



GLOBAL SOURCE LOGISTICS

FREIGHT BROKER AGREEMENT TERMS AND CONDITIONS

The Customer ("Customer") and Global Source Logistics, Inc., a California corporation ("GSL"), hereby agrees as follows:

1. Parties. Customer is a Shipper and/or Consignee of certain goods it wishes to have transported. Global Source Logistics, Inc. is registered as a transportation freight broker with the FMCSA under docket number MC-863313, with offices at 2436 East 4th St., STE 243 Long Beach, CA 90814. GSL is not acting as either a Motor Carrier, or Common Carrier, or Contract Carrier within the meaning of USC Title 49. GSL contracts with various freight carriers ("Carriers") on behalf of Customer for the purpose of arranging transportation of Carrier's goods in interstate and foreign commerce. GSL reserves the right, in its sole discretion, to refuse any shipment at any time. GSL and the Customer may be collectively referred to as the "Parties" or individually either may be referred to as "Party" in this Agreement.
2. Tariffs; Terms and Conditions of Carrier. In the event of a conflict in the terms of this Agreement and applicable tariff then in effect with the carrier, this Agreement shall apply to the transport and shall take precedence in the interpretation of the rights and obligations of the Parties. Customer is responsible for requesting and reviewing Tariffs in effect with a designated Carrier. GSL is not obligated to provide copies of motor carrier tariffs, or any information contained therein, to Customer.
3. Bills of Lading. The Customer is to use the GSL's system-generated Bill of Lading ("BOL"). The Customer shall complete all the appropriate documents required for carriage, in light of the services being sought, and the pick up or destination requested. In the event the Customer fails to timely and properly complete the appropriate documents, GSL may at its option, but without obligation, complete, correct or replace the documents. If a substitute form of BOL is needed to complete delivery of this shipment for any reason and GSL completes that document, the terms of the completed BOL will govern and GSL will be exonerated from all liability for undertaking such actions on behalf of the Customer including specifically liability for, in whole or in part, negligence by GSL. All Bills of Lading are non-negotiable and will have been prepared by the Customer or by GSL on behalf of the Customer in accordance with the Customer's instructions and approved by the Customer, and shall be deemed, conclusively, to have been prepared by the Customer. The Customer is to provide the GSL BOL. GSL shall have no obligation to make any payments or honor any rate quotes in any of the following instances: (i) the unauthorized alteration or use of bill of lading, or (ii) tendering of shipments to any carrier other than that designated by GSL, or (iii) the use of any bill of lading not authorized or issued by GSL.
4. Customer Representations and Warranties to GSL. The Customer represents and warrants that at all times during the term of this Agreement, it will be in compliance with all applicable laws, rules, and regulations, including applicable laws relating to customs, import and export required by country to, from, through or over which the shipment may be carried. The Customer agrees to furnish such information and complete and attach to the BOL such documents as are necessary to comply with such laws. Any individual or entity acting on behalf of the Customer in scheduling shipments or undertaking any other performance hereunder warrants and represents that he, she or it has the right to act on behalf of and legally bind the Customer. GSL assumes no liability for any loss or expense due to the failure of the Customer to comply with this paragraph and Customer shall defend, indemnify and hold GSL harmless for any claims or damages resulting from violation of this paragraph, including attorney's fees and costs incurred by GSL.
5. Payment. All charges are payable in US Dollars and are due and payable fifteen (15) days from the date of billing (net/15). Past due invoices shall be subject to an additional charge at the rate of 1 1/2% per month of the average outstanding balance due. All funds received by GSL will be applied to the oldest (based on pick-up date) invoiced BOL outstanding. Overpayments do not accrue interest. In the event past due invoices are given to an attorney or collection agency for collection, Customer agrees to pay, in addition to the account balance, all interest payments, and collection costs including reasonable attorney's fees.
6. Credit Approval. Payment terms and credit limits are subject to credit approval, which shall be determined from time to time, in the sole and absolute discretion of GSL. The Customer grants GSL the right to perform such credit and background searches as GSL deems necessary. When paying by credit card or electronic funds, the Customer agrees it will be responsible for all charges due and owing, including any adjustments, on account or such Customer's shipment. The Customer authorizes GSL to charge the Customer's credit card or bank account for any charges.
7. Determination of Charges. The Customer shall be liable for all charges payable on account of such Customer's shipment. Such charges may include transportation, fuel and other applicable accessorial charges, any charges made by the carrier(s) after the shipment, and all duties, customs assessments, governmental penalties, fines and taxes. GSL reserves the right to amend or adjust charges and to re-invoice the Customer in the following events: (i) if the original quoted amount was based upon incorrect information provided by the Customer; or (ii) if additional services by the carrier were required; or (iii) if the Customer authorized the carrier to perform the pick-up, transportation and delivery functions other than contemplated by the BOL. Any dispute by customer of any invoice issued by GSL shall be made in writing, specifically indicating the nature of the dispute and made

within 30 days from the date of the invoice. In the event GSL does not receive timely written notice of the dispute, the charges will be conclusively presumed to be valid.

