

ARBOC *Specialty Vehicles*[®]

A NEW FLYER OF AMERICA COMPANY

www.ARBOCsv.com Telephone: 574-825-4880 Fax: 574-825-1755



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ARBOC Specialty Vehicles, LLC.

Service Policy and Procedure Manual

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INTRODUCTION

Welcome to the ARBOC Specialty Vehicles, LLC. (ARBOC) Service Policy and Procedures Manual. The purpose of this publication is to communicate to our dealers the various policies, procedures and processes that represent the benefits of doing business with ARBOC. We are confident you will find that our numerous service offerings clearly establish ARBOC as the true service support leader in the transit bus industry.

We hope you will find this manual to be an informative and useful tool capable of answering whatever questions you may have relative to our service support. Our dedicated staff stands ready to offer whatever support you may need in our mutual quest to provide a positive experience.

The information presented in this manual represents our policies and procedures at the time of publication. Due to ongoing changes and continuous improvement efforts, the policies and procedures presented may change or be modified. ARBOC reserves the right to make changes or modifications at any time without notice.

Please contact ARBOC Specialty Vehicles, LLC Service Operations with any questions and/or suggestions at 1-888-953-5555.

DEALERSHIP RESPONSIBILITIES

The dealer is responsible to operate under the terms of the Dealer Sales Agreement currently in effect, including but not limited to the following specific areas:

- **Facility** – The dealer must maintain adequate facilities for the sale and service of our products sold by that dealership, and to accommodate our customers needing service while in transit. The dealership must maintain days and hours of operation appropriate to the nature of the transit vehicle business, and as may generally be expected for a service-related business in the dealership market area.
- **Tools & Equipment** - The dealer must maintain adequate tools and shop equipment to perform service to our products.
- **Staffing** - The dealer must maintain an adequate staff of qualified and trained personnel (for service and parts) in order to assure the prompt, complete and accurate repair of our product.
- **Training** - The dealer must have an ongoing training program for all staff to assure they possess the skills and knowledge necessary to effectively perform their duties. All repair technicians must be licensed in states where required and certified or in the process of achieving industry certification such as the National Institute for Automotive Service Excellence (ASE) Transit Bus Program.
- **Warranty Administration** - The dealer must comply with all terms and conditions of our written warranty and the policies & procedures contained in this manual. Claims must be submitted within (90) calendar days of repair completion. Claims submitted later than (90) calendar days will be subject to rejection.
- **Customer Service** - The dealer is required to provide courteous, professional service to all customers. We must be notified if more than (2) repair attempts have been made for the same concern or the unit has been in the shop for over one (1) week without completion of the needed repairs.
- **Repair Capabilities** - The dealer is required to assure that their technicians possess the skills and aptitude necessary to perform repairs that reflect quality workmanship completed within reasonable time allowances. Dealers should be capable of performing all types of coach repairs including system repairs (air conditioning, electrical), accessory repair, interior fit/finish repair, and exterior component repairs.
- **Parts Inventory** - The dealer must maintain adequate parts in inventory to provide prompt service for customers. A report of parts purchase usage can be created by Dealer and timeframe in the Dealer Portal.

DEALERSHIP RESPONSIBILITIES

- **Service Files** - The dealer must maintain records of all transactions between the dealership, their service customers, and ARBOC Specialty Vehicles regarding the receipt, storage, maintenance, sale, pre-delivery, delivery, and service. Copies of all transaction documents are to be placed in customer files. Customer unit files are to be arranged in alphabetical order by customer name or in some filing scheme that allows for easy access to information and for review purposes.
- **Transient Owners** - The dealer is expected to provide service for customers of ARBOC products needing service/parts assistance while in transit. Since the need for service will usually occur during product use, the customer may not be close to their selling dealer when a problem shows up. The dealer must accommodate transit customers, especially those with problems that would be a “trip-stopper”, emergency repair, and/or safety issue.
- **Adherence to Policy and Procedure** - The dealership personnel must read, understand, and operate under this Policy & Procedure Manual.

RECEIVING NEW UNITS

It is extremely critical that your dealership thoroughly inspects all ARBOC products at the time of delivery. Equally important is having the inspection performed by a qualified and experienced member of your staff.

Driver & Dealer (D&D) Form - The purpose of the D&D Form is to document any damage to the unit you are receiving and/or any production shortages. It is NOT intended to report quality issues with the unit. This form should be completed and signed by both a dealership representative and delivery driver. Please make sure to include the mileage at time of delivery and damages or shortages should be clearly noted because items not noted will not be available for reimbursement.

- **Dealer Pick-up:** New units that are picked up by a dealer or dealer's carrier at ARBOC must be inspected for damage or shortages prior to accepting the unit. The dealer is providing authorization for transportation and accepting responsibility for the signature by the driver. We will not request a copy of the form returned.
NOTE: Any damages or shortages after driver signature must be addressed with the transportation company.
- **After Hours Delivery:** New units delivered when the dealership is closed must be inspected no later than the next business day.

Unit Damage:

Unit damage includes any damage that occurred during transportation of the unit to your dealership or during the manufacturing process. Each is handled differently, so it is critical that dealership personnel differentiate between the two when inspecting a new unit.

