

CrossGlobe Distribution - Standard Contract Terms and Conditions

Warehouseman defined: The terms "the warehouseman", "the warehouse company" or "CrossGlobe Distribution" as used in defining the Limitations of Liability herein and as used in the Standard Warehouse Terms and Conditions, specifically refers to CrossGlobe Distribution. This is to certify that we have received the merchandise and/or equipment as indicated on the receipt in apparent good order, except as noted hereon (contents, condition and quality unknown) subject to all terms and conditions herein and on the reverse side hereof. Such property will be delivered to the Depositor upon the payment of all charges.

STANDARD WAREHOUSE TERMS AND CONDITIONS

The property described on this receipt is stored and handled in accordance with the rates and charges provided by the warehouseman's rate quotation or Contract, and unless otherwise provided, is subject to the following terms and conditions:

ACCEPTANCE AND RATE QUOTATION - Sec. 1

(a) Acceptance by the warehouseman includes any goods received at or transported to his warehouse facility with this being defined as the buildings, sheds, docks, overhangs, yard space and fenced areas, including vehicles and transportation equipment parked therein, as well as other off site facilities controlled by the company. Acceptance by the warehouseman is on 30 days term basis, renewable each month by continued mutual agreement, or unless otherwise stated in a contract or rate offer signed by an officer of the warehouse company.

(b) This contract including accessorial charges endorsed on or attached hereto must be accepted within 30 days from the warehouseman's original written rate quotation proposal date by signature of depositor thereto. In the absence of written acceptance, the act of tendering goods described herein for storage or any other services performed by warehouseman within 30 days from the proposal date shall constitute such acceptance by depositor under public warehouse terms. No other contract or offer is valid with the warehouseman unless said contract is duly signed by an authorized officer of Universal.

(c) In the event that goods tendered for storage or other services do not conform to the description contained herein, or conforming goods are tendered after 30 days from the proposal date without prior written acceptance by the depositor as provided in paragraph (b) of this section, warehouseman may refuse to accept such goods. If warehouseman accepts such goods, depositor agrees to rates and charges as may be assigned and invoiced by warehouseman and to all terms of the contract.

(d) This contract may be canceled by either party upon 30 days written notice and is canceled if no storage or other services are performed under this contract for a period of 180 days.

SHIPPING - Sec. 2

Depositor agrees not to ship goods to warehouseman as the named consignee. If in violation of this agreement, goods are shipped to warehouseman as named consignee, depositor agrees to notify carrier in writing prior to such named as consignee is a warehouseman and has no beneficial title or interest in such property and depositor further agrees to indemnify and hold harmless warehouseman from any and all charges of any nature, in connection with goods so shipped. Depositor further agrees that, if it fails to notify carrier as required by the next preceding sentence, warehouseman shall have the right to refuse such goods and shall not be liable or responsible for any loss, injury, or damage of any nature to, or related to, such goods. Depositor agrees that all promises contained in this section will be binding on depositor's heirs, successors and assigns.

TENDER FOR STORAGE - Sec. 3

All goods for storage shall be delivered at the warehouse properly marked and packaged for handling. The depositor shall furnish at or prior to such delivery, a manifest showing marks, brands, or sizes to be kept and accounted for separately, and the class of storage and other services desired.

STORAGE PERIOD AND CHARGES - Sec. 4

(a) All charges for storage or per package charges or other agreed unit charges are per month, unless otherwise indicated in warehouseman's accepted (signed) rate quotation.

(b) Storage charges become applicable upon the date that warehouseman accepts care, custody and control of the goods, regardless of unloading date of issue of warehouse receipt.

(c) Except as provided in paragraph (d) of this section, or otherwise provided in warehouseman's written rate quotation or contract, a full month's storage charge will apply on all goods received after the first of the calendar month; and a full month's storage charge will apply to all goods in storage the first day of the next and succeeding calendar months. All storage charges are due and payable on the first day of storage for the initial month and thereafter on the first day of the calendar month.

(d) When mutually agreed to by the warehouseman and the depositor, a storage charge shall extend from a date in one calendar month to, but not including, the same date of the next and all succeeding months. All storage charges are due and payable on the first day of the storage month.

