

Lift Shield Lift Truck Service Contract Terms and Conditions

Issued by
Heavy Equipment Service Contract/Warranty Risk Purchasing Inc.

DEFINITIONS

- Administrator** means Glynn General Corporation the Company appointed by **US** to administer the **CONTRACT**. The administrator has no liability to **YOU**.
- Contract** refers to this **Lift Truck Service Contract** which **You** purchased from **Us** to protect **Your Lift Truck**.
- Coverage** refers to the component protection **You** have chosen, as shown on the Application.
- Deductible** refers to the **Deductible** type and amount **You** will need to pay as stated in this contract.
- Failure** means the actual breaking or electronic failure of any covered part of the covered **Lift Truck** while in ordinary use arising from faults attributable to manufacturing defects in workmanship or materials in such **Lift Truck** causing sudden stoppage of the functions thereof and necessitating repair before it can resume operation.
- Terms** refers to this document including the application which becomes part of this **Contract**. It gives information about **You, Your Lift Truck, Coverage** chosen and other significant data.
- We, Us, Our** refers to the entity who is obligated to perform under this **Contract**, as indicated on the **Contract Certificate**.
- Dealer** the entity from whom **You** (buyer) bought the Forklift and through whom this agreement was sold.
- You, Your** refers to the **Contract** holder named on the Certificate or the person to whom this **Contract** was properly transferred.
- Lift Truck** refers to the **Lift Truck** which is described on the Certificate, which cannot be used for rental or for-hire purposes.

TERMS AND CONDITIONS

The following represents the Coverages, Benefits, Cancellations, What to do in the Event of a **Failure** and Exclusions of **Your Lift Truck Service Contract**. If **You** do not receive **Your Certificate** within 60 days, phone us at 1-800-655-9499. This document is an Application for the Lift Truck Service **Contract** and does not constitute a **Contract** until accepted by **Administrator**.

1. CONTRACT PERIOD:

- a) A **New Lift Truck Contract Coverage** begins at the expiration of the manufacturer's warranty and expiration is measured in time/hours from the **Contract** Purchase Date and zero (0) hours. The contract period will be 4 years or 5,000 hours, which ever occurs first.
- b) A **Used Lift Truck Contract Coverage** will take effect 60 days after **Contract** purchase date and will expire according to the time or hours whichever occurs first, as shown on the Certificate. The Used **Lift Truck** plan expiration is measured from the **Contract** Purchase Date and the hour meter at **Contract** Purchase Date.

2. TERRITORY: This **Contract** is limited to **Failures** which occur, and repairs that are made, within the United States of America, Canada and Mexico.

3. LIMIT OF LIABILITY

Limit shall be limited to the reasonable price for repair or replacement of any covered part; not to exceed the manufacturer's suggested retail price. The "Reasonable Price" for repair or replacement is based upon nationally recognized flat rate and/or factory manuals. Labor reimbursement will be based on the dealer's suggested list price for shop labor. This contract does not consider field labor rates or overtime labor rates. Replacement may be made with parts of like kind and quality, when available. If any parts are found to be unprocurable, OUR liability shall be limited to the manufacturer's or supplier's latest manufacturer's suggested retail price thereon. The intent of this extended warranty is not to restore the product to a like-new condition, but rather to restore the product to its operating condition just prior to the extended warranty covered failure. All repairs must be performed by a manufacturer authorized Dealer. The Aggregate limit of liability for each Service Contract shall not exceed 50% of the price used to compute the premium related to the extended warranty **You** purchased for your **Lift Truck**.

4. **OUR RIGHT TO RECOVERY:** If **We** pay anything under this **Contract** and **You** have a right to recover from another party, **Your** rights will become **Our** rights up to the amount **We** paid. **You** will do whatever is necessary to enable **Us** to enforce these rights.
5. **TRANSFER RIGHTS:** This **Contract** is for the benefit of the original **Contract** holder and is transferable subject to a transfer fee and inspection providing:
 - a) Proof of transfer of the remaining manufacturer's warranty is provided, if applicable.
 - b) **Contract** is being transferred to a subsequent private purchaser of **Your Lift Truck**. (Transfer rights are voided when **Lift Truck** is either traded, sold or put on consignment to an individual or entity engaged in the wholesale or retail sale, leasing or rental of **Lift Trucks**.)