- **Transportation Damage** - Any transportation damage noted at the time of delivery should be clearly spelled out on the D&D Form. Be sure to carefully inspect the exterior caps, sidewalls, undercarriage, roof and all exterior accessories for tears, rips, scratches, breakage, etc. If you find signs of transportation damage you should contact the transportation company for instructions.
- **Production Damage** - Any interior or exterior damage on a new unit that is the result of our production process and will require the replacement of a part or a component must be noted on the D&D. Items such as cut floor material, cut fabric or vinyl, etc. are examples. Minor nicks, scratches, dents or dings should be noted on the D&D and are considered pre-delivery warranty. Submit a pre authorization through the Dealer Portal for repair prior approval.

RECEIVING NEW UNITS

- **Concealed Damage** - Damage to a unit that is discovered after delivery (because of the nature or location of the damage) is considered concealed damage. Contact our Warranty Department within 72 hours of delivery to report any incidences of this kind or they will not be considered for reimbursement.

Shortages:

Inspect all new units at the time of delivery for shortages or missing items. Verify all options billed on the production invoices are present on the unit and verify all loose items (seat belt anchors, etc.) are present. Be sure to open any material boxes and confirm all loose items are enclosed.

- **Missing Loose Materials** - Note the shortage with ARBOC within 72 hours of delivery and file a pre authorization in the Dealer Portal. With a pre authorization approval, order the shorted part(s) from Service Parts and file a warranty claim via the Dealer Portal.
- **Missing Options** - Note any options or items that are billed on the production invoice (as part of an option package or single line option) that are missing from the unit within 72 hours. Dealers can exercise one of the following options:
 - Contact ARBOC Specialty Vehicles Sales 1-866-953-5555 and request a credit for the missing option.
 - Place a warranty pre authorization through the Dealer Portal to add the missing option noted on your inspection sheet. With a pre authorization approval, order the shorted components from Service Parts and file a warranty claim via the Dealer Portal.

VEHICLE REGISTRATION

There are (2) items which must be completed for every unit. Without these items, the vehicle will not have warranty!!!

1. Driver & Dealer (D&D) Form

- a. **Dealer Pick-up (dealer responsible for transportation):** The dealer is providing authorization for transportation and accepting responsibility for the signature by the driver. We will not request a copy of the form returned.
- b. **ARBOC Delivery:** The form will be signed by the transportation company prior to releasing. A dealer signature is required at delivery. The completed and signed forms should be scanned and emailed to the ARBOC Warranty Administrator.

2. Warranty Registration (completed through the Dealer Portal)

- a. In order for the warranty to be activated on a new unit, we must first receive a completed Registration submitted through the Dealer Portal from the selling dealer.
 - i. Note: Dealer Installed Options must be listed on the Registration.
- b. Accessory / Miscellaneous Warranty Registrations - The information packet that comes with every new bus may contain warranty registration cards and/or forms for accessories that are in that specific unit. In most cases, these will be completed by the purchaser and are often times required to be eligible for component manufacturers' warranties. Please be sure to instruct the buyer on the importance of completing and mailing in these documents. Component model and serial numbers can be found in the Dealer Portal and Customer Link.

STORING NEW UNITS

As a dealer, you have the responsibility of assuring that new units in inventory are properly maintained and secured. This is particularly important when units are on display for sale. First impressions by a potential customer often times are based on the appearance of a new unit, it can make or break a new sale. Potential dealer liability for improperly maintained units will also be reduced if the proper procedures are followed relative to new unit maintenance and upkeep.

- **Security**
 - Secure all new units properly from the time they arrive on your lot.
 - Lock and secure all new units on display, units waiting for pre-delivery repair, and units for display preparation.
 - Establish a central control location for access to all keys with proper checkout procedures in place.
 - Provide a well-lit lot for unit storage at night, with appropriate perimeter security.
 - Store electronic equipment (radios, etc.) in a secure location in the dealership whenever possible.
 - Remove and securely store any “loose box” supplied with units in inventory by unit serial number or stock number.
- **Display**
 - Display new units where the opportunity for physical damage is limited.
 - Allow ample space between units to prevent damage from doors when opened.
 - Cover upholstery to protect the materials.
 - Close and latch windows and doors.
 - Turn off the disconnect switch while a unit is on display.
 - Inspect the unit frequently and clean as needed.
- **Cleaning**
 - Clean new units frequently to enhance their appearance.
 - Always use non-abrasive, non-corrosive cleaners on all surfaces.
 - Wash unit exterior frequently to remove environmental pollutants.
 - Remove any soil spots or stains on the interior promptly to prevent permanent damage.
 - Vacuum interior fabrics; remove dust or debris that can accumulate in storage.