8. Lien. GSL shall have a lien on the shipment for all sums due it relating to this shipment or any other amounts owed by Customer. Customer authorizes GSL to advise third parties of asserted liens and to hold possession of any shipment against which a lien is asserted.

9. Claims and Limitations of Liability. GSL is not liable for any loss, damage, misdelivery or non-delivery caused by: (i) the act, default or omission of a Carrier; the Customer or any other party who claims interest in the shipment; or (ii) the nature of the shipment or any defect therein; or (iii) a violation by the Customer of any provision of this Agreement, the BOL, the carrier's tariff, including, improper or insufficient packing, securing, marking or addressing; or (iv) failure to observe any of the rules relating to shipments not acceptable for transportation or shipments acceptable only under certain conditions; or (v) acts of God, perils of the air, public enemies, public authorities, acts or omissions of Customs or quarantine officials, war, riots, strikes, labor disputes, shortages, weather conditions or mechanical delay or failure of vehicles, aircraft or other equipment; or (vi) the acts or omissions of any person other than employees of GSL; or (vii) the selection of carrier for a particular shipment. Customer acknowledges that in order to provide competitive rates for the services, that the parties have agreed as a material term of this Agreement that the risk of loss or damage incurred as a result of GSL' alleged liability shall be limited to the fees that GSL has earned with respect to the subject shipment. Customer specifically acknowledges that GSL shall have no liability for negligent acts or omissions of its employees except to the extent such actions or omissions constitute gross negligence. There is a minimum claim amount of fifty dollars (\$50) (after limit of liability rule has been applied) on damage/shortage claims in order for GSL to file a claim with the carrier. There is a minimum claim amount of fifty dollars (\$50) (after the 1/3 rule has been applied) on for concealed damage claims in order for GSL to file a claim with the carrier.

10. Insurance. The Customer will look solely to its own insurance, a Shipper's policy, or insurance provided by the carrier for damage to goods in transit. Each carrier's governing tariff will determine the standard liability cargo insurance coverage offered on any shipment, subject to any exception value. If the shipment contains freight with a predetermined exception value, as determined by the selected carrier, the maximum exception liability will override the liability coverage otherwise provided by the tariff. The Customer acknowledges a claim for damages does not relieve it for payment under the terms of this Agreement. Timely payment is a condition precedent to the processing of a damage or insurance claim. All freight cargo claims should be submitted immediately to GSL for transmission to the Carrier or its insurer. GSL will attempt to assist in the resolution of freight claims, but has no responsibility or liability therefore. Where a damage claim is submitted with carrier on behalf of Customer, GSL shall have a lien on any amounts recovered to the extent of open past due invoices on the Customer's account. GSL has optional Shippers Interest Contingent Cargo Liability Insurance ("Third Party Insurance") available for purchase by the Customer. GSL has no responsibility or liability with respect to the issuance or denial of Third Party Insurance, or in the payment or denial of claims.

11. Disclaimer of Warranties. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, GSL MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WITH REGARD TO SHIPMENTS, WAREHOUSED GOODS, ITEMS IN TRANSIT OR DELIVERIES OR WITH REGARD TO THE INFORMATION PROVIDED ON THE WEBSITE OR SERVICES RELATED TO TRANSACTIONS CONDUCTED ON THIS WEBSITE. GSL CANNOT GUARANTEE DELIVERY BY ANY SPECIFIC TIME OR DATE. IN NO EVENT, SHALL GSL BE LIABLE FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING DAMAGES RELATING TO LOSS OF PROFITS OR INCOME, WHETHER OR NOT SUCH DAMAGES WERE REASONABLY FORESEEABLE OR MADE KNOWN TO GSL.

12. Rates. "Less than Load" Rates ("LTL") rates are based on the freight class as determined by the National Motor Freight Classification ("NMFC") and are weight based. All displayed transit times are estimates only and do not include day of pickup. LTL pickup dates are not guaranteed. Truckload rates ("TL") rates are based on Dock Door Pickup/Dock Door Delivery and Shipper Load/Consignee Unload and are mileage based. Additional fees may apply for charges including, Tractor Detention, Trailer Detention, and Driver Assistance. Customer must tender this load to carrier at the agreed upon rate, or pay a "truck ordered, not used" penalty at cost. Air Freight rates are based on the greater of actual or dimensional weight. If an Air Freight shipment contains oversize freight, additional charges and transit delays may apply. Van Line rates are based on mileage, weight (actual or density) and commodity/product type. Flatbed rates are based on transport equipment type, mileage and weight. If a shipment includes over-dimensional freight, additional charges and transit days may apply. All displayed transit times are estimates only and do not include day of pickup. Pickup dates are not guaranteed.

