

JIT TRANSPORTATION, INC.
WAREHOUSING AND DISTRIBUTION
TERMS AND CONDITIONS

1. Rates. The rates and charges to be paid by the Depositor to the Company are specified in the Receipt and the rate schedule on file in the office of the Company and as changed from time to time by the Company. The basic minimum rate applies when the Depositor limits and releases the liability of the Company for loss and damages to \$0.25 per pound per article with a maximum of \$500 per occurrence. An additional valuation charge is made when the Depositor declares a lump sum value on the entire lot.

2. Company Liability. The Company will be liable for damages for loss of or injury to the stored goods caused by the failure of the Company to exercise the level of care regarding the goods as a reasonably careful person would exercise under similar circumstances.

3. Exclusions of Company Liability. The Company will not be liable for loss, injury, damage, or delay caused by or resulting from any cause other than its failure to exercise the level of care regarding the goods as a reasonably careful person would exercise under similar circumstances including, without limitation, the following:

(a) An act, omission, or order of the Depositor or the owner of the stored goods or the servant, agent, or employee of either the Depositor or the owner of the goods;

(b) Insects, moths, vermin, depreciation, deterioration, obsolescence, and ordinary wear and tear;

(c) The nature of the article, or any defect, characteristic, or inherent vice of the article, including susceptibility to damage because of atmospheric conditions such as temperature and humidity, or changes in those conditions;

(d) Hostile, or warlike action in time of peace or war by an authority maintaining or using military forces; nuclear reaction or nuclear radiation or radioactive contamination; insurrection, rebellion, revolution, civil war, usurped power or any action taken by government authority against such an occurrence;

(e) Earthquake, liquefaction, flood, and rising waters, or other act of God;

(f) Fire, explosion, lightning, windstorm, tornado, cyclone, hurricane, collapse of building or sprinkler tanks, fall of elevators, leakage or failure of sprinkler systems;

(g) Strikes, lockouts, labor disturbances, riots, civil unrest, or the act of any person or persons taking part in any such occurrence or each; or

(h) Breakage of glass, chinaware, bric-a-brac, or similar articles of brittle or fragile nature, UNLESS packed and unpacked by the Company (or a household goods carrier or

warehouse) or the breakage results from the negligence of the Company as shown by evidence of physical external damage to the packing container.

4. Further Liability Exclusions. The Company will not be liable for loss or damage occurring:

(a) After packing when done by the Company but before delivery to the Company while the property is in the custody or control of the Depositor or Depositor's agent;

(b) Before delivery to the Company;

(c) After delivery to the Company when the Company is directed to deliver the property at a place or places at which the Depositor or Depositor's agent is not present; or

(d) After the property has been delivered to or receipted for by the Depositor or the owner of the property or the authorized agent of either.

5. Limitation on Amount of Liability. The total liability of the Company for physical loss or damage may not exceed the least of the following items:

(a) The cost of repairing damaged property.

(b) The cost of replacing lost or destroyed property with material of like kind and quality.

(c) The difference between the actual cash value of damaged property at the time of receipt by the Company, and at the time of delivery.

(d) The actual cash value of such property at the time and place of the loss.

(e) Either the released value of \$0.25 per pound per article (if so declared) or the lump sum value declared on the entire lot with a maximum of \$500 per occurrence.

6. Cash Value Determinations. In determining the actual cash value of property, depreciation will be deducted, and sentimental value will be excluded. The deduction for depreciation means the Depositor is charged for the betterment or increase in value of the property from the worn or deteriorated or depreciated property being restored to a better condition or being replaced by an item of like kind and quality of greater value.

7. Liability For Sets of Pieces. The total liability of the Company with regard to the sets of matched pieces may not exceed the cost of repairing or replacing the physically lost or damaged piece or pieces only, or the value of the lost or damaged piece or pieces only, and does not extend to repairing, replacing, or recovering the entire set or any diminution in value of the set as a whole, and may not exceed the released value of the lost or damaged piece or pieces.

8. No Incidental or Consequential Damages. The Company is not liable for incidental,

consequential, special, indirect or lost profit damages of any kind.

