

TERMS AND CONDITIONS OF SERVICE

(Please Read Carefully)

All shipping services for any exporter, importer, sender, receiver, owner, consignor, consignee, transferor or transferee (herein called the "Customer") provided by Transpak, Inc. (herein called the "Company") shall be performed pursuant to the following terms and conditions:

1. Services by Third Parties. Unless the Company uses its own personnel to carry, store or otherwise physically handle the goods to be forwarded, imported, transported, packaged or delivered (herein called the "Shipment"), the Company assumes no liability as a carrier and is not to be held responsible for any loss, damage, expense or delay with regard to the Shipment which occurs during such activity (except as otherwise provided in paragraph paragraphs 7-9 below and subject to the limitations contained therein), but undertakes only to use reasonable care in the selection of carriers, truckmen, riggers, lightermen, forwarders, custom brokers, agents, warehousemen and others to whom it may entrust the Shipment for transportation, cartage, handling, packaging, delivery and/or storage or otherwise (herein collectively called "Agents"). Further, when the Company itself carries, stores or otherwise physically handles the Shipment, it does so subject to the limitations of liability set forth in paragraphs 7-9 below unless a separate bill of lading, air waybill or other contract of carriage is issued by the Company, in which event the terms thereof shall govern.

2. Liability Limitation of Agents. The Company is authorized to select and engage Agents, as required, to transport, store, deliver or otherwise deal with the Shipment, all of whom shall be considered as the agents of the Customer; and the goods may be entrusted to such Agents subject to all rules, regulations, requirements and conditions (including any limitation of liability for loss, damage, expense or delay), whether printed, written or stamped, appearing in bills of lading, receipts or tariffs issued by such Agents. The Company shall under no circumstances be liable for any loss, damage, expense or delay with regard to the Shipment for any reason whatsoever when said Shipment is in the custody, possession or control of an Agent selected by the Company to transport, store, forward, enter and clear or otherwise render services with respect to such Shipment.

3. Choosing Routes or Agents. Unless express instructions in writing are received from the Customer, the Company has complete freedom in choosing the means, route and procedure to be followed in the handling, packaging, storage, transportation and delivery of the Shipment. Advice by the Company to the Customer that a particular route or Agent has been selected with respect to the Shipment shall not constitute a warranty or representation by the Company that such route or Agent will be utilized.

4. Quotations Not Binding. Quotations as to fees, rates of duty, freight charges, insurance premiums or other charges given by the Company to the Customer are for informational purposes only and are subject to change without notice and shall under no circumstances be binding upon the Company unless the Company in writing specifically undertakes to package, transport, deliver, store or otherwise handle the Shipment at a specific rate.

5. Declaring Higher Valuation. Inasmuch as Agents usually limit their liability for loss or damage with regard to the Shipment unless such Agents agree to assume greater liability (i.e., based on a higher declared value of the Shipment) for an additional charge to the Customer, the Company must receive specific written instructions from the Customer to pay an Agent such an additional charge based on the additional liability so assumed and such Agent must accept such increased liability (and any higher declared value of the Shipment);

otherwise, any valuation placed by the Customer on the Shipment shall be considered solely for export or customs purposes and the Shipment will be delivered to the Agent subject to the limitation of liability set forth herein in paragraphs 7-9 below with respect to any claim against the Company and also subject to the provisions of paragraph 2 above with respect to the Agent.

6. Insurance. The Company will make reasonable efforts to effect marine, fire, theft and other insurance upon the Shipment only upon the receipt of specific, written instructions to such effect from the Customer in sufficient time prior to shipment from point of origin, and the Customer at the same time states specifically the kind and amount of insurance to be placed. The Company does not undertake or warrant that such insurance can or will be placed. Unless the Customer has its own open marine policy and instructs the Company to effect insurance under such policy, such insurance shall be effected with one or more insurance companies or other underwriters selected by the Company. Any insurance placed shall be governed by the certificate or policy issued by the applicable insurer and any claims thereunder will be effective only when accepted by such insurer. Should an insurer dispute its liability for any reason, the insured shall have recourse against the insurer only and the Company shall not be under any responsibility or subject to any liability in relation thereto, notwithstanding that the premiums under the policy may not be at the same rate as that charged by or paid to the Company by the Customer, or that the Shipment was insured under a policy in the name of the Company. Insurance premiums and the charges of the Company for arranging the same shall be at the Customer's expense. If for any reason the Shipment is held in a warehouse or elsewhere, said premises will not be covered by any insurance unless the Company receives written instructions from the Customer in accordance with the provisions of this paragraph. Without limiting the generality of the foregoing, unless specifically agreed in writing, the Company assumes no responsibility to effect insurance on any export or import Shipment which it does not handle.

