

1. Description: All quotations are subject to change by Company prior to Customer's acceptance of the quotation and these standard terms and conditions. All quotations are based on specifications and information provided by Customer and include only itemized goods and services. All additional rates and charges referenced in this contract shall be at Company's then-standard rates and charges. All goods or services (including advance copies, experimental work, extra covers, and shipping) not specifically listed in the quotations shall be paid by Customer. If Customer changes specifications or related information, Customer shall be liable for the cost of such changes and Company may terminate this contract forthwith and Customer shall be liable for all costs and/or loss of Company as a result of the change of instructions. Customer shall pay Company for any changes, revisions, amendments or corrections to film, bromide, art work and/or printing surface necessary to ensure properly finished work.

2. Proofs: Proofs of all work may be submitted to Customer for its approval. Company shall not be liable for errors not corrected by Customer in proofs. Customer shall be liable to Company for all additional costs and work caused by Customer's failure to correct proofs. If style, type, layout or other facets are left to Company's judgment, then Customer shall be liable to Company for the cost of any changes made at Company's request. The cost of press proofs is not included in the quotation unless otherwise noted in the quotation. Customer shall be liable to Company for all press proofs requested by Customer and all changes, including lost press time, due to Customer's requests or changes. Customer understands and accepts that a reasonable variation in color between proofs and completed work may occur and shall not affect the compliance of the work with this contract. At Customer's request and at Customer's sole cost, Company will forward special inks and proofing stocks to Customer's suppliers.

3. Payment: Terms of payment in the quotation may only be changed in writing signed by Company. If Customer requests that Company suspend work for more than thirty (30) days or cancel work, then within ten (10) days after Company's request(s) Customer shall pay Company for any part of the work done before suspension or cancellation, including materials obtained by Company for the work, and all costs of Company due to Customer's notice of suspension or cancellation, including but not limited to, interest, expenses and storage costs. Unless otherwise provided in writing, the quotation does not include any sales or excise tax and Customer shall pay Company for any applicable tax within ten (10) days after request from Company.

4. Acceptance of the Work: All work conforms to this contract shall be deemed accepted by Customer. If the work varies from the job specifications due to the quality of materials or supplies supplied by or on behalf of Customer or obtained at the direction of Customer the work shall be deemed accepted by Customer. In any case, the work is deemed accepted by Customer upon delivery as set forth in the quotation unless a claim is timely made as set forth in this contract.

5. Delivery: Unless otherwise specified in writing, the following shall apply to this contract: (a) the quotation is for a single shipment, without storage, F.O.B. local Customer's place of business, F.O.B. dockside warehouse, container terminal in Hong Kong, or container terminal in the country where the work shall be produced for Customer; (b) C.&F. or C.I.F. price includes delivery to the nominated port in Customer's country; (c) delivery charges are for continuous and uninterrupted delivery of complete order; (d) costs of delivery from Customer or Customer's supplier(s) to Company are not included in the quotation price; (e) Customer shall be responsible for payment of any change or addition to delivery charges; (f) materials delivered from Customer or Customer's supplier(s) are verified only with delivery tickets as to cartons, packages or items shown; (g) the accuracy of quantities on delivery tickets from Customer's supplier(s) cannot be verified by Company and Customer shall be solely liable for any shortage; (h) the quotation does not include the cost of expedited delivery and Customer shall pay Company for all of Company's costs, including expedited delivery, overtime or other expense, resulting from Customer's request for expedited delivery; (i) estimates and orders are conditional upon a margin of plus or minus five percent; and (j) Customer shall pay for overages and Company shall deduct for shortages at the price contained in the quotation.

