

Neptune Certificate of Warranty

Neptune Fire Service HP PROTECTUS® III Stainless Steel (S) Meter

1. Terms of Limited Warranty.

With respect to its Neptune's HP PROTECTUS® III Stainless Steel (S) Meter, Neptune Technology Group Inc. ("Neptune") warrants the following on meters sold on or after 09/01/2009:

The Neptune HP PROTECTUS III S Meter will be, at the later of (i) the date of original purchase from Neptune or (ii) the date of original shipment from Neptune-authorized distributor of Water Meters (that later date is referred to as "the Date of Shipment") and will remain for a period of 18 months from the Date of Shipment, or 12 months from date of installation, free from manufacturing defects in workmanship and material.

(a) Registers. Standard, roll sealed registers of the Neptune HP PROTECTUS III S Meters will be at the Date of Shipment, and shall remain for the following periods, free from manufacturing defects in workmanship and material for a period of ten (10) years. The ARB®, ProRead™ (ARB VI), and E-Coder™ (ARB VII) system registers are warranted for ten (10) years from Date of Shipment. All ProRead encoder receptacles shipped after January 1, 2001 shall be warranted for five years from the Date of Shipment. All other components and parts are covered under Neptune's standard one (1) year material and workmanship guarantee.

(b) Meter Accuracy for Neptune HP PROTECTUS III S Meters. Neptune HP PROTECTUS III S Meters will perform, for a period of one (1) year from Date of Shipment, to American Water Works Association ("AWWA") accuracy standards for new water meters.

(c) Stainless Steel Body. Neptune warrants that the stainless steel body shall remain free from corrosion due to exposure to normal environmental conditions for a period of twenty (20) years from the date of shipment (such period being the "Warranty Period"). For the purposes of this limited warranty, "corrosion" is defined as [through-wall penetration of the stainless steel body]. Neptune will, at its option, repair or replace a corrosion defect free of charge for the first ten (10) years and at a prorated replacement cost of the current list price during the remaining ten (10) years per the table.

Year of Failure	Body Replacement Cost*
1-10	Full Replacement
11	20%
12	40%
13	60%
14	80%
15-20	90%

*Replacement cost percentages will be applied towards published list prices in effect for the year product is accepted by Neptune under warranty conditions. Replacement bodies are warranted for one (1) year after date of shipment or original body warranty, whichever is greater.

2. Warranty Return.

If a Neptune Water Meter fails an accuracy test during an applicable warranty period, it may be returned to Neptune for repair or replacement at Neptune's option. An accuracy test shall be conducted by the customer according to AWWA standards. If foreign material causes the meter not to perform appropriately, all such material shall be removed prior to the customer conducting the test. Any meter being returned for repair to Neptune under this performance guarantee must be returned with a copy of the customer's test results. If the meter is returned to Neptune without a copy of the test results or if Neptune's factory test shows the meter to meet current AWWA standards the customer will be charged a nominal testing fee by Neptune in such cases. Neptune will repair or replace the meter at Neptune's option after the meter has been tested by Neptune. Meters repaired or replaced under the performance guarantee will be guaranteed to perform to AWWA repaired meter accuracy standards.



3. Warranties are exclusive.

THE WARRANTIES SET FORTH IN THIS CERTIFICATE OF LIMITED WARRANTY ARE IN LIEU OF ANY OTHER WARRANTY, GUARANTEE OR REPRESENTATION, WHETHER EXPRESSED OR IMPLIED, INCLUDING, WITHOUT LIMITATION, THE WARRANTY OF MERCHANTABILITY AND THE WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.

4. Damages limited to costs of replacement and repair.

If the Neptune HP PROTECTUS III S Meter fails to meet the warranties set forth in Paragraph 1 of this Certificate of Limited Warranty, Neptune, at its option shall, without charge of labor or materials, repair or replace the Neptune HP PROTECTUS III S Meter or part thereof, provided that (a) the Water Meter is delivered to a Neptune representative, (b) the Neptune HP PROTECTUS III S Meter is accompanied by a Material Return Authorization, and (c) all costs of delivery to Neptune are assumed by the purchaser of the Water Meter. Neptune's liability is limited to its costs of replacement and repair of the defective Neptune HP PROTECTUS III S Meter. Damages resulting from miscalculation of water usage or lost revenue or profit are not recoverable from Neptune. It is the responsibility of the customer to periodically verify the operation and accuracy of its meters.

5. Warranties are inapplicable under certain conditions.

The warranties set forth in this Certificate of Limited Warranty do not apply to any Neptune HP PROTECTUS III S Meter that has been damaged by, or subjected to, conditions which, in the opinion of Neptune, have affected the Neptune HP PROTECTUS III S Meter's ability of performance, including but not limited to: misuse; improper handling, application or installation; excessive operating conditions; foreign materials in the water; aggressive water conditions; tampering or unauthorized repairs or modifications; accidental or intentional damage; acts of God. This Certificate of Limited Warranty shall not apply if product is placed in non-recommended installation, is connected or altered by other than Neptune recommended procedures, is used with other than genuine Neptune meter registers and components or read by equipment not approved or licensed by Neptune. Neptune makes no claims concerning operability and/or compatibility of third party reading systems. In addition, this Certificate of Limited Warranty shall not apply if third party reading equipment is believed to have caused damage to the meter or register. In order to determine its liability, if any, under this certificate of Limited Warranty, Neptune shall have the right to inspect any Neptune HP PROTECTUS III S Meter or part thereof that is claimed to be defective at Neptune or other location designated by Neptune.

NEPTUNE'S LIABILITY WITH RESPECT TO BREACHES OF THE FOREGOING LIMITED WARRANTY SHALL BE LIMITED AS STATED HEREIN. NEPTUNE'S LIABILITY SHALL IN NO EVENT EXCEED THE PURCHASE PRICE. NEPTUNE SHALL NOT BE SUBJECT TO AND DISCLAIMS THE FOLLOWING: (1) ANY OTHER OBLIGATIONS OR LIABILITIES ARISING OUT OF BREACH OF CONTRACT OR OF WARRANTY, (2) ANY OBLIGATIONS WHATSOEVER ARISING FROM TORT CLAIMS (INCLUDING NEGLIGENCE AND STRICT LIABILITY) OR ARISING UNDER OTHER THEORIES OF LAW WITH RESPECT TO PRODUCTS SOLD OR SERVICES RENDERED BY NEPTUNE, OR ANY UNDERTAKINGS, ACT OR OMISSIONS RELATING THERETO, AND (3) ALL CONSEQUENTIAL, INCIDENTAL, SPECIAL, MULTIPLE, EXEMPLARY, AND PUNITIVE DAMAGES WHATSOEVER.