1. SCOPE

a. Products
Qcells Modules are defined in this Limited Warranty as Qcells branded photovoltaic modules manufactured by HQC or its authorized manufacturers that are sold and installed within the United States, Canada, Mexico, Panama and Costa Rica and are of the following product type:

- Q.PEAK DUO XL-G9.3/BFG
- Q.PEAK DUO XL-G10.3/BFG, Q.PEAK DUO XL-G10.d/BFG
- Q.PEAK DUO XL-G11.3/BFG

b. Beneficiary
The sole and exclusive beneficiary of this Limited Warranty is an end customer who purchases Qcells Modules from HQC or from any one of its authorized distributors (“Distributor”) and is the initial installer of such modules into a specific photovoltaic (PV) solar energy project (“Project”), and any of the end customer’s permitted successors or assigns (“Customer”).

c. Term
The term of this Limited Warranty (“Term”) for the Customer begins on the delivery date to the original Customer (“Warranty Start Date”) and ends at the end of the warranty periods set forth in Section 2. If the Customer is unable to provide sufficient and adequate documentation of the delivery date to the original Customer, the “Warranty start Date” sixty (60) days after the following the Module(s) was manufactured as indicated by the serial number. The performance of warranty services under this Limited Warranty does not extend the Term. HQC’S obligations under this Limited Warranty are conditioned upon the Customer’s compliance with its payment obligations for purchase of the applicable Qcells Module.

2. WARRANTY

a. Product Warranty
Subject to the terms and conditions in this Limited Warranty, HQC warrants to the Customer for a period of twelve (12) years following the Warranty Start Date that the Qcells Modules, when installed, used, and serviced under normal operating conditions and in accordance with Qcells Module Installation Manual provided by HQC or Distributor will be free from any defects in materials and workmanship that have a significantly negative effect on the power output of the Qcells Modules (collectively, “Product Defect”). The Product Warranty does not warrant a specific power output of the Qcells Modules, which shall be exclusively covered under the Performance Warranty in Section 2.b. Product Defect does not include any cosmetic changes or other changes in the Qcells Modules’ appearance, including but not limited to, any color changes, mold and normal wear and tear.

b. Performance Warranty
Subject to the terms and conditions of this Limited Warranty, HSC warrants to the Customer that the Qcells Modules are manufactured to (i) produce a power output of at least ninety-eight percent (98%) of the minimum power output specified in the applicable module data sheet during the first twelve (12) months following the Warranty Start Date, and (ii) have a yearly maximum decrease (or degradation) of power of not more than forty-five hundredths of one percent (0.45%) from start of the second (2nd) twelve (12)-month period following the Warranty Start Date until the end of such twelve (12)-month period, and repeated for each successive twelve (12)-month period until the thirtieth (30th) anniversary of the Warranty Start Date, (collectively, “Performance Warranty”). As an example, the Qcells Modules will be manufactured to have a minimum power output of eighty-four point ninety-five percent (84.95%) of the minimum power output specified in the applicable module data sheet at the end of the term of this Limited Warranty. Failure to meet the Performance Warranty is defined herein as a “Performance Defect.” In the event of a Performance Defect claim, the power output of any Qcells Modules described in this Section 2.b. shall be measured by HSC under the Standard Test Conditions ("STCs") defined in the IEC standards EN 61215 and 60904-3 in effect as of the Warranty Start Date.

3. EXCLUSIONS

The Limited Warranty shall not apply to any Qcells Modules affected by the following events or conditions:

