

DISTRIBUTORSHIP AGREEMENT I

This Agreement, made and entered into this first day of July, 2005 by and between [X Inc.] a corporation duly organized and existing under the laws of the Republic of xxxxx and having its principal office at 159, Samsungdong, Kangnam-ku, Seoul, The Republic of xxxxx (hereinafter referred to as "Manufacturer") and [Y Co, Ltd.], a corporation duly organized and existing under the laws of [the state of New York, xxxxx], having its principal office at [140 West, 51st, New York, xxxxx](hereinafter referred to as "Distributor").

WITNESSETH

WHEREAS, Manufacturer wishes to appoint Distributor the exclusive distributor for the Products (as hereinafter de-fined) in the territory of [the United States of xxxxx],
WHEREAS, Distributor wishes to accept such appointment as exclusive distributor
IN CONSIDERATION OF the mutual covenants contained herein, the parties hereto agree as follows:

Article 1. Definitions

In this Agreement except where the context otherwise requires, the following terms and expressions shall have the meanings respectively defined as follows:

1.1 'Products' means [those products which are mentioned in the attached Annex "A"]

1.2 'Territory' means [the United States of America].

Article 2. Appointment and Acceptance

2.1 During the term and subject to the conditions hereinafter set forth, Manufacturer hereby appoints Distributor as an exclusive distributor for the Products in the Territory, and Distributor accepts such appointment. During the term of this Agreement, Manufacturer shall not, either directly or indirectly, sell the Products in the Territory without the prior consent of Distributor.

2.2 Distributor shall not purchase, import, export, sell, distribute, advertise or otherwise deal in products competitive with or similar to the Products in the Territory.

Article 3. Orders and Shipments

3.1 In placing orders with Manufacturer, Distributor shall clearly describe the Products and quantity required. and shall include precise instructions for packaging, invoicing and shipping. The orders shall not be binding unless and until they are accepted by Manufacturer in its discretion. Manufacturer agrees to supply Distributor with Products to enable fulfillment of the minimum purchases as set forth in Article 5 hereof. Manufacturer agrees to extent its best efforts to accept all orders as submitted by Distributor in excess of said minimum purchases.

3.2 Manufacturer shall be responsible for packaging the Products in such manner to ensure except for perils of the sea safe and undamaged delivery.

Article 4. Price and Payment

4.1 The prices of the Products shall be determined in accordance with the price lists attached hereto and made a part hereof, which price list may be changed from time to time by the Manufacturer with [30 days] prior notice.

4.2 Within [30 days] after receipt of Manufacturer's confirmation of order, Distributor shall open an irrevocable Letter of Credit in favor of Manufacturer, issued by a first class, international bank, satisfactory to Manufacturer.

4.3 Currency of Payment shall be in [United State Dollars].

Article 5. Minimum Purchase

5.1 Distributor guarantees minimum purchases of the Products from Manufacturer in the following amount, on a FOB[xxxxx] port basis:

- (a) First year [US \$ 100,000].
- (b) Second year [US \$ 200,000].
- (c) Third year [US \$ 500,000].

For the purpose of this Article, the Products shall be considered purchased when shipped by Manufacturer.

5.2 When Distributor has fulfilled the minimum purchase guarantee as stipulated in Article 5.1, this Agreement shall automatically be renewed for a period of [three years]. The minimum purchase amount for any [three year] period shall not be less than [US \$ 1,800,000] and not less than [US \$ 400,000] for each year of said period and said purchase volume shall be subject to the same conditions as aforesaid. As long as this volume is reached the Agreement shall be automatically extended by successive [three years] period subject to Article 13, provided, however, that each successive period shall require a [10%] increase of the minimum purchase volume.

5.3 If Distributor fails to purchase the minimum amount as stipulated in Article 5.1 and 5.2 Manufacturer may terminate this Agreement by a written notice as hereinafter provided for in Article 14(b) within one month after the expiration of the [three year] period of this Agreement, but Distributor shall have no other liability in connection therewith.

Article 6. Technical Assistance

6.1 Manufacturer engages themselves to supply Distributor with necessary Technical Assistance by means of informative and illustrated material and to send all advertising material suitable for promotion and advertising of the Products.

