



OVERHAUL/ REPAIR WARRANTY

Nelson Engineering Inc. warrants overhauled components to be free from defects in material and workmanship under normal use and service. Nelson Engineering obligation to the purchaser under this warranty is for one thousand (1,000) hours or one (1) year, whichever occurs first, and is limited to replacement (exchange) or repair of units returned to Nelson with transportation charges prepaid one-way, and under the discretion of Nelson Engineering which are determined by Nelson Engineering to have been defective. Defective parts must be reported in writing to Nelson Engineering within three (3) days of being found defective. (Replacement parts are warranted for the remainder of the applicable one (1) year or one thousand (1,000) hours of the original warranty period.)

This warranty shall not apply to failures, malfunctions, defects or nonconformities attributable, in whole or in part, to the failure to preserve, install, operate, maintain, repair, replace or alter same in accordance with applicable recommendations by MD Helicopter Company; or attributable, in whole or in part, to misuse, neglect, or accident including foreign object damage whether in operation, in transit, or in storage.

Repairs: Nelson Engineering only warrants the parts replaced at the time of repair if installed new. A 1 year or 1000 hrs warranty will cover the newly installed part (s) and be free of defects in the workmanship for three hundred (300) hours or one hundred twenty (120) days; whichever occurs first.

THIS WARRANTY IS EXCLUSIVE AND IS GIVEN AND ACCEPTED EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN ADDITION, THIS WARRANTY IS EXPRESSLY IN LIEU OF ANY NONCONTRACTUAL LIABILITY FOR PROPERTY DAMAGE, INCLUDING THE PRODUCT LIABILITY, BASED ON NEGLIGENCE OR STRICT LIABILITY. BUYER S' ONLY REMEDY IS PROVIDED BY THIS WARRANTY AND IS LIMITED TO THE REPLACEMENT OR REPAIR OF DEFECTIVE PARTS. BUYER S' RIGHT TO SUE FOR HIS OWN PERSONAL INJURY IS NOT AFFECTED BY THIS PROVISION.

IN NO EVENT WILL NELSON ENGINEERING BE LIABLE FOR COLLATERAL OR CONSEQUENTIAL DAMAGES OR FOR ANY OTHER COST. NELSON DOES NOT AUTHORIZE ANYONE TO ASSUME FOR IT ANY OTHER OBLIGATION OR LIABILITY ON ITS BEHALF IN CONNECTION WITH THE SALE OF ITS HELICOPTER PRODUCTS, UNLESS IT IS IN WRITING AND SIGNED BY AN AUTHORIZED REPRESENTATIVE OF NELSON ENGINEERING INC.

This warranty shall not apply to any overhauled or repaired component which Nelson determines to have been repaired or altered in any way so as to affect the stability or reliability of the part, or if the part has been subject to misuse, corrosion, erosion, negligence or accident.