

HARBOUR LINK CONTAINER SERVICES INC (HLCSI)
MOTOR CARRIER SERVICE AGREEMENT

WHEREAS the CLIENT arranges the transportation of goods, containerized cargo and containers, and in the performance of such services requires motor carrier transportation services to, from, and within ocean ports and other points; and

WHEREAS Harbour Link Container Services Inc ("HLCSI") is authorized to operate and provide motor transportation services for the transport of international and domestic trade inter and intra-provincially in Canada under NSC Safety Certificate 201-748-350 and in the US under US-DOT# 1963528 MC# 695925 and is qualified, competent and available to provide the transportation services required by the CLIENT;

Now therefore, the CLIENT and HLCSI shall be governed by the provisions, terms and conditions set forth below for the carriage of goods, containerized cargo and containers transported for the CLIENT by HLCSI:

1. APPLICATION

In the absence of any valid agreement between the PARTIES to the contrary, if rates have been submitted in writing to the CLIENT by HLCSI and the transport services have been performed by HLCSI, all of the terms and conditions set forth in this Agreement shall be deemed accepted by and binding upon the CLIENT.

2. SCOPE

This Agreement covers the transport of goods, containerized cargo and containers between port and rail head facilities located at Port Metro Vancouver and other Port Gateways and points designated by the CLIENT within the Greater Vancouver Lower Mainland and other regions in Western Canada and the Pacific Northwest region of the USA.

3. CARRIER'S OPERATING AUTHORITY AND COMPLIANCE WITH LAW

HLCSI represents and warrants that it is duly and legally qualified in accordance with all Federal, State, Provincial, Territorial, and local laws, statutes, regulations, rules, and ordinances (collectively, "Applicable Law") to provide, as a contract carrier, the transportation services contemplated herein.

HLCSI represents and warrants that it does not have an unsatisfactory or conditional safety rating issued by any regulatory authority with jurisdiction over HLCSI's operations.

HLCSI agrees to comply with all Applicable Law in the performance of its services under this Agreement including those related to the preservation of health, safety and the environment, and the avoidance of discrimination in

HLCSI agrees to comply with all Applicable Law in the performance of its services under this Agreement including those related to the preservation of health, safety and the environment, and the avoidance of discrimination in accordance with Applicable Law and standards of fair and equal practice.

4. PERFORMANCE OF SERVICES

HLCSI's services under this Agreement are tailored to meet the needs of the CLIENT in accordance with the specified rates and conditions set forth in the rate quotation submitted in writing to the CLIENT by HLCSI. The CLIENT agrees that the terms and conditions of this Agreement apply to all shipments handled by HLCSI for the CLIENT.

HLCSI shall transport all shipments provided under this Agreement without delay, and all occurrences which may cause delay shall be immediately communicated to the CLIENT by HLCSI.

5. RECEIPTS AND BILLS OF LADING

Each shipment shall be evidenced by a bill of lading or delivery receipt acceptable to the CLIENT which names HLCSI as the transporting carrier. The use of an electronic bill of lading by HLCSI shall carry all of the same terms and conditions as those of a paper bill of lading.

Upon delivery of each shipment made hereunder, HLCSI shall obtain the signature of the CLIENT (either manually or by electronic signature capture) on the bill of lading or delivery receipt showing the kind of goods, containerized cargo and containers delivered at the destination specified by the CLIENT. Any terms, conditions and provisions of the bill of lading, manifest or other form of delivery receipt or contract shall be subject and subordinate to the terms, conditions and provisions of this Agreement. HLCSI's failure to issue a bill of lading shall not affect its liability hereunder. HLCSI shall notify CLIENT immediately of any exception made on the bill of lading or delivery receipt. HLCSI acknowledges that it shall only follow the instructions for delivery provided by the CLIENT and shall not follow the instructions of any other PARTY.

6. HLCSI'S OPERATIONS

HLCSI shall, at its sole cost and expense:

- a) Furnish all equipment reasonably necessary or required for the performance of the transportation services to be provided for the CLIENT ("Equipment");
- b) Pay all expenses related to the use and operation of the Equipment; and
- c) Maintain the Equipment in good repair, mechanical condition and appearance.

HLCSI shall utilize only competent, able and legally licensed personnel in the performance of services hereunder. HLCSI shall have full control of such personnel. HLCSI shall be solely responsible for ensuring, and will ensure, at HLCSI's cost and expense, that such personnel are fully qualified to perform the services hereunder, and that such personnel have access to all locations into which access is reasonably necessary to perform the services under this Agreement. The foregoing obligation will include, as necessary, the requirement that the personnel obtain a Transportation Worker Identification Card for access to ports in the United States and port access

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HLCSI shall ensure, where necessary, that its personnel comply with the requirements of the Marine Transportation Security Clearance Program of Transport Canada.