6. Ownership: Title to the work shall pass to Customer only on Company's receipt of full payment for the work. The following shall remain the property of Company unless otherwise agreed by Company in writing signed by Company: (a) drawings, sketches, paintings, photographs, designs and typesetting furnished by Company; (b) dummies, models and similar devices made, procured or manipulated by Company; (c) negatives, positives, blocks, engravings, stencils, dies, plates and cylinders whether made from Company's original design or a design furnished by Customer; (d) electros, stereotypes, and other forms of duplication; and (e) sketches and dummies submitted to Customer on a speculative basis. Any such property submitted by Company to Customer shall not be used for any other purpose than in furtherance of performance of the work by Company or as otherwise permitted by Company in writing and no ideas, information or design(s) obtained therefrom may be used by Customer without the prior written consent of Company. Customer acknowledges that the use of such property in violation of this paragraph would violate the intellectual property rights of Company and cause substantial, irreparable damage to Company. Customer shall be liable to Company for any such use and shall pay to Company all damages therefore, including costs and reasonable attorney's fees. Customer consents to the entry of injunctive relief against Customer and the imposition of damages and waives any requirement for bond.

7. Standing Material: Unless otherwise specified in the quotation, all plates, type, cutting forms, all surfaces, and other property generated in or for the production of the work may be cleaned, broken and/or destroyed immediately upon completion of the work in the sole discretion of Company. If Customer requests that Company keep standing material, Customer shall pay Company storage, maintenance and other costs of Company. All such standing material shall remain the sole and absolute property of Company unless otherwise agreed in writing signed by Company. If property or material is left with Company without written instructions, Company may, in its discretion, dispose of such no less than twelve (12) months after receiving it. Customer shall be liable to Company for Company's costs in holding, handling and disposing of such property and materials. Customer hereby assigns to Company all proceeds, if any, from the sale of such property and materials, which may be offset against all amounts owed by Customer to Company.

8. Risk of Loss: All of Customer's property and material ("Customer Materials") delivered to Company and intended for use in the work are held by Company only as a convenience to Customer and are delivered to Company at Customer's sole risk. Customer shall insure such property and material at its sole cost and expense and shall, upon written request by Company, provide reasonably satisfactory proof of such insurance. Upon the written request of Customer, Company may, in its sole discretion, insure Customer Materials at Customer's sole expense. Company shall be liable to Customer for any damage to Customer Materials only in the event of Company's gross negligence and such damages shall be limited in such case only to amounts paid to Company by Customer pursuant to this contract, which shall be Company's sole liability for any such damage. At the time of delivery of the work to Customer all liability of Company under this paragraph shall cease.

9. Warping: Customer acknowledges and accepts that the warping of cases of bound books may occur due to environmental causes, including sudden and large differences in temperature or humidity between the place of manufacture and the place of distribution, which causes are beyond the control of Company. No such warping caused by environmental factors shall relieve Customer of its obligation to make all payments as and when due pursuant to this contract nor shall such warping subject Company to any liability to Customer.

10. Company Warranties: COMPANY MAKES NO WARRANTIES OF FITNESS OR MERCHANTABILITY, ALL SUCH WARRANTIES BEING EXPRESSLY DISCLAIMED. Company does not warrant that the work complies with the requirements of any law related to the marking, labeling or packaging of goods. At Customer's written request, Company shall print machine-readable codes or symbols supplied by Customer in accordance with generally accepted standards and procedures. Customer shall be responsible for ensuring that the codes or symbols so printed will be read correctly by those for whom it is intended and shall indemnify Company and save it harmless against any cost, expense, or claim, direct or indirect, and including reasonable attorney's fees, arising from any breach of this term by Customer.

11. Customer Warranties: Customer warrants and represents that the content of the work and all property and materials furnished by Customer for the work, and the use of Customer's property and materials in the work do not, in whole or in part, infringe on any copyrights or other proprietary rights of third parties and Customer shall defend, indemnify and hold Company harmless against any damage, direct or indirect, including attorney's fees, arising from a claim due to Customer's breach of this warranty.

