

C-SERIES ENGINE WARRANTY July 2008

CONTINUOUS DUTY DEFINITION: The highest load and speed which can be applied, subject to Arrow Engine Company's ratings in effect at time of sale.

I. TERMS OF EXPRESS LIMITED WARRANTY

Arrow Engine Company warrants that it will repair or replace, at its election and expense, any part of an engine, or product (hereinafter referred to as "Products") manufactured by Arrow Engine Company, which proves to have had a defect in material or workmanship. All warranty work must be pre-approved by Arrow Engine Company.

II. TERM LIMITATIONS OF EXPRESS LIMITED WARRANTY

This coverage shall commence upon initial Product start-up date and shall expire upon the earlier of the following:

- 1 year after the initial Product start-up date; or
- 18 months after the original shipment date of the covered Products by Arrow Engine Company.
- Arrow warrants to the purchaser that the following parts in new engines manufactured by Arrow shall be free of defects in materials and workmanship for thirty-six (36) months from the date of factory shipment:

Flywheel Housing	Flywheels	Water Hopper	Cylinder-Head Casting	Camblock
Crankcase Casting	Camshaft	Connecting Rod	Sub-Base of Engine	Crankshaft

III. ARROW ENGINE COMPANY'S RESPONSIBILITIES UNDER THE EXPRESS LIMITED WARRANTY

Arrow Engine Company shall be responsible for:

- The repair or replacement, at Arrow Engine Company's election, of covered defective parts and all reasonable labor required regarding a warranted failure during the express limited warranty and term. All such labor shall be provided by Arrow Engine Company's authorized contractor or distributor.
- Reasonable and necessary travel (total mileage not to exceed 300 miles) and expenses incurred by Arrow Engine Company's authorized contractors or distributor. Additional mileage and/or travel by air, water or land will need preauthorization from Arrow Engine Company.
- Replacement of lubricating oil, coolant, filter elements, or other normal maintenance items that are contaminated and/or damaged as a direct result of a warranted failure.

NOTWITHSTANDING THE FOREGOING, ARROW ENGINE COMPANY SHALL NOT BE RESPONSIBLE FOR LABOR COSTS ASSOCIATED WITH WARRANTY CLAIMS.

IV. OWNER/ DISTRIBUTOR/ CONTRACTOR'S RESPONSIBILITIES UNDER THE EXPRESS LIMITED WARRANTY

Owner shall be responsible for:

- The operation and maintenance of the Product within the guidelines established by Arrow Engine Company.
- Making the Product available to Arrow Engine Company or authorized contractors or distributors for any warranty repair, during normal business hours.
- All additional costs incurred for premium or overtime labor, should owner request that repairs be made on a premium overtime schedule.
- All costs incurred as the result of removal or reinstallation of the Product as may be required to effect any warranted repair.
- All administrative costs and expenses resulting from a warranted failure.
- Any costs of transportation, towing, repair facilities, or associated costs.
- Loss of revenue and loss of/or damage to real and/or personal property.
- All warranty work must be pre-approved by Arrow Engine Company
- Warranted repairs not to exceed 50% of the product (Engine) replacement cost without prior approval from Arrow Engine Company. Replacement cost equates to distributor net price from factory.
- Compliance with all local, state and federal laws.

V. LIMITATION OF ARROW ENGINE COMPANY'S OBLIGATIONS

The obligations of Arrow Engine Company under this express limited warranty shall be waived and voided, and Arrow Engine Company shall not, thereafter, be responsible for:

- Any failure resulting from owner or operator abuse or neglect, including but not by way of limitation, any operation, installation, application, or maintenance practice not in accordance with guidelines or specifications established by Arrow Engine Company; or
- Any failure resulting from unauthorized modifications or repairs of the Products or;
- Any failure resulting from overload, overspeed, overheat, accident, improper storage; or
- Failure of owner, contractor or distributor to promptly provide notice of a claimed defect - all warranty claims must be authorized, documented, and submitted within 30 days of failure date while under the warranty period. Claims submitted 90 days after the repair date are subject to a 20% processing fee.
- Failure of Products for which Arrow Engine Company did not receive properly completed start-up reports; or
- Repairs of a covered failure performed with non-genuine Arrow Engine Company parts; or
- Repairs of a covered failure performed by non-authorized contractors or distributors; or
- Failure to make Products available to Arrow Engine Company or its authorized representatives, or
- Failure to supply documents such as drawing and specifications relating to the specific application of the Products.

VI. APPLICABILITY AND EXPIRATION

The warranties set out above are extended to all owners in the original chain of distribution. The warranties and obligations of Arrow Engine Company shall expire and be of no further effect upon the dates of expiration of the applicable warranty periods. The foregoing sets forth Arrow Engine Company's only obligations and owners' exclusive remedy for breach of warranty, whether such claims are based on breach of contract, tort (including negligence and strict liability), or other theories, and the foregoing is expressly in lieu of other warranties whatsoever expressed, implied, and statutory, including without limitation, the IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS.

Notwithstanding the preceding, in no event shall Arrow Engine Company be liable for any direct, special, incidental or consequential damages (whether denominated in contract, tort, strict liability, negligence or other theories) arising out of this Agreement or the use of any Products provided under this Agreement.

Any action arising hereunder or relating hereto, whether based on breach of contract, tort (including negligence and strict liability), or other theories must be commenced within one (1) year after the cause of action accrues or it shall be barred.

With respect to products not manufactured by Arrow Engine Company, Arrow makes no representations or warranties of whatsoever nature, directly or indirectly, expressed or implied including but not limited to any representations or warranties with respect to suitability, durability, fitness for a particular purpose or merchantability, except to the extent that Arrow can enforce warranties provided by the manufacturers of such parts.