HLCSI shall perform the services hereunder as an independent contractor, and shall assume complete responsibility for all provincial and federal taxes, assessments, insurance (including, but not limited to, workers' compensation insurance) and any other financial obligations arising out of the transportation performed for the CLIENT.

HLCSI shall be solely responsible for compliance with all provisions of Applicable Law regarding over-dimension and over-weight loads as well as the carriage of dangerous or hazardous goods.

HLCSI shall be solely responsible for its day to day operations including, but not limited to, setting appropriate routes to ensure that the transportation of shipments is accomplished in accordance with all Applicable Laws and to otherwise ensure shipments are not damaged in transit.

HLCSI shall maintain appropriate security infrastructure to ensure the physical security of shipments and equipment handled under the terms of this Agreement.

7. RATES & PAYMENTS.

HLCSI will invoice and the CLIENT will pay the rates and charges set forth in writing to the CLIENT by HLCSI, plus a fuel surcharge (if applicable).

Invoices shall be submitted by HLCSI after completion of each drayage activity and the CLIENT will pay all valid invoices received within 14 days of receipt.

Invoicing by HLCSI for services rendered shall be through email, unless otherwise instructed by the CLIENT to send by EDI, fax, or mail.

8. GRANTING OF CREDIT

When credit approval is granted by HLCSI, the charges are payable by the CLIENT on the date due as shown on the invoice and, where any charge is not paid within that time, an additional charge of two (2%) per cent of the unpaid charges shall be imposed for each thirty day (30) day period or portion thereof such charges remain unpaid.

9. FREIGHT LOSS & LIMITATION OF LIABILITY.

HLCSI shall have the sole and exclusive care, custody and control of goods, containerized cargo and containers tendered by the CLIENT for transport from the time it is delivered to HLCSI for transportation until delivery is made to the premises designated by the CLIENT as evidenced by an appropriate receipt executed by the receiver. HLCSI shall notify the CLIENT immediately in the event any such goods, containerized cargo and containers is lost (including stolen), damaged or destroyed, or in the event HLCSI becomes aware that applicable delivery schedules will not be met.

HLCSI assumes the liability of a common carrier for loss, delay, damage to

HLCSI becomes aware that applicable delivery schedules will not be met.

HLCSI assumes the liability of a common carrier for loss, delay, damage to or destruction of any and all cargo or property tendered to HLCSI pursuant to this Agreement while under HLCSI's care, custody or control.

Notwithstanding the foregoing and any other term of this Agreement and any term of any other agreement between the CLIENT and HLCSI, the parties do hereby agree that the total extent of HLCSI's liability and responsibility to the CLIENT under this Agreement shall be limited to the lesser of:

- a) the actual amount paid or payable by the CLIENT to HLCSI for the transportation of the CLIENT's goods, cargo and property in question; and
- b) the actual value of the CLIENT's goods, cargo or property shipped by HLCSI that suffered damage, delay, loss or destruction.

HLCSI shall not be liable for loss or damage unless notice of claim is filed by the CLIENT setting out the particulars of the shipment and the estimated amount claimed in respect of such loss, damage within thirty days after the delivery of the shipment to the CLIENT, or, in the case of failure to make delivery, within six months from the date of the shipment and a final statement of the claim is filed within (6) months from the date of the shipment and legal proceedings to enforce a claim for such loss, destruction or damage are instituted within one (1) year from the time the delivery of the shipment was made to the CLIENT.

10. INSURANCE.

HLCSI shall procure and maintain in good standing, at its sole cost and expense, the following insurance coverage:

- (a) Motor Vehicle Liability and property damage insurance with a reputable and financially responsible insurance company insuring CARRIER in an amount not less than \$1,000,000.00 (Canadian Dollars) combined single limit.
- (b) Commercial General Liability Insurance covering the transportation of shipments and other operations under this Agreement in an amount not less than \$1,000,000.00 (Canadian Dollars) combined single limit.
- (c) All Risk Broad Form Motor Truck Cargo Legal Liability insurance in an amount not less than \$100,000.00 (Canadian Dollars) per occurrence.
- (d) All insurance required pursuant to the Uniform Intermodal Interchange and Facilities Access Agreement ("UIIA"), and any Addendum thereto which is applicable to HLCSI's services.

