

## **TANK LIMITED WARRANTY, DISCLAIMERS AND LIMITATIONS ON LIABILITY**

### **Limited Warranty**

Subject to the exclusions, disclaimers and limitations set forth below, Associate Engineering Corporation (AEC) warrants that each new compressed air tank sold by them ("Tank") shall: (I) be free from defects in material and workmanship under normal use and service when installed and used in accordance with all applicable federal, state and local laws, regulations, codes and ordinances; and (II) meet the requirements of the ASME Boiler and Pressure Vessel Code, if the original purchaser to which AEC sold the Tank (the "Buyer") specified in writing to AEC prior to manufacture of the Tank that it must meet such Code requirements. This warranty shall be effective for a warranty period ending one (1) year after the date AEC ships the Tank to Buyer, and shall expire at the end of such one-year period.

### **Sole and Exclusive Remedy**

In the event of any alleged breach of this limited warranty, Buyer must give AEC written notice of the breach promptly after its discovery, and in any event before expiration of the warranty period. If required by AEC, the allegedly defective Tank must be returned to AEC's designated facility for inspection, transportation charges prepaid. If AEC determines that a breach of the limited warranty has occurred, and that none of the exclusions or disclaimers below are applicable, AEC shall, at its option and as its sole obligation and the exclusive remedy of Buyer and any subsequent owners of the Tank, either replace the Tank without charge or refund to Buyer the purchase price of the Tank. AEC shall not be liable for any labor or other costs associated with disassembling or removing the defective Tank or installing any replacement Tank, or for the costs of returning any Tank to AEC.

**ATTENTION:** Regardless of size or manufacturer, the practical service life of an air compressor tank utilized on an air compressor or as an additional capacity air storage tank is influenced by many variables which include but are not limited to the frequency and adherence to operator maintenance guidelines, regularity of service, environmental conditions, and duty cycle. These factors can impact the overall life expectancy of the air compressor tank. Therefore, it is strongly advised that upon the expiration of warranty, the air compressor tank SHOULD RECEIVE REGULAR INSPECTIONS in accordance with the Nation Board Inspection Code (NBIC). For more information about the NBIC or to locate an authorized inspection agency for your jurisdiction, please refer to the website ([www.nationalboard.org](http://www.nationalboard.org)).

### **Exclusions**

Notwithstanding anything to the contrary herein, the limited warranty set forth above shall not cover, and AEC shall not be liable for, any defects, damages, leaks, corrosion or failures resulting from or arising out of any of the following: (i) misuse, abuse, negligence, accident, improper or inadequate maintenance, or failure to obtain appropriate inspections consistent with AEC's guidance above; (ii) use of the Tank with a motor and/or pump and/or other components that overload the Tank, exceed the stated pressure of the Tank, or cause stress cracks; (iii) subjecting the Tank to excessive or abnormal stress or vibration, or use of the Tank for any purpose or application for which it was not designed; (iv) failure by Buyer or any subsequent owners of the Tank to comply with applicable federal, state and local laws, regulations, codes and ordinances; (v) improper installation, improper grounding or electrolysis; (vi) alteration or modification of the Tank after shipment of the Tank by AEC to Buyer; (vii) failure to drain accumulated water from the Tank; or (viii) use of the Tank for compression of anything other than atmospheric air.

AEC emphasizes, and the Buyer acknowledges, that for any other use other than a direct replacement of a Tank on an AEC original product, the configuration of the air compressor or other final product into which the Tank is incorporated is outside of AEC's control. AEC is not aware of, and shall not be

responsible for, the type, size, weight, vibration and horsepower of the motor, pump and other components with which the Tank is configured, or the application for which the final product is used.

Disclaimers and Limitations on Liability

THE LIMITED WARRANTY SET FORTH ABOVE IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED. AEC EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND ANY WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE.

IN NO EVENT SHALL AEC BE LIABLE TO BUYER OR ANY THIRD PARTY FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY OR CONTINGENT DAMAGES WHATSOEVER ARISING FROM ANY TANK OR ANY DEFECT IN ANY TANK, OR FROM THE DESIGN, MANUFACTURE, SALE, RESALE, INSTALLATION, OPERATION OR USE OF ANY TANK, WHETHER BASED ON BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, STRICT LIABILITY, OTHER TORT, OR ANY OTHER THEORY OF LAW OR EQUITY, EVEN IF AEC HAS BEEN NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES. Without limiting the generality of the foregoing, AEC specifically disclaims any liability for property or personal injury damages, penalties, inconvenience, special or punitive damages, damages for lost profits or revenues or business interruption, loss of use of Tanks or the products into which they are incorporated or any associated equipment, cost of capital, cost of substitute equipment, facilities or services, down-time, shut-down or slow-down costs, or for any other types of economic loss, or for claims of Buyer's customers or any other third party for any such damages, costs or losses.

By accepting and using the Tank, the Buyer and all subsequent owners acknowledge that the above exclusions, disclaimers and limitations are fair and reasonable under the circumstances, and that the purchase price of the Tank reflects the allocations of risk set out in the above provisions.