(e) No right of setoff or deduction: Depositor agrees that it will not deduct the cost of any claim, dispute, misunderstanding, retailer chargeback, markdown, price deduction, penalty, fee, interest cost or assessment from the amounts invoiced by the warehouseman to the depositor for any services provided under any rate quotation, proposal or other agreement including services provided under the Standard Warehouse Terms and Conditions, the License and Storage Agreement, or related to services under CrossGlobe trucking Bill of Lading or related to CrossGlobe's services as a transportation broker.

TRANSFER, TERMINATION OF STORAGE, REMOVAL OF GOODS - Sec. 5

(a) Instructions to transfer goods on the books of the warehouseman are not effective until delivered to and accepted by warehouseman, and all charges up to the time of transfer is made are chargeable to the depositor of record. 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.

(b) The warehouseman reserves the right to move, at his expense, 14 days after notice is sent by certified or registered mail to the depositor of record or to the last known holder of the negotiable warehouse receipt, any goods in storage from the warehouse in which they may be stored to any other of his warehouse; but if such depositor or holder takes delivery of the goods in lieu of transfer, no storage charge will be made for the current month. The warehouseman may, without notice, move goods within or about his warehouses or other off site facilities or utilize trailers or other secure transportation equipment on the warehouseman's property to house the goods.

(c) The warehouseman may, upon written notice to the depositor of record and any other person known by the warehouseman 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 warehouseman may sell them in accordance with applicable law.

(d) If warehouseman in good faith believes that the goods are about to deteriorate or decline in value to less than the amount of warehouseman's lien before the end of the next succeeding storage month, the warehouseman 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 one week after a single advertisement or posting as provided by law.

(e) If as a result of a quality of condition of the goods of which the warehouseman had no notice at the time of deposit the goods are a hazard to other property or to the warehouse or to persons, the warehouseman 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 warehouseman 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 warehouseman may remove the goods from the warehouse and shall incur no liability by reason of such removal.

(f) The depositor declares that the warehouseman has an absolute and unqualified right to require the depositor to remove its goods from the warehouseman's facilities, at the depositor's expense, and that the warehouseman has an absolute and unqualified right to exercise the enforcement of a warehouseman's lien for settlement of all charges, including reasonable attorney's fees incurred by the warehouseman. The depositor shall also hold the warehouseman harmless and release absolutely and forever the warehouseman from any claims, obligations, suits, actions or causes of actions or attorney's fees incurred by the depositor, in the regard of the warehouseman exercising such rights and the final disposition of depositor's merchandise.

HANDLING - Sec. 6

(a) The handling charges cover the ordinary labor involved in receiving goods at warehouse door and transferring said goods to its first place of rest in the warehouse and subsequent returning goods to the warehouse door. Additional Handling charges apply for any intermediate movement from the good's first place of rest in the warehouse for any additional services. Handling In/Out and Devanning charges are due and payable on receipt of the goods.

(b) Unless otherwise agreed labor for unloading and loading goods will be subject to a charge. Additional expenses incurred by the warehouseman in receiving and handling damaged goods, and additional expense in unloading from or loading into cars or other vehicles not at warehouse door will be charged to the depositor.

(c) Labor and materials used in loading rail cars or other vehicles are chargeable to the depositor.

(d) When goods are ordered out in quantities less than in which received, the warehouseman may make an additional charge for each order or each item of an order.

(e) The warehouseman shall not be liable for demurrage delays in unloading inbound cars, or delays in obtaining and loading cars for outbound shipment unless warehouseman has failed to exercise reasonable care.

DELIVERY REQUIREMENTS - Sec. 7

(a) No goods shall be delivered or transferred except upon receipt by the warehouseman of complete instructions properly signed by the depositor. However, when no negotiable receipt is outstanding, goods may be delivered upon instructions by telephone in accordance with a prior written authorization, but the warehouseman shall not be responsible for loss or error occasioned thereby.

(b) When a negotiable receipt has been issued no goods covered by that receipt shall be delivered, or transferred on the books of the warehouseman, unless the receipt, properly endorsed, is surrendered for cancellation, or for endorsement or partial delivery thereon. If a negotiable receipt is lost or destroyed, delivery of goods may be made only upon order of a court of competent jurisdiction and the posting of security approved by the court as provided by law.

(c) When goods are ordered out a reasonable time shall be given the warehouseman to carry out instructions, and if he is unable because of acts of God, war, public enemies, seizure under legal process, strikes, lockouts, riots and civil commotions, or any reason beyond the warehouseman's control, or because of loss or destruction of goods for which warehouseman shall not be liable for failure to carry out such instructions and goods remaining in storage will continue to be subject to regular storage charges.