STORING NEW UNITS

- **Maintenance** - Dealers are responsible for the maintenance of all new units that are in stock. This includes both unit appearance and system functions. A schedule should be established for the regular inspection and maintenance of all units. Proper inspection and maintenance will help avoid costly repairs that may have to be assumed by the dealership if such procedures are not in place.
 - Frequently inspect all exterior sealant (windows, roof, etc.) to assure proper sealing and the absence of water leaks.
 - Periodically start the engine.
 - Frequently check batteries for proper charge.
 - Make sure all fluid levels are properly maintained.
 - Check wheel lug torque on occasion, especially after frequent test drives.
 - Lubricate moving components such as locks, etc.
 - Make sure all systems are functioning as designed.
 - Periodically clean both the interior and exterior.
 - Perform repairs required per notified Recalls, Technical Service Bulletins (TSB), and other Work Orders in a timely manner. All must be completed prior to delivering a vehicle.

CUSTOMER DELIVERY

Customer satisfaction begins with receiving a new unit that has received a thorough and complete pre-delivery inspection (PDI). It is essential to establishing a positive ownership experience. Your dealership plays a critical role in assuring that our mutual customer receives a unit that is functioning properly and that they understand the operation, performance, and maintenance of their new unit. The various support materials we supply are designed to assist you in attaining our goal of a satisfied and adequately informed customer.

- **Pre-delivery Checklist:** Every unit must have an ARBOC Pre-Delivery completed through the Dealer Portal.
 - NOTE: Simple adjustments or modifications for things such as loose fittings, loose screws, fabric threads, general cleaning, etc. are considered part of the pre-delivery process and are not eligible for warranty reimbursement.**
- **Delivery Walk-Through:** The most critical part of the delivery process is the customer walk-through. This is your best opportunity to assure the customer has a thorough understanding of their new unit. Everything from systems operation, loading and weight distribution, care and maintenance, and warranty coverage should be provided.
- **Customer Link:** A Customer Link should be provided so that they may access:
 - Bus Specific Warranty Statements
 - ARBOC Flat Rate Manual
 - Unit/Serial/VIN nomenclature
 - Components - Contains the Product Information Sheet documenting components, model and serial numbers included on the bus during production.
 - Electrical schematics/routings
 - Parts List - This is the Bill of Materials showing what parts your bus was built with.
 - Items Shipped in Bus - This is a list of items that were shipped loose in your bus when it left ARBOC.
 - Work Orders – ARBOC Work Orders including Recalls will be listed including work instructions and status of Dealer Warranty Claim. We strongly encourage ALL customers to review this section with every Preventative Maintenance to know if work may need completed.

CUSTOMER DELIVERY

- **Recalls/Service Bulletins Completed:** All units must have all recalls/service campaigns completed at the time of issuance and prior to delivery of the vehicle or be subject to government fines.

Repair Authorization / Prior Approval:

Certain repairs done under the terms of the product warranty require prior approval from our Warranty Department before repairs can be started. Each specific repair operation requiring approval will be shown in the Flat Rate Manual provided in the Dealer Portal and Customer Link. The labor operation code in the ARBOC Flat Rate Manual will indicate what parts need returned. All repairs above \$250 require a pre authorization. Please remember to submit a pre authorization before work is completed to consider for warranty payment.

Supporting Documentation:

The dealer must maintain adequate records to document and substantiate all claims for reimbursement under the terms of our warranty. All warranty payments made by ARBOC for warranty repairs are considered tentative and subject to review and audit.

We reserve the right to review all records regarding warranty payments. The dealer is required to make these records available for inspection when requested by us. If such review finds undocumented, unsubstantiated or fraudulent claims and payments, they may be disallowed and charged back to the dealer for repayment to ARBOC Specialty Vehicles.

SERVICE BULLETINS

It is the dealer's responsibility to communicate to their customer(s) when a campaign and/or Work Order has been issued including requirements and labor time.

- Dealers should provide Service Bulletins to a sublet repair facility or complete campaign repairs for any unit from the identified group.
- All campaign repairs must be completed prior to any customer delivery of vehicles.
- In the Customer Link, all ARBOC Work Orders including Recalls will be listed including work instructions and status of Dealer Warranty Claim

Recalls

From time to time, the National Highway Traffic Administration (NHTSA) or Transport Canada will require a manufacturer to recall vehicles that may be suspected of having a safety related defect. The manufacturer, one of our suppliers, or NHTSA can initiate these recalls.

When there is a safety recall that involves ARBOC, the servicing dealer is responsible to make the necessary inspections and repairs, and report the repair completion to us. Recall repairs are reported on a warranty claim in the ARBOC Dealer Portal, which will also generate a payment for the repairs. This claim will assist us in our reporting requirements to NHTSA.

Recall notifications will include:

- Letters notifying the bus owner of the recall, who to contact for inspection or repair, detailed repair instructions, and parts required.
- Recall bulletin to each dealer containing detailed repair instruction, part number(s) required, and other necessary information to complete the recall.
- Work Order issued to the dealer including a claim started for each bus affected. Required part(s) will be directly shipped to the dealer and/or end user at No Charge.

Because of the safety nature of a recall, the dealership must give first priority to getting recall repairs completed. The dealer is required to perform recall repairs on any unit, regardless of where it was purchased. Bus owners are to be strongly encouraged to have recalls completed before any further use on the unit, where such use may result in a safety hazard to anyone. **No unit in dealer inventory is to be sold and/or delivered until the recall repairs are completed.** Any delays in the completion of the recall repairs could result in fines for ARBOC and the dealer involved. NHTSA and

SERVICE BULLETINS

Transport Canada requires recall reports showing completion percentages on a quarterly basis, so prompt dealership recall claim submission is very important.

