

STANDARD WARRANTY POLICY

1. What is Covered by This Warranty. Capacity, Inc. (Capacity) warrants, to the original purchaser only, that the truck that is the subject of this sale is free from defects in material and workmanship. The duration of this warranty is as follows:

- a. Frames - As to the main structural frame, ten years from the date of delivery.
- b. Boom Lift – As to the hydraulic boom lift structure, six years from the date of delivery.
- c. Cab Platform – As to the dedicated platform structure, six years from the date of delivery.
- d. Capacity Cab – As to the driver’s structural cabin compartment, three years from the date of delivery.
- e. I/O Control Module – As to the body control module, three years/10,000 hours from the date of delivery.
- f. As to all other parts and components, one year from date of delivery or 3,000 hours of use, whichever comes first.

If the purchaser discovers within the applicable period a defect in material or workmanship, it must promptly notify Capacity in writing. In any event such notification shall be received by Capacity, in the case a defect in the mainframe, no later than 73 months from date of delivery, and in the case of a defect in any other part or component, no later than 13 months from the date of delivery or one month after the first 3,000 hours, whichever comes first. Within a reasonable time after such notification, Capacity will correct any defect in material or workmanship with either new or used replacement parts, at Capacity’s option.

Capacity will pay for the costs of correcting defects as follows:

- g. For defects in material or workmanship during the first twelve months from the date of delivery or the first 3,000 hours, whichever comes first, both parts and labor are at Capacity’s expense.

All warranty work is subject to Capacity’s prior examination and approval and will be performed by Capacity or at service centers designated by Capacity. All transportation to and from designated service center will be at the purchaser’s expense and is not included as a cost of repair covered by this warranty. These remedies are the purchaser’s exclusive remedies for breach of warranty.

2. What is Not Covered by This Warranty.

Capacity does not warrant (a) Engines, Transmissions, Tire, Batteries, or other components which are covered by the manufacturer of these components*, (b) any products, components, or parts not supplied by Capacity, (c) damage caused by use of the truck for purposes other than those for which it was designed, (d) damage caused by accident or negligence of the purchaser or any third party or by disasters such as fire, flood, wind, and lightning, (e) damage caused by the purchasers failure to provide normal maintenance as customarily accepted in the industry or as set forth in maintenance guidelines, (f) filters, belts, bushings, exhaust components, glass, or other parts which are a part of normal maintenance replacement, (g) damage caused by unauthorized or improper installation of attachments, repairs, modifications or alterations, (h) damages caused by replacement of original parts or components with unauthorized substitutes, (i) damage during shipment or (j) any other abuse or misuse by the purchaser.

STANDARD WARRANTY POLICY (CONTINUED)

3. Disclaimer of Warranty. THE FOREGOING WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

4. Limitation of Remedies. In no case shall Capacity be liable for any special, incidental, or consequential damages based upon breach of warranty, breach of contract, negligence, strict tort, or any other legal theory. Such damages include, but are not limited to, loss of profits, loss of savings or revenue, loss of use of the truck or any associated equipment, cost of capital, cost of any substitute truck, equipment, facilities, or services, downtime, the claims or third parties including customers, and injury to property. This limitation does not apply to claims for personal injury. Some states do not allow limit on warranties, or on remedies for breach in certain transactions. In such states, the limits in this paragraph and in paragraph (3) may not apply.

5. Warranty Claim Procedures. The purchaser must notify Capacity of a warranty claim prior to any warranty work. Capacity will provide the purchaser with further instructions on how to proceed with such warranty claim. Any notice of a warranty claim and all other warranty correspondence must be sent to: Capacity, 401 Capacity Drive, Longview, Texas 75604. Capacity may designate new or additional addresses.

6. Time Limit for Bringing Suit. Any action for breach of warranty as to the mainframe must be commenced within 75 months following delivery of the truck. Any action for breach of warranty as to any other part or component must be commenced within 15 months following delivery of the truck or within the first three months following the first 3000 hours of use, whichever comes first.