EXTRA SERVICES (SPECIAL SERVICES) - Sec. 8

(a) Warehouse labor required for services other than ordinary handling and storage will be charged to the depositor.

(b) Special services requested by the depositor including but not limited to compiling of special stock statements; reporting marked weights, serial numbers or other data from packages; physical check of goods; and handling transit billing will be subject to a charge.

(c) Dunnage, bracing, packing materials or other special supplies, may be provided for the depositor at a charge in addition to the warehouseman's cost.

(d) By prior arrangement, goods may be received or delivered; during other than usual business hours, subject to a charge.

(e) Communication expense including postage, teletype, telegram, or telephone, will be charged to the depositor if such concern more than ordinary inventory reporting or if, at the request of the depositor, communications are made by other than regular United States Mail.

BONDED STORAGE - Sec. 9

(a) A charge in addition to regular rates will be made for merchandise in bond.

(b) Where a warehouse receipt covers goods in U.S. Customs bond, such receipt shall be void upon the termination of the storage period fixed by law.

LIABILITY - Sec. 10

(a) Goods which are subject to damage through temperature or humidity changes or other causes incident to general storage will be received in general storage only at depositor's risk for such damage as might result from general storage conditions.

(b) Warehouseman and depositor mutually agree to furnish each other with waivers of the right of subrogation of their respective insurance carriers of their fire and extended coverage policies.

(c) Electronic Data Interchange (EDI), data input and retail compliance services: the warehouseman may provide at a specific charge, some or all software, hardware, data lines and personnel to map and transmit EDI documents, interface shipment data, manually input data, scan and generate retailer specified labels (bar code), engage in UPC numerology record and maintenance and credibility, and other ancillary services (including testing systems interfaces related to shipments of merchandise in an automated environment), and the warehouseman expressly shall not be liable for any loss or injury to goods, transactions, shipment data or business stipulations or the consequences of any contractual sales terms between the depositor and other third parties including but not limited to retail trading or transportation partners. Neither the warehouseman nor its officers, subcontractors or agents shall have any liability for any loss, claims or damages, direct, indirect or consequential (including but not limited to lost profits, business interruption, loss of business information, loss of sales or lost business of the depositor), chargebacks or other retailer penalties, incidental or other damages, (real or imagined), arising out of or relating to the warehouseman engaging in EDI, data transmissions, bar code scanning, labeling or other retail compliance provisions on the depositor's behalf regardless of whether any claim is based upon warranty, contract or tort. The depositor shall be liable for any retailer chargebacks, penalties, fees or deductions, as a result of, or consequential to, the warehouseman's efforts to perform said services on behalf of the depositor, or in the execution of such services.

MINIMUM CHARGES - Sec. 11

(a) A minimum handling charge per lot and a minimum storage charge per month will be made. When warehouse receipt covers more than one lot or when a lot is in assortment, a minimum charge per mark, brand, or variety will be made.

(b) A minimum monthly charge or one account for storage and/or handling will be made. The charge will apply also to each account when one customer has several accounts, each requiring separate records and billing.

LIABILITY AND LIMITATION OF DAMAGES - Sec. 12

(a) The warehouseman shall not be liable for any loss or injury to goods stored, handled, transloaded, staged, assembled, crated, braced, temperature maintained and controlled, labeled, packaged, sealed, or otherwise serviced by the warehouseman, however caused unless such loss or injury resulted from the failure by the warehouseman to exercise such care in regard to them as a reasonably careful person would exercise under like circumstances and warehouseman is not liable for damages which could not have been avoided by the exercise of such care.

(b) Goods are not insured by warehouseman against loss, damage, or injury however caused.

(c) Warehouse Storage cargo: The depositor declares that damages are limited to a maximum of fifty (50) times the monthly storage rate paid by the depositor, unless otherwise provided in the warehouseman's written proposal to the depositor, provided, however that such liability may at the time of this contract in section 1 be increased on part or all of the goods hereunder in which event an additional monthly charge, as provided by the warehouseman's written proposal to the depositor, will be paid in addition to the regular monthly storage charge.