7. Limitation of Liability for Loss, etc.:

(a) The Customer agrees that the Company shall only be liable for any loss, damage, expense or delay to the Shipment resulting from the negligence or other fault of the Company, and that any such liability shall be limited to greater of (i) \$0.50 per pound (up to a maximum of \$50.00), or (ii) the fee(s) charged for services; provided that in the case of partial loss, such amount will be adjusted pro rata;

(b) Where the Company issues its own bill of lading and receives freight charges as its compensation, Customer has the option of paying a special freight charge and increasing the limit of the Company's liability up to the Shipment's actual value; however, such option must be exercised by a written agreement, entered into prior to any covered transaction(s), setting forth the limit of the Company's liability and the additional charges to be paid by Customer;

(c) In all instances other than in subparagraph (b) above, unless the Customer makes specific written arrangements with the Company to otherwise increase the Company's liability for an additional charge, and the Company so agrees in writing, liability is limited to, and the Customer's sole and exclusive remedy shall be, the amount set forth in subparagraph (a) above;

(d) Customer agrees that the Company shall, in no event, be liable for any incidental, contingent, consequential, punitive, statutory or special damages in excess of the monetary limit provided for above.

8. Exclusivity of Remedy. THE COMPANY EXPRESSLY EXCLUDES ANY AND ALL OTHER WARRANTIES, GUARANTIES AND REPRESENTATIONS WHATEVER. EXCEPT AS SET FORTH IN PARAGRAPH 7 ABOVE, THERE ARE NO EXPRESS OR IMPLIED WARRANTIES WITHIN THESE TERMS AND CONDITIONS OF SERVICE, INCLUDING NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR

PURPOSE, USAGE OR TRADE, TO ANY PERSON OR ENTITY WITH REGARD TO THE SHIPMENT AND THE CUSTOMER SHALL NOT REPRESENT OTHERWISE TO ANYONE WITH WHICH IT DEALS. The Customer assumes complete risk and liability for results obtained from use of the merchandise constituting the Shipment. Without limiting the foregoing, the Company shall not be liable under any circumstances for loss of profits or revenue, loss of use of goods, cost of capital, cost of substitutes, additional costs incurred by the Customer, damages caused by delay, or claims of the Customer's own customers or clients or any other third parties for damages.

9. Presenting Claims. The Company shall not be liable under paragraph 7 for any claims not presented to it in writing within 90 days of either (a) the date of loss, or (b) the incident giving rise to the claim. No suit to recover for any claim hereunder shall be maintained against the Company unless instituted within (a) six (6) months after the presentation of such claim, or (b) such longer period provided for under statute(s) of the State having jurisdiction over the matter.

10. Advancing Money. The Company shall not be obliged to incur any expense, guarantee any payment or advance any money in connection with the delivery, forwarding, transporting, insuring, storing or packaging of the Shipment (or otherwise in connection with the Shipment), unless such funds have been previously provided to the Company by the Customer; further, the Company shall be under no obligation to advance freight charges, customs duties or taxes on any Shipment, and the Company shall not be liable under any circumstances for any fines, penalties or other obligations incurred pursuant to the Company's refusal to advance any of the foregoing amounts pursuant to this paragraph 10; nor shall any advance by the Company be construed as a waiver of the provisions hereof.

