

Limited Warranty Policies & Procedures

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SECTION 1.0 GENERAL POLICIES

It is Factory intent to deliver remanufactured engines to the original customer in a condition consistent with customer expectations.

Factory warrants to the retail customer that this product shall be free from defects in materials and workmanship for the appropriate months, years, hours and/or miles from date of initial installation or from 30 days from shipment from factory, whichever comes first (reference Section 6.0 for specific product limited warranty periods). **To receive warranty coverage, all engines must be registered within 30 days from date of shipment from factory. The registration form must include a copy of the repair order or receipt of installation record. (This can also include a shop ticket or record for fleet companies.)**

If this product is inventoried or “unused” for 6 (six) months or more, Factory may, at its election, void the limited warranty.

Section 1.1 Limitations on Liability

This is a limited warranty subject to the conditions herein contained. This warranty gives you specific legal rights, and you may also have other rights which vary from state to state.

Factory will repair or replace, free of charge, the defective part, component or engine, or at Factory’s option, issue a credit.

The owner is responsible for the performance of regular maintenance services as specified in the OE operator’s guide. In the case of a failure during the limited warranty period, maintenance records will be requested. Failure to properly maintain the vehicle may cause engine or component damage and/or contribute to premature failure. Such damage is not covered by this limited warranty. In the event of a failure, customer must cease immediately operating the engine to protect the engine from further damage. Engines driven to destruction will not be covered.

Limited warranty is valid **only** in the continental United States and Canada. Repairs are valid only if performed at facilities pre-approved by Factory. This Limited warranty is not valid while a corresponding invoice remains unpaid for over 30 days and terminates when the customer sells, transfers or loses possession of the product.

Fuel injection equipment is not warranted against performance or emissions failure if inappropriate fuels have been used. Premature fuel injection system failure due to low lubricity diesel fuels is not covered by warranty.

Any evidence that the product has fallen short of the required level of performance directly due to the use of non-acceptable fuels will render the manufacturers warranty null and void.

This limited warranty is the only limited warranty applicable to factory products and is expressly in lieu of all other warranties, express or implied, including but not limited to, any implied warranty of merchantability or fitness for a particular purpose. Factory does not authorize any person to create for it any other obligation or liability in connection with Factory products. Factory shall not be liable for damages of any kind, whether direct, indirect, special or consequential resulting from a breach of limited warranty. This limited warranty is subject to change without notice. Contact Factory for the most current Factory Limited warranty. Factory will administer all claims to the most current warranty policy.

Factory does not guarantee or warranty the performance of any new or used parts, which the customer acquires to complete a repair. The customer’s only remedy shall be any warranty the customer receives from the used part supplier.

Section 1.2 Verification of Engine Limited Warranty

When performing limited repairs, it is the Owners/Customers responsibility to establish that the engine is in limited warranty and to file a claim. **Until defect in Factory workmanship has been determined, all diagnostics and/or repairs are the responsibility of the vehicle owner.**

Approval and reimbursement for the time spent on warranty work is subject to Factory’s receipt of a defective product and repair order. Product should be shipped to the following address:

**Engines Factory
5130 Main Street NE
Fridley, MN 55421**

**email: warranty@enginesfactory.com
Attn.: Warranty Department**

Section 1.3 Labor Reimbursement/Standard Repair Time (SRT)

Reimbursement for warranty repairs or services is based on pre-approval from Factory and the Standard Repair Times (SRTs) published in Ford, CAT, Cummins, Chilton’s Repair manuals or Mitchell Motor manuals. Repairs not covered in the Chilton’s Repair manuals or Mitchell Motor manuals require Factory’s approval of repair times and may be paid at actual time providing the request is fair, reasonable and consistent with industry practices. In all cases, Factory’s final determination prevails.

(Section 1.3 continued on next page)

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The time to remove other items to gain access to a failed component is included in the applicable repair. In cases where diagnostic/trouble-shooting time associated with a warranty repair is not published, the time will be reimbursed as a warrantable expense **only** if identified properly, approved by Factory, included on the claim and the amount of time being claimed is reasonable for procedures being followed. In all cases, Factory's final determination prevails.

Dynamometer testing is allowed when required to diagnose low power, overheating or vibrations **prior** to repair. Procedures must be explained in the claim. Road testing to diagnose a problem is allowed when performed prior to repair.

