

DATE:

NO.:

the Equipment, wherein Buyer is provided with an opportunity to travel to an ANKO facility (Taiwan). Buyer further acknowledges that the trial testing program is made available for Buyer, and Seller requires Buyer participate in the trial testing program. If Buyer fails or refuses to participate in trial testing program, Buyer is deemed to have waived the right to validation on the Equipment, and Buyer will not have the right to request the "money-back" return of the Equipment.

- (E) If Buyer wishes to inspect Equipment before its delivery, and results of such inspection are in compliance with the standards agreed by the parties, then the Equipment will be deemed well delivered to, inspected and accepted by Buyer. Buyer shall after such inspection execute an acceptance letter (of which form is enclosed hereto) in confirming the inspection results above and arrange subsequent payment. Seller will not deliver Equipment to Buyer unless all then-remaining payment has been received by it.
- (F) Buyer agrees to install the equipment within 30 days after delivery of the equipment to the place of delivery specified in the contract. Buyer shall send a detailed written report on all the equipment's problems to Seller within 45 days after the equipment is delivered to the place of delivery specified in the contract. If Buyer does not test the equipment and report its problem to party A within 45 days after the equipment is delivered to place of delivery specified in the contract, it shall be deemed as Buyer's fully acceptance of this equipment, and that Buyer waives the right to claim and object on acceptance of this equipment.
- (G) If specification(s) of the Equipment delivered by Seller are not fully conform to the specification(s) agreed by the parties, and after negotiation Buyer refuses to change specification(s) of the Equipment or to have the Equipment being modified by Seller, this Agreement will be deemed cancelled automatically.

In such case Seller shall refund all amounts of Equipment received by it to Buyer and all costs of transportation relating to the return of Equipment will be borne by Seller. Provided all expenses already paid by Buyer prior to the cancellation above will be borne by Buyer.

(4) Warranty:

- (A) Professional installation by Seller and Employee training are essential to machine operation success. It would not be suggested for Buyer to request self-installation and to refuse Buyer-employee training.
Installation services by Seller help insure against problems and delays. If Buyer refuse installation services, then Buyer void and waive all claims that arise from the installation process, including compatibility and integration with the existing plant of Buyer. All potential warranties where installation is a component would also be waived if installation services are refused.
- (B) If within one (1) year after Equipment's delivery to the place of delivery of this Agreement the Equipment becomes malfunctioned or damaged due to non-artificial factor(s), Seller will provide parts and components to Buyer and Buyer will replace parts by itself; if the malfunction or damage above is resulted by Buyer's operation or other factors attributable to Buyer, Seller will fix the Equipment and all parts and components will be supplied by Seller. In such case all costs and services (including business travel costs of Seller's members) will be borne and compensated by Buyer. Business travel costs of Seller's members above will be calculated and paid by following terms and standards: round trip normal airfares, inland and other transportation fees, food, accommodation (business/three-star hotel at least) and service fee of US\$ 400 per day per person.

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(C) **DISCLAIMERS OF WARRANTIES.**

Other than warranties of title, all equipment is sold new, "as is", and Seller hereby disclaims all warranties, whether express, implied, statutory or other, and Seller specifically disclaims all implied warranties of merchantability, fitness for a particular purpose, and all warranties arising from course of dealing, usage or trade practice.

To the maximum extent permitted by all applicable laws, in no event and under no legal theory, with respect to claims for breach of contract and property damage, Seller shall not be responsible to buyer for consequential, incidental, indirect, punitive or exemplary losses or damages, or any liability for loss of profit, loss of equipment, business interruption, loss of business opportunity, howsoever caused, including negligence, gross negligence, and strict liability.

Any modification by the Buyer of the equipment without the written notice to and consent of Seller that affects the original specifications or operation of the equipment shall eliminate any and all liability for damage on the part of Seller.

(5) Cancellation:

(A) Notwithstanding the above, if this Agreement shall be terminated due to any reason not attributable to Seller, a punitive damage equivalent to 30% of the total amounts hereof will be charged and paid to Seller.

(B) If after delivery Buyer wishes to return or reject the Equipment for any reason attributable to Buyer, the Equipment will not therefore be returned unless it is otherwise agreed by the parties. In such case (i) all costs connecting to the return of such Equipment will be borne by Buyer; (ii) Buyer shall cooperate and provide all necessary assistance to Seller for such return; (iii) the Equipment to be so returned shall be in its original packing, shall be new and unused, and shall be in a merchantable condition; and (iv) all amounts paid by Buyer prior to the termination above will be deemed as the punitive damages to Seller without refund.

(6) Ownership, title and all interests and risks relating to Equipment itself will be transferred to Buyer upon Seller's completion of Equipment delivery. Provided warranties of Equipment offered by Seller will remain unimpacted and unchanged.

(7) This Agreement shall be made in duplicate and shall be governed and interpreted subject to the laws of Taiwan. This Agreement shall become effective upon both parties' signature or affixture of official seals, and each of the executed originals shall be possessed by either party for reference. If any dispute shall arise relating to this Agreement, the parties agree that Taipei District Court of Taiwan shall have the jurisdiction of first trial.

ANKO FOOD MACHINE CO., LTD.