7. No Other Warranties. Unless modified in a writing signed by both parties, this agreement is understood to be the complete exclusive agreement between the parties, superseding all prior agreements, oral or written, and all other communications between the parties (including without limitation any terms and conditions contained in any purchase order or sales invoice issued pursuant to the sale of this truck) relating to the subject matter of this agreement. No employee of Capacity or any other party is authorized to make any warranty in addition to those made in this agreement.

8. Warranty Registration. This warranty is conditioned upon receipt by Capacity of a completed and signed customer acceptance card following delivery of vehicle to the customer. The customer acceptance card must be on file for any warranty claim to be considered.

*Note: Contact specific product OEM: Cummins, Dana, Meritor, Allison, Navistar.

MAJOR COMPONENTS WARRANTY

Manufacturer	Model or Application	Length of Coverage	Coverage Terms	Mileage Limits
Capacity of TX, Inc.	TJ5000 TJ5000 DOT TJ6500 TANDEM DOT TJ7000 TJ9000	1 Year	12 months or 3000 hours, Capacity covers Parts & Labor	N/A
Cummins Engine Industrial	QSBT3 6.7 Industrial	2 Years Parts, Labor Travel or Towing at Cummins Discretion	2 Years Parts, Labor Travel or Towing at Cummins Discretion	N/A
Navistar	Maxxforce MF7-07 On and Off Highway	2 Years	Unlimited hours as well as towing one way.	N/A
Navistar	Maxxforce MF7-10 On Highway	2 Years	Unlimited hours as well as towing one way.	N/A
Cummins Engine Automotive	ISB-10 Automotive	2 Years Parts, Labor	Parts and Labor Towing Included	Unlimited*
Dana - Eaton Axles Steer & Drive	All Terminal Tractors	1 Year	Parts Only	Unlimited
Arvin - Meritor Axles Steer & Drive	All Terminal Tractors	1 Year	Parts Only	Unlimited
Allison Transmission	RDS 3000 & 3500 Automatic	2 Years	Parts & Labor Towing Included	Unlimited*

* For additional warranty information, please contact the major components or visit their websites.

CAPACITY LIMITED LIFETIME COATING WARRANTY

1. What is Covered By This Warranty.

Capacity of Texas Inc., (CTI) warrants, to the original purchaser only, that the truck that is the subject of this sale is effectively painted and free from coating defects in material and workmanship and further warrants that the truck will remain free of paint defects. The duration of the warranty is for the life of the vehicle, Limited however to the original purchaser commencing with the date the truck is painted by CTI. The obligation of CTI is to provide paint material and application labor according to this schedule:

- (I) Material for life of vehicle
- (II) Cost of repair labor covered in full during the first three years of the Vehicle's life.
- (III) 50% of the cost of repair labor in year four of the vehicle's life
- (IV) 25% of the cost of repair labor in year five of the vehicle's life

The warranty provided herein shall cover and extend to the following properties of the paint system:

- a) Loss of adhesion of the paint system resulting in rust (less than rust grade 5, ASTM D 610-85)
- b) Cracking of the paint system (as set forth in ASTM D 661-86)
- c) Loss of adhesion of any element of the paint system resulting in appearance below standards set out in ASTM D 1654-79A
- d) Fading or loss of gloss below standards set out in ASTM D 659-86, value number 4 or lower

If within the warranty period, purchaser discovers a defect in material or workmanship, it must promptly notify CTI in writing. In no event shall CTI be obligated to accept such notification unless it is received by CTI not later than one month following the expiration of the warranty period. Within a reasonable time after such notification, CTI will correct any defect in material or workmanship. Such repair, including both paint materials and labor, is at CTI's expense according to the schedule listed. All warranty work is subject to CTI's or its agent's prior examination and approval and will be performed by CTI or its agents at service centers designated by CTI or its paint vendor. All transportation to and from the designated service center will be at the purchaser's expense and is not included as a cost of repair covered by this warranty. These remedies are the purchaser's exclusive remedies for breach of warranty.