Technical Service Bulletin (TSB) or Work Instruction (AR)

We may issue a service campaign for units that may require repairs or modifications that are not related to a safety condition. The service campaign bulletin will contain detailed instructions for inspection and repair, parts required, and instructions regarding warranty claim preparation for reimbursement. In many instances, a work order (authorization) will be created for the Dealer.

REIMBURSEMENT POLICIES

As a dealer you are authorized to perform repairs on our products under the terms of the Limited Warranty and under guidelines in this Policy and Procedure Manual. Specific procedures for receiving reimbursement for warranty-covered repairs are found in this and other sections of this manual. These procedures are designed to help you get prompt reimbursement for the labor, parts, and freight used in the performance of warranty related repairs. Claims must be submitted within (90) calendar days of repair completion. Claims submitted later than (90) calendar days will be subject to rejection.

Labor Rate:

Our policy is designed to reimburse our dealers at an approved labor rate, as long as such rate is generally competitive with rates being charged for like services in their market area. The dealer will receive confirmation by email of the labor rate and the effective date of that rate. Considerations in assigning new labor rates are:

- Dealer service facilities
- Technician qualification levels and training
- Required and recommended tools and equipment
- Customer satisfaction reports
- Adherence to our policies and procedures
- Other related indicators of dealer service capabilities and attitudes

Dealers may apply annually for a rate increase if business conditions and competitive pressures have increased the labor rates, technician pay scales, or other costs to justify raising the posted retail labor rate at the dealership. The ARBOC Labor Rate Form can be found on the Announcement page of the Dealer Portal.

No increase will be considered until a year from the last increase. Warranty repairs done after the new effective date can be billed at the new rate. Labor rate increases are not retroactive.

NOTE: Labor Rate Applications should be emailed to ARBOC Warranty Administrator.

Flat Rate / Straight Time

On the Announcement page of the Dealer Portal, Dealers are provided with a Flat Rate Manual containing suggested labor times, job operation codes, and other prerequisites allowed for most warranty repairs. This document is a living document which is updated as needed with information or new items. The dealer will be reimbursed for each repair by the allowed time multiplied by the dealer's authorized labor rate. If this time is

REIMBURSEMENT POLICIES

exceeded, an explanation needs to be documented on the warranty claim in the Remedy section.

Some repairs are impossible to set a flat rate time. These items will be noted as a straight time (ST) repair in the Flat Rate Manual. Upon complete review, Dealers shall be considered for reimbursement for the actual time used to make the repair if:

- The time submitted is reasonable for that repair and actual time is documented on the repair order.
- Technician comments support the ST claimed by detailing exactly why the repair required additional time due to complications relating to component location, poor accessibility, damage, etc.
- Repair completion involved additional procedures.

Sublet Labor

The dealership and/or end-user may decide to have some work performed by another company for certain special repairs, or for work the dealership isn't qualified to do. The customer might also be permitted to do some repairs. The same policies and procedures as labor done by the dealer service department govern reimbursement of sublet work. Parts used for sublet repair are subject to "Must Return Parts" procedures. All sublet work must pass the same "reasonable and customary" test that the dealer work must pass. Prior authorization for sublet work is no longer required for repairs under \$250 except where the flat rate manual dictates. The labor operation code will tell you if prior authorization is required for the repair.

NOTE: If work has already been completed, a claim can be filed directly but is subject to denial without proper documentation and approvals.

Parts Replaced Under Warranty

With the exception of Work Orders provided by ARBOC, all parts used in warranty replacement must be purchased and reimbursed through the warranty claim process. While under ARBOC Warranty, parts purchased elsewhere will void warranty in the area of the repair.

Parts replaced under warranty are subject to return for inspection. The labor operation code in the Flat Rate Manual will indicate what parts need returned. These parts should be accompanied with a Part Return Identification Tag. A copy can be obtained through the Dealer Portal. Please make copies and attach a completed tag to each part return.

REIMBURSEMENT POLICIES

Miscellaneous Charges

Certain charges or expenses incurred in providing warranty repairs can be reimbursed to the dealer including reasonable shipping charges for “Must Return” parts. To be considered for reimbursement, any miscellaneous charges must be included in the same warranty claim as the labor and part is submitted.

Note: Some vendors require a part return but will NOT reimburse freight charges.

Consequential Damages

As provided in the ARBOC Specialty Vehicles LLC Limited Warranty, ARBOC does not cover consequential damages. Consequential damages include, but are not limited to, transportation/towing expenses to deliver the vehicle to the servicing dealer, hotel rooms, lost wages, loss of use of the product, legal expense, loss or damage to personal property, inconvenience, or loss of income. Additional items include postage, telephone bills, service calls to units away from dealer service location, or reimbursement to the bus owner for labor performed on his own transit bus unless specifically contracted and approved by the Warranty Department to do so.