9. Ownership of Goods. The Depositor represents and warrants to the Company that the Depositor has the lawful possession of and legal right and authority to store all of the property described in the Receipt. If any claims, demands, or rights adverse to the right of the Depositor arise, the Depositor agrees to pay all storage and other charges together with any costs and expenses incurred by the Company in defending against any litigation or adverse claims, including attorneys' fees, that the Company may reasonably incur or becomes liable to pay. The Company is specifically authorized, at its option, in the event of any adverse claim or demand concerning the ownership or right of possession of the property, to interplead the Depositor and all other claimants.

10. Additions to Storage. Any additional goods delivered after the date of this Receipt by the Depositor to the Company for storage as a part of this lot while this Receipt is outstanding are subject to the terms and conditions of this Receipt. If a lump sum value is declared on the entire lot, the Depositor may increase that lump sum value by the value of the additional goods stored, and the monthly storage and valuation charges will be proportionately increased.

11. Services to Stored Goods. A warehouse labor charge will be made for placing the goods in storage and for removing them to the platform for delivery. The other services undertaken to be performed by this Company pursuant to this Receipt are storage, packing, moving, and shipping, and the Company does not accept responsibility or undertake to provide additional attention or services, unless specifically agreed pursuant to written "Orders for Service" given to the Company by the Depositor, and accepted by the Company. However, if the Company in its sole discretion should determine that moth treating, fumigating, or otherwise treating or handling all or a portion of the stored goods is necessary for the protection of the goods, or for the protection of other goods stored in the depository, it may render that service and add its regular charges for those services to the amount payable by the Depositor.

12. Correcting Errors. Unless written notice is given by the Depositor to the Company within 15 days after this Receipt was signed on behalf of the Company, this Receipt will be deemed to be correct with respect to both the listing of the property received by the Company and the declarations made by the Depositor.

13. Transfer of Stored Goods and Termination. The Company may, with or without notice to the Depositor, transfer the goods from the address set forth in this receipt, and store them in any other warehouse or building of the Company, whether owned or leased, and may move them, or any part them, from one location within a building to another. Instructions to transfer goods on the books of the Company are not effective until delivered to and accepted by Company, and all charges up to the time transfer is made are chargeable to the Depositor. If a transfer involves rehandling the goods, such will be subject to a charge. When goods in storage are transferred from one party to another through issuance of a new warehouse receipt, a new storage date is established on the date of transfer. The Company may, upon written notice to the Depositor and any other

person known by the Company to claim an interest in the goods, require the removal of any goods by the end of the next succeeding storage month. Such notice shall be given to the last known place of business or abode of the person to be notified. If goods are not removed before the end of the next succeeding storage month, the Company may sell them in accordance with applicable law. If Company in good faith believes that the goods are about to deteriorate or decline in value to less than the amount of Company's lien before the end of the next succeeding storage month, the Company may specify in the notification any reasonable shorter time for removal of the goods and in case the goods are not removed, may sell them at public sale held one week after a single advertisement or posting as provided by law. If as a result of a quality or condition of the goods of which the Company had no notice at the time of deposit the goods are a hazard to other property or to the warehouse or to persons, the Company may sell the goods at public or private sale without advertisement on reasonable notification to all persons known to claim an interest in the goods. If the Company after a reasonable effort is unable to sell the goods he may dispose of them in any lawful manner and shall incur no liability by reason of such disposition. Pending such disposition, sale or return of the goods, the Company may remove the goods from the warehouse and shall incur no liability by reason of such removal.

14. Access and Delivery. The goods deposited under this receipt will be ready for access or delivery during regular working hours or regular working days on 24 hours notice, provided that all storage and other charges are paid in full. Saturday is not a working day. The Company is not responsible for delays in access or delivery caused by strikes, or other conditions beyond its control. An additional charge will be made for all access to or part delivery of the goods.

15. Transfer of Receipt. No transfer of this Receipt will be recognized unless all charges are paid and the transfer is entered on the books of the Company.

16. Shipping and Forwarding. The Company is authorized to act for the Depositor in arranging for delivery or shipment of goods from storage at the declared value of not exceeding \$0.25 per pound per article with a maximum of \$500 per occurrence, unless the Depositor has declared a lump sum value on the entire lot, in which case the Company will forward or ship the declared goods of higher value. The carrier's or forwarder's liability for loss or damage during delivery or shipment is limited to the declared value.