You must submit the following:

 - a) Transfer application (Available from **Administrator**).
 - b) Bill of sale showing sale date and hours at time of sale.
 - c) \$50.00 Transfer fee made payable to the **Administrator** within thirty (30) days of the transfer of **Lift Truck** ownership.
6. **MAINTENANCE REQUIREMENTS:** **You** must enroll **Your Lift Truck** in the dealer's periodic maintenance program and only allow the dealer you purchased the lift truck from to perform maintenance on Your Lift Truck. **You** must maintain **Your Lift Truck** according to the manufacturer's schedule of preventative maintenance, maintenance records verifying that proper maintenance has been performed must be made available upon request. **You** must be sure only the proper grade of lubricants and coolants, as recommended by the manufacturer, are used in **Your Lift Truck**. It is necessary for **You** to retain verifiable receipts for all parts and materials necessary to perform the required maintenance. If necessary, this documentation will be verified by the **Administrator**.
7. **DEDUCTIBLE:** In the event of a **Failure** covered by this **Contract**, **You** will be required to pay a \$100.00 **Deductible**. Should a covered **Failure** require more than one visit to repair, only one **Deductible** will apply to that **Failure**.
8. **CONTRACT INSURED BY:** **You** are reminded that this **Contract** is not an insurance policy. However, **We** have an insurance policy in effect with Lloyds of London to guarantee payment of claims.
9. **ARBITRATION:** Any controversy or claim arising out of or relating to this **Contract**, or breach thereof, will be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. A judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The parties specifically agree to the binding nature of the arbitration. All arbitration will be held in Brunswick Georgia.

Eligibility – Used Forklifts

1 Year program – Lift Trucks With Less Than 7,000 Hours and 6 Years Of the Current Model Year.

2 Year Program – Forklifts with less than 5,000 hours and 5 years of the Current Model Year.

COVERAGE

The components listed below are covered by **Contract**. Components not listed are not covered.

Electric Forklifts

1. Motors (except brushes), Motor Driven Pumps and Valves.
2. SCR Solid State components, Sequence Control Cards, Contactors (except contact tips and switches) Systems Card or Vehicle Manager, Vehicle Function Controller(s), Coil Driver Cars(s), Power Card, Drive Manager and Carriage Manager.
3. Truck Frame, Masts, Carriages, Castings and Drive Unit Gears.

Internal Combustion Forklift

1. Engine

Engine Assembly Basic - Block, Long Block, Flywheel Clutch, Output drive assembly, Transaxle.

Engine Accessory/Gears/Pulleys - Engine output transfer gears, Timing/Accessory gears, Accessory drive, Crankshaft gear, Crankshaft damper pulley.

Camshaft - Camshaft (overhead), Bearing (overhead), Housing assembly, (overhead), Camshaft internal block, Camshaft bearing (internal block), Roller follower /valve lifter, Camshaft gear, Distributor gear, sprocket spacer, Autolash adjuster.

Front & Rear Covers - Front cover housing, Flywheel housing, Timing gear cover, Timing gear housing, Sidecover, Rear plate.

Crankshaft - Crankshaft, Main bearing, Main & Rod bearings, Gear, Damper pulley, Thrust plate, Cylinder block main bearing bores.

Flywheel - Housing, Pilot bearing.

Cylinder Head Assembly - Cylinder head (bare), Pre-chamber nozzle adapter.

Lubrication System - Oil pump, Oil pump drive, Oil filter housing base, Turbocharger lubrication valve, Engine oil cooler bypass valve, Engine oil pressure relief valve.

Piston Group - Piston, Pin, Liner, Cylinder liner, Push rod, Connecting rod, Connecting rod bearing, Connecting rod bushing.

Timing System - Timing gear housing, Timing gear cover, Timing accessory gears.

Valve Mechanism - Intake/Exhaust valve, Valve cover/Rocker cover, Valve mechanism, Valve Seat/Insert Valve guide, Valve spring, Valve Lifter/Camshaft follower (overhead), Rocker Arm, Rocker assembly, Valve rocker adjusting screw, Rocker arm bushing/bearing.