12. Termination and Default: (a) Company may, in its sole discretion, terminate or suspend this contract if Company determines, in its sole discretion, that (i) any part of the work is or may be of an illegal or libelous nature, (ii) Customer fails to pay

amounts due within seven (7) days after such amounts are due under this contract, or (iii) the work may not be performed by Company. If Customer terminates this contract, Customer shall pay Company all costs and damages of Company including but not limited to, amounts due pursuant to this contract, interest at the rate of twelve percent (12%) per annum, costs, expenses, reasonable attorney's fees, damages, collection costs, and storage costs. In the event of such termination by Company Customer shall have no further right or claim against Company.

(b) Customer may not terminate this contract except with the prior written consent of Company, which consent may be conditional. If Customer terminates this contract without Company's consent, then Customer shall be liable to Company for any part of the work carried out prior to termination, including materials obtained by Company for the work, and all costs and damages of Company due to Customer's termination, including but not limited to, interest at the rate of twelve percent (12%) per annum, costs, expenses, reasonable attorney's fees, disposal costs, and storage costs. In Company's sole discretion, such charges may be recovered, in whole or in part, by offset against any payment made to Company by Customer or any of Customer's parents, subsidiaries or related entities and by offset against any price obtained from a sale of the work or portion thereof in Company's possession. Customer shall pay all such charges to Company within ten (10) days after Company's request to Customer. If Customer terminates this contract, Customer waives any and all rights to the work, including but not limited to materials obtained for the work. Customer agrees that Company may offset against any payment by Customer charges due to Company from any parent, subsidiary or associated company or companies of Customer. Until all amounts due and owing pursuant to this contract are paid to Company, the work remains the sole property of Company and may be sold by Customer only pursuant to this revocable license from Company. So long as any amount remains due and owing pursuant to this contract the proceeds of all sales of the work by Customer shall be held, in trust, by Customer for Company and all work not so sold in the ordinary course of business shall be held by Customer in such a manner that such work can be identified as the property of Company. Company may revoke its license to Customer to sell the work at any time in its sole discretion. Customer hereby consents to the entry by Company or any agent on Company's behalf on Customer's premises and the premises of any bailee or agent for Customer for purposes of taking possession of Company's property located thereon.

13. Claims: All claims against Company for non-delivery shall be made in writing received by Company within thirty (30) days after the due date of arrival of the work at the port of destination. All claims against Company regarding the work other than delivery shall be notified in writing to Company within fourteen (14) days after receipt of the work. Claims not received or notified within these time periods shall be deemed waived. In no event shall any claim, whether by arbitration, litigation or otherwise, be brought against Company more than one year after the date of this contract. The filing of a claim with Company shall not delay or alter Customer's payment obligations under this contract.

14. Security Agreement and Power of Attorney: If Customer fails to pay any sums when and as due pursuant to this contract, Customer acknowledges Company's security interest to the extent of all sums so due and owing in any and all property of Customer and by this power of attorney authorizes Company to endorse, on behalf of Customer, any document required to perfect Company's security interest in and to such property, including but not limited to the signature and filing of financing statement(s) in the appropriate city, county and state repositories, all of which shall be effective as of the earliest date legally allowable.

15. Liability: Company shall not be liable for Customer's direct, indirect or consequential loss, whether arising from third party claims or otherwise, caused by errors in the work, delay in completing the work, delay in transit of the work, or any other causes. If the work does not conform to this contract, Company's liability, if any, shall be limited to the price paid by Customer for such work and in no event shall Company's liability include special or consequential damages, including profits or loss of profits. Company may, in its sole discretion, replace any nonconforming work at its sole cost and expense. If Company and/or its agents or employees are found liable due to breach of contract, breach of warranty, negligence, or any other theory of liability, then the liability of Company and its agents and employees shall be limited to a sum equal to the amount paid by Customer for the work pursuant to this contract.

16. Agency: Customer acknowledges that Asia Pacific Offset, Inc. ("Agent") is the agent for Company solely for purposes of procuring this contract and Customer releases the Agent from any and all liability associated with the work of this contract.

