

TAITIEN GENERAL TERMS AND CONDITIONS

1. Acceptance of Order by Taitien Electronics Co., Ltd. or a Subsidiary

A. Terms and Conditions

i. Buyer's order to purchase products is accepted upon the terms and conditions stated in this Agreement. None of the terms and conditions set forth in Buyer's order to purchase that are additional to or conflict with the terms set forth herein shall be binding upon Taitien Electronics Co., Ltd. ("Taitien") and Taitien hereby rejects such inconsistent and additional terms. The parties acknowledge that Products may be supplied by Taitien's Subsidiaries. Any references herein to Taitien shall be deemed to include Taitien's Subsidiaries.

B. Acknowledgement

i. Upon receipt of Buyer's order to purchase, Taitien will send Buyer confirmation of Buyer's order along with the terms and conditions of the purchase. If Buyer objects to any terms and conditions of the order to purchase or if there is a discrepancy in Buyer's order, Buyer must notify Taitien within three (3) business days of the date of confirmation. Buyer expressly acknowledges that if it fails to notify Taitien of any objections or discrepancies then Buyer accepts and is bound by all of the terms and conditions herein.

2. Cancellations

A. All orders are non-cancelable and non-returnable to Taitien and cannot be changed by Buyer after such order has been acknowledged by Taitien, unless agreed to in writing by an authorized Taitien representative. Buyer shall be liable for the full purchase price of any products in the event of cancellation.

3. Modifications

A. Unless otherwise provided, Taitien reserves the right to modify the specifications of products ordered by Buyer if the modifications do not materially affect the form, fit or function of the products.

4. Prices

A. Price Change: Unless otherwise agreed to in writing by Taitien and Buyer, all prices are subject to change without notice and will be established by Taitien at the time of order acceptance.

B. Errors: Taitien shall not be responsible for errors occurring during the transmission of the order to Taitien or errors made by Buyer.

C. Taxes and other Changes: Unless otherwise stated in writing by Taitien all prices quoted shall be exclusive of transportation, taxes and insurance (including but not limited to sales, use or similar tax).

5. Payment: Payment for any order to purchase is due 30 days after the submission of the purchase order. Payment terms may be indicated on individual Purchase Orders and in such event, the terms of Payment on the Purchase Order shall prevail.

A. Late Payment: A 2% service charge will be charged to Buyer for every month that any amount due remains unpaid after the due date.

B. Security Interest: Taitien retains a purchase money security interest under the Uniform Commercial Code as enacted in the State of California in the crystals purchased from Taitien until Buyer has paid in full. In the event of default by Buyer of this Agreement, Taitien shall have the rights and remedies of a secured creditor under the Uniform Commercial Code.

C. Termination: In the event Buyer fails to comply with payment obligations hereunder, Taitien shall have the right to cancel orders from Buyer. In the event Taitien shall have reasonable grounds to doubt Buyer's financial responsibility to perform hereunder, Taitien may demand in writing adequate assurance of performance from Buyer and may suspend its performance, without liability to Buyer, until such assurances are received from Buyer.

6. Shipment

A. All prices are "FCA" (Taitien's facility), Incoterms 2000, unless otherwise agreed to in writing by Taitien and Buyer. Shipping terms may be indicated on individual Purchase Orders and in such event, the terms of Shipment on the Purchase Order shall prevail.

B. Method of Shipment: Taitien shall determine the most appropriate shipping methods for all shipments. In the event Buyer has special shipping instructions, it shall notify Taitien and may be liable for any additional costs of such shipping.

7. Risk of Loss

A. Title and risk of loss shall pass to Buyer upon delivery to the carrier at Taitien's facility.

8. Delivery Dates

A. Taitien shall make every effort to meet delivery date(s) agreed upon. However, Taitien shall not be liable for failure to meet delivery date(s) due to unforeseen circumstances or causes not in Taitien's control, including but not limited, any delays due to strikes, riots, acts of God, shortages of labor or materials, war, governmental laws, restrictions or any other cause (collectively "Force Majeure" events).

