



Continental Motors Group

OVERHAULED GASOLINE ENGINE WARRANTY

FLEET OPERATOR

Continental Motors Group (CMG), a wholly owned subsidiary of AVIC International Holding Corporation, warrants each overhauled gasoline engine for a fleet operator as follows:

1. For a period of six (6) months, or two hundred and forty (240) hours of operation, whichever occurs first, CMG warrants that any engine, component or part to be free from defects in material or workmanship. The determination whether an engine, component or part is defective in material or workmanship shall be made by CMG, in its sole judgment. This warranty is a limited repair or replacement warranty on an exchange basis, subject to the limitations set forth below.

2. For a period of twelve (12) months, CMG warrants that any accessory (*i.e.* parts which have been purchased by CMG from a manufacturer as a complete and finished unit and included in the assembly of an engine without altering the unit, including, but not limited to, carburetors, starters, alternators, turbochargers and fuel controls), to be free from defects in material or workmanship. After the expiration of the initial twelve (12) month period, accessories will be subject to such warranty coverage as may be provided by their manufacturer.³ The warranty activation date is the date the engine is first operated for any use, or the 180th day after the CMG invoice date, whichever occurs first.

3. The warranty activation date is the date the engine is first operated for any use, or the 180th day after the CMG invoice date, whichever occurs first.

4. For warranty questions or to submit a warranty claim, contact an Authorized Continental Motors Distributor. A list of Authorized Continental Motors Distributors is available at www.continentalmotors.aero. As part of its warranty claim review, CMG may require that the engine, part, component or accessory be returned to CMG for inspection and analysis. All

warranty claims must be submitted to CMG during the warranty period, and within thirty (30) days of any suspected defect in material and workmanship.

5. Upon expiration of the warranty period set forth above, and prior to the expiration of the original engine manufacturer's recommended Time Between Overhaul ("TBO") CMG shall, at its option, repair or replace any engine on a pro-rated basis in the following manner: the customer shall pay the net price for a newly rebuilt engine or part equal to the current list price divided by the engine manufacturer's recommended TBO, and then multiplied by the number of hours on the engine, which shall be deemed the greater of the actual logbook hours, recorded tachometer hours, or a total time of forty (40) hours per month from the date of delivery. Labor costs associated with the repair of any engine shall be pro-rated in the same manner on the basis of a flat rate schedule established by CMG.

6. A fleet operator is defined as an entity operating three or more aircraft of the same model.

7. CMG will pay for labor costs associated with repairs or replacements in accordance with the latest revision of the warranty labor allowance schedule published on CMG's website. Reasonable troubleshooting costs will be allowed, but in no event will the troubleshooting costs exceed fifteen percent (15%) of the labor costs associated with repairs or replacements. Troubleshooting costs will not be allowed when the need for repair or replacement is identified in the course of an overhaul, routine maintenance, or on the basis of an obvious defect.

8. CMG will pay transportation costs in connection with the repair or replacement of any engine, component or part. The engine, component, or part must be shipped prepaid to the repair facility designated by CMG. Transportation cost reimbursement for engines will be the actual surface freight charge, or five hundred dollars (\$500.00), whichever is less. Transportation cost reimbursement for components or parts will be the actual surface freight charge for shipment of the component or part, or the currently published UPS surface rate schedule, whichever is less.

9. CMG reserves the right at its option to replace any defective component, or part with either a new or rebuilt or servicable component or part.

10. Repair or replacement of any engine, component, or part under this warranty will not extend the period of warranty coverage set forth above.

11. This warranty applies only to engines, components and parts manufactured by CMG, and nothing contained herein should be construed as a warranty by CMG for any engine, component, or part not manufactured or supplied by CMG.

12. This warranty applies only to engines which have been installed, inspected and maintained in accordance with the instructions for continued airworthiness, including compliance with all applicable service bulletins, including those issued by the aircraft manufacturer or any

accessory or component manufacturer. Performance of recommended inspections and maintenance must be documented by appropriate logbook entries and the logbook must accompany any engine being returned for warranty consideration.

13. This warranty does not apply to any engine, component, or part manufactured or supplied by CMG which (1) has been subject to misuse, neglect, or accident; (2) has been installed, repaired, maintained or altered in any way that in the sole judgment of CMG has adversely affected the condition of the engine; (3) has been operated inconsistent with applicable engine and aircraft manufacturer recommendations and limitations, such as, but not limited to engine RPM, temperature, manifold pressure, fuel flow and proper system adjustment; or (4) has been changed from its original certificated configuration.

14. This warranty does not apply to any engine, component, or part damaged or worn as a result of corrosion, pre-ignition/detonation, operation with non-calibrated engine gauges, improper fuel system adjustment, non-approved fuel and oil grades or additives, or installation of components, parts, or accessories that alter the engine's original type design.

15. This warranty does not apply to normal maintenance service (such as engine tune-ups, adjustments, or inspections), engine or component overhaul in accordance with the published TBO, or to the replacement of normal service items (such as spark plugs, filters, hoses, and belts etc.).

16. THIS WARRANTY IS A WARRANTY TO REPAIR OR REPLACE AND IS NOT A WARRANTY OF THE CONDITION OR FUTURE PERFORMANCE OF THE PRODUCTS WHICH IT COVERS. THERE ARE NO OTHER WARRANTIES, EXPRESS OR IMPLIED. SPECIFICALLY, BUT WITHOUT LIMITATION, THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT WILL CMG BE RESPONSIBLE FOR ANY SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING BUT WITHOUT LIMITATION, DAMAGE TO OTHER PROPERTY INCLUDING THE AIRCRAFT, LOSS OF TRANSPORTATION OR USE OF AIRCRAFT, PERSONAL OR COMMERCIAL LOSSES, LOSS OF REVENUE, LOST PROFITS, LOSS OF TIME, COST OF RENTAL AIRCRAFT, FUEL, TELEPHONE, TRAVEL, MEALS OR LODGING, OR DAMAGE RELATED TO GROUNDING OF AIRCRAFT.

17. This warranty, exclusions, limitations and disclaimers are all governed by the law of the State of Alabama, excluding its conflicts of laws rules.



Continental Motors Group
Mobile, Alabama
November 2015