1. usage, transport, storage, installation and/or handling in any manner that fails to strictly comply with the Installation Manual and the Packaging and Transportation Information sheet (provide upon request) applicable to the Qcells Modules;
2. system or components of such system that are of a design, configuration or installation that does not meet the standards typically used by experienced professionals in the industry;
3. incorrect, improper or inadequate service, operation or maintenance of the Qcells Modules or of the Project, or any normal wear and tear of the Qcells Modules;
4. damage caused by extreme environmental sources of impact, including, but not limited to (i) acid rain or snow, (ii) blowing sand, (iii) saline air, (iv) pollution of any kind in the air, soil or groundwater, (v) unusual oxidation levels, (vi) mold, or (vii) any nearby fire, explosion, smoke or charring;
5. damage caused by acts of nature or acts of God, including, but not limited to, lightning, hail, frost, snow, storms, tidal waves, floods, extreme temperatures, earthquakes, typhoons, tornadoes, volcanic eruptions, meteorites, ground motions, earth fissures or landslides;
6. damage caused directly or indirectly by acts of violence or intervention by third parties or external forces, including but not limited to, missadventure, riots, war, insurrection, communal violence, unintentional damage by third parties, vandalism, damage caused by animals, and/or acts or omissions by third parties beyond the reasonable control of HQC;
7. damage to the Project in which the Qcells Modules are installed caused by external factors, including, but not limited to, voltage fluctuations, power peaks, excess current, power failure, poor electrical or mechanical engineering work, or other faults occurring in a power supply system with or without mains connection, whether or not such faults in the power supply system was contributed to by any act or omission of the Customer;
8. Qcells Modules are modified or used in processes involving other products, without obtaining the prior written consent of HQC;
9. the serial number or product label has been removed, changed, deleted or made unrecognizable;
10. the Qcells Modules are used on any mobile carriers (such as motor vehicles or ships);
11. the conditions of use at the Project, at any time, exceed the specifications set out in the applicable module data sheet, and/or
12. the Customer fails to notify HQC of a Product Defect or Performance Defect within 30 days of the initial discovery or prior to the end of the applicable warranty period set forth in Section 2.
4. WARRANTY CLAIMS

a. Customer Inspection

The original Customer must inspect the Qcells Modules for visible defects and notify HQC of any defects within 30 days of the delivery of the Qcells Modules ("Inspection Period"). If Customer does not notify HQC of the visible defects within the Inspection Period, such modules shall be deemed as being accepted by the Customer.

b. Warranty Claims

The Customer will be entitled to make claims under this Limited Warranty ("Warranty claims") only if the Customer has provided documented evidence sufficient to prove that the malfunctioning or non-conformity of the Qcells Modules resulted exclusively from a Product Defect or Performance Defect covered by this Limited Warranty. If the Warranty Claim is based on glass breakage, then the Customer shall conduct a static load calculation on the subsystem.

c. Warranty Claim Compliance

The Customer must comply with the HQC’s current Return Merchandise Authorization ("RMA") process (available upon request) to make any Warranty Claim. HQC will not accept any Warranty Claim not in compliance with the RMA or Warranty Claims that use the delivery of any unauthorized return shipments of Qcells Modules.

d. Warranty Claim Procedure

The Customer is responsible for shipping the Qcells Modules to HQC for evaluation at the Customer’s expense. HQC shall pay the costs of a technical inspection and, in the event that the warranty claim is confirmed by such inspection, transportation; Otherwise, the Customer shall be charged with these costs. To make a Warranty Claim, the Customer must submit the original receipt or invoice, which bears the date of the purchase and of the delivery, the serial numbers of the relevant Qcells Modules and the name of the authorized distributor or seller.

e. Ownership Interest

The Qcells Modules sent to HQC in the course of the RMA process shall remain the property of the Customer until any inspection has been completed and HQC provides a replacement or refund. At the time any refund or delivery of a replacement Qcells Module to the Customer takes place under this Limited Warranty, the ownership interest of the defective module passes to HQC. Any repaired, replaced or additionally supplied modules will be warranted only for the remainder of the original warranty period applicable to the original Qcells Modules.