The Chilton's Repair manuals or Mitchell Motor manuals are an explanation of each operation to define the extent of the repairs. The allowances are based on the actual time required to perform the operation under normal workshop conditions, with an average mechanic's efficiency, using recommended procedures and special tools as required.

The time required to prepare the engine, obtain the tools and other necessary materials to complete the job are included. Time allowances do not include the time necessary to remove and reinstall special equipment not originally installed on the engine. Labor rates paid will be based on previously agreed upon rates between Factory and the repairing facility.

Section 1.4 Freight Charges

Factory provides a call tag or bill of lading to return all Factory product. If this call tag is lost, a replacement tag will **not** be provided and the cost to return failed product will be at the repair location's expense. Outside freight will only be considered if Factory was not able to supply the replacement product and only at ground shipment rates. To seek reimbursement of freight charges for applicable under this program, the repair facility must include these charges on the same claim submitted for the repair. The Warranty Department reserves the right to request any applicable invoices. Mark-up on freight will not be reimbursed.

Section 1.5 Sublet (Outside Purchase) Repairs

If it is necessary to sublet repairs because a repair facility cannot perform them, Factory will reimburse the sublet repairs at actual cost providing the cost is pre-approved by Factory and is fair, reasonable and consistent with industry practice. All outside/sublet charges must be explained in the claim and a receipt for the outside labor must be provided.

Section 1.6 Satisfactory Completion of Warranty Work - Shop Comebacks

Factory reserves the right to request the customer to take his/her engine/vehicle to a different repair facility. Proper and effective completion of limited warranty work is the responsibility of the repair facility. Factory does not guarantee or warranty the work done by the repair facility. In the case of a repeat failure, the responsibility for subsequent repairs will revert to the original repair facility.

Section 1.7 Parts and/or Engine Failures

All parts related to and including any major engine replacement or repair are required to be promptly returned via the most economical method with the claim number indicated on the packing slip. There is no scrap option on these parts. Engines must be complete for Factory to properly analyze them. **Any product returned after 45 days of shipment will not be considered for payment.**

Fluid sample results are required for each of the following conditions:

- Engine failures involving bearings, crankshaft and camshaft must be returned with sample results from a 0.5L (1 pt) sample of the engine lubricating oil, oil filter, and coolant sample.
- Engine failures involving scoring, charring and/or seizure of the pistons or cylinders must be returned with sample results from two (2) 0.5 L (1 pt) fuel samples, one (1) from the injection pump and one (1) from the fuel tank. (1) Coolant sample. Label each sample result clearly to indicate source and claim number.

Failure to submit the required sample results may result in claim denial.

Section 1.7A Other Provisions

Receipts covering the performance of regular maintenance must be retained in the event that questions arise concerning maintenance.

If Factory determines that the returned part, component or engine is found not to be defective, the repair facility/owner will be sent a detailed report with photos if appropriate. Factory will request disposition of part, component or engine. Factory is not responsible for any failures that are not a direct result of a workmanship defect.

Claims will not be honored if Factory pre-authorization was not obtained or if inactivity exceeds time limitations (see Section 3.6.1).

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Section 1.8 Limited Warranty Exclusions

This limited warranty shall **not** apply to:

1. Engines that are not properly registered within 30 days of shipment from Factory.
2. Engines damaged in transit. Pictures of packaging may be required for any attempt to start a warranty claim for broken parts found at install.
3. Malfunctions in any part caused by any of the following:
 - Storage damage
 - Misuse such as engine or vehicle overload
 - Improper adjustment
 - Modification of the engine
 - Addition or modification of a turbo
 - Alteration, including but not limited to programmers and performance chips.
 - Misapplication *including, but not limited to, changing horsepower from the original manufacturer's specification without factory endorsement.*
 - Tampering such as serial number altered, defaced or removed
 - Disconnection
 - Improper or inadequate maintenance - quality of filters, oil, etc.
 - Cavitation erosion due to poor maintenance or poor quality coolants
 - Parts used but not approved by Factory
 - Oil cooler not replaced at time of engine replacement
 - Progressive damage including but not limited to DPF filters, radiators, air compressors, or any components not supplied on the engine provided.
 - Components supplied on the engine but no longer covered under the current warranty policy.
4. Damage resulting from:
 - Abuse
 - Negligence
 - Accident
 - Acts of nature such as fire, freezing, lightning, earthquake, windstorm, hail, flood
 - Other acts beyond the control of Factory
5. Damage due to use of incorrect fuel for engine type.
6. Maintenance replacement parts and consumables such as: fuel filters, air filters, water filters, oil filters, antifreeze, hoses, belts, air cleaner ducting, radiator connections, gasket and seals, electric sensors, glow plugs, frost plug heaters, oil, water and/or anti-freeze.