11. General Lien on Any Property. The Company shall have a general lien on any and all goods, wares and merchandise and/or other property (and documents relating thereto) of the Customer, which are in the Company's possession, custody or control or en route, for all claims for charges, expenses or advances incurred by the Company in connection with any Shipment for such Customer; and if such claim remains unsatisfied for thirty (30) days after demand for payment is made, the Company may sell at public auction or private sale, in accordance with the applicable provisions of the Uniform Commercial Code of the State of California, such property, or so much thereof as may be necessary to satisfy such lien, and apply the net proceeds of such sale to the payment of the amount due to the Company. Any surplus from such sale shall be transmitted to the Customer, and the Customer shall be liable for any deficiency in the sale.

12. Compensation of Company. The compensation of the Company for its services is in addition to, and separate from, the rates and charges of all carriers and other Agents selected by the Company to transport or otherwise deal with the goods, and such compensation shall be exclusive of any brokerage fees, commissions, dividends or other revenue received by the Company from carriers, insurers and other Agents in connection with the Shipment. In the event of any referral for collection or action against the Customer for monies due the Company, the Customer shall also pay the expenses of collection and/or litigation, including reasonable attorneys' fees.

13. No Responsibility for Governmental Requirements; Indemnity. It is the responsibility of the Customer to know and comply with marking requirements and other rules of the U.S. Customs Service, the regulations of the U.S. Food and Drug Administration, and all other government requirements, including regulations of Federal, state and/or local agencies pertaining to the Shipment. The Company shall not be responsible for action taken or fines or penalties assessed by any governmental agency against the Shipment because of the failure of the Customer to comply with the law or the requirements or regulations of any governmental agency or with a notification issued to the Customer by any such agency. The Customer hereby

agrees to defend, indemnify and hold the Company, and its assigns, employees and agents, harmless from and against all claims, actions, liability, loss, damages, costs and expenses (including attorneys' fees) arising from or in connection with the Customer's failure to comply with any laws or regulations of any national, state or local governmental entity or agency.

14. Loss, Damage or Expense Due to Delay. Unless the services to be performed by the Company on behalf of the Customer are delayed by reason of the negligence or other fault of the Company, the Company shall not be responsible for any loss, damage or expense incurred by the Customer because of such delay. In the event the Company is at fault, as aforesaid, its liability is limited in accordance with the provisions of paragraphs 7-9 above.

15. Construction of Terms and Venue. The foregoing terms and conditions shall be construed according to the laws of the State of California. Unless otherwise consented to in writing by the Company, no legal proceeding against the Company may be instituted by the Customer, its assigns, or subrogee except in the City of San Jose.

SPECIAL TERMS AND CONDITIONS OF SERVICE FOR IMPORTS AND EXPORTS
(Please Read Carefully)

All international shipping services for any exporter, importer, sender, receiver, owner, consignor, consignee, transferor or transferee (herein called the "Customer") provided by Transpak, Inc. (herein called the "Company") shall be performed pursuant to the following special terms and conditions. In the event of any inconsistency between these Special Terms and Conditions of Service for Imports and Exports (which are applicable to international shipping services only) and the general Terms and Conditions of Service (which are applicable to all shipping services without limitation) provided by the Company, the provisions of the general Terms and Conditions shall prevail over the provisions contained herein.

1. Duty to Furnish Information:

(a) On an import, at a reasonable time prior to entering of the goods to be forwarded, imported, transported, packaged or delivered (herein called the "Shipment") for U. S. Customs, the Customer shall furnish to the Company invoices in proper form and other documents necessary or useful in the preparation of the U. S. Customs entry and, also, such further information as may be sufficient to establish, inter alia, the dutiable value, the classification, the country of origin, the genuineness of the merchandise and any mark or symbol associated with it, the Customer's right to import and/or distribute the Shipment, and the Shipment's admissibility, pursuant to U.S. law or regulation. If the Customer fails in a timely manner to furnish such information or documents, in whole or in part, as may be required to complete U.S. Customs entry or comply with U.S. law or regulations, or if the information or documents furnished are inaccurate or incomplete, the Company shall be obligated only to use its best judgment in connection with the Shipment and the Customer shall in no instance charge the Company with knowledge of the true circumstances to which such inaccurate, incomplete, or omitted information or documents pertain. Where a bond is required by U.S. Customs to be given for the production of any document or the performance of any act, the Customer shall be deemed bound by the terms of the bond notwithstanding the fact that the bond has been executed by the Company as principal, it being understood that the Company entered into such undertaking at the instance and on behalf of the Customer, and the Customer hereby agrees to defend, indemnify and hold the Company, and its assigns, employees and agents, harmless from and against all claims, actions, liability, loss, damages, costs and expenses arising from or in connection with any breach of the terms of such bond. Notwithstanding the foregoing, the Company is under no obligation to execute any such bond.

