

TERMS & CONDITIONS OF SALES

Goods and services sold by NANCHANG HISEN INDUSTRIAL CO.,LTD. ("Seller") are expressly subjected to TERMS AND CONDITIONS set forth below. Any different or additional TERMS OR CONDITIONS in Buyer's purchase order or similar communication are objected to and shall not be binding on the Seller unless agreed to in writing by the Seller's authorized signature. Buyer's acceptance of shipment or performance and/or payment for the goods or services constitutes acceptance of the Seller's TERMS AND CONDITIONS.

1. QUOTATIONS SUBJECT TO CHANGE: All quotations are subject to change due to fluctuations in the price and/or availability of any material and/or labor charges. Quotations are based on manufacturing in one lot and one time of all quantity which has been quoted. In the event that partial shipments are made and/or the goods are manufactured in more than one lot, the Seller reserves the right to adjust its price accordingly.

2. ORDER ACCEPTANCE: Buyer's order must be documented by this Terms and Conditions, signed Proposal, signed Purchase Order, signed submittal drawings, payment, signed Proforma invoice, signed order confirmation or confirmation by electronic mail. No order will be considered binding until these documents are received.

3. ORDER CHANGES: Orders are specifically fabricated in accordance with Buyer's signed Order or electronic mail. Buyer shall send any requests for changes to Seller, promptly and in writing. Buyer must obtain signed verification from Seller that the change request was received and accepted in order for the change to be valid. If the requested changes result in pricing changes to the Order, Seller will produce a "Change Order" documenting such changes. The Buyer must sign and return the Change Order for the change(s) to become a valid part of the Order. Buyer agrees to pay for any Goods fabricated by the Seller on the order prior to processing the Change Order. Seller will not be responsible for any delay in fabrication or shipment caused by Change Orders made at a point in time whereby the completion of the Change Order would cause a delay in the completion of the Order.

4. ORDER CANCELLATION: If the Buyer wishes to cancel Purchase Order after the Seller receives the payment, but before the Seller proceeds with submittals, the Seller will refund all but 20% of the contract total. After the Seller starts submittals, the Seller will accommodate the cancellation, but the Seller will not refund money paid. After the seller custom finish or cut metal for the Buyer Order, this Order may NOT be cancelled, and the Seller require payment in full.

5. SPECIFICATIONS:

Unless otherwise agreed in writing, the Purchase Order will be manufactured to standard industry published tolerances or variations.

6. QUANTITY OF GOODS: The quantity of the goods specified in this quotation is only approximate, and Buyer agrees to accept delivery of otherwise conforming goods which is at least 90% of the quantity specified on the reverse side of this invoice but not more than 110% of the specified quantity. If the quantity actually delivered differs substantially from the quantity specified herein, the price payable therefore may be adjusted pro-rata at the Seller's sole discretion.

7. PRICE: Prices in effect at time of shipment of goods or performance of services shall prevail. All prices quoted by the Seller are subject to change without notice unless otherwise stated in writing. The Seller reserves the right to revise our quotation out of the validity of quotation if the Seller does not receive the order for all items quoted, since quantity frequently governs the price. If any federal, state or any other special sales or excise tax is applicable, then such tax will be charged to Buyer and must be paid by Buyer.

8. PAYMENT/CREDIT TERMS: Seller's Credit Department, at its sole discretion, shall have the right to approve and assign Buyer credit, set credit limits, set payment terms and modify or terminate Buyer's credit privileges at any time. Unless Seller notifies Buyer otherwise, the following terms will apply:

1. Specially fabricated orders or non-stock component orders for current account customers will require a 30 to 100% deposit at Seller's discretion before fabrication can begin, and the balance will be paid before the date of delivery. Once Seller orders Special Order Goods, Buyer shall be financially liable for payment of the sales price for such items. Seller shall not be responsible for project delays due to Special Order Goods availability and/or delivery. Buyer may not cancel any order that has been custom finished or cut to size.

2. Subject to approval by Seller's Credit Department, Buyers can establish an "Open Account" with Seller by completing a credit application. Lines of credit are granted or denied based on Seller's review of Buyer's credit references, overall credit history, years in business, financial strength and history with Seller. Open Account Buyers enjoy the following privileges subject to compliance with all their clauses contained herein:

i) Payment is due thirty (30) days from the date of invoice.
ii) Open Account Buyers must maintain good credit and a prompt pay history to keep open account privileges. Seller's Credit Department reserves the right to request Buyer's updated financial information when it deems necessary, in order to maintain Buyer's Open Account status and credit limit. Open Account status may be revoked at any time at Seller's discretion.
3. Buyer agrees that all current obligations shall become immediately due and payable in the event of (a) Buyer's failure to accept a completed order when ready for shipment or pickup (b) Buyer's failure to pay debts as they become due (c) Buyer's failure to comply with Seller's credit or payment terms (d) Buyer's dissolution, bankruptcy, insolvency, or death (e) termination of the contract by Buyer or Seller for any reason (f) Buyer's failure to provide satisfactory security or assurance for performance of Buyer's obligations if requested by Seller (g) any breach or anticipatory breach of contract.

9. PAST DUE ACCOUNTS AND DISPUTE RESOLUTION: If Buyer fails to fulfill the terms of payment, Seller may defer additional order acceptance, shipment or pickup, put Buyer's account on "Credit Hold" status, cancel the uncompleted balance of the order and/or require 100% prepayment of any current or future order. Seller shall not be responsible for any order, fabrication, progress or project delays resulting from an account status change to "Credit Hold". All deferred payments shall bear interest from the time they are due until paid at the highest rate permitted by law and if collection of the account requires any legal counsel or procedures, Buyer agrees to pay reasonable attorney's fees plus interest, costs and any other damages as may be allowed by law. No failure of the Seller to exercise any right occurring from default of the Buyer shall impair the Seller's rights in case of any subsequent default.

10. DELIVERY: All deliveries are F.O.B. Seller's facility, freight prepaid or freight collect to destination. If shipped freight prepaid, the charge for freight will be added to the invoice; If shipped freight collected, the charges for freight will be on Buyer's account or the Buyer shall advise their forwarder, DHL, FedEx, TNT or UPS account number for freight collected on order. Neither freight charges nor tax is subject to any discount. Risk of loss or damage in transit shall be borne by Buyer, and claims shall be made directly with carrier.

11. DISCREPANCY: In case of quality discrepancy, claim should be filed by Buyers within

one(1) month upon receipt of the goods, while of quantity discrepancy, claim should be filed by Buyers within fifteen (15) calendar days upon receipt of the goods. In any cases, claims must be accompanied by Survey Reports of Recognized Public Surveyors agreed to by Seller.

Should the responsibility of the subject under claim be found to rest on the part of Seller, Seller shall, within 20 days after receipt of the claim, send their reply to Buyer together with suggestion for settlement. It is understood that Sellers shall not be liable for any discrepancy of the goods shipped due to causes for which the Insurance Company, Shipping Company, other transportation, organization/ or Post Office are liable.

12. DEFECTIVE GOODS WARRANTY : Buyer must obtain a valid Return Merchandise Authorization ("RMA") number from Seller for all returns. RMA will be issued , at Seller's sole discretion, in accordance with these terms and conditions. Buyer must provide purchase order number, seller's invoice number, quantity, part number, reason for return, etc., information required by Seller. RMA is valid for twenty (20) calendar days from the date of issuance. RMA will be issued for authorized returns under one of the following categories: (i) defective merchandise; (ii) billing or shipping discrepancies; or (iii) damaged merchandise. Seller will refuse any product return without RMA number. Overgoods are unauthorized returns. Any products received by the Seller (i) without a valid RMA number, (ii) later than twenty calendar (20) days from the RMA date, or (iii) in a condition unsuitable for resale (excluding defective products), will be considered Overgoods. Seller will plus related freight charges. If Buyer refuses the shipment of Overgoods from Seller or returns the Overgoods to Seller a second time without Seller's prior authorization, Buyer agrees to relinquish all right and title to and waives all claims against Seller for credit related to such products. Notwithstanding anything to the contrary, Seller reserves the right not to authorize the return of products that are no longer in production or are being produced.

a) Defective Merchandise Returns - Defective returns are only for products purchased from Seller that are inoperable or do not function in accordance with the specifications published on Seller's quotation sheet, proforma invoice or sales contract. Buyer may request an RMA for the return of defective merchandise, excluding Special Order Merchandise, with forty-five (45) calendar days of invoice date. Upon receipt of the defective product for which the RMA was issued, Seller may test the products and may return to Buyer, at Buyer's expense, any merchandise found not be defective. Upon verification that the returned material is defective, Seller may, at Seller's sole discretion, either (i) ship Buyer a replacement material, or (ii) provide Buyer a credit equal to the lesser of the material's invoice price or current replacement value less any applicable charges or fees. Buyer shall bear all risks of loss when returning defective merchandise.

b) Damaged Merchandise Returns - Damaged Merchandise returns are only for merchandise purchased from Seller and shipped via Seller's carrier of choice that are damaged in transit from Seller to Buyer, Buyer shall refuse any merchandise delivered in damaged condition. If the merchandise is received in damaged condition, Buyer shall notify Seller within one (1) business days and request an RMA within three (3) business days of receipt of such merchandise. Failure to notify Seller and request an RMA within such time shall be deemed an acceptance of the merchandise as of the date of shipment.

13. FORCE MAJEURE: Seller shall not be liable to Buyer or to any third parties for whose use any of Buyer's Orders is intended for any penalties, damages, claims or any other losses occasioned by Seller's failure to make delivery, or delay in making a delivery, of an Order when such failure or delay results from causes or events beyond Seller's reasonable control (a "Force Majeure Event"), including but not limited to fires, floods, storms, hurricanes, casualty losses, accidents, or other acts of God, stress, labor disputes or difficulties, acts or requirements of government or civil authority, riot, war terrorism, embargo, truck shortage or any transportation delay or difficulty, or inability to obtain labor or raw Goods, or approval drawings which are not timely returned by Buyer or Buyer's architect or representative. However, the Sellers shall inform this force majeure event immediately to the Buyers by e-mail or fax. The Buyers' failure to obtain the relative Import License is not to be treated as Force Majeure.

14. Arbitration: All disputes arising in connection with this Sale contract or the execution thereof shall be settled by way of amicable negotiation. In case no settlement can be reached, the case at issue shall then be submitted for arbitration to the China International Economic and Trade Arbitration Commission Shanghai Commission in accordance with the provisions of the said Commission. The award by the Commission shall be regarded as final and binding upon both parties.

15. MISCELLANEOUS: No oral agreement or other understanding shall in any way modify the terms and conditions herein. To be effective, written modifications must be signed by both Buyer and Seller. If Buyer is a legal entity, including but not limited to, a corporation, limited partnership or joint venture, Buyer represents and warrants that this agreement and its execution have been duly authorized by all necessary entity officers and proceedings, and Buyer represents and warrants that persons or entities placing any Orders with Seller on behalf of Buyer have been duly authorized by Buyer to place such Orders. In the event that Buyer's Purchase Order and/or terms or conditions are inconsistent with Seller's Order, Contract, or Terms and Conditions, Seller's Terms and Conditions shall govern. Seller will not accept, execute or be bound by Buyer's Purchase Order or any terms and conditions attached thereto. If Buyer's Purchase Order Number should appear on any Seller document(s), it is strictly for Buyer reference only. This agreement shall be binding upon and inure to the benefit of the parties hereto, their respective successors and permitted assigns. In absence of an original, a fax executed copy of this contract or electronic mail shall act as an original.

Revised 28/12/2004