

Stellar Industries, Inc. Agreement
Addendum #6--- Distributor Warranty Procedures

Payment by Stellar for warranty service performed by an authorized Stellar Distributor or other person authorized by Stellar Industries, Inc. will be made through the processing of a Warranty Claim.

Only genuine Stellar provided, or authorized, parts shall be used in performing warranty service on Stellar equipment. There will be no compensation to the Distributor for service, parts, or labor, if other than genuine Stellar, or Stellar approved, parts are used in performing this service. Credit for parts required in performing warranty service, will be computed on the basis of the Distributor's net price, or Stellar will re-supply Distributor's inventory for those parts used in performing said warranty.

Parts ordered from Stellar Industries for warranty claims will be shipped against a distributor-issued purchase order at distributor net pricing. These parts will be billed to the ordering distributor and will be treated as an account receivable until the failed part is returned to Stellar. All failed parts must be sent back to Stellar Industries, Inc. **freight prepaid**. Freight C.O.D. shipments will not be allowed.

Credit for labor required to perform warranty service other than at Distributor's regular repair facility will be the Distributor's warranty labor rate, previously registered with Stellar, plus 10% in addition thereto as a "service-credit allowance." Such service-credit allowance is intended to compensate the Distributor for expenses, such as: diagnostic time, oil, grease, telephone charges, mileage, and trucking charges which may not otherwise be recoverable.

Each Distributor must file with the Stellar Service Department the retail labor rate used in charging customers for service. Use Stellar Addendum # 2 to file your warranty labor rate.

Diagnostic time is not a part of Stellar allowances unless so stated. Time spent in diagnosis is not controllable by Stellar. Distributors shall use only qualified personnel and adequate testing equipment in diagnosing equipment difficulties. Field-service calls to determine whether warranty service is required are at the owner's expense.

If overtime labor to accomplish the required warranty service is requested by the purchaser, he shall pay the expense of such overtime. Only regular warranty labor rates as provided for herein will be paid by Stellar.

Stellar warranty to the purchaser states that "The purchaser shall pay any premium for overtime labor requested by the purchaser, any charges for making service calls and for transporting the equipment to the place where the warranty work is performed."

Standard adjustment and inspection of new equipment in preparation for delivery to the customer is considered the normal responsibility of the Distributor and charges for that labor will not be considered as a warranty claim.

If service performed under warranty does not repair equipment satisfactorily due to improper diagnosis or poor workmanship, the Distributor remains obligated for subsequent repair, but will not be paid by Stellar for such repeat or rework.

The Stellar Warranty will not apply to any units or parts repaired or altered in any way without receiving prior authority from Stellar.