13. Guaranteed Services. GSL will provide LTL Guaranteed Services for additional charge, if requested by the Customer. LTL delivery times generally do not begin to run until the day after the pickup of the shipment, except as otherwise noted by the carrier selected. Guaranteed Service transit times do not include holiday and/or "no service" days as defined by the individual carrier. The Customer is liable for all charges related to the shipment. In the event of a carrier's failure to comply with the guaranteed service requested, the Customer shall have fourteen (14) days from the actual delivery date of shipment to file a written claim request with GSL. If GSL does not timely receive a claim request within fourteen (14) days, the service provided by the LTL carrier will be deemed to have met all guaranteed service standards and the claim request will be considered invalid and denied. In the event of the carrier's failure to comply with the guaranteed service requested and after the carrier has agreed to liability and has paid the amount to Customer to GSL, GSL will credit the account of Customer with such amount and paid by the carrier. In no event shall GSL be liable, nor will any account be credited if the Customer does not use GSL's BOL.

14. Attorneys' Fees. Should any legal proceeding be commenced between the Parties concerning the terms of this Agreement, or the rights and duties of the Parties, the prevailing party in such proceeding shall be entitled, in addition to such other relief as may be granted, to costs, expenses and reasonable attorney fees.

15. Binding Nature of Agreement; Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, personal representatives, successors and assigns, except that no party may assign, delegate or transfer any of its obligations under this Agreement without the prior written consent of the other party hereto, which consent shall not be unreasonably withheld.

16. Headings. The headings used in this Agreement are used for administrative purposes only and do not constitute substantive matter to be considered in construing the terms of this Agreement.

17. Execution. This Agreement shall be binding upon receipt by GSL of Customer's acknowledgment of its intent to be bound thereby, as evidenced by its designation of acceptance of GSL's web page or by its execution of the BOL, or by other acknowledgment by the Customer.

18. No Other Parties to Benefit. This Agreement is made for the sole benefit of the Parties hereto and their successors and permitted assigns. Except as expressly provided herein, no other person or entity is intended to or shall have the rights or benefits hereunder, whether as third-party beneficiaries or otherwise.

19. Remedies. In the event of a breach of this Agreement or any term hereof by any party, the other Party shall have all rights and remedies available at law, in equity, or under the terms of this Agreement, except as otherwise limited herein.

20. Construction. This Agreement is intended to express the mutual intent of the Parties hereto, and irrespective of the identity of the Party or counsel who prepared this document, no rule of strict construction shall be applied against any Party.

21. Governing Law; Forum; Venue. This Agreement is deemed executed, delivered and performed in the State of California, and the substantive laws of the State of California and Federal law as applied in California without reference to choice of law principles and specifically excluding the United Nations Convention on Contracts for the International Sales of Goods, shall govern its interpretation and enforcement. Any action brought to interpret or enforce any provisions of this Agreement, or otherwise relating to or arising from this Agreement, shall be commenced and maintained in the Superior Court in and for the County of Los Angeles in the State of California and each Party consents to jurisdiction and venue in such court for such purposes.

22. Modification and Waive and Complete Agreement. No provision of this Agreement shall be amended, waived or modified except by an instrument in writing signed by the Parties hereto. This Agreement contains the entire agreement between the parties hereto with respect to the matters covered herein. This Agreement supersedes all agreements or documents entered into between the parties.

23. Materiality. All covenants, agreements, representations and warranties made herein shall be deemed to be material and to have been relied on by the Parties in entering into this Agreement and shall survive the acceptance of this Agreement.

24. Severability; Integration. The inapplicability or unenforceability of any provision of this Agreement shall not limit or impair the operation or validity of any other provision of this Agreement. This Agreement and the documents incorporated into this Agreement by reference, constitutes and embodies the full and complete understanding and agreement of the Parties hereto and supersedes all prior understandings, whether oral or written. No representation, promise, inducement or statement of intention has been made by any Party hereto which is not contemplated by or embodied in this Agreement, and no Party hereto shall be bound by or liable for any alleged misrepresentation, promise, inducement or statement of intention not so set forth.

25. Additional Instruments and Acts. The Parties to this Agreement shall execute (with acknowledgment or in affidavit form, if required) any further or additional instruments, and shall perform any acts, which are or may become reasonably necessary to effectuate and carry out the purposes of this Agreement, without the necessity of incurring any additional expense.

26. Interpretation. In this Agreement the singular includes the plural, and the plural the singular; words importing any gender include the other genders; references to "writing" include printing, typing, lithography and other means of reproducing words in a tangible visible form; the words "including," "includes" and "include" shall be deemed to be followed by the words "without limitation."

27. Authority. By execution of this Agreement, the signatories hereto represent and warrant their authority to act in the capacity stated. By execution of this Agreement each Party represents and warrants its right, power and authority to enter into and to perform its obligation under this Agreement.