17. Modification and Waiver: No modification or waiver of any provision of this contract and no consent by Company to any departure therefrom by Customer shall be effective unless such modification or waiver shall be in writing and signed by a duly authorized officer of Company, and the same shall then be effective only for the period, on the conditions and for the specific instances and purposes specified in such writing. No notice to or demand on Customer in any case shall entitle Customer to any other or further notice or demand in similar or other circumstances.

18. Indemnification: Customer indemnifies and holds Company harmless from any and all loss, costs, expenses, claims, demands, actions, proceedings, and damages, including reasonable attorney's fees, which may be brought against Company and involving allegations of, or arising from, any violation of any copyright or any proprietary right of any person, or any matter that is libelous or scandalous in the work, or invades any person's right to privacy or other personal rights. Customer shall, at Customer's sole cost and expense, promptly defend and continue the defense of any such claim, demand, action or proceeding that may be brought against Company, provided that Company shall promptly notify Customer thereof.

19. Remedies: (a) Customer hereby waives trial by jury in any litigation in any court with respect to, in connection with, or arising out of this contract or the validity, protection, interpretation, collection, or enforcement thereof, or any other claim or dispute whatsoever arising between Company and Customer and Customer hereby waives the right to interpose any setoff or counterclaim or cross-claim in connection with any such litigation, irrespective of the nature of such setoff, counterclaim, or crossclaim. Customer hereby consents to relief from the automatic stay for Company to enforce its rights pursuant to this contract in the event of a bankruptcy proceeding being brought by or against Customer.

(b) If Customer shall be in default of this contract, whether due to nonpayment, breach of warranty, or other default or nonperformance pursuant to this contract, then Company may, at any time thereafter, at its option, declare all amounts due hereunder due and payable, and the same shall be immediately due and payable, plus interest thereon at the rate of twelve percent (12%) per annum, costs, expenses and reasonable attorney's fees. Customer hereby expressly waives presentment, demand, protest, or notice of any kind, anything contained herein or in the quotation to the contrary notwithstanding. In such event Company may proceed to protect and enforce its rights or remedies either by suit in equity or by action at law, or both, whether for the specific performance of any covenant, agreement, or other provision contained herein, or in any document or instrument delivered in connection with or pursuant to this contract, or to enforce payment or any other legal or equitable right or remedy. No right or remedy herein conferred upon Company is intended to be exclusive of any other right or remedy contained herein, or in any instrument or document delivered in connection with or pursuant to this contract, and every such right or remedy shall be cumulative and shall be in addition to every other such right or remedy contained herein and therein or now or hereafter existing at law or in equity or by statute, or otherwise. No course of dealing between Company and Customer or any failure or delay on the part of Company in exercising any rights or remedies hereunder shall operate as a waiver of any rights or remedies of Company and no single or partial exercise of any rights or remedies hereunder shall operate as a waiver or preclude the exercise of any other rights or remedies hereunder.

20. Choice of Law; Arbitration: This Agreement (and any dispute, controversy, proceedings or claim of whatever nature arising out of this Contract or its formation) shall be governed by and construed in accordance with the laws of Hong Kong. The parties hereto submit to the non-exclusive jurisdiction of the Courts of Hong Kong. Alternatively, at Company's sole discretion, disputes between the parties regarding this contract, including the rights and duties of the parties under this contract, may be resolved by binding arbitration in Hong Kong in accordance with and subject to the provisions of the Arbitration Ordinance. The arbitrator(s) shall have the authority to order specific performance in an appropriate case, and to award attorney's fees and costs to the prevailing party.

21. General Provisions: Any termination, cancellation or expiration of this contract notwithstanding, provisions which are intended to survive and continue shall so survive and continue, including, but not limited to, the provisions of Paragraphs 6, 7, 11, 13, 14, 15 and 18.