2. Transmission

Powertrain- Transmissions - Housing, Torque Converter/Divider, Input and Output Shaft, Gears, and Sub Plates/Valve Plate, Differential Unit, Axle, Assembly Overhaul, Transmission Case, Shaft, Thrust Disc/Plate, Planetary, Planet Carrier, Hydraulic Control, Pilot Boss/Flange, Governor, Oil Filler.

Hydrostatic Transmission - Flow control, Variable Displacement Pump, Charge Pump, Servo Control Valve, Main Control Valve, High Pressure Relief Valve, Input Shaft, Output Shaft, Charge & Main Relief Valve.

Transmission Valve Group - Manual Selector Valve, Control Valve/ Neutralizer Valve, Lubrication Relief Valve.

Transmission Electric Group - Shift Solenoid/ Transmission Solenoid.

Torque Converter Group - Converter, Converter Housing, Converter Pump, Flange, Stator shaft, Turbine Wheel, Flex Plate, Relief Valve, Impeller, Carrier, Hub.

3. Drive Line/Drive Axle

Axle Housing Group - Shaft, Trans Axle, Housing Assembly.

Bevel Gear / Shaft Group - Gear/Shaft, Shaft Bearing, Gear Case.

Differential - Case, Carrier /Thrust Washers, Lock Cylinder, Lock, Double Reduction Differential, Planetary Ring Gear and Pinion, Jack Shaft, Bearings, Housing, Axles, Spider Gears, Carriage.

Final Drive: Drive Hub, Drive Gear, Drive Pinion, Planetary Final Drive Carrier, Final Drive Planetary Carrier Thrust Surface, Pinion Housing, Pinion Drive, Line/Shaft, Drive Axle Hub/Gear Assembly.

4. Brakes - Brake lines, Linkage, Backing Plates.

5. Steering System - Steering wheel, Column, Pitman Arm, Drag Link, Bell Crank, Knuckles, Tie-Rods, King Pins, Axle Beam.

6. Electrical System - Drive Motors, Power Steering Motors, Aux Motors, Hydraulic Pump Motors.

7. Frame - Overhead Guard, Counter Weight, Frame Assembly, Hood Assembly, Grill, Integral Fuel and Hydraulic tanks.

8. Mast - Channels and Carriage.

WHAT TO DO IN THE EVENT OF A FAILURE

1. Prevent Further Damage - **You** should use all reasonable means and precautions to protect **Your Lift Truck** from further damage. This **Contract** will not cover damage caused by not securing a timely repair of the failed component.
2. Take **Your Lift Truck** to your Dealer - If **Your Lift Truck** breaks down, return to the Issuing Dealer during normal service department hours. If this is not possible contact **Your Dealer** for assistance.
3. Instruct the Dealer that they must obtain an authorization number from **Administrator** by calling Glynn General 800-541-8585 prior to proceeding with repairs. The amount so authorized is the maximum that will be paid. Any additional amounts need prior approval.
4. In some cases, **You** may be required to authorize the Dealer to inspect or tear down **Your Lift Truck** to determine the cause and cost of the repair. **You** will be responsible for these charges if **Failure** is not covered by this **Contract**. **We** reserve the right to require an inspection of **Your Lift Truck** prior to any repair being performed.
5. After **Administrator** has been contacted, review with the Dealer components that will be covered by this **Contract**.
6. **Administrator** will reimburse the Dealer or **You** for the cost of authorized repairs performed on **Your Lift Truck**, less any applicable **Deductible**. All repair orders and necessary documentation must be submitted to **Administrator** within thirty (30) days to qualify for payment.

CANCELLATION

This CONTRACT is non-cancelable, except by the ADMINISTRATOR in the first sixty (60) days, should the EQUIPMENT not meet underwriting guidelines. In such a case, YOU will receive a full refund of the CONTRACT charge from US.