9. Packaging

A. All products shall be packed for shipment and storage in accordance with standard commercial practices.

10. Warranty: Taitien warrants to Buyer that its products substantially conform to all specifications, which may be furnished or agreed to by Taitien and are free from defects in material and manufacture as of the date of shipment. Taitien's guarantee provide:

A. The Products will be within specifications agreed by both parties and will be guaranteed only to work in the conditions specified in Taitien specification sheet. Taitien shall not be liable for any errors in specifications made by Buyer when ordering the Products.

B. All Products are guaranteed against defective workmanship for twelve (12) months from the date of shipment.

C. All Products shall be inspected immediately upon receipt. Buyer must report any discrepancies in the shipment to Taitien within three (3) days of receipt of order. Failure to report such discrepancies shall relieve Taitien of its obligations hereunder.

D. Taitien makes no guarantee with respect to specifications set by Buyer. By ordering from Taitien, Buyer represents that it is knowledgeable about the specification of crystals and oscillators needed by its equipment.

E. The guarantee applies only when Products have been returned to Taitien and tests completed by Taitien technicians indicate that the Products are defective.

11. Return Policy

A. If products are found to be defective by Taitien technicians upon their return to Taitien, Taitien shall repair or replace the products at no-charge and ship the products to Buyer, freight prepaid and insured.

B. Any product deemed not defective and not qualifying for warranty will be returned at Buyer's risk and expense. Taitien may charge Buyer its standard rates for any handling of such products.

C. In the event Taitien determines that repair or replacement cannot be made using commercially reasonable efforts, Taitien will refund to Buyer the price paid for the products.

12. Limitation of Warranty: This warranty extends to the Buyer only. The foregoing warranty shall not apply to:

A. Defects resulting from physical damage to the Product if it has been opened or broken in the field.

B. Failures caused by a Product's inability to operate in conjunction with other Customer hardware or software.

C. Performance failures resulting from services not performed by Taitien.

D. Misuse, accident, damage or modification, failure to maintain proper physical or storage/operating environment.

13. Assignment: Any attempt to assign or transfer any of the rights, duties or obligations hereunder shall render such assignment or transfer null and void unless agreed to in writing by the other Party.

14. Severability: In the event that any term or condition herein should be found to be invalid by a court of proper jurisdiction, the remaining terms and conditions shall remain in full force and effect.

15. Governing Law: This Agreement shall be governed and interpreted in accordance with the laws of the Republic of China or the jurisdiction in which Taitien's applicable Subsidiary fulfilling the Order is incorporated under, in the event prior is not possible, without regards to the conflict of laws of the jurisdiction.

16. Disclaimer of Warranty: THE WARRANTIES SET FORTH HEREIN ARE EXCLUSIVE AND EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, ORAL OR STATUTORY, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE OR NONINFRINGEMENT, ANY IMPLIED WARRANTIES OTHERWISE ARISING FROM A COURSE OF DEALING OR TRADE OR ANY OTHER OBLIGATION OF TAITIEN.

17. Remedies and Limitation of Liability: BUYER'S SOLE AND EXCLUSIVE REMEDY AND TAITIEN'S SOLE LIABILITY, WITH RESPECT TO ANY BREACH OF WARRANTY, SHALL BE AT TAITIEN'S OPTION: (A) REPAIR OR REPLACEMENT OF THE DEFECTIVE OR NONCONFORMING CRYSTALS OR (B) REFUND OF BUYER'S PURCHASE PRICE FOR THE DEFECTIVE OR NONCONFORMING CRYSTALS.

IN NO EVENT SHALL TAITIEN'S TOTAL LIABILITY FOR ANY AND ALL LOSSES AND DAMAGES ARISING OUT OF ANY CAUSE (INCLUDING, BUT NOT LIMITED TO, CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER TORT) EXCEED THE PURCHASE COST OF THE CRYSTALS. IN NO EVENT SHALL TAITIEN BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES.

18. Entire Agreement: This Agreement constitutes the entire agreement between Taitien and Buyer with respect to the subject matter herein and cannot be amended, waived, or modified unless the parties agree in writing. This Agreement shall supersede all prior agreements or assertions whether oral or written between the parties, unless otherwise agreed to between the Parties.