Claim Documentation

We require the dealers submitting warranty claims reasonably substantiate the claims submitted for payment. We shall require the dealer to provide documentation to support the claim for labor, parts, sublet repairs, etc. with the following:

- Complaint, cause and correction of the repair.
 - Problem (Complaint) = what is wrong with the vehicle?
 - Cause = what has caused the problem? (apply labor op code best suited for cause)
 - Remedy (Correction) = what repair(s) were needed to resolve the cause?
- Copies of parts invoices, sublet bills, or freight bills
- Mileage and Engine Hours
- Photos and other claim documentation as requested by our Warranty Department
- Repair start and completion dates
- Claim filed under bus serial number

WARRANTY CLAIM PAYMENT

Payment Cycle

ARBOC Specialty Vehicles makes warranty payments to the dealer on a regular schedule.

Warranty Payment Documents

Dealers will receive the following document with each warranty payment cycle:

- **Warranty Check** - Payment for approved warranty claims processed during the payment period. Warranty Claim information can be found on the stub part of the warranty check or a payment voucher statement can be reviewed in the Dealer Portal.

Warranty Claim Re-submittals

Dealers may resubmit for shortages on warranty claims that are denied for lack of sufficient information, documentation, parts return, etc., with the deficiencies corrected via the Dealer Portal. Photocopies of warranty claims will not be accepted as re-submissions. Dealers must use the following procedures for re-submitting warranty claims.

- Re-submittals of warranty claims must be made within 30 days of payment of the original claim. Claims re-submitted after 30 days are subject to rejection.
- Submit only the repair in question, not the entire claim, and only the difference which was not covered. All required information must be included on the claim. Follow normal claim submission procedures.
- Original Warranty Claim number must be noted and original repair dates must be entered on the new claim.

Warranty Claim Appeals

Dealers may appeal warranty claims adjusted due to unsubstantiated parts and labor charges, incomplete information, etc. Photocopies of warranty claims will not be accepted as appeals. The following procedures are to be used to appeal claims.

- Appeals of warranty claims must be made within 30 days of payment of the original claim. Appeal claims submitted after 30 days are subject to rejection.
- Submit only the repair in question, not the entire claim, and only the difference which was not covered. All required information must be included on the claim. Explanations and descriptions which may substantiate the charges must be included in the claim.
- Original Warranty Claim number must be noted and original repair dates must be entered on the new claim.

WARRANTY CLAIM PAYMENT

- Claims can only be appealed or re-submitted once. The decision made by the Warranty Department of appealed or re-submitted claims will be considered final.

Warranty Claim Statement / Claim Register Reconciliation

Dealers are strongly encouraged to keep a claim register independent of the information provided in the ARBOC Dealer Portal. Upon receipt of each payment cycle Warranty Check, dealer service management must review any adjusted claims. Claims that can be corrected are to be re-submitted through the ARBOC Dealer Portal. Make sure all dealer accounting journals, such as the warranty receivable accounts, are adjusted to reflect true receivable amounts.

Chargebacks

Warranty parts may be charged back to the dealers in the form of an invoice. These include “no charge” parts which were provided as a replacement but the defective part testing shows that the part operates correctly or as designed.

Late Claim Submission

Claims must be submitted within (90) calendar days of repair completion. Claims submitted later than (90) calendar days will be subject to rejection.

LIMITED WARRANTY

The selling dealer is to provide a copy of the specific product warranty document to each potential customer. A copy of the Limited Warranty can be obtained through the Dealer Portal and will be provided to every customer through the Customer Link.

THIS LIMITED WARRANTY COVERS: (i) **ONLY** the original purchaser of a new vehicle manufactured by ARBOC Specialty Vehicles, LLC (ARBOC) (the “Vehicle”); (ii) **ONLY** if the Vehicle was purchased from an authorized ARBOC Dealer (the “Dealer”); and (iii) **ONLY** Defects in workmanship performed and/or materials used to assemble those portions of the Vehicle not excluded below and/or not otherwise covered by separate manufacturer warranties. “Defect” means, as excluded below, the failure of the workmanship performed and/or materials used within the transit vehicle portion as the final stage up-fit and originally built, installed or modified by ARBOC, to conform within the design and manufacturing specifications and tolerances of ARBOC. This Limited Warranty is not transferable beyond the original purchaser. The Original Purchaser must register the Vehicle with ARBOC within 30 days of taking delivery. Failure to properly register the Vehicle will void this limited warranty.