5. REMEDIES

a. Product Defect Remedy

If HQC determines, following a Warranty Claim, that a Qcells Module has a Product Defect, then HQC shall, at its discretion, within a reasonable time: (i) remedy or repair the Product Defect; (ii) provide a replacement module in place of the Qcells Module with the Product Defect, or (iii) provide the Customer monetary compensation equal to the purchase price of the Qcells Module subject to an annual four percent (4%) depreciation rate on the original purchase price as evidenced by the invoice produced by the Customer; provided, however, if the Customer fails to produce an original invoice, then the price shall be based upon the then-current per watt market price of a comparable PV module in a similar market and the date shall be based upon the date of manufacture according to the HQC records.

b. Performance Warranty Remedy

If HQC determines following a Warranty Claim that a Qcells Module has a Performance Defect, then HQC shall, at its discretion, within a reasonable time: (i) remedy or repair the Performance Defect; (ii) provide a replacement module in place of the Qcells Module that has the Performance Defect; (iii) make up the difference to the guaranteed power output by providing additional modules; or (iv) provide to the Customer monetary compensation that shall be calculated at the time of a justified Customer’s Warranty Claim subject to Section 4 of this Limited Warranty, and shall be the difference between the applicable guaranteed power output and actual power output (measured by the STCs) multiplied by the price per watt of the Qcells Module (in which such price shall be calculated by applying an annual four percent (4%) depreciation rate to the purchase price as evidenced by the original invoice produced by the Customer); monetary compensation = (depreciated purchase price per watt − guaranteed power output − actual power output); provided, however, if the Customer fails to produce an original invoice, then the price shall be based upon the then current per watt market price of a comparable PV module in a similar market and the date shall be based upon the date of manufacture according to the HQC records.

c. Discontinued products

In the event the Module(s) is no longer available, Qcells reserves the right to deliver replacement Module(s) that may differ in size, color, shape, model number, but with equivalent or higher power level.

d. Sole and Exclusive Remedy and Obligation

THE REMEDIES SET FORTH IN THIS SECTION 5 ARE HQC’S SOLE AND EXCLUSIVE LIABILITY AND OBLIGATION, AND THE CUSTOMER’S SOLE AND EXCLUSIVE REMEDIES, FOR ANY PRODUCT DEFECT OR PERFORMANCE DEFECT IN ANY Qcells MODULE. THE REMEDY EXTENDED TO THE CUSTOMER SPECIFICALLY EXCLUDES ANY REIMBURSEMENT FOR THE COSTS OR EXPENSES INCURRED IN THE DISMANTLING OR INSTALLATION OF THE Qcells MODULES, REPLACEMENT MODULES OR PARTS, OR LOSS OF POWER.

6. WARRANTY LIMITATIONS

THE WARRANTIES SET FORTH IN THIS LIMITED WARRANTY ARE IN LIEU OF ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED, OR STATUTORY, REGARDING ANY Qcells MODULES, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT.

HOWEVER, IF A Qcells MODULE IS SOLD AS A CONSUMER PRODUCT, TO THE EXTENT REQUIRED BY APPLICABLE LAW, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT ARE LIMITED TO THE PERIODS OF THE LIMITED PRODUCT AND LIMITED PERFORMANCE WARRANTIES SET FORTH ABOVE, OR SUCH SHORTER PERIOD AS REQUIRED BY APPLICABLE LAW. THIS LIMITED WARRANTY GIVES THE CUSTOMER SPECIFIC LEGAL RIGHTS, AND THE CUSTOMER MAY ALSO HAVE OTHER RIGHTS WHICH VARY FROM STATE TO STATE. HQC IS NOT RESPONSIBLE OR LIABLE IN ANY WAY FOR DAMAGE OR INJURY TO PERSONS OR PROPERTY, OR FOR OTHER LOSS OR INJURY RESULTING FROM ANY CAUSE WHATSOEVER, ARISING OUT OF OR RELATED TO ANY Qcells MODULES UNLESS OTHERWISE STIPULATED BY MANDATORY STATUTORY LAW IN PARTICULAR, HQC LIABILITY FOR FRAUD, PERVERSE INTENT, GROSS NEGLIGENCE OR PERSONAL INJURY, IN EACH CASE, UNDER APPLICABLE MANDATORY LIABILITY LAW SHALL REMAIN UNAFFECTED.

EXCEPT AS PROVIDED IN THIS SECTION 6, THE Qcells MODULES, THE PRODUCT DOCUMENTATION AND ALL INFORMATION ARE PROVIDED ON AN "AS IS" BASIS.

