

WARRANTY NEW AND REBUILT ENGINES

(1) **WARRANTY AND REMEDY:** Lycoming Engines, a division of Avco Corporation (hereinafter "Lycoming") warrants each new and rebuilt Lycoming reciprocating engine to be free from defect in material or workmanship under normal use and service. Lycoming's sole obligation under this warranty is limited to replacement or repair of parts which are determined by Lycoming to have been defective within a period of twenty-four (24) months after new aircraft delivery to the original retail purchaser or first user, or twenty-four (24) months from the date of first operation. The warranty period of twenty-four (24) months commences on the earlier of the date of first operation after new aircraft delivery to the original retail purchaser or first user, or twenty-four (24) months from the date of shipment from Lycoming. Lycoming will, in connection with the foregoing warranty, cover reimbursement of reasonable freight charges with respect to any such warranty replacement or repair.

(2) Within the warranty period, Lycoming will reimburse the Purchaser for labor charges associated with warranty related issues. Lycoming will only reimburse the cost of such labor charges in connection with repair or replacement of parts as provided in Lycoming's then current Removal and Installation Labor and Allowance Guidebook. Spare parts installed as warranty replacement on engines which are covered by this New Engine Warranty will be warranted for the balance of the original warranty period or for the spare part warranty, whichever is the greater. Replacement of parts may be with either new or reconditioned parts, at Lycoming's election. A claim for warranty on any part claimed to be defective must be reported in writing to Lycoming's Warranty Administration within 60 days of being found to require repair or replacement by the purchaser or service facility. Warranty adjustment is contingent upon the Purchaser complying with the Lycoming's Warranty Administration disposition instructions for defective parts. Failure to comply with all of the terms of this paragraph may, at Lycoming's sole option, void this warranty.

(3) **THIS WARRANTY IS GIVEN AND ACCEPTED IN PLACE OF (i) ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OR CONDITION OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND (ii) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY IN CONTRACT OR IN TORT (DELICT), INCLUDING PRODUCT LIABILITIES BASED UPON STRICT LIABILITY, NEGLIGENCE, OR IMPLIED WARRANTY IN LAW AND PURCHASER HEREBY WAIVES SUCH RIGHTS AND CLAIMS.**

(4) **THIS WARRANTY IS THE ONLY WARRANTY MADE BY LYCOMING. THE PURCHASER'S SOLE REMEDY FOR A BREACH OF THIS WARRANTY OR ANY DEFECT IN A PART IS THE REPAIR OR REPLACEMENT OF ENGINE PARTS AND REIMBURSEMENT OF REASONABLE FREIGHT CHARGES AS PROVIDED HEREIN. LYCOMING EXCLUDES LIABILITY, WHETHER AS A RESULT OF A BREACH OF CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, DAMAGE TO THE ENGINE OR OTHER PROPERTY (INCLUDING THE AIRCRAFT IN WHICH THE ENGINE IS INSTALLED), COSTS AND EXPENSES RESULTING FROM REQUIRED CHANGES OR MODIFICATIONS TO ENGINE COMPONENTS AND ASSEMBLIES, CHANGES IN RETIREMENT LIVES AND OVERHAUL PERIODS, LOCAL CUSTOMS FEES AND TAXES, AND COSTS OR EXPENSES FOR COMMERCIAL LOSSES OR LOST PROFITS DUE TO LOSS OF USE OR GROUNDING OF THE AIRCRAFT IN WHICH THE ENGINE IS INSTALLED OR OTHERWISE. LYCOMING'S TOTAL LIABILITY FOR ANY AND ALL CLAIMS RELATED TO ANY ENGINE SHALL IN NO CASE EXCEED THE ORIGINAL SALES PRICE OF THE ENGINE. SELLER MAKES NO WARRANTY AND DISCLAIMS ALL LIABILITY WITH RESPECT TO COMPONENTS OR PARTS DAMAGED BY, OR WORN DUE TO, CORROSION.**

(5) This warranty shall not apply to any engine or part thereof which has been repaired or altered outside Lycoming's factory in any way so as, in Lycoming's sole judgment, to affect its durability, safety or reliability, or which has been subject to misuse, negligence or accident. Repairs and alterations which use or incorporate parts and components other than genuine Lycoming parts or parts approved by Lycoming for direct acquisition from sources other than Lycoming itself are not warranted by Lycoming, and this warranty shall be void to the extent that such repairs and alterations, in Lycoming's sole judgment, affect the durability, safety or reliability of the engine or any part thereof, or damage genuine Lycoming or Lycoming-approved parts. No person, corporation or organization, including Distributors of Lycoming engines, is authorized by Lycoming to assume for it any other liability in connection with the sale of its engines or parts, nor to make any warranties beyond the foregoing warranty nor to change any of the terms hereof. **NO STATEMENT, WHETHER WRITTEN OR ORAL, MADE BY ANY PERSON, CORPORATION OR ORGANIZATION, INCLUDING DISTRIBUTORS OF LYCOMING ENGINES MAY BE TAKEN AS A WARRANTY NOR WILL IT BIND LYCOMING. NO AGREEMENT VARYING THE TERMS OF THIS WARRANTY OR LYCOMING'S OBLIGATIONS UNDER IT IS BINDING UPON LYCOMING UNLESS IN WRITING AND SIGNED BY A DULY AUTHORIZED REPRESENTATIVE OF LYCOMING.**

(6) All legal actions based upon claims or disputes pertaining to or involving this warranty including, but not limited to, Lycoming's denial of any claim or portion thereof under this warranty, must be filed in the courts of general jurisdiction of Lycoming County, Commonwealth of Pennsylvania or in the United States District Court for the Middle District of Pennsylvania located in Williamsport, Pennsylvania. In the event that Purchaser files such an action in either of the court systems identified above, and a final judgment in Lycoming's favor is rendered by such court, then Purchaser shall indemnify Lycoming for all costs, expenses and attorneys' fee incurred by Lycoming in defense of such claims. In the event Purchaser files such a legal action in a court other than those specified, and Lycoming successfully obtains dismissal of that action or transfer thereof to the above described court systems, then Purchaser shall indemnify Lycoming for all costs, expenses and attorneys' fees incurred by Lycoming in obtaining such dismissal or transfer.

(7) Any invalidity of a provision of this Warranty shall not affect any other provision, and in the event of a judicial finding of such invalidity, this Agreement shall remain in force in all other respects.

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Lycoming Engines
652 Oliver Street
Williamsport, Pennsylvania
17701
(570) 323-6181
www.lycoming.com