11. FORCE MAJEURE

Except as otherwise provided, the obligation of HLCSI to furnish and of the CLIENT to use the transportation services provided for in this Agreement shall be suspended temporarily during any period in which either of the PARTIES is unable to comply with the requirements of this Agreement by reason of acts of God or the public enemy, fire, flood, adverse weather conditions, labour disorder, civil commotion, closing of the public highway(s), government interference or regulations, or other contingencies similar to the foregoing beyond the reasonable control of the affected PARTY. The PARTY

government interference or regulations, or other contingencies similar to the foregoing beyond the reasonable control of the affected PARTY. The PARTY experiencing an event of force majeure shall notify the other PARTY of the event as soon as possible, take reasonable action to eliminate the cause for the force majeure and resume normal operations as soon as possible.

12. RIGHT TO WITHHOLD DELIVERY

HLCSI reserves the right to withhold the delivery of goods, containerized cargo and containers until all accrued charges have been paid in full.

13. RIGHT TO SELL FOR UNPAID CHARGES

HLCSI reserves the right to sell any and all containers and the contents therein on which unpaid charges or costs have accrued, providing the CLIENT has been given adequate notice to pay but has neglected or failed to comply except by handing over the containers to an authority or other third party to whom, pursuant to law or regulation, the containers must be transferred.

14. EXPLOSIVES & OTHER HAZARDOUS CARGO

The acceptance, handling and storage of containers laden with explosives, excessively flammable and other hazardous cargo is subject to the CLIENT obtaining prior approval from HLCSI and to making special arrangements for their handling and care as governed by the rules and regulations established by the Government of Canada and other authorities for the transportation, warehousing and handling of dangerous and hazardous cargo.

The CLIENT shall provide to HLCSI a detailed description of the hazardous cargoes in advance, which is to include the International Maritime Organization ("IMO") code and rating for each hazardous commodity to be handled by HLCSI.

All shipments must display appropriate hazardous / dangerous goods placards as approved by IMO. A dangerous goods statement, a safe packing statement and an emergency response form (where applicable) must also be provided by the CLIENT to HLCSI in advance of presenting hazardous cargo to HLCSI.

Notwithstanding any other indemnity provided by the CLIENT to HLCSI or any other party, the CLIENT hereby agrees to indemnify HLCSI for any loss or damage caused to or suffered by HLCSI, any of HLCSI's affiliates, partners, or clients, or any other party by any act or negligence of the CLIENT.

15. CARGO REQUIRING REFRIGERATION

In the case of refrigerated containers, HLCSI will exercise reasonable care to provide adequate and continuous diesel or electric power but does not guarantee same. HLCSI shall not be responsible for incorrect temperature settings and/or power failures.

16. REPORTING THE CONDITION OF CONTAINERS

The reporting of the condition of containers and door seals is limited to checking that the seal on the container is intact and is the number reported on the bill of lading and reporting exceptions which are deemed sufficient to

The reporting on the condition of containers and door seals is limited to checking that the seal on the container is intact and is the number reported on the bill of lading and reporting exceptions which are deemed sufficient to cause the container to be unserviceable for further use in the safe carriage of cargo unless repaired. It is limited to reporting external damage and exceptions that can be readily seen by the human eye. The normal wear and tear caused to containers, such as minor scrapes, dents and bruises which do not interfere with the serviceability of the container, and hidden damage which cannot be seen at the time the inspection is made, such as hairline cracks, pin holes, etc., and the condition of floors and the undercarriage of containers are specifically excluded.

17. ASSIGNMENT OF AGREEMENT.

This Agreement may not be assigned or transferred in whole or in part by either PARTY without the written consent of the other PARTY.

18. SEVERABILITY.

In the event that the operation of any portion of this Agreement results in a violation of any law, the PARTIES agree that such portion shall be severable and that the remaining provisions of this Agreement shall continue in full force and effect.

19. DISPUTE RESOLUTION.

This Agreement shall be deemed to have been drawn in accordance with the statutes and laws of the Province of British Columbia. In the event of any disagreement or dispute arising out of or in connection with this Agreement, the laws of the Province of British Columbia shall apply.

20. COMPLETE AGREEMENT.

This Agreement constitutes the entire agreement of the PARTIES with reference to the subject matters herein, and supersedes and expunges any prior written or oral agreement or understanding relating to the transactions contemplated herein, and may not be changed, waived, or modified except in writing signed by both PARTIES.