THE CUSTOMER ACKNOWLEDGES THAT THE FOREGOING LIMITATIONS ON LIABILITY ARE AN ESSENTIAL ELEMENT OF THE RELEVANT SALES AGREEMENT BETWEEN THE PARTIES AND THAT IN THE ABSENCE OF SUCH LIMITATIONS THE PURCHASE PRICE OF THE Qcells MODULES WOULD BE SUBSTANTIALLY HIGHER.

SOME JURISDICTIONS LIMIT OR DO NOT PERMIT DISCLAIMERS OF LIABILITY, SO THIS PROVISION MAY NOT APPLY TO THE CUSTOMER IN SAID JURISDICTION. SOME JURISDICTIONS DO NOT ALLOW LIMITATIONS OR THE EXCLUSION OF DAMAGES SO THE ABOVE LIMITATIONS OR EXCLUSIONS MAY NOT APPLY TO THE CUSTOMER IN SAID JURISDICTION. THE CUSTOMER MAY HAVE SPECIFIC LEGAL RIGHTS OUTSIDE THIS LIMITED WARRANTY FOR Qcells MODULES, AND MAY ALSO HAVE OTHER MANDATORY RIGHTS THAT VARY FROM JURISDICTION TO JURISDICTION, WHICH SHALL REMAIN UNAFFECTED.

IN NO EVENT WILL HQC BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT, EXEMPLARY, SPECIAL OR INCIDENTAL DAMAGES, INCLUDING LOSS OF USE, LOSS REVENUE AND/OR LOST POWER, ARISING FROM OR RELATING TO THIS LIMITED WARRANTY OR ANY Qcells MODULE OR ANY REPLACEMENT OR ADDITIONAL MODULE SUPPLIED BY HQC HEREUNDER, EVEN IF HQC IS AWARE OF THE POSSIBILITY OF SUCH DAMAGES.

THE TOTAL LIABILITY OF HQC, ANY DISTRIBUTOR, AND/OR THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS ARISING FROM OR RELATING TO THIS LIMITED WARRANTY, WHETHER IN CONTRACT, TORT OR OTHERWISE, WILL NOT EXCEED THE AMOUNT RECEIVED BY HQC FOR THE Qcells MODULE THAT IS THE SUBJECT OF THE CLAIM OR DISPUTE. SOME STATES DO NOT ALLOW THE EXCLUSION OR LIMITATION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ABOVE LIMITATION OR EXCLUSION MAY NOT APPLY TO THE CUSTOMER IN SAID JURISDICTION.

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7. ASSIGNMENT

Customer Assignment
Customer Assignment. Customer may assign this Limited Warranty for any QCells Module to a new owner of the entire photovoltaic system in which such module is originally installed, provided that such system remains intact in its original place of installation. This Limited Warranty may not otherwise be assigned or transferred, and any attempt to assign or transfer in violation of this Section 7. shall be null and void.

8. MISCELLANEOUS

a. Survival
If any provision of this Limited Warranty terms and conditions is held to be invalid, illegal or unenforceable in any respect, such provision will be changed and interpreted to accomplish the objectives of such provision to the greatest extent possible under applicable law and the remaining provisions will continue in full force and effect.

b. Governing Law
All matters arising from or relating to this Limited Warranty shall be governed by the laws of the State of California, without regard to its choice of law rules. The UN Convention on the International Sale of Goods shall not apply.

c. Waiver of Jury Trial; Jurisdiction
Any dispute, controversy or claim arising out of or relating to this Limited Warranty or any of its provisions, or the breach, termination, interpretation, enforcement or validity thereof, including any dispute hereby is waived to the fullest extent permitted by applicable Law any right it may have to a trial by jury with respect to any litigation directly or indirectly arising out of, under or in connection with this Limited Warranty. Any dispute, controversy or claim arising out of or relating to this Limited Warranty or any of its provisions, or the breach, termination, interpretation, enforcement or validity thereof, including any dispute irrevocably is submitted to the jurisdiction of the courts of the State of California and the federal courts of the United States of America located in the State of California solely in respect of the interpretation and enforcement of the provisions of this Limited Warranty.