(d) Cargo other than Warehouse Storage: For Transload, Crossdock, CFS Vanning or Devanning, Vehicle Unloading or Loading, Blocking and Bracing, or other types of cargo which may or may not include warehouse or dock storage, the depositor declares that damages are limited to a maximum of 50 (fifty) per cent of the applicable transload or other service charge paid per package or shipping unit, unless otherwise provided in warehouseman's written proposal to the depositor. For Yard Storage (container or trailer parking, including refrigerated vehicles), depositor declares liability limitation and damages acceptance in accordance with the interchange receipt issued by the warehouseman, or as otherwise provided in warehouseman's written Yard Storage proposal or contract, issued after the year 1992.

(e) Assembly, quality control, inspections, reworking, sewing, mending, repairing, packaging, recouping, labeling, fixing or manufacturing services performed by the warehouseman (including furniture assembly) herein after referred to as workmanship is warranted by the warehouseman to be performed in accordance with written designs, plans or instructions rendered by the depositor. The parties agree and recognize that component parts will suffer breakage in the course of assembly, reworking or manufacturing and that the depositor assumes all risks for loss by such breakage occurring during the normal assembly process - excluding willful negligence by the warehouseman or its employees, subcontractors, or agents. If the workmanship performed by the warehouseman results in defective final products as a result of improper assembly (not in accordance with pre-agreed written specifications from depositor) then the warehouseman will replace said defective workmanship if depositor returns the goods at its expense. Warehouseman's workmanship warranty does not include the cost of factory supplied materials or parts replacement, transportation, Customs clearance, recouping, packaging, charge backs or returns incurred in retailing or other incidentals, which risk is borne solely by the depositor.

Warehouseman assumes no risks of product liability for depositor (or its customers) nor does warehouseman provide depositor with product liability insurance. As the products, packaging and materials utilized are all of depositor's design and selection, the depositor assumes all risks associated thereto, including any ideas, processes, packaging, or materials that warehouseman may suggest for possible consideration in the depositor's selection decision. The depositor shall indemnify warehouseman and save and hold harmless from all liability and claims, demands, damages, and costs of every kind and nature, including attorney's fees and court costs, arising out of injury to or death of persons, (including employees, sub contractors or agents) and damage to any and all

property including loss of use thereof resulting from or in any manner arising out of or in connection with the performance of the work under this contract or the products resulting thereof; excepting only liability resulting from the sole negligence of the warehouseman. Depositor shall, upon request of warehouseman, defend and satisfy any and all suits of judgments arising from work performed or products resulting from work performed under this contract including all third party claims. Warehouseman does not warrant the quality or integrity of components or parts supplied by depositor's vendors or factories. Warehouseman will exercise good judgment in reporting defective materials received from vendors to depositor in a timely manner and await disposition instructions. Under all circumstances, the maximum liability for warehouseman for any workmanship related claims or actions is limited to twenty five (25) times the monthly storage rate per unit charged to depositor.

(f) Depositor assumes all responsibility for returns and/or charge backs from its retailers or other customers. Depositor will not charge back warehouseman for any amounts except as mutually agreed in writing. Depositor assumes responsibilities for all returns and may not ship the merchandise back to warehouseman without prior written consent. Depositor may separately contract with warehouseman to rework or repackage any returned merchandise.

(g) All goods under the responsibility of the warehouse company are at owner's risk of loss or damage caused by fire, wind, water, sprinkler leakage or malfunction, rats, mice, vermin, leakage, or providential causes, or by enemies of Government, or mobs, or breakable goods not properly packed, or from any cause beyond the control of the warehouseman. The responsibility of the warehouseman is defined by the Laws of the State of Virginia for transactions conducted in Virginia. For shipment transactions in Virginia, the Laws of the State of Virginia will apply. The warehouseman will assume no responsibility for concealed damage, leakage, variations in weights, or for loss in weight by reason of defective or insufficient packaging or containers, or delays, whether occurring while goods are in storage or are being handled, nor for failure to detect or remedy same, nor for loss of delays caused by strikes or civil commotions.

(h) Depositor declares that the warehouseman is not responsible for lost sales, market conditions, or other business trends or conditions (real or imagined); for the quality or cleanliness of merchandise or packaging or for misunderstandings or lack of customer service related to goods that may have been stored or handled by the warehouseman. Depositor further holds the warehouseman harmless for routings, scheduling, missed deliveries, freight charges, C.O.D. collections, transportation related claims and their processing, misdeliveries, shortages and damages (concealed or otherwise) and the solvency and dependability of carriers as it may relate to the pre warehouse or post warehouse inland transportation services for depositor's goods, which may be ancillary to such storage or handling by the warehouseman.

NOTICