

THE SALE OF THE GOODS DESCRIBED ON THE FRONT HEREOF IS UPON THE FOLLOWING EXPRESS TERMS AND CONDITIONS AND SUCH TERMS AND CONDITIONS TOGETHER WITH THE PROVISION SPECIFIED ON THE FRONT HEREOF. SHALL CONSTITUTE THE ENTIRE CONTRACT BETWEEN SELLER AND BUYER:

1. APPLICABLE LAW: This contract shall be interpreted under and governed by the law of the State of New York.

2. CONTRACT ACKNOWLEDGMENT: This contract embodying the terms on the front and reverse side hereof forms the agreement to buy and sell the goods described on the front hereof (hereinafter "Goods") and is hereby acknowledged by the parties to be correct it shall become binding and enforceable against Buyer (a) when signed or accepted in writing by Buyer or its agent or broker or (b) when signed and delivered by Seller to Buyer unless Buyer gives Seller written notice of objection to its contents within ten (10) days after receipt hereof or (c) when Buyer has paid for or accepted delivery of the whole or any part of Goods.

3. ENTIRE AGREEMENT: (a) This contract supersedes Buyer's purchase order or contract and contains the entire agreement between the parties. Including all terms and conditions of sale and delivery, (b) This contract may not be cancelled altered amended or modified by Buyer except by written consent of Seller (c) Prices and terms of payment herein quoted are not subject to any discount not stated herein nor to any rebate or modification (d) There are no oral understandings options warranties representations or agreements relative to this contract which are not fully expressed herein (e) Waiver by Seller of a breach by Buyer of any provision of this contract shall not be deemed a waiver of future compliance therewith and such provision as well as all other provisions hereunder shall remain in full force and effect (f) Upon breach by Buyer as to any installment. Seller at its option may treat such breach as severable or as a breach of the entire contract.

4. FORCE MAJEURE: Seller shall not be Liable for any loss or damage due to delayed delivery or non-delivery. In part or in whole. If such delayed delivery or non-delivery is caused by acts of God, fire, strikes, floods, accident, riots, lockouts or other industrial disturbances, damages or losses in transportation quotas, war, blockade, embargoes, Insurrection, mobilization or any other actions of Governmental authorities any non-Governmental restrictions, curtailment of production at Seller's source of supply or any other cause beyond Seller's control, whether similar to or different from the above enumerated causes or whether in the country of destination or port of shipment or in transit or wherever such event may take place or the country in which the source of supply is located, and in any such event. Seller may cancel this contract without liability to Buyer if Seller, following the happening of any such event beyond Seller's control, elects not to cancel this contract, the time originally specified for the delivery under this contract shall be deemed extended for a period equal to the period of Seller's disability. In the event of Buyer's inability to accept the delivery of Goods by reason of any of the foregoing events. Seller at its option may cancel this contract without liability to Buyer, or extend the time for delivery originally specified for a period equal to the period of Buyer's disability

5. DELIVERY: Shipment within the time stipulated in this contract shall be subject to freight space being available. Unless otherwise agreed in writing, transshipment and partial shipment shall be allowed. Each delivery or shipment hereunder shall be considered a separate sale. Any delivery not in dispute shall be paid for regardless of any dispute as to other delivered or undelivered Goods, and as to such undisputed delivery. Buyer waives the right to assert offsets, defenses or counterclaims. Unless specified on the front hereof. Goods are sold F.O.B. shipping point and acceptance of shipment by a common carrier shall constitute a delivery to Buyer upon which title shall pass, subject to Seller's rights as an unpaid vendor, including but not limited to stoppage in transit, following which Goods shall be at Buyer's risk. In the absence of shipping or other necessary instructions, the mailing of an invoice shall constitute delivery. Goods invoiced and held at Buyer's request at any place, for whatever reason, shall be at Buyer's sole risk and account.

6. CREDIT AND DEFAULT: In case any bill shall not be paid when due, or upon Buyer's breach or default in any term or condition of this contract or any other contracts with Seller, all sums owing under this contract and other contracts between Buyer and Seller shall, at the option of Seller, or its factor, at once become due irrespective of the terms and conditions thereof. Seller shall have the right to defer delivery under this contract and any other contracts between Buyer and Seller until such payment be made and for a reasonable time thereafter and/or cancel this contract and all other contracts between Buyer and Seller: and/or to resell all or any part of Goods undelivered thereunder without notice, at public or private sale and to hold Buyer responsible for and to invoice Buyer for the amount of any deficiency; or to bill Buyer as of the date of such demand for all or any part of Goods undelivered thereunder at terms of cash before delivery. Approval of credit for one or more deliveries shall not be deemed a waiver of this provision. Any check or remittance received from or for the account of Buyer may be accepted and applied by Seller or its factor against any indebtedness owing by Buyer, without prejudice to or the discharge of the remainder of any such indebtedness, regardless of any condition, provision, statements, Legend, or notation appearing on, referring to or accompanying such check or remittance.

