

SAC INTERNATIONAL STEEL, INC.

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TERMS AND CONDITIONS OF SALE

All sales by SAC International Steel, Inc. (hereinafter referred to as "SAC") are made subject to the following terms and conditions. SAC expressly rejects any different or additional terms or conditions contained in any documents submitted by Buyer. SAC's provision of credit, acceptance of any purchase order and/or sale of any goods are expressly made conditional on Buyer's assent to these terms and conditions. All orders by Buyer may be accepted only upon issuance of a sales order by SAC and signed receipt of SAC's sales order from Buyer's authorized agent.

1. Except as otherwise agreed in a writing signed by Buyer and SAC, the applicable SAC sales order, together with these terms and conditions, constitute the entire agreement between SAC and Buyer relating to the sale of such goods by SAC. Terms or conditions contained in any document issued by Buyer that in any manner purport to alter, modify, change, suspend or add to any term or condition contained herein shall be deemed excluded from such Buyer document and waived by Buyer. SAC and Buyer expressly agree that SAC may modify these terms and conditions from time to time, and such modifications shall be binding upon Buyer.

2. The purchase price of the goods shall be as stated on the face of the applicable SAC sales order, provided, however, that if SAC announces a general price, the purchase price shall be revised to include such price increase. SAC may in its sole discretion add a surcharge to the price of goods predicated upon increases in the cost of raw materials or energy. Such surcharge may be adjusted by SAC periodically to reflect a change in such costs.

3. Buyer cannot modify, cancel or otherwise alter orders without SAC's written consent. Any such cancellation, modification or alteration shall be subject to conditions as negotiated at such time, which shall include protection of SAC against loss.

4. All deliveries are F.O.B. SAC's shipping facility, freight prepaid or freight collect to destination. If shipped freight prepaid, the charge for freight will be added to the invoice. 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. Buyer may pick up the goods at SAC's shipping facility provided Buyer does so within 10 days after the date Buyer is notified of the availability of goods. SAC reserves the right to ship without further notification at any time after the 10-day period.

5. Delivery dates are approximate. SAC shall not be responsible for non-shipment of goods or delays in delivery or performance due to causes beyond its reasonable control, including, but not limited to, acts of God; acts of Buyer; strikes or other labor disturbances; SAC's inability to obtain, or material increases in the cost of, fuel, raw materials or parts; delays in transportation; repairs to equipment; fires; or accidents. Acceptance of goods upon delivery shall constitute a waiver by Buyer of any claim for damages on account of non-shipment or delays in delivery or performance.

6. SUBJECT TO STANDARD MANUFACTURING VARIATIONS AND STANDARD INDUSTRY TOLERANCES, SAC WARRANTS THAT THE GOODS FURNISHED HEREUNDER SHALL MEET SPECIFICATIONS SET FORTH ON THE FACE OF THE APPLICABLE SAC SALES ORDER ACKNOWLEDGMENT. SAC MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, AND SPECIFICALLY EXCLUDES ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. No employee of SAC or any other party is authorized to make any warranty in addition to the warranty made herein. The Buyer is warned, therefore, to carefully check these terms and conditions, together with the applicable SAC sales order(s), to see that they correctly reflect those terms that are important to the Buyer.

7. No claim for damages for goods that do not conform to specifications will be allowed unless SAC is given immediate notice after delivery of goods to the first destination to which they are shipped and allowed an opportunity to inspect them. Goods for which damages are claimed shall not be returned, repaired or discarded without SAC's written consent. BUYER'S EXCLUSIVE REMEDY AGAINST SAC AND SAC'S SOLE OBLIGATION, FOR ANY AND ALL CLAIMS, WHETHER FOR BREACH OF CONTRACT, STRICT LIABILITY, WARRANTY, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, SHALL BE LIMITED TO SAC'S REPLACING GOODS THAT DO NOT CONFORM TO SPECIFICATIONS OR, AT SAC'S OPTION, REFUNDING THE PURCHASE PRICE. IN NO EVENT SHALL SAC HAVE ANY LIABILITY FOR DAMAGES IN AN AMOUNT EXCEEDING THE PURCHASE PRICE OF THE GOODS SOLD HEREUNDER, NOR SHALL SAC HAVE ANY LIABILITY FOR SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES.

8. If, in SAC's opinion, Buyer's credit becomes impaired, SAC may suspend performance until such time as SAC has received full payment for any goods already delivered or in process and is satisfied (in its sole discretion) as to Buyer's credit for future deliveries. If SAC suspends performance and later proceeds with such order, SAC shall be entitled to such extension of time for performance as is necessitated by the suspension.

9. All taxes of any kind levied by any federal, state, municipal or other governmental authority, which tax SAC is required to collect or pay with respect to the production, sale, or shipment of goods sold to Buyer shall be the responsibility of Buyer. Buyer agrees to pay all such taxes and further agrees to reimburse SAC for any such payments made by SAC.

10. Checks or payments, whether full or partial, received from or for the account of Buyer, regardless of writings, legends or notations upon such checks or payments, or regardless of other writings, statements, or documents, shall be applied by SAC against any amount owing by Buyer with full reservation of all of SAC's rights, without an accord and satisfaction of Buyer's liability.

11. In the event Buyer fails to make payment to SAC, or any affiliate of SAC, of any amounts due and owing to SAC or such affiliate (including any applicable surcharge or freight charge), SAC shall have the right to terminate any Buyer order or any unfulfilled portion thereof, and SAC or any affiliate thereof may terminate any other agreement between SAC or such affiliate and Buyer. SAC may charge interest on the outstanding balance at an annual rate of 12% or the highest rate allowed by law (whichever is greater). SAC shall have the right to employ an attorney to collect the balance due, and Buyer agrees to pay all collection costs incurred by SAC, including its reasonable attorneys' fees.

12. This agreement shall be governed by the laws of the State of California. Buyer, acting for itself and its successors and assigns, hereby expressly and irrevocably consents to the exclusive jurisdiction of the state and federal courts of that state for any litigation which may arise out of or be related to this agreement. Buyer waives any objection based on *forum non conveniens* or any objection to venue of any such action.

13. SAC reserves the right to enforce these terms and conditions at any time and none shall be deemed waived unless such waiver is in writing signed by a duly authorized officer of SAC. All rights and remedies granted herein are in addition to all remedies available at law or in equity.

THE UNDERSIGNED HEREBY AGREES THAT THE EXTENSION OF CREDIT (IF APPLICABLE) AND SALE OF PRODUCTS BY SAC TO BUYER ARE EXPRESSLY CONDITIONED UPON BUYER'S ASSENT TO THE FOREGOING TERMS AND CONDITIONS OF SALE FOR ALL CURRENT AND FUTURE PURCHASES FROM SAC. BUYER ACKNOWLEDGES RECEIPT AND ACCEPTANCE OF THE TERMS AND CONDITIONS OF SALE, WHICH MAY ONLY BE MODIFIED AS PROVIDED THEREIN.

COMPANY NAME: _____

DATE: _____

AUTHORIZED SIGNATURE: _____

PRINT NAME & TITLE: _____