



MARKETING BULLETIN

Bulletin #: 101713-001

Subject: New Limited Warranty

Date: 10/17/13

We are excited to announce the release of our upgraded Limited Warranty for the Coolerado air conditioners.

The new Limited Warranty is effective for all product shipped on or after October 1, 2013.

Please find with this document the new Limited Warranty terms and conditions. If you have any questions, please contact your Coolerado Sales Manager.

Here is a summary of the changes:

- **We warrant our patented HMXs (Heat-Mass Exchangers) for a period of three (3) years from the date of installation, or three (3) years plus six (6) months from shipment date from Coolerado, whichever results in a shorter warranty period.**
- **We warrant all other parts for a period of one (1) year from the date of installation, or (1) one year plus six (6) months from shipment date from Coolerado, whichever results in a shorter warranty period.**
- **Added new water quality requirements and recommended a sodium based water softening system for installations in hard water environments.**

We understand how competitive our market is and we believe with this change we will have a stronger value proposition and even more product differentiation.

We appreciate your support and look forward to a very successful 4th quarter.



COOLERADO CORPORATION LIMITED WARRANTY TERMS AND CONDITIONS

Coolerado® Corporation ("Coolerado") makes the following **LIMITED WARRANTY** with respect to its air conditioners (the "Products"):

- **Patented HMXs (Heat-Mass Exchangers) for a period of three (3) years from the date of installation, or three (3) years plus six (6) months from shipment date from Coolerado, whichever results in a shorter warranty period.**
- **All Other parts for a period of one (1) year from the date of installation, or (1) one year plus six (6) months from shipment date from Coolerado, whichever results in a shorter warranty period.**

Coolerado warrants to the original buyer ("Buyer") of its Products, subject to the conditions and exclusions set forth below, that the Products will be free from defects in material and workmanship (the "Limited Warranty").

Coolerado's sole obligation under this Limited Warranty (i) is subject to Coolerado receiving proper notification from Buyer, via Coolerado's website at www.coolerado.com or sent via U.S. mail to Coolerado Corporation, ATTN: Limited Warranty Claims, 4430 Glencoe Street, Denver, Colorado 80216, stating in detail the defect of the Product and the claim made under the Limited Warranty and (ii) is solely limited to repair or replacement by Coolerado, at its option, of any Product determined by Coolerado, in its sole discretion, to be defective. **Buyer must notify Coolerado in accordance with this paragraph at least sixty (60) days before pursuing any legal rights or remedies available to Buyer.**

Buyer shall be responsible for and shall pay shipping costs to and from Coolerado (FOB factory) for such Product, and/or for the shipping of defective parts to and from Coolerado (FOB factory), for inspection and determination of warranty eligibility.

Coolerado's Limited Warranty does not cover defects, reduced performance, or failures, caused directly or indirectly, by improper installation, inadequate or excessive water pressure, hard water greater than 60 ppm total hardness that is not adequately treated by a sodium-based water softener, frequent power outages, abuse, misuse, misapplication, improper maintenance, lack of maintenance, negligence, accident, weather damage, damage related to shipping or handling, or normal deterioration, including wear and tear. The Limited Warranty also shall not apply to failures, defects, or reduced performance resulting, directly or indirectly, from use of the Product for any purpose other than indirect air-cooling, or from exposure to corrosive gases, liquids or other materials. If the Product is installed in conjunction with cabinets, grilles, louvers, controls, other air condition or air handling equipment, or any other parts or equipment not manufactured or provided by Coolerado, this warranty covers only the Coolerado Product.

The following specifically void the Limited Warranty:

1. Weather damage;
2. Improper installation, including inadequate sealing of the unit that exposes the unit's interior to outside elements;
3. Installation, disassembly, or repairs not performed by a licensed installation contractor or technician, or that do not follow the owner's manual or installation manual or do not comply with industry standards or applicable building codes;
4. Inadequate or excessive water pressure to the Product;
5. Power source interruptions, other than intermittent (5-10 minutes) and occasional (i.e. not more than once or twice per cooling season) interruptions;
6. Air and water filters not being cleaned or replaced as specified in the owner's manual;
7. Use of hard water greater than 60 ppm total hardness without adequate treatment by a sodium-based water softener;
8. Equipment being run with missing or damaged parts, including air or water filters; or
9. Other maintenance, including start-up and winterization, not being performed as specified in the owner's manual.

This Limited Warranty does not include costs for transportation (including, without limitation, freight and return freight charges, costs and insurance), costs for removal or re-installation of parts or equipment, premiums for overtime, or labor for performing repairs or replacement in the field. Coolerado is not responsible for damages occurring during transport of any Product to or from Coolerado. Coolerado is not obligated to provide field service or labor, such as service for inspection, repairing, removing, or packing, Coolerado product for transportation.

Coolerado reserves the right to charge for handling, inspection and other services in the case of parts or equipment improperly returned as defective and/or as being covered under warranty.

THE OBLIGATION AND LIABILITY OF COOLERADO, AND BUYER'S SOLE AND EXCLUSIVE REMEDIES, ARE AS EXPRESSLY STATED. BUYER IS NOT ENTITLED TO ANY OTHER RIGHTS OR REMEDIES AS A RESULT OF THIS LIMITED WARRANTY, INCLUDING WITHOUT LIMITATION, RIGHTS TO RECOVER FOR LOSSES, DIRECT, INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES. THIS LIMITED WARRANTY IS PROVIDED EXCLUSIVELY TO THE ORIGINAL BUYER OF PRODUCTS AND MAY NOT BE ASSIGNED OR OTHERWISE TRANSFERRED.

THIS LIMITED WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND THERE ARE NO WARRANTIES WHATSOEVER WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF. ALL OTHER WARRANTIES IN NON-UNITED STATES JURISDICTIONS ARE DISCLAIMED TO THE MAXIMUM EXTENT PERMITTED BY LAW, UNLESS EXPRESSLY STATED OTHERWISE.

NO PERSON (INCLUDING ANY AGENT, SALES REPRESENTATIVE, DEALER OR DISTRIBUTOR) HAS THE AUTHORITY TO EXPAND COOLERADO'S OBLIGATION BEYOND THE TERM OF THIS LIMITED WARRANTY OR TO STATE THAT THE PERFORMANCE OF THE PRODUCT IS OTHER THAN THAT PUBLISHED BY COOLERADO.