6.2 Manufacturer shall train a reasonable number of technical personnel either in xxxxx or on site in the Territory by consent of both parties if it becomes necessary due to introduction of any new Products or generally in order to achieve better installation and maintenance standards. Costs for round trips, meals, lodging, and other expenses of the despatched personnel of Distributor or Manufacturer for training shall be borne by Distributor.

6.3 The above Technical Assistance shall be implemented in the English Language.

Article 7. Spare Parts

7.1 Distributor shall keep a sufficient level of spare parts in order to provide an efficient After Sales Services, Manufacturer shall also advise Distributor of the required spare parts and any stocking will be discussed and mutually agreed before orders are placed.

7.2 Manufacturer shall supply to Distributor spare parts for the Products so long as Distributor continues to purchase the Products pursuant to the terms and conditions of this Agreement and for [two years] after the last shipment the products to Distributor, The Price for the Spare Parts shall be consented by both parties, And at Manufacturer's option, Distributor may purchase standard spare parts from Manufacturer's suppliers directly for [for years] after the last shipment.

Article 8. Inspection and Warranty

8.1 Promptly after the receipt of the Products, Distributor shall inspect or shall cause its qualified agent to insure that the quality standard, as agreed to by the parties in writing, have been met. If any of the Products or any part of a Product is found not to be in compliance with the quality standards, manufacturer shall supply Distributor free of charge replacement for the products or the part of a Product not meeting the quality standards, and/or shall indemnify the Distributor against any loss and damage suffered by the Distributor.

8.2 Manufacturer warrants that the Products at the time of shipment shall be free from defects in material and workmanship. This warranty does not extend to any of the said Products which have been: (1) subject to misuse, neglect, accident or abuse, (2) improperly repaired, or altered or modified in any way, and (3) used in violation of instructions furnished by Manufacturer.

8.3 Claims by Distributor in regard to any defect in the Products must be in writing and be dispatched by Distributor with full particulars within [one (1) year] after receipt of the Products.

Article 9. Distributor's Responsibility

9.1 Distributor shall maintain adequate stocks of the Products throughout the Territory to meet its customer's demand in time. Distributor shall maintain adequate stocks of replacement parts, facilities and qualified mechanics throughout the Territory and shall provide reasonable after sale-services to its customers.

9.2 Distributor shall undertake for its own account, advertisement, and sales promotions of the Products and devote its best efforts toward obtaining the largest sales volume of the products in the Territory.

9.3 Whenever Manufacture shall render to Distributor any complaint as to Products from any dealer or customer in the Territory, Distributor shall immediately make investigation and take a proper action.

Article 10. Report

Distributor shall make [quarterly] reports to Manufacturer on the sales of the Products, the inventory of the Products and parts thereof, general market conditions and others as Manufacturer requires.

Article 11. Trademarks

11.1 Distributor recognizes that any of trademarks, trade-names, designs, copyrights and other proprietary rights, used on or embodied in the Products ("Proprietary Rights") shall remain the exclusive property of Manufacturer. Distributor shall not have or acquire any right, title or interest in Proprietary Rights; provided, however, that Distributor may with the consent of Manufacturer indicate that it is an authorized distributor of the Products. Upon termination of this Agreement for any cause, Distributor shall cease holding itself out as a distributor of the Products and cease using in any way Manufacturer's name or its Proprietary Rights or any material similar thereto.

11.2 Distributor shall not alter, deface, remove, cover or mutilate in any manner the trademark, serial or model numbers, brand or Manufacturer's name attached or affixed to any of the Products, without the consent of Manufacturer.

Article 12. Status of Distributor

12.1 This Agreement does not in any way create the relation ship of principal and agent between Manufacturer and Distributor: and under no circumstances shall Distributor be considered to be the agent of Manufacturer. Distributor shall not act or attempt to act, or represent itself, directly or by implication, as an agent of Manufacturer or in any manner assume or create, or attempt to assume or create, any obligation, liability, representation, warranty or guarantee on behalf of, or in the name of Manufacturer.

12.2 Distributor shall at all times comply with all applicable laws, regulations, and orders of any government of the Territory or political subdivisions thereof relating to or in any way affecting this Agreement and Distributor's performance hereunder, including the obtaining of any required licenses, permits or approvals.