WHAT IS NOT COVERED: (i) accessories and equipment added or changed after the Vehicle leaves ARBOC’s manufacturing facility; (ii) any unauthorized modifications made to the Vehicle outside of the ARBOC final stage up-fit; (iii) accessories and equipment that are working as designed, but which you are unhappy with because of the design, normal wear and usage; (iv) any “distressed” Vehicle (i.e. sold to Dealer “AS IS”, not purchased as new or not sold as new by a Dealer); (v) any Vehicle purchased from an unauthorized Dealer, through auction, through a bank or other financial institution; (vi) any Vehicle transferred beyond the Original Purchaser; (vii) any Vehicle damaged as a result of misuse, neglect, or failure to provide reasonable and necessary maintenance; (viii) any damage caused or exacerbated by unauthorized repair or attempted repair; (ix) any cosmetic flaws, including, but not limited to, scratches, bumps, tears, punctures, misuse, or fading; (x) any damage caused by mold or mildew; (xi) any damage caused by collision, fire, theft, war, terrorism, Acts of God, vandalism, explosions, overloading in excess of rated capacities, off-road use, and odometer tampering; (xii) any Vehicle previously used for promotional purposes; (xiii) the automotive chassis and power train, including, by way of example, the engine, drive-train, steering, ride and handling, braking, wheel balance or alignment, muffler, tire wear or failure, tubes, electrical system, fuel system, brake system, batteries and gauges; electrical systems unrelated; (xiv) any damage caused by the environment, including chemical off-gassing, pollutants, salt, tree sap, and hail; (xv) any Vehicle registered and/or used outside of the United States or Canada; and (xvi) any routine maintenance items such as front-end alignments, ride height, torque specifications, tire rotations, filters, belts, fluids, or other operational parts and supplies, service calls and procedures, such as adjustments to doors and ramps which are part of normal, routine maintenance.

LIMITED WARRANTY

Please see the ARBOC Limited Warranty Statements for specifics, but below is an overview of coverage:

ARBOC Standard Warranty Coverage	Years	Miles	Kilometers	Coverage	Contact
<i>Spirit of Freedom</i> <i>Spirit of Mobility</i> <i>Spirit of Independence</i> <i>Spirit of Liberty</i> <i>Spiriti of America</i>	3	50,000	80,000	Parts & Labor	ARBOC
<i>Spirit of Equess</i>	3	75,000	120,700	Parts & Labor	ARBOC
ARBOC Structural Warranty Coverage	Years	Miles	Kilometers	Coverage	Contact
<i>Spirit of Freedom</i> <i>Spirit of Mobility</i> <i>Spirit of Independence</i> <i>Spirit of Liberty</i> <i>Spiriti of America</i>	5	100,000	160,000	Parts & Labor	ARBOC
<i>Spirit of Equess</i>	7	250,000	402,336	Parts & Labor	ARBOC
Powertrain Warranty Coverage	Years	Miles	Kilometers	Coverage	Contact
<i>Spirit of Freedom</i> <i>Spirit of Mobility</i> <i>Spirit of Independence</i> <i>Spirit of Liberty</i> <i>Spiriti of America</i>	See Chassis Manufacturer for Warranty Coverage				
<i>Spirit of Equess</i>	7	250,000	402,336	Parts & Labor	ARBOC
Manufactured Supplied Coverage	Years	Miles	Kilometers	Coverage	Contact
<i>Spirit of Freedom</i> <i>Spirit of Mobility</i> <i>Spirit of Independence</i> <i>Spirit of Liberty</i> <i>Spirit of America</i> <i>Spirit of Equess</i>	The optional accessories and/or components covered by separate manufacturer warranties and originally installed by ARBOC including, but not limited to electronic components (alternators, batteries, TVs, radios, PA systems, destination signs, camera systems), air conditioning/heating (not related to chassis system), paint, wheelchair ramps, safety equipment, and seating equipment. Warranty terms on these items will be subject to separate manufacturer warranties and may be administrated separately by the component manufacturer.				

NOTE: Customer supplied parts will not include Warranty Coverage. ARBOC will only provide warranty against installation failure for 6 months/10,000 miles.

DEALERSHIP AGREEMENT

You are required to have a current, signed Sales Agreement on record with ARBOC Specialty Vehicles in order to be an Authorized Dealer. This agreement is your authorization to perform warranty repairs on behalf of us. All terms, conditions and requirements necessary to become an Authorized Dealer are contained within this agreement.

Dealership		DBA	
Address	Phone	Fed. ID #	
City/State/Zip	Fax	Retail Lic. #	
Dealer Principal	Email		

This Agreement is entered into between the above Dealership (“Dealer”) and ARBOC Specialty Vehicles, LLC (ARBOC). Without any other obligation of initial costs, fees or profit participation, ARBOC appoints Dealer as an “Authorized Independent ARBOC Sales Center” to sell and, to the extent of Dealer’s capabilities, provide warranty service to the Product.

TERMS AND CONDITIONS

1. Location.

- (a) Dealer will sell Products from the location specified above and within the assigned territory, which will be maintained in a clean, presentable, business-like condition. Products can only be sold within the defined territory and dealer can be cancelled if product is sold outside of territory without written permission from ARBOC.
- (b) The authorization to sell ARBOC product through this location shall expire upon notice of termination or termination of this Agreement (whichever first occurs).
- (c) Continued authorization to sell each Line of Product is conditioned upon Dealer meeting the Minimum Inventory requirement per the attached Sales Addendum “A”.
- (d) ARBOC may discontinue or modify any Product at any time without notice or obligation.

2. Promotion & Advertising.

- (a) Dealer agrees to actively advertise and promote the Product. Upon request from ARBOC, Dealer will discontinue any advertising or promotion that ARBOC reasonably believes may be injurious to ARBOC’s business or reputation or to the public or if it tends to be misleading or deceptive.