7. Any engine on which the odometer mileage has been altered so that the engine's actual mileage cannot be determined.
8. Engines sold or transferred to another owner. Engine warranty is valid for the original engine owner only. Warranty period is non-transferrable.
9. Front cover or gear housing cracks at accessory locations (such as air compressors or fuel pumps) after 90 days.
10. **Labor for any private owner installations and/or non-ASE-certified installations. Engines that are "self-installed" revert to part only warranty coverage.**
11. **Engines stored longer than 6 (six) months by a distributor or end user or in a vehicle "not in use" for 6 (six) months require maintenance. Claims arising from loss or damage due to storage or lack of use will not be reimbursed by Factory.**
12. Limited warranty is void by unauthorized breakage or tampering with injector pump seals.

Section 1.9 Other Exclusions

Premium charges and work not directly related to the repair or replacement of a warrantable part will not be covered under limited warranty.

Some examples include but are not limited to:

- Towing charges
- Premium freight charges
- State/provincial and local taxes
- Travel expenses
- Lodging expenses
- Road service/calls
- Loss of revenue or use of vehicle
- Customer and overtime labor
- Downtime
- Driver's expenses
- Cost of rental equipment
- Loss of revenue
- Loss of perishable cargo
- General housekeeping supplies (i.e., rags, solvents, sweeper compounds, coveralls, etc...)
- Communication charges
- Repair or replacement of optional items not sold or installed by Factory, or covered by a specific manufacturer's warranty
- Loss of damage to personal property
- Commercial use or other matter not specifically included.

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SECTION 2.0 COMPONENT PARTS LIMITED WARRANTY (SOLD SEPARATELY OR ON ENGINE)

This section outlines the limited warranty coverage, policies and procedures for component parts sold separately by Factory in the USA.

This is a limited warranty subject to the conditions herein contained. This warranty gives you specific legal rights, and you may also have other rights which vary from state to state.

Component Parts Limited Warranty

Factory warrants any component part distributed by Factory will be free from defects in material and workmanship arising from normal use and service for twelve (12) months. Component parts limited warranty coverage is effective from the date of retail sale.

Factory's sole obligation shall be the repair or replacement, at Factory's option, of such parts, which are acknowledged by Factory to be defective. Labor costs of removal and installation will not be reimbursed by Factory unless defective part was installed by an authorized distributor/dealer.

The component part must be maintained and serviced according to the prescribed schedules outlined in the applicable maintenance manual. Receipted bills or other evidence that required maintenance and service has been performed will be required by Factory as a condition of this limited warranty.

Section 2.1 Limited Warranty Exclusions

This limited warranty shall **not** apply to:

- Parts which have been affected by exposure to the elements or chemical influence such as road salt or industrial fallout.
- Parts damaged due to abuse, misuse, neglect, alteration or accident, or which have been improperly lubricated, repaired, or installed, or used in applications for which they were neither designed nor approved by Factory.
- Labor for removal and replacement of defective parts sold but not installed by an authorized distributor/dealer.
- Progressive damage, parts not purchased through Factory, and freight.

Additional exclusions are:

Parts that are subject to consumption during their normal service life and are routinely replaced during normal maintenance service and not covered under warranty including, but not limited to: belts, filters (fuel, air, oil, water and desiccant cartridges), electronic sensors, spark plugs and glow plugs.

Section 2.2 Claim Procedures

It is the owner's responsibility to validate the date of retail sale. Component part limited warranty claims require a copy of the original customer's sales receipt, and part sales invoice showing the date and proof the failed part was purchased from an authorized Factory distributor.

Limited Warranty Pre-Approval

Prior to making any repairs, the owner must contact Factory's Warranty Department at (800) 355-0068 to verify limited warranty coverages, determine repair strategies, obtain a warranty pre-approval number and get immediate parts return disposition.

No reimbursement will be made without valid pre-approval and warranty claim number. No payment will be made until all defective parts have been returned and analyzed.