(b) On an export, at a reasonable time prior to the exportation of the Shipment, the Customer shall furnish to the Company the commercial invoice in proper form and number, a proper consular declaration, weights, measures, values and other information in the language of, and as may be required by the laws and regulations of, the U.S. and the country of destination of the Shipment.

(c) On an export or import, the Company shall not in any way be responsible or liable for increased duties, penalties, fines or expenses unless caused by the negligence or other fault of the Company, in which event its liability to the Customer shall be governed by the provisions of paragraphs 7-9 of the general Terms and Conditions of Service provided herewith by the Company. The Customer shall be bound by and warrant the accuracy of all invoices, documents and information furnished to the Company by the Customer or its agent for export, entry or other purposes and the Customer hereby agrees to defend, indemnify and hold the Company, and its assigns, employees and agents, harmless from and against any increased duties, penalties, fines or other expenses (including attorneys' fees) resulting from any inaccuracy, incomplete statement, omission or any failure by the Customer to make timely presentation of any of the foregoing documents and other information, even if not due to any negligence of the Customer.

2. Indemnification for Freight Charges, Duties, Etc. In the event that a carrier, truckman, rigger, lighterman, forwarder, custom broker, agent, warehouseman, or other person to whom the Shipment is entrusted (herein called "Agents"), or any other third party or governmental agency makes a claim or institutes legal action against the Company for ocean or other freight charges, duties, fines, penalties, liquidated damages or other money due arising from the Shipment, the Customer hereby agrees to defend, indemnify and hold the Company, and its assigns, employees and agents, harmless for any amount the Company may be required to pay such Agent, or other third party or governmental agency together with reasonable expenses (including attorneys' fees) incurred by the Company in connection with such claim or legal action and/or obtaining reimbursement from the Customer. The confiscation or detention of the Shipment by any governmental authority shall not affect or diminish the liability of the Customer to the Company to pay, promptly on demand, all charges or other money due pursuant to this paragraph.

3. Indemnity Against Liability Arising from the Importation of Merchandise. The Customer agrees to defend, indemnify and hold the Company, and its assigns, employees and agents, harmless from and against any claims and/or liability arising from the importation of merchandise which violates any Federal, state and/or other laws or regulations and further agrees to defend, indemnify and hold the Company, and its assigns, employees and agents, harmless from and against any and all liability, loss, damages, costs, claims and/or other expenses (including attorneys' fees) which the Company may hereafter incur, suffer or be required to pay by reason of such claims by any government agency or private party. In the event that any such action, suit or proceeding is brought against the Company by any government agency or any private party, the Company shall give notice in writing to the Customer by mail at its address on file with the Company. Upon receipt of such notice, the Customer at its own expense shall defend against such action and take all steps as may be necessary or proper to prevent the obtainment of a judgment and/or order against the Company.

4. Cumulative Indemnity. All of the Company's rights to indemnification hereunder are cumulative (and not alternative), are in addition to any indemnification rights contained in the general Terms and Conditions of Service provided herewith by the Company or by any law and may, to the extent permitted by law, be exercised concurrently or separately, and the Company's exercise of any one right to indemnification shall not be deemed to preclude the exercise of any other indemnification rights.

5. C.O.D. Shipments. Goods received with the Customer's or a third party's instructions to "Collect on Delivery" (C.O.D.) by drafts or otherwise, or to collect on any specified terms by time drafts or otherwise, shall be accepted by the Company only upon the express understanding that the Customer or said third party will exercise reasonable care in the selection of a bank, correspondent, carrier or agent to whom the Company will send such collection, and the Company will not be responsible for any act, omission, default, suspension, insolvency or want of care, negligence, or fault of such bank, correspondent, carrier or agent, nor will the Company be liable or responsible under any circumstances for any failure to collect or delay in the course of collection.