DEALERSHIP AGREEMENT

3. Floorplan Financing, Purchase & Payment.
 - (a) Dealer agrees to maintain adequate wholesale floorplan funding to accommodate the required Minimum Inventory, per the attached Sales Addendum;
 - (b) Placement of an order by Dealer constitutes acceptance of this Agreement and these terms and conditions of sale. Any other terms and conditions contained in an order are hereby rejected unless accepted in writing by an authorized representative of ARBOC. All orders received from Dealer are subject to acceptance by ARBOC. ARBOC's acceptance will be signified by an order confirmation, after which, orders may not be cancelled and Dealer agrees to take delivery as soon as the Product is produced.
 - (c) All purchases will be at prices in effect at the time of shipment.
 - (d) Dealer will pay ARBOC for the Product on or before delivery, in cash or as arranged between Dealer's wholesale lending source and ARBOC's Credit Department.
 - (e) Dealer will fully comply with ARBOC's credit policies.
 - (f) All sales are FOB shipping point, subject to freight cost adjustment in accordance with ARBOC's policies. Dealer will choose to pick up or instruct to ship.
 - (g) ARBOC shall not be responsible for either Dealer's temporary inability to sell or interest carrying charges on Product for any reason.
4. Warranty Labor Rate. ARBOC will only reimburse Dealer for authorized Warranty repairs performed by Dealer at a reasonable hourly labor rate as set forth in the initial application process and as approved by ARBOC from time to time. Dealer agrees to adhere to stated procedures for claiming all Warranty labor.
5. Warranty Parts Allowance. ARBOC will provide warranty parts for covered repairs at No Charge to the dealer. Specific details are included in the Policy and Procedures Manual.
6. Warranty Administration and Customer Service Requirements.

Dealer agrees to fully comply with the terms and conditions of ARBOC's written limited warranty ("Warranty") and ARBOC's Policy and Procedure Manuals, including all customer service requirements stated therein. The Warranty is the only warranty made by ARBOC or covered by this Agreement, and Dealer will not and does not have authority to make any other promises or warranties on behalf of ARBOC. Failure to comply with the provisions of the manual will constitute a breach of this Agreement and entitles ARBOC to deny any related claims.
7. Parts.
 - (a) Dealer agrees that all parts purchases will be made by credit card.
 - (b) All purchases will be at prices in effect at the time of shipment.

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8. Insurance. Dealer will maintain at its expense with an acceptable insurer and provide ARBOC a certificate of garage coverage insurance in an amount of at least \$1,000,000 per claim and \$2,000,000 per year aggregate, and such other insurance in such minimum amounts as ARBOC may reasonably require from time to time.
9. Trademarks. Dealer may use ARBOC trademarks, trade names, service marks and logos ("Trademarks") only as specifically authorized by ARBOC in writing. Dealer may distribute ARBOC literature concerning the Product bearing the Trademarks. Dealer will not obtain or attempt to obtain any right, title or interest in or to the Trademarks. All use of the Trademarks shall inure to the benefit of ARBOC. Dealer may not use any Trademarks in Dealer's business, corporate or trade name. Upon termination of this Agreement, Dealer will immediately discontinue the use of any and all Trademarks, and anything confusingly similar to any of them.
10. Succession. The principal owner of Dealer ("Principal") may designate in writing a member of the Principal's immediate family (spouse, child, spouse of a child, grandchild, sibling or parent) as the successor to this Agreement in the event of the death, incapacity or retirement of Principal ("Successor"). ARBOC will honor this designation, upon at least 30 days written notice before the proposed succession, and provided that at the time of the proposed succession the Successor: agrees in writing to be bound by this Agreement (or, at ARBOC's option, the then current version of ARBOC Sales Agreement and Addenda); has been active in the management of the Dealership for a least two (2) years; has not been convicted of a felony and can obtain all the licenses necessary to operate the Dealership or Dealer; and demonstrates to ARBOC's reasonable satisfaction adequate financial means to maintain the business at its present location. ARBOC will notify Dealer and Successor of any objections to the succession within said 30 day period.
11. Transfer. If Dealer desires to make a change in its ownership or the community of interest in this dealership by the sale of the business assets, stock transfer or otherwise, Dealer must give ARBOC at least 30 days written notice prior to the closing, including all supporting documentation as may be required by ARBOC. ARBOC may not disapprove such change except based upon reasonable criteria, such as the prospective transferee's business experience, moral character, financial qualifications and any criminal record. Inadequate capitalization, prior bankruptcy, a felony conviction, failure to sign and agree to this Agreement, lack of any required license to operate the dealership or less than two (2) years active experience in managing a dealership shall conclusively be grounds for withholding approval. If ARBOC rejects a proposed change or sale, ARBOC shall give written notice of its reasons to the Dealer within 30 days after receipt of the Dealer notification and complete documentation. If no such notice is given to the Dealer, the change or sale shall be deemed approved. The Dealer shall have the burden in showing that the stated reasons for ARBOC's rejection of the transfer or sale are unreasonable. Any attempt to transfer without the requisite consent of ARBOC shall be a material breach of this Agreement and shall be void.

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12. Termination.

