

Castelmac S.p.A.

DISTRIBUTOR AGREEMENT

by and between

Castelmac S.p.A. (Castelfranco Veneto), Italy (hereinafter sometimes referred to as the "Principal")

and

Hanil Science Medical Co. Ltd

Taejon, Korea

(Hereinafter sometimes referred to as the "Distributor"),

Effective from June 20 , 2006

1. Purpose of the agreement and exclusivity.

The Principal grants the Distributor the exclusive right to purchase and resell in the Territory the following Products:

Ice machines models F80C and F125C branded Icematic and manufactured by Castelmac SpA

The above listed items are hereinafter referred to as the "Products".

The Distributor undertakes not to deal either directly or indirectly with products that could be in competition in whatsoever manner with the Products.

2. Territory

The territory covered by this agreement is:

KOREA (South)

3. Termination

This agreement may be terminated at any time by either party upon 90 (ninety) days' written notice.

It may be terminated forthwith in case of breach of anyone of its covenants which is not remedied within 30 (thirty) days from the written request of the innocent party, or of a breach which is not susceptible of being remedied.

4. Discontinuing of sales and change in price lists

The Principal reserves the right at any time, without advance notice and without any liability, to discontinue the sale of any of the Products offered for sales hereunder, and to notify the Distributor of any changes in the price lists.

5. Prices and payment

The Distributor agrees to accept and to pay promptly for all items ordered by him from the Principal in accordance with the Principal's established prices.

Terms of payment for the Distributor will be established from time to time by Principal's Marketing Department and approved by Credit Department. Prices and delivery shall be Ex-Works (Incoterms 1990).

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6. Trademark

This agreement shall in no way permit the Distributor to make use of the **lcematic** trademark nor to use in any manner the names or logos of the Principal, of its affiliated companies, on his letterhead, sales material, advertising, displays and literature, except as authorised in writing.

The Distributor shall promptly report to the Principal any infringement upon said trademarks, names or logos but shall take no other action in this respect, except as directed in writing by the Principal.

7. Direct sales

It is agreed that the Principal may make in the territory any direct sales to customers that the Distributor is unable or unwilling to make. These supplies will be agreed between Principal and Distributor.

The Distributor shall be entitled to receive a 5% to 15% commission on any sales made by the Principal in the territory to these customers and shall be correspondingly obligated to extend service to such customers, including service under the terms of the warranty for the Products (a different commission can be agreed between the Principal and the Distributor).

8. Sales and Service facility

The Distributor agrees to maintain, at his own expenses, a Sales and Service facility at

4FL Miraevil Bldg #1085, Doosan-Dong Seo-Gu, Taejon, Korea

which shall not be changed or discontinued without the prior consent of the Principal. Such facility shall consist of:

- an adequate sales office at which the Distributor shall install and properly display at least one Product per model for demonstration purposes;
- an adequately staffed service headquarters with factory-trained personnel, for the service and repair of all Products installed in the Territory and for the instruction of service-men in such service and repair;
- an adequate stock of spare parts to take care of the requirements of the Territory.

The Principal agrees to supply technical assistance and make service information available in the form of manuals, etc., at a reasonable charge to the Distributor, so as to keep the Distributor's Service Department well informed about Products.

9. Distributor's obligations

The Distributor shall comply with the general directives of the Principal with respect to sales promotion, advertising, use of specification sheets and Service manuals.

When required by the Principal, the Distributor agrees to supply complete and accurate information as to the current state of his financial affairs.

The Distributor at the beginning of Fiscal Year (Oct-Sept) shall submit to the Principal an "operating plan" including his yearly percentage of sales increase according to the market development in the Territory as well as the yearly sales forecast on quarterly basis that he undertakes to fulfil.

The Distributor undertakes not to solicit orders outside the Territory.

The Distributor undertakes to send monthly to the Principal the status of its inventory and the number of machines sold.

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10. Warranty

All products referred to under this agreement shall be covered by the then current warranty of the manufacturer. Credit or replacement for any defective part may be requested by submitting the Return Material Report Form duly filled in (if replacement is requested transportation costs of new parts shall be at the Distributor's charge). To properly fill in the R.M.R. Form and for the handling of defective parts see instructions indicated in the Principal's warranty policy bulletin.

Labour will be credited according to the current warranty labour terms.

11. Force majeure

The Principal agrees to make prompt shipment against orders from the Distributors so far as reasonably possible, but the Distributor hereby releases the Principal from any liability for failure to fill any order due to inability to procure material or parts, or for failure to ship or for delays caused by floods, fire, strikes, accidents, war, acts of God, insurrection, shortages of labour, material or transportation or any cause not in direct control of the Principal.

12. Registration costs

All costs connected with the registration of this agreement and any relevant or consequent charges shall be borne by the party which, by its non-performance, shall have made such a registration necessary and shall be recoverable by the other party as part of its damages.

13. Changes in Distributor's organisation and termination

The Principal reserves the right to terminate forthwith this agreement in any case of change, even in part, of shareholders, quota holders, partners or directors of the Distributor and in any case of modification of Distributor's activity or legal structure. In these cases termination shall take place by operation of law when the Principal informs the Distributor, by registered letter or fax, that he intends to avail himself of the termination clause.

14. Validity and special conditions


This Agreement will automatically expire on 31st December 2007. It may however be extended for another year if the Distributor will purchase a minimum quantity of 30 units between the date of this Agreement and the agreed expiry date.

15. Governing law and jurisdiction

The Italian Law shall govern this agreement.

One or more Arbitrators appointed in accordance with the Rules shall finally settle all disputes arising in connection with this agreement under the Rules of Conciliation and Arbitration of the International Chamber of Commerce. Arbitration shall be held in Geneva, Switzerland.

Made on


H.G. JUN President

at

The Distributor

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The Principal
Giovanni Bellon
General Manager



(주) 한일사이메드