Section 2.3 Limitations on Liability

This limited warranty is the only limited warranty applicable to Factory products and is expressly in lieu of all other warranties, express or implied, including but not limited to, any implied warranty of merchantability or fitness for a particular purpose. Factory does not authorize any person to create for it any other obligation or liability in connection with Factory products. Factory shall not be liable for damages of any kind, whether direct, indirect, special or consequential resulting from a breach of limited warranty. This limited warranty is subject to change. Contact Factory for the most current Factory Limited warranty.

This limited warranty is void, and Factory shall not be obligated to repair or replace any component part, where the necessity of such replacement or repair, in Factory's opinion, is due in whole or in part to improper maintenance or service, modification or alteration, accident, or other misuse or abuse of the component part.

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SECTION 3.0 LIMITED WARRANTY REPAIR PROCEDURES

On all parts, components or engines that have a failure, Factory must be **notified prior to any repairs being performed**. The following procedures must be followed:

3.1 The repair facility must verify that the part is within the limited warranty period and that the engine was registered at the time of install. No claims will be started or authorization for repairs will be given until the engine registration information has been received.

3.1.1. Perform appropriate Diagnosis. Use the Diagnostic Guide(s) supplied by Factory to diagnose the complaint. NOTE: Contact Factory for copies of the Diagnostic Guide(s) or visit Factory's website at www.enginesfactory.com.

3.2 Following diagnosis, the repairing facility must contact Factory at (732) 231-2034 or toll free at (800) 355-0068 with complaint and/or cause of failure. The following information will be needed at the time the warranty event is reported to Factory:

- Failed engine serial number
- Contact name
- Odometer when installed
- Phone number of repairing location
- Date installed
- Fax number of repairing location
- Installers name
- Signed copy of Diagnostic Guide indicating steps taken
- Year - Make - Model
- Copy of original installation R.O. or invoice
- Odometer at failure
- Copy of any pertinent scheduled maintenance

3.3 Factory will authorize repair after an estimated cost of repair is received. In cases requiring replacement parts, Factory reserves the right to supply a replacement part or component. **In all cases, parts purchased for repairs locally without Factory's consent will be denied.**

3.3.1 Factory reserves the right for plant inspection of the engine at any time during the warranty period if the appropriate diagnostics cannot determine a valid workmanship defect in the field.

3.3.2 In cases of catastrophic engine failure, metal migration or other major casting damage, the engine will either be repaired at the repair facility location or the engine will be replaced.

3.3.3 Labor rates will be negotiated at beginning of each claim based on current labor standards.

3.4 The repair facility must notify Factory when the repairs are complete and facilitate the return of the failed product and submission of the repair order.

3.5 **The majority of denied claims result from failure to return parts or engines within 45 days, or failure to identify serial number/claim number on returned product. In all cases, Factory will not consider payment for any claim that is not properly returned within 45 days from date of shipment.**

3.5.1 Any engine or component part not returned to Factory within 45 days will be invoiced for payment to the repair facility.

3.6 In the event a warrantable failure can not be determined in the field, the engine will be returned to Factory for a plant inspection and failure determined. If warrantable, labor and freight will be covered by Factory. If not warrantable, Factory will not cover freight or other expenses. Factory labor rates are \$85 per hour for repairs performed by Factory, parts are charged at distributor purchase price from Factory.

3.6.1 Any repair orders and/or failed parts received forty-five (45) days after the date the claim is opened will not be considered for reimbursement. Any claim that is idle for thirty (30) days will be closed and will not be eligible for reimbursement.

3.6.2 If upon disassembly at Factory, the failed unit is found to be the responsibility of the customer, Factory will supply the repairing location with a detailed report of the findings and photos of the failed part. The responsible party will be invoiced for the total repair including replacement parts, Factory's labor time and freight. R&R labor expense will be the customer's responsibility. Factory will only hold failed parts or engine for sixty (60) days pending disputes.

3.6.3 Factory labor rates will be based on original installation invoice or \$85 per hour for repairs performed by Factory, parts are charged at distributor purchase price from Factory.

3.7 The limited warranty period remaining after units have been repaired or replaced shall be the remaining months or miles from original date of initial installation or date of original purchase from Factory. Customer to supply all mileage documents.

3.8 Payment of the claim will only be processed after the product has been returned and analyzed for a valid workmanship defect.