- (a) By Dealer: Dealer may terminate this Agreement for any reason, upon 30 days written notice to ARBOC.
- (b) By ARBOC: In the event of (i) Dealer's failure to comply with the provisions of this agreement; (ii) failure to meet Annual Purchase Objectives; (iii) excessive customer complaints regarding Dealer's business practices or performance; (iv) Dealer's failure to comply with any of ARBOC's policies or procedures; (v) the extended absence, retirement, death or physical or mental incapacity of any principal active owner or manager of the Dealership; or (vi) any other good cause, ARBOC may terminate this Agreement by providing written notice to the Dealer, as the case may be. This Agreement shall terminate 30 days from the date of ARBOC's notice unless Dealer delivers to ARBOC within said 30-day period a written statement of intent to cure all claimed deficiencies, in which event Dealer shall have 90 days from the date of ARBOC's notice to cure all claimed deficiencies to ARBOC's reasonable satisfaction. If all claimed deficiencies are so cured within said period, then ARBOC's notice of termination shall be deemed to be withdrawn and of no further effect. Additionally, if Dealer fails to stock any units of the Product Line, or does not purchase any units of the Product Line in a 6-month period, then Dealer's authority and right to sell those Lines shall automatically terminate without prior notice.
- (c) By Either Party: Notwithstanding Sections 12(a) and 12(b), either party may terminate this Agreement immediately upon written notice to the other in the event of: (i) the material falsification of any document or the making of any material misrepresentation related to any transaction pertaining to this Agreement; (ii) the violation of any law that impairs Dealer's ability to conduct business or otherwise properly represent ARBOC or its Products; (iii) the insolvency, bankruptcy, assignment for the benefit of creditors, or other financial difficulty of the other party that the terminating party reasonably believes may impair the other party's ability to fulfill its obligations hereunder; (iv) the closure of the Dealership for 10 or more consecutive business days, unless due to an Act of God, strike or labor difficulty; (v) the abandonment of the Dealership; (vi) the adoption or interpretation of any law, rule or regulation that nullifies any provision of this Agreement or changes the conditions under which the parties entered into this Agreement; (vii) the suspension, loss or revocation of any license by the other party necessary to conduct business under this Agreement; (viii) the conviction of or plea of nolo contendere to a felony by the other party or a member of its senior management; or (ix) the material breach by the other party of any term or condition of these Terms and Conditions (other than as specified in 12(b) above).
- (d) All of the above stated grounds for termination are stipulated by the parties to be good cause.

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- (e) Termination by either party will immediately cancel all unshipped orders. The termination will not be nullified if ARBOC subsequently agrees to ship Products or parts to prevent a hardship on a retail customer.
- (f) If these Terms and Conditions are not renewed or are terminated for any reason, neither party shall be entitled to any compensation or reimbursement for loss of prospective profits, anticipated sales except as provided in therein.
- 13. Indemnity. Each party to this Agreement shall indemnify the other against any losses or damages, to the extent such losses or damages are caused by its (or its employee's) negligence or willful misconduct, or would constitute a breach duty under this Agreement. The party seeking indemnity shall timely notify the other of any circumstances that come within this Section, and within 10 days of receipt provide copies of any written demand or any complaint in any legal proceeding against which such indemnity is sought.
- 14. Relationship of the Parties. Dealer is an independent contractor. Neither of these Terms and Conditions create a partnership, an agency or a franchise, and neither party will be liable for the debts or obligations of the other. Neither party has authority to create any obligation or responsibility on behalf of or in the name of the other party. Further, the parties acknowledge that this agreement does not establish a franchise agreement or relationship.
- 15. Entire Agreement. These Terms and Conditions, as modified from time to time, constitute the entire agreement between the parties, and except as otherwise provided in these Terms and Conditions, any other agreement, statement or promise will not be binding unless executed in writing by Dealer and by the President of ARBOC, and attached to this Agreement. A waiver of any provision of the Agreement does not constitute a waiver of any other provisions, nor will any waiver constitute a continuing waiver.
- 16. Assignment. This Agreement is in the nature of a personal services contract of Dealer and may not be assigned without the prior written consent of ARBOC, which may be refused for any reason. Any attempt to assign this Agreement without such consent shall be a material breach of this Agreement and shall be void.
- 17. Governing Law. This Agreement will be governed by the laws of Indiana.
- 18. Disputes. Except in cases involving claims of personal injury, in case of any dispute involving a customer or arising out of or connected with a sale of Product made by or any service or repairs performed by Dealer, Dealer hereby agrees to participate in, submit to and be bound by any alternative dispute resolution mechanism selected by ARBOC to the same extent as ARBOC, whether it is mediation, arbitration or some other mechanism, and whether or not it is binding on the customer. If the parties cannot agree upon an arbitrator, the matter shall be submitted to the American Arbitration Association for administration of the claim(s) in accordance with the rules of this agreement.

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By signing below, or by ordering Authorized Product, the Parties agree to the above Terms and Conditions. **This Agreement will be effective upon the date signed by the President of ARBOC** and will continue for one (1) year from the effective date or until a new or replacement agreement is offered by ARBOC, whichever occurs first.