- 1. What is Not Covered By The Warranty.** CTI does not warrant (a) the exterior finish on any trim components, including but not limited to hardware molding, windows, mirrors, lights and other appointments and accessories, (b) any product finishes, component finishes or finishes of parts not manufactured by CTI, (c) chassis including accessories, (d) damage caused by use of the truck for purposes other than for which it was designed, (e) damage caused by accident or the negligence of the purchaser or any third party or by disasters such as fire, flood, wind, lightning, acid rain, and industrial fallout, (f) damage caused by the purchaser's failure to provide normal preventive maintenance as customarily accepted in the industry or as set forth in maintenance guidelines, (g) damage caused by unauthorized or improper installation of attachments, repair, modifications or alterations, (h) damage caused by replacement of original parts or components with unauthorized substitutes, (i) damage during shipment, (j) damage caused by abrasion or external foreign objects,

(k) decals, stickers, name plates, pin stripes, or damage caused by application or removal of the same, (l) damage resulting from dissimilar metal contact corrosion, or crevice corrosion, or (m) any other abuse or misuse by the purchaser.

2. **Disclaimer of Warranty.** THE FOREGOING WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

1. **Limitation of Remedies.** In no case shall CTI be liable for any special, incidental, or consequential damages based upon breach of warranty, breach of contract, Negligence, strict tort, or any other legal theory. Such damages include, but are not limited to, loss of profits, loss of savings or revenue, loss of use of the coach body or any associated equipment, cost of capital, cost of any substitute coach body, equipment, facilities or services, downtime, the claims of third parties including customers, and injury to property. This limitation does not apply to claims for personal injury. Some states do not allow limits on warranties, or on remedies for breach in certain transactions. In such states, the limits in this paragraph and in paragraph (3) may not apply.

2. **Warranty Claim Procedure.** The purchaser must notify CTI in writing of a warranty claim prior to any warranty work. CTI will provide the purchaser with further instructions on how to proceed with such warranty claim. Any notice of a warranty claim and all other warranty correspondence must be sent to Capacity of Texas, Inc., 401 Capacity Drive, Longview, Texas 75604-5341. CTI may designate new or additional addresses.

3. **Time Limit for Bring Suit.** Any action for breach of warranty must be commenced within three months following the expiration of the warranty period.

4. **No Other Warranties.** Unless modified in a writing signed by both parties, this agreement is understood to be the complete and exclusive agreement between the parties, superseding all prior agreements, oral or written, and all other communications between the parties (including without limitation any terms and conditions contained in any purchase order or sales invoice issued pursuant to the sale of this truck) relating to the subject matter of this agreement. No employee of CTI or any other party is authorized to make any warranty in addition to those made in this agreement.

5. **Warranty Registration.** This warranty is conditioned upon receipt by CTI of a completed and signed customer acceptance card within two weeks of delivery. It is the obligation of the purchaser to sign the customer acceptance card and return it to CTI within the two weeks following delivery. The customer acceptance card must be on file for any warranty claim to be considered.

CAPACITY WARRANTY

INTRODUCTION

In an effort to ensure the satisfaction of our customers and distributors, Capacity has developed this comprehensive warranty policy and procedures manual. Our goal is to establish policies that will enable consistent, prompt and equitable processing of warranty requests.

Capacity warranty policy and procedures manual should enable our distributors to “know where they stand” in most warranty repair situations. This will enable the distributor to classify whether or not a service repair really is warrantable. The distributor can then deal with the customer more effectively. We at Capacity want to make justified warranty a prompt, consistent and equitable experience for our mutual customers.

It is vital that the warranty registration card be completed and returned to Capacity immediately following delivery of vehicle to the customer. This triggers the warranty in our system, enabling the claim to be processed. Completion of the warranty registration card is also required by the National Highway Transportation Safety Administration in the event contact with user is required.

Please consider each claim on its own merits, remembering that this is directly proportionate to your future ability to provide a quality product at a reasonable price.

We recommend that all people who deal with warranty service and administration become familiar with the procedures contained in this manual. Capacity reserves the right to, at any time, change or revise the provisions of its warranty procedures, effective on or after notification of authorized distributors. All provisions of this manual are effective immediately.