EXCLUSIONS

Parts not listed are not covered. This Lift Truck Service Contract Provides NO Coverage or Benefits for the following:

- A. ANY FAILURE RESULTING FROM **WEAR AND TEAR, COLLISION, INTERNAL OR EXTERNAL FIRE; THEFT; VANDALISM; RIOT; EXPLOSION; LIGHTNING; EARTHQUAKE; FREEZING; RUST OR CORROSION; WINDSTORM; HAIL; WATER OR FLOOD; ACTS OF GOD; SALT; ENVIRONMENTAL DAMAGE; CONTAMINATION OR LOSS OF FLUIDS, FUELS, COOLANTS OR LUBRICANTS.**
- B. ANY FAILURE CAUSED BY **MISUSE; ABUSE; NEGLIGENCE; LACK OF NORMAL MAINTENANCE REQUIRED BY THE MAINTENANCE SCHEDULE FOR YOUR LIFT TRUCK; IMPROPER SERVICING BY YOU AFTER THE EFFECTIVE DATE OF THIS CONTRACT; SLUDGE BUILD-UP OR NOT MAINTAINING PROPER LEVELS OF LUBRICANTS AND/OR COOLANTS; OR NOT PROTECTING THE LIFT TRUCK FROM FURTHER DAMAGE WHEN A FAILURE HAS OCCURRED.**

- C. ANY REPAIR OR REPLACEMENT OF A COVERED PART IF A FAILURE HAS NOT OCCURRED OR IF THE WEAR ON THAT PART HAS NOT EXCEEDED THE FIELD TOLERANCES PERMITTED BY THE MANUFACTURER.
- D. IF ANY ALTERATIONS HAVE BEEN MADE TO YOUR LIFT TRUCK OR YOU ARE USING, OR HAVE USED, YOUR LIFT TRUCK IN A MANNER NOT RECOMMENDED BY THE MANUFACTURER.
- E. IF YOUR HOUR METER HAS CEASED TO WORK AND REPAIRS HAVE NOT BEEN IMMEDIATELY MADE; THE HOUR METER HAS BEEN ALTERED IN ANY WAY SUBSEQUENT TO PURCHASE; OR IF LIFT TRUCK'S TRUE HOURS CANNOT BE DETERMINED.
- F. ANY LIABILITY FOR PROPERTY DAMAGE, OR FOR INJURY TO OR DEATH OF ANY PERSONS ARISING OUT OF THE OPERATION, MAINTENANCE OR USE OF YOUR LIFT TRUCK, WHETHER OR NOT RELATED TO THE PARTS COVERED. LOSS OF TIME, PROFIT, INCONVENIENCE, OR ANY OTHER LOSS THAT RESULTS FROM A FAILURE.
- G. REPAIRS TO SEIZED OR DAMAGED MOTORS DUE TO CONTINUED OPERATION WITHOUT SUFFICIENT LUBRICANTS. YOU ARE RESPONSIBLE FOR MAKING CERTAIN THAT THE FLUID AND TEMPERATURE WARNING LIGHTS/GAUGES ARE FUNCTIONING PROPERLY.
- H. WHEN RESPONSIBILITY FOR A REPAIR IS COVERED BY AN INSURANCE POLICY; WARRANTY FROM THE MANUFACTURER INCLUDING EXTENDED DRIVE TRAIN, MAJOR COMPONENT OR FULL COVERAGE WARRANTIES; A REPAIRER'S GUARANTEE/WARRANTY; OR FAILURES FOR WHICH THE MANUFACTURER HAS ANNOUNCED ITS RESPONSIBILITY THROUGH ANY MEANS, INCLUDING RECALL CAMPAIGNS AND FACTORY SERVICE BULLETINS.
- I. ANY FAILURE OCCURRING PRIOR TO THE CONTRACT PURCHASE DATE, OR IF INFORMATION PROVIDED BY YOU OR A DEALER CANNOT BE VERIFIED AS ACCURATE OR IS FOUND TO BE DECEPTIVELY INACCURATE.
- J. ANY FAILURE OCCURRING OUTSIDE OF THE UNITED STATES OF AMERICA OR CANADA.
- K. ANY EQUIPMENT USED IN A FREEZER, WET, CORROSIVE OR BRINE ENVIRONMENT.

SPECIAL STATE REQUIREMENTS/DISCLOSURES

Terms of **Contract** Conformed to Statute - Terms of this **Contract** which are in conflict with the statutes of the state in which this **Contract** was purchased or the state in which **You** reside are hereby amended to conform to the minimum standards of those statutes.

NOTICE: **You** are reminded that this **Contract** is not an insurance policy. However, **We** have an insurance policy in effect with Certain Underwrites at Lloyd's of London.

**ADMINSTRATOR
GLYNN GENERAL COROPOATION**

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