



G&N Aircraft, Inc.

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FAA CERTIFIED REPAIR STATION MW2R020L

Limited Piston Engine Warranty

Effective 1/1/2006, G&N Aircraft, Inc., (hereinafter "G&N") makes the following warranty to its customer, subject to the limitations, conditions and exclusions set forth below.

WARRANTY COVERAGE - For a period of twelve (12) months after date of delivery to customer, G&N Aircraft, Inc. shall repair or replace, at its option, any aircraft engine, accessory, or part which is found to be defective, to G&N Aircraft, Inc.'s satisfaction, within said warranty period.

For engine warranty after twelve (12) months from the date of delivery to customer and prior to the expiration of the manufacturers recommended time between overhaul ("TBO"), the cost of repair or replacement (including the cost of parts and labor), at G&N Aircraft's option, shall be prorated in the following manner. The customer shall pay a prorated amount based upon the engine's TBO and the engine hours (which shall be deemed the greater of logbook hours, recorded tachometer hours, or a minimum of forty (40) hours per month from date of delivery). For instance, an engine with a TBO of 2000 hours and with 200 hours of usage in a 16 month period would have a prorated warranty coverage of 68% applied to cost of a replacement engine or to the cost of parts and labor for repair of this subject engine, either of which shall be at the option of G&N Aircraft, Inc. Reasonable labor costs associated with the repair of a warranted engine shall be prorated in the same manner on the basis of a flat rate schedule established by G&N Aircraft, Inc.

After the initial twelve (12) months from date of delivery, G&N Aircraft, Inc. will not assume any responsibility for the repair or replacement of engine accessories, including but not limited to the following: magnetos, starter, alternator, ignition harness, turbocharger, carburetor, fuel injection, etc.

Replacement parts supplied for warranted engines still covered by manufacturer's warranty are supplied on an exchange basis prepaid by customer. G&N Aircraft, Inc. will pursue warranty claims with the manufacturer on the owner's behalf. Any allowance by the manufacturer will be credited to the operator's account.

REQUIRED CONDITIONS AND PROCEDURES NECESSARY FOR OBTAINING WARRANTY WORK - The following conditions and procedures must be met before G&N Aircraft, Inc. is liable under the provisions of this written warranty. The foregoing warranty shall be effective only if the engine or component to be serviced is returned to G&N Aircraft, Inc.'s facility at customer's expense, together with a detailed description in writing of the nature of the defect. The customer or his representative should contact G&N Aircraft, Inc. for verification and authorization of warranty prior to return and/or repair. Written authorization must be obtained from G&N Aircraft, Inc. before repairs covered by warranty can be performed other than by G&N Aircraft, Inc. In no event shall allowable repair costs exceed local published shop rates. This warranty shall apply if and only if the engine has been properly installed and maintained in accordance with current approved standards of the Federal Aviation Administration ("FAA") and current recommendations of the manufacturer as specified in applicable factory manuals and service bulletins. The performance of recommended inspections and maintenance must be documented by appropriate logbook entries which must accompany any engine returned for warranty work. Only defects which are reported to G&N Aircraft, Inc. within the warranty period are covered by this warranty and G&N Aircraft, Inc. must be given written notice, within ten (10) days after discovery.

LIMITATIONS, EXCLUSIONS, AND DISCLAIMERS - G&N Aircraft, Inc. shall not be liable for freight charges, transportation or delivery expenses, costs, or airframe repairs, all of which are excluded under this warranty. G&N Aircraft, Inc. does not warrant parts, materials or services supplied which are covered by manufacturer's warranty. This written warranty shall not apply to any engine which has been subject to misuse, neglect, accident or damage from the elements, or which has been installed, repaired or maintained or altered in any manner which, in the judgment of G&N Aircraft, Inc. has had an adverse effect on the engine or its parts. This warranty shall not apply to any engine which has been operated under conditions which exceed the manufacturer's recommendations. Unless prior approval is given in writing by G&N Aircraft, Inc., this warranty shall not apply to any engine which has been repaired or altered, in any manner other than by G&N Aircraft, Inc. or its authorized representative.

THE FOREGOING WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, ARISING BY OPERATION OF LAW OR OTHERWISE, INCLUDING WITHOUT LIMITATION THE WARRANTY OR MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE WHICH WARRANTIES ARE HEREBY EXCLUDED. G&N Aircraft, Inc.'s liability hereunder shall be limited to the repair or replacement of any engine or part found to be defective within the applicable warranty period as set forth above. IN NO EVENT SHALL G&N AIRCRAFT, INC. BE LIABLE FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES OR ECONOMIC LOSS OF ANY NATURE WHETHER ARISING IN CONTRACT OR TORT, INCLUDING STRICT LIABILITY IN TORT OR NEGLIGENCE ON THE PART OF G&N AIRCRAFT, INC. The laws of the State of Indiana will control the interpretation and application of this warranty. All disputes regarding this warranty and any related purchase or repair must be adjudicated in Lake County, Indiana.