7. PRICE ADJUSTMENT: (a) If cost to Seller of any undelivered portion of Goods be increased by reason of legislation hereafter enacted, or by governmental or departmental regulations issued pursuant to law now or hereafter in effect, or if prior to appraisalment in the country of destination the duty or tariff on Goods shall be increased for any reason whatsoever, or if the freight insurance premium and other extra expenses at time of shipment of Goods, shall be raised owing to unexpected circumstances after this contract is made, or if any extra expenses are incurred by Seller as a result of any force majeure described in paragraph 4 above; such increased amount in cost, duty, tariff, freight, insurance premium or expenses shall be the account of Buyer, and if paid or required to be paid by Seller, the amount

thereof shall be added to and become a part of the invoice, and shall be payable by Buyer. The amount of such increase as computed by Seller shall be binding upon Buyer except for clerical or mathematical errors Seller may modify deliveries to the extent necessitated by any governmental action (b) In the event that any change in the conversion system between the United States and other countries including Japan occurs during the time between the date of this contract and the date of payment this contract shall be subject to re-negotiation for adjustment or shall be cancelled by Seller without any penalty at Seller's option.

8. CLAIMS AND ALLOWANCES: Seller shall not be liable for normal manufacturing defects nor for customary variations from quantities or specifications nor for inherent defects Seller shall be notified in writing of any claims of whatever nature arising under this contract indicating full particulars and reasonable evidence within thirty (30) days after arrival of Goods at the destination specified in this contract if Buyer claims Goods are defective in quality they must be properly and promptly offered to Seller for examination and if Buyer fails to make such Goods available for examination. Buyer shall not be entitled to any allowance or claims as to such Goods No claims shall be allowed on Goods billed and held at Buyer's request after thirty (30) days from date of invoice whether Goods are shipped or held by Seller.

9. WARRANTIES: (a) Seller warrants that Goods are as described in this contract, but no other express warranty is made in respect to Goods if any model or sample was shown to Buyer, such model or sample was used merely to illustrate the general type and quality of Goods and not to represent that Goods would necessarily conform to the model or sample (b) **ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY. SUCH AS WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY EXCLUDED AND DISCLAIMED TO THE EXTENT THEY EXCEED THE WARRANTIES GRANTED HEREIN.**

10. ARBITRATION AND JURISDICTION OF SUPERIOR COURT: (a) **All** controversies except as to any payment due arising out of or relating to this contract or any modification, breach of cancellation thereof, shall be settled by an arbitration in the City of New York in accordance with the rule then obtaining of the American Arbitration Association, and the award of the arbitrators shall be final, binding and conclusive on the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns. Judgment on any award may be entered any court have jurisdiction thereof (b) In any arbitration proceeding arising under this contract the arbitrators shall not have the power to change, modify or alter any express condition, term, or provision of this contract or to render an award which has such effect and that to the extent, the scope of their authority is so limited, (c) Should the parties resort to litigation, they hereby consent to the jurisdiction of the Superior Court of the State of New York for any law suit and further agree that any process, notice of motion or other application to the court or a judge thereof may be served outside the State of New York by registered mail or by personal service provided a reasonable time for appearance is allowed.

11. PRIVATE BRAND PATENTS.ETC.: In the event that Goods have been manufactured in accordance with patents, designs, specifications, Labels, brand names and/or trade names of Buyer ("Buyer's Intellectual Property") Buyer agrees to assume all liabilities with respect to Buyer's Intellectual Property and will hold Seller harmless from any claims arising from Buyer's Intellectual Property, whether in Buyer's country or any other places. Buyer shall in all events accept all such Goods manufactured in accordance with Buyer's Intellectual Property, and in the event of Buyer's failure or refusal to do so. Seller may sell such Goods on the open market and Buyer hereby expressly consents to the sales of such Goods.

12. INTEREST: The Buyer shall pay interest at the maximum rate allowable in its state on all overdue bills from the due date thereof.

13. SELLER'S LIABILITY: The liability of Seller for breach of warranty specified in paragraph 9 shall not exceed the difference in value on the date of delivery between Goods described on the front hereof and Goods actually delivered. The contract liability of Seller for late delivery or non-delivery or any other breach shall not exceed the difference, if any, between the contract price and fair market price on the date of delivery of Goods delivered or to be delivered. In no event shall Buyer be entitled to claim any other damages of any nature whatsoever or any consequential and/or incidental damages, and in no instance shall damages include profit on Buyer's contemplated use or profit of any description

14. ASSIGNMENT: No assignment of this contract or of any right accruing hereunder shall be made, in whole or in part, by Buyer without the prior written consent of Seller.

15. SUCCESSORS AND ASSIGNS: This contract shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors, and assigns of the respective parties hereto.

16. ATTORNEY'S FEES: If any legal action is necessary to enforce the terms of this contract, the prevailing party shall be entitled to reasonable attorney's fees in addition to any other relief to which he may be entitled.

17. INVALIDITY OF PROVISIONS: If any provision of this contract is or becomes, at any time and under any law, rule or regulation, unenforceable or invalid no other provisions of this contract shall be affected thereby, and the remaining provisions of this contract shall continue with the same effect as if such unenforceable or invalid provision shall not have been inserted in this contract.

18. HEADING: The headings in this contract are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.