

1 TERMS OF SALE. No order is binding on Seller until accepted by Seller in writing. Seller's acceptance of Buyer's purchase order is expressly made conditional on Buyer's assent to these terms. These terms supersede any preprinted general terms and conditions appearing in Buyer's general terms and conditions, all prior proposals, negotiations and communications, oral or written, between the parties with respect to the same. These terms may not be modified by any course of dealing or performance or usage of trade between the parties. These terms may be amended only by written document signed by an authorized representative of each party. Seller's agents shall have no authority to bind Seller.

2 PRICES.

2.1 All prices are listed in U.S. Dollars, F.O.B. or C.I.F. Seller's designated port of entry.

2.2 Due to the extreme cost fluctuations in the metals market, the prices contained in Seller's proposal are subject to review and acceptance by Seller at the time of receipt of Buyer's purchase order. Seller will notify Buyer of any price changes so that the purchase order can be amended. Receipt of a purchase order does not constitute Seller's acceptance. Seller will accept purchase orders (in writing) via its Sales Order Acknowledgement document.

2.3 In order to lock in steel pricing, Seller requires Buyer's release to procure materials at time of order acceptance by Seller. Said release may be accompanied by a corresponding progress payment due and payable at time of order acceptance. Should Buyer not release Seller to procure material, increases in material cost will be to Buyer's account. Any changes by Buyer after the release to procure this material which results in additional costs incurred will be to Buyer's account and may cause changes in shipping schedules.

2.4 Progress payments may also be required for credit approval.

2.5 Unless stated in writing, Buyer is responsible for any change of the original quotation associated with freight, customs duties, storage fees and overseas packaging.

3. PAYMENT TERMS.

3.1 Acceptance of Buyer's order is subject to satisfactory credit arrangements. Upon prior notice to Buyer, Seller may require payment on different terms, Progress payments may apply under varying circumstances.

3.2 Invoices where open account terms are allowed, payment delays beyond agreed terms may result in interest charge at the rate of 12% per annum, or the maximum rate allowed by law, whichever is lower.

3.3 All payments shall be made in U.S. Dollars.

3.4 No payment made by Buyer shall be paid in the form of cash or any

bearer instrument nor shall any payment be paid by Buyer to any individual or entity other than Seller. For payments by wire transfer, Seller will provide to Buyer all information necessary to make such payment, including the name and location of the financial institution and the name and number of the bank account.

4. TAXES AND CUSTOMS' DUTIES. Buyer is responsible for payment of any and all taxes (including VAT, IVA), duties or tariffs imposed by any nation, federal, state, local or other jurisdiction or taxing authority in connection with or related to the parties' contract.

5. DELIVERY.

5.1 All shipping dates and schedules are approximate and are quoted based on actual and timely receipt of raw materials in conformity with the specifications. For all goods whose ultimate destination will be outside of the United States, delivery terms are "C.I.F." (2010 Incoterm).

5.2 Seller may make partial shipments. Each shipment will be considered a separate and independent transaction, and may be invoiced separately. Seller may withhold production and partial shipments of goods if Buyer has failed to timely pay any invoice. Buyer shall pay all freight charges for delivery of the goods. Seller may charge Buyer a reasonable amount for any storage of the goods due to Buyer's change in the delivery or shipment date and invoice Buyer accordingly.

5.3 FORCE MAJEURE. Any delay or failure of performance by Seller shall not constitute default hereunder or give rise to any claim for damages or otherwise, if, and to the extent caused by, an act, event or occurrence beyond the reasonable control of, and not resulting from the fault of the party claiming the protection of this section (an event of "Force Majeure") including, but not limited to: port strike, shipping delay, customs inspection, railway or trucking delay, unusually severe weather conditions, fires, flood, earthquakes, quarantine, blockade, labor disputes, strikes, governmental authority, war, sabotage, explosions, epidemics, lightning, injunctions, insurrection, civil strife, or any other similar events.

6. WARRANTIES.

6.1 Seller warrants that steel products it manufacturers or supplies pursuant to the applicable standards or specifications specified in the original purchase order by Buyer shall be manufactured in accordance with such standards or specifications, and such goods manufactured or supplied by Seller shall be free from defects in Seller supplied material and workmanship under normal use and conditions for a period of 12 months from the date of shipment (or notification of readiness to ship).

6.2 Seller warrants that its steel products and its fabrication will perform in accordance with the applicable ASME or ASTM standards or specifications contained in Seller's quotation while the goods are in a clean condition and are being properly operated within the stated design limits of such goods. Seller does not warrant any performance of goods manufactured pursuant to Buyer's design and such goods are sold to Buyer on the express understanding that Seller does not warrant that

such goods are fit for Buyer's purposes.

6.3 Seller's warranties are subject to the following additional limitation and conditions: (A) PNP only warrant its steel products be manufactured in accordance with the ASME and ASTM standards; (B) PNP Shall not be responsible or shall not warranty any engineering mistakes or calculation by the Buyer or the end-users of the Buyer.

6.4 Seller's obligations to remedy defective materials or workmanship is limited to Seller's option to either repair or replace the defective goods or refund or credit the purchase price as to the goods affected. No allowance shall be granted for repairs or alterations made by Buyer without Seller's prior written consent. No "in and out" charges shall be allowed regarding the expense of removing and replacing the defective goods.

6.5 Seller's warranties do not apply to goods requiring replacement because of normal wear and tear, corrosion or erosion. Seller's warranties do not apply to goods, whose mechanical property exceeds its normal capacity, i.e. the designing errors or wrong calculation by the engineering work of the Buyer.

6.6 These warranties shall be voided as to any part of the goods that have been subject to abuse, misuse, improper installation (to the extent not installed by Seller), operation or maintenance, accident, negligence, use other than as designed or intended, or modification not specifically authorized by Seller.

6.7 Seller shall defend any suit or proceeding brought against Buyer to the extent such is based on a claim that any Seller designed goods constitute an infringement of a United States patent directly caused by the goods if notified promptly in writing and Buyer allows Seller to control, and cooperates with Seller in, the defense of any related settlement negotiations. Seller's obligations to defend is limited to actions ending in a final and binding judgment and does not include defending the appeal of any final judgment. If goods are held to constitute an infringement and the use of said goods is enjoined, Seller, shall, at its option and expense, procure for Buyer (1) the right to continue using said goods, or (2) replace same with noninfringing goods, or (3) modify it so it becomes non-infringing or (4) return said goods for a credit equal to the portion of the previously paid purchase price allocable to the useful remaining life of the goods. The foregoing states the entire liability of Seller for patent infringement by said goods. Seller's obligations under this Section 6.7 shall not apply to any expense or loss resulting from infringements of patents, copyrights, or trademarks arising from Seller's compliance with Buyer's designs or specifications.

6.8 Unless otherwise agreed in writing by Buyer and Seller, Seller makes no warranty or representation that the goods will conform to any federal, state or local laws, regulations, codes or standards.

6.9 The warranties set forth above do not apply to products, components, accessories, parts or attachments manufactured by other manufacturers; such being subject to the manufacturer's warranty, if any. To the extent not prohibited by the manufacturer's warranty, Seller shall pass through to Buyer such manufacturer's warranty.

6.10 Seller's warranties do not extend to Buyer's specifications relating to the goods or any goods furnished from Buyer's designated suppliers.

6.11 THESE WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WHICH ARE HEREBY EXPRESSLY DISCLAIMED AND WAIVED. THESE WARRANTIES CONSTITUTE SELLER'S SOLE AND EXCLUSIVE WARRANTY FOR DEFECTIVE GOODS

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