PLEASE MAKE SURE THAT YOUR WARRANTY REGISTRATION CARDS ARE RETURNED VIA MAIL, OR YOU MAY ALSO REGISTER ONLINE AT: <http://www.capacitytexas.com/PartService/Warranty.aspx>

CAPACITY WARRANTY - WARRANTY PROCEDURES

I. DETERMINATION OF WARRANTABLE SERVICE

There is always the question as to whether a repair or replacement is actually a warrantable adjustment. This section is included to help you make that decision. All warranty claims must be filed within the warranty period of twelve (12) months or 3,000 hours and within thirty (30) days of the repair. The claim will not be honored if it does not meet this criteria.

II. DETERMINING WARRANTY RESPONSIBILITY

A. Has this complaint originated during the stated warranty period?

B. Is the malfunction a result of abuse or misuses?

C. Has the unit been maintained properly?

D. If the complaint has originated during the warranty period, there is no evidence of abuse or misuse and it seems the unit has had proper maintenance, the distributor should proceed to file a warranty claim. This does not, however, ensure that the claim be approved.

E. Is warranty card on file?

CAPACITY WARRANTY - WARRANTY PROCEDURES CONTINUED

III. WHEN TO CONTACT THE FACTORY FOR WARRANTY AUTHORIZATION

So that Capacity can maintain a high level of quality in our products and control our warranty expenditures, **approval must be received from the factory prior to start of repairs.**

To obtain repair approval, call Capacity's Customer Service Department to receive a Claim Reference Number needed with the following information:

All Claims

- A. Serial Number of unit - Last 5 Digits of the VIN Number.
- B. Hour Reading on unit.
- C. Description of failure and estimated parts and labor cost. Photos are helpful.
- D. If parts are needed, Capacity will supply at no charge.

Paint and Body Damage

- A. Photographs of damaged areas must be provided (videos if possible).
- B. Description and exact location.
- C. Two written estimates for parts and labor from reputable body shops must be provided.

Weld Damage

- A. Photographs of damaged areas will be provided (videos if possible).
- B. Two estimates for parts and labor will be provided.

Leaks

- A. Photographs of damaged area must be provided (videos if possible).
- B. Complete explanation.
- C. Estimated total cost.

IV. SUBLET WARRANTY REPAIR

Occasionally, a needed repair or service cannot be performed at a distributor's location. In circumstances such as these, the distributor is required to get estimates prior to getting approval and an authorization number from the Capacity of Texas Service Representative.

Capacity will pay reasonable sublet repair service expenses provided the repair service meets **EVERY** qualification for warranty consideration. Capacity reserves the right to determine whether a claim is reasonable, based on established policy and standards. Consideration will be given to each sublet claim based on its own integrity. However, we will not pay excessive time required to do the repair or excessive labor rate charges.

The distributor must also assume the responsibility of monitoring the repair.

CAPACITY WARRANTY - WARRANTY PROCEDURES CONTINUED

V. PERFORMING THE NEEDED SERVICE REPAIR

Once the decision has been made to submit a warranty claim, there are several procedures to consider. The necessary repairs are to be performed in the most economical manner that will ensure proper quality. Manufactured body parts that must be replaced should be obtained from the factory. From time to time the questions arises, "When to repair, when to replace?" Capacity's policy is very simple. When it is less expensive to repair a component, repair it. When it is less expensive to replace a component, replace it. Any exceptions to this statement will be made by the factory. Any parts ordered or sent from the factory will be received "free of charge" by the dealer, this will include freight. If a dealer uses a part from their inventory to perform a warranty repair, Capacity will reimburse at 10% above dealer cost for domestic dealers and 15% above dealer cost for international accounts. Please note that any part used for a warranty repair must be original OEM purchased from Capacity in order to be considered for reimbursement. Use of a non-OEM part will void any factory warranty.

VI. THE WARRANTY CLAIMS

Warranty claims submitted on any other claim form than the sample you see attached will NOT be considered. The following is a step-by-step explanation of the processing of the warranty claim form. The completed form must be submitted within thirty (30) days of the repair date to qualify for consideration. All repair orders and sublet invoices must be attached to the warranty claim and the Claim Reference Number (CRN) must be noted on the form. These are available from customer service at Capacity. If a unit has more than one warrantable issue, a CRN will be assigned to each. Each claim must be submitted individually.