12.3 Distributor shall not disclose to any third party, without the prior written consent

of Manufacturer, or use for any purpose other than the performance of its obligations under this Agreement, any confidential information concerning the Products or business affairs of Manufacturer (including, but not limit to, prices, discounts, terms and conditions) which it receives directly or indirectly from Manufacturer, or which it acquires or develops in the course of its transactions with Manufacturer.

Article 13. Term

13.1 This Agreement shall become effective upon signing and shall continue in full force and effect for a period of [three years] from the date hereof, unless earlier terminated pursuant to Article 14, and shall thereafter be automatically extended for successive [three years] periods of time unless, [three months] prior to the expiration of the term or any extension thereof, a notice of intention to finally terminate is given in writing by one party to the other.

13.2 Upon the extension of this Agreement in accordance with Article 13.1, the minimum purchase amount for each period shall be reviewed and a new minimum purchase amount shall be mutually agreed upon in writing by the parties within [two (2) months] after commencement of each new period.

Article 14. Termination

14.1 This Agreement may be terminated at the option of Manufacturer, effective upon [thirty (30) days] prior written notice of termination given to Distributor, in the event of the happening of the following events :

- (a) Should Distributor become bankrupt or insolvent, or have its business placed in the hands of a receiver, assignee or trustee, whether by voluntary act or otherwise; or
- (b) Should Distributor fail to meet the minimum annual purchase requirements or otherwise fail to meet promptly any of its obligations pursuant to this Agreement; or
- (c) Should Distributor be acquired by, or should itself acquire, in whole or in part a manufacturer of the products which in the reasonable judgement of Manufacturer competes to a material extent with the Products; or
- (d) Should Distributor attempt to assign this Agreement or any right hereunder without Manufacturer's prior written consent; or
- (e) If Distributor ceases to function as a going concern or to conduct its operations in the normal course of business.

14.2 All money owed to Manufacturer upon termination shall become immediately due and payable and no cancellation or termination of this Agreement shall serve to release Distributor or its successors or assignees from any obligations under this Agreement.

Article 15. Force Majeure

Neither party shall be liable to the other party for nonperformance or delay in performance of any of its obligations under the Agreement due to war, revolution, riot, strike or other labor dispute, fire, flood, acts of government or any other causes reasonably beyond its control. Upon the occurrence of such a force majeure condition the affected party shall immediately notify the other party of any further developments. Immediately after such conditions is removed, the affected party shall perform such obligation with all due speed.

Article 16. Governing Law

This Agreement shall be interpreted and governed by the laws of the Republic of xxxxx.

Article 17. Arbitration

All disputes, controversies or differences which may arise between the parties out of or in relation to or in connection with this Agreement or for the breach thereof shall be finally settled by arbitration in Seoul, xxxx in accordance with the Commercial Arbitration Rules of the xxxxxx Commercial Arbitration Board and under the Law of

xxxxx. The award rendered by the arbitrator(s) shall be final and binding upon both parties concerned.

Article 18. Miscellaneous Provisions

18.1 Notices

Any notice required or permitted to be given hereunder shall be in writing and may be given by personal service, registered airmail, or by cable facsimile or telex if confirmed on the same day in writing by registered airmail,

18.2 Entire Agreement - Amendments

This Agreement constitutes the entire understanding of Manufacturer and Distributor with respect to the subject matter hereof. No amendment, modification or alteration of any term of this Agreement shall be binding on either party unless the same shall be made in writing and executed by or on behalf of the parties hereto.

18.3 No Assignment ; Succession.

This Agreement shall insure to the benefit of and be binding upon the parties hereto and their respective successors. No assignment of this Agreement shall be valid without the prior written consent of the other party hereto.

18.4 Waiver

All waivers hereunder must be in writing, and the failure of any party at any time to require the other party's performance of any obligations under this Agreement shall not affect the right subsequently to require performance of the obligation. Any waiver of any breach of any provision of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of such provision or a waiver or modification of the provision.

18.5 Severability

If any one or more of the provisions contained in this Agreement shall be declared invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected and in such case the parties hereto oblige themselves to reach the intended purpose of the invalid provision by a new, valid and legal stipulation.

18.6 Headings.

The section headings herein are intended for purpose of convenience only and any shall not affect the construction or interpretation of any of the provision of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers.

MANUFACTURER

By:
Its

DISTRIBUTOR

By:
Its