3.8.1 Payment for non-covered expenses will revert to the responsibility of the vehicle owner or the repair facility.

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SECTION 4.0 MANDATORY INSTALLATION REQUIREMENTS

Engines should be installed using industry standard guidelines. Any engine failure related to faulty installation procedures will not be reimbursed by Factory. Each engine ships with a basic guideline for installation guidelines. This is not an all inclusive list, as normal installation and maintenance intervals apply.

4.1 Oil Cooler: Oil coolers must be replaced at the time of installation if an oil cooler was not provided with the Factory engine.

4.2 Fuel Filters - Common Rail Systems: all fuel filters must be installed when dry. DO NOT Prime the filter with fuel before installing.

4.3 Cooling System/Lubrication System: must be cleaned and inspected before re-install. Contamination sources from improperly maintained cooling systems are a high contributor to premature engine failure.

4.4 Clean and inspect all belts, hoses, and parts transferred from the previous engine.

4.5 CAT C7: The injector trim files must be loaded into the ECM if any of the following conditions occur: an injector is replaced, "Injector Trim" is displayed below a 268-02 diagnostic code on CAT ET, or injectors are exchanged between cylinders. Failure to do so will result in no warranty for injector related failures.

4.6 Cummins ISB07/ISB10/ISB13: The turbocharger actuator must be calibrated to the turbocharger and ECM before running this engine. This procedure must be performed to be sure proper turbocharger operation is achieved. Refer to the Cummins Insite Electronic Service Tool for procedures. Failure to perform this procedure can cause damage to the turbo and actuator and will void the turbocharger warranty coverage.

SECTION 5.0 MANDATORY MAINTENANCE REQUIREMENTS

This section outlines specific maintenance procedures that must be followed and documentation that must be provided in order to obtain warranty for certain types of failures. This is not an all inclusive list, as normal maintenance intervals apply.

5.1 Fuel Filters - Common Rail Systems: all fuel filters must be installed when dry. DO NOT Prime the filter with fuel before installing.

5.2 Crankshaft Center Bolts - Mercedes 2.7L: Effective immediately, due to an issue with the crankshaft center bolt loosening and potentially breaking during operation, all crankshaft center bolts must be retorqued during every oil change service or 10,000 miles, whichever comes first. If submitting a warranty claim for this failure, proof of this preventive maintenance procedure must be submitted along w/ the warranty claim. Failure to re-torque this bolt could result in the loosening and excessive vibration of the dampner causing premature wear on the crankshaft and eventually breaking the bolt. This wear destroys the crankshaft and the only method of repair to is to replace the shaft. Torque Specs: Tighten bolt in two stages. M10.9 bolt to 325Nm (240 lbs. ft.) then 90°.

5.3 Ford 6.4L and Maxx Force 7 Long Blocks: Effective immediately, the following maintenance requirements apply: 1. Oil must be changed every 3000 miles to keep long block warranty in place. 2. Oil change documentation required for any warranty consideration. 3. Check dipstick on every fuel fill. 4. Fuel dilution failure is not warrantable.

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SECTION 6.0 LIMITED WARRANTIES

Subject to the limitations in the Limited Warranty, Factory provides 100% parts and labor on qualified parts/engine(s) that fail under use and service, due to defects in workmanship or material up to the stated limited warranty period as shown below. Consumables are not covered.

Limited Warranty - Diesel Products

ON HIGHWAY DIESEL ENGINES	
Complete Drop-In	1st Year - Complete Engine Unlimited Miles Parts & Labor, glow plugs & sensors 6 months 2nd Year *- Long Block only Unlimited Miles Parts & Labor
Complete Drop-In (Transit)	1 Year Unlimited Miles Parts & Labor Glow plugs & sensors 6 months
Long Block Supreme/Long Block	1 Year Unlimited Miles Parts & Labor
Short Block	1 Year <u>OR</u> 12,000 Miles (whichever occurs first)
OFF HIGHWAY DIESEL ENGINES	
All configurations/applications	1 Year <u>OR</u> 2,000 Hrs (whichever occurs first) Parts & Labor
DIESEL COMPONENT PARTS, SOLD SEPARATELY	
All (excludes engines)	1 Year Parts Only
<p>*Coverage for 2nd year engines includes crankshaft, camshaft, block, head(s), rods, & pistons.</p> <p>Maximum limits for labor reimbursements are as follows: \$1000.00 for engines in Agricultural, Industrial, Stationary applications and/or Class A motor homes. Parts will be reimbursed at cost. To see complete warranty details visit us at www.enginesfactory.com</p>	