17. Condition of Depositories. No warranty or representation is made that any of the warehouse buildings of the Company are fireproof or that the goods stored in the buildings cannot be destroyed by fire. The Company does not undertake to maintain a watchman or other burglar alarm systems.

18. No Insurance. The stored goods are not insured by the Company. The Company, however, does insure its legal liability.

19. Terms of Payment. The payments for storage and other charges are due and payable

on the date of this Receipt and on the same date of each succeeding month thereafter. When goods are allowed to remain in storage for a fraction of a month, a full month's storage will be charged. Interest at the rate of 1.5% per month, charged monthly, will be made on freight or other charges advanced by the Company. The same interest charge will be assessed on the entire unpaid balance of the account if three months storage charge remains unpaid.

20. Company Lien. It is agreed that the Company has a general lien against the Depositor and all other persons on any and all property deposited with it, and on the proceeds from the sale for all charges provided in this contract, including storage charges, claims for money advanced, interest, insurance, transportation, labor, wrapping, weighing, and all other charges and expenses in relation to the property or any part, for all expenses necessary for preservation of the goods, all reasonable charges and expenses for notice and advertisement of sale and sale of the property when Depositor defaults, and for all costs including court costs and reasonable attorneys' fees in collecting charges or enforcing this lien, or defending itself if the Company is made a party to any litigation concerning the goods stored under this Receipt, or in filing any action in interpleader for the determination of ownership of the property deposited with the Company. The Depositor promises to pay all charges when due and the Company may, at its option, bring suit for delinquent charges without first foreclosing its lien.

21. Time for Filing Claims and Suits. The Company is not liable for the loss of, destruction of, or damage to the goods or any part of the goods unless, after the date on which the goods are delivered, or demand for the goods is refused:

(a) Within 60 days after that date, the Depositor presents a claim in writing to the Company;

(b) Within one year after that date, suit is filed by the Depositor or other person entitled to sue.

22. Notices. All notices required or permitted under this Receipt shall be in writing and shall be personally served or given by mail. Any notice given by mail shall be deemed to have been given and received on the third (3rd) day after such notice is deposited in the United States mail, by certified or registered mail, postage prepaid, addressed to the intended party to this Receipt at the address set forth below its signature or to such other address as such party may designate by like written notice to each of the other parties.

10. Severability. In the event that any provision or covenant of this Receipt is held to be unenforceable or invalid, such provision or covenant shall be deemed modified to the minimum extent necessary to make it valid and enforceable, and the validity and enforceability of the remaining provisions and covenants of this Receipt shall not be affected thereby.

12. Governing Law. This Receipt has been executed in and shall be performed in the County in which the depository is located. This Receipt shall be governed by the laws of

the State of California. Venue for any and all controversies involving this Receipt shall be the County in which the depository is located.

13. Arbitration. Any controversy between the parties hereto involving the construction or application of any of the terms, covenants, or conditions of this Receipt shall be submitted to binding arbitration in Santa Clara County, and such arbitration shall comply with and be governed by Sections 1280 to 1294.2 of the California Code of Civil Procedure, excluding therefrom Section 1283 regarding depositions. Each party to the arbitration shall bear his, her or its own expenses of counsel, and, except as otherwise provided herein, the cost of the arbitration shall be borne equally between each of the parties to the arbitration. However, in the event that a purchase of shares has occurred hereunder and the action is to enforce the payment obligation for the shares, the prevailing party shall be entitled to recover their reasonable attorney=s fees and costs.

14. Amendment. No amendment or variation of the terms of this Receipt, with or without consideration, shall be valid unless made in writing and signed by all of the parties to this Receipt at the time of such amendment.

15. Inurement. Subject to the restrictions against transfer or assignment set forth in this Receipt, the provisions of this Receipt shall inure to the benefit of and shall be binding upon the parties hereto and their respective heirs, assigns and successors in interest.

16. Entire Agreement. This Receipt contains the entire understanding between the parties concerning the subject matter contained herein. There are no representations, agreements, arrangements or understandings, oral or written, between or among the parties, relating to the subject matter of this Receipt which are not fully expressed herein.

17. Further Instruments. The parties shall execute such further instruments and take such further action as may be necessary to carry out the purposes and intent of this Receipt.