A. INSTRUCTIONS FOR COMPLETING CLAIM FORM

1. Fill in repair facility name, address and phone number.
2. Fill in customer's name, address and phone number.
3. Record Capacity unit number. It may be found on the VIN label.
4. Record the Claim Reference Number.
5. Record unit hours at time of repair.
6. Record "in service" date.
7. Record the date the repair occurred.
8. Record the date you are completing warranty claim form.
9. Identify and describe in detail the problem.
10. Describe repair of the problem identified.
11. Record the actual labor time for repair done.
12. Record the hourly labor rate.
13. Total the repair times and record for accumulated time.
14. List each part number used in the repair.
15. Brief description of the parts used.
16. Record the quantity used.
17. Record the unit cost of the part.
18. Record the extended cost.
19. Add and record total parts cost.
20. Summary:
 - a. Record the total parts cost.
 - b. Determine total labor by multiplying the accumulated time by the repair facility's authorized labor rate per hour and record. (To receive your labor rate, a letter stating your current hourly labor rate and all rates if multiple locations apply along company names, phone numbers and labor rates of two competitors in your area must be on file with Capacity.)
 - c. Record freight charge if applicable.

NOTE: You must sign and date the claim form verifying claims and charges are correct and justified.

CAPACITY WARRANTY - WARRANTY PROCEDURES CONTINUED

VII. RETURN GOODS AUTHORIZATION (RGA) PROCEDURES

Return parts must be properly tagged with

1. Authorization number
2. Date
3. Company returning the parts
4. Hour reading on unit
5. Part number of part
6. Description of failure

Return all parts prepaid to the factory **with the completed warranty claim forms** to:

Capacity
401 Capacity Drive - Warehouse B
Longview, Texas 75604

NOTE: Mis-ordered parts are subject to a 15% restocking fee.

VIII. WARRANTY CLAIM PROCESSING

This section is to inform you of the steps taken to process your warranty claim after you submit it to Capacity.

A. The warranty authorization number must be noted on all warranty claims.

1. Customer returns warranty registration card.
2. Sales Coordinator logs serial number and in service date in "Truck Log" database upon receipt of registration card. Card is also filed in tractor unit file.
3. Should Customer have a failure, they call Capacity for Warranty Claim Reference Number.
4. Warranty Claim Reference Number are detailed in "WARRANTY" database and are numerical.
5. Customer returns parts within thirty (30) days.
6. Parts are received on Returned Goods/Warranty Part Form and logged in Parts database.
7. Warranty processor looks up serial number in "Truck Log" database for in service and warranty registration information.
8. Warranty processor inputs part numbers, parts cost and credit amount, labor hours, time in service, time to submit, freight and tax information on Warranty Claim Form.
9. Warranties for credit are forwarded to accounting for issuance. Customer requiring payment by check must request in writing. Warranty package is forwarded to purchasing for Purchase Order issuance then to accounting for payment.
10. All warranties are recorded in the Warranty database and reported monthly.

CAPACITY WARRANTY - WARRANTY PROCEDURES CONTINUED

IX. WARRANTY CLAIM PROCESSING (CONTINUED)

B. We receive the claim and it is stamped with the date.

C. The claim is then qualified by checking the warranty period, serial number, warranty registration, etc. The warranty clerk also checks the parts pricing, labor rate and allowed on each repair operation. We make adjustments where necessary. If there is any pertinent information missing, **WE WILL RETURN THE WARRANTY CLAIM FORM TO YOU.**

D. We then analyze the complaint and cause.

E. After the claim is qualified and analyzed, the determination of approval or denial is made.

F. Capacity will send out a notification letter that details any adjustments or denial of filed warranty claims. A copy of this letter will be sent along with the payment if a check is requested. If a credit to your Capacity account is the chosen method of reimbursement, a copy of this letter will be sent with the issued credit memo.

X. WARRANTY REQUESTS NOT CONSIDERED

A. Claims will not be considered because of the following:

1. Unit is over twelve (12) months / 3,000 hours for parts & labor.
2. Repair date is thirty (30) days past filing deadline.
3. Warranty Registration Card is not on file.
4. Incomplete information on Warranty Claim Form.

B. Normal maintenance included, but is not limited to lubrication, maintaining fluid levels and proper changing of filters.

C. Travel expenses incurred in making a service call.

D. Towing.

E. Rental replacement expenses.

F. Excessive time or labor rate expense incurred on sublet warranty repairs.

CAPACITY WARRANTY - WARRANTY PROCEDURES CONTINUED

XI. WARRANTY REQUESTS NOT CONSIDERED (CONTINUED)

G. Parts or labor expense when repair is necessitated by:

1. Lack of lubrication
2. Abuse
3. Misuse
4. Modifications
5. Lack of adjustment
6. Improper installation unless installed at Capacity factory
7. Damage due to freezing temperatures on unprotected systems

F. Glass breakage or rock chips in glass are to be covered by customer's insurance after the unit is released from the factory.

G. In-transit damage after release of the unit from the factory is not the responsibility of the manufacturer.

XII. WARRANTY REGISTRATION

The Warranty Registration is printed on a self-addressed postage paid card for you and your customer's convenience. It is required that this registration card be completed and returned within thirty (30) days of delivery of the vehicle. Receipt of the completed registration card activates the warranty and records the sales.

Before any warranty consideration will be given, the Warranty Registration must be completed and on file at Capacity. We suggest that each distributor establish a system of responsibility to see that the warranty registration is properly completed upon the sale of each unit to the retail customer. Following are the instructions for filling out the Warranty Registration Card:

- A. List the Capacity of Texas serial number.
- B. List the date the unit was put in service.
- C. List the full distributor name, address and phone number.
- D. List the full customer name, address and phone number.
- E. List the vehicle identification number.

CAPACITY WARRANTY - WARRANTY EXCLUSIONS

- The printed "standard warranty policy" is the only warranty applicable to Capacity products. Capacity carries a 365 days or 3,000 hour warranty, whichever occurs first. The last six (6) months / 3,000 hours is labor. Numerous parts in a vehicle assembly are warranted by the component manufacturer. Capacity's service department can assist the customer in reaching these component suppliers for service.
- The distributor is well advised to keep a copy of the warranty registration on file at his facility. The customer's acceptance signature is very important.
- An operator's manual is included in the manual package in the tractor at the time of delivery. Any questions concerning safe tractor operations should be answered at that time. Customer should sign Warranty Registration Card at time of delivery.

GENERAL EXCLUSIONS

Warranty coverage will not be provided for the following expenses:

- Repairs made for reasons other than spelled out in the warranty statement.
- Inspections and adjustments required by distributor's pre-delivery inspection.
- Repairs made by parties other than authorized Capacity representatives.
- The product is no longer owned by the original buyer.
- Repairs without having obtained prior approval from Capacity's Customer Service.
- If return parts are not returned within thirty (30) days.
- If warranty claims are not returned with the parts to Capacity within thirty (30) days of completed service.
- Normal maintenance items, i.e., filters, belts, oil, antifreeze, fuel, etc.
- Communication expenses.
- Personal expenses, i.e., hotel, travel, meals, etc.
- Rental units while repair is being completed.
- Towing or expenses in delivering vehicle to service center.
- Travel expenses incurred in making a service call.
- Authorized Representatives must use prudent discretion in obtaining warranty authorization. All repairs will need prior approval. All parts must be returned within thirty (30) days from repair date as they may be required to be shipped to a Capacity vendor for review.
- Warranty repairs made by other agents than a Capacity Authorized Representative will only be allowed if prior approval by Capacity's service department has been granted.

CAPACITY WARRANTY - WARRANTY EXCLUSIONS CONTINUED

- Final approval or denial of warranty claims rests with Customer Service. It is the Authorized Representative's responsibility to include all facts and information on a warranty claim. If after a claim is denied, the Authorized Representative uncovers new information, he has ten (10) days to contact Customer Service at Capacity of Texas with this information. The ten (10) days will be from the date the notifying information is mailed to the Authorized Representative from the factory. After this period expires, the claim is considered closed.
- Warranty claims involving personal injury or property damage should be telephoned into Capacity's Service Department and followed up with a complete written report containing all information and photographs.
- Only Capacity supplied forms are to be used when requesting reimbursement for warranty. Claim forms are available from Customer Service at Capacity.