENT SHALL DIEHL METERING BE LIABLE EITHER IN TORT OR IN CONTRACT FOR ANY INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOST PROFITS, LOST REVENUE, LOSS OF USE, DIMINUTION IN VALUE, ARISING OUT OF OR RELATING TO ANY BREACH OF THIS WARRANTY, WHETHER OR NOT THE POSSIBILITY OF SUCH DAMAGES HAS BEEN DISCLOSED IN ADVANCE BY THE CUSTOMER OR COULD HAVE BEEN REASONABLY FORESEEN BY DIEHL METERING, REGARDLESS OF THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT OR OTHERWISE) UPON WHICH THE CLAIM IS BASED, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.

Unjustified Claims

In case of claims that are not covered by this Warranty, as determined by Diehl Metering, all costs for testing, repair, replacement and shipping incurred by Diehl Metering shall be reimbursed by the customer to Diehl Metering within a reasonable time after the customer has been notified by Diehl Metering.

Applicable Law

This Warranty shall solely be subject to the laws of the state of New York (United States) excluding any conflicts of laws provisions. In the event of a conflict with the general terms and conditions of either party, the delivery note or order confirmation, this Warranty shall prevail. All disputes arising out of or in connection with this Warranty shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce (the "Rules") by three arbitrators appointed in accordance with the Rules. The place of arbitration shall be New York City, New York. The arbitration shall be held in the English language.

Severability

If any provision contained in this Warranty is held by final judgment of a court of competent jurisdiction to be invalid, illegal or unenforceable, such invalid, illegal or unenforceable provision shall be severed from the remainder of this Warranty, and the remainder of this Warranty shall be enforced. In addition, the invalid, illegal or unenforceable provision shall be deemed to be automatically modified, and, as so modified, to be included in this Warranty, such modification being made to the minimum extent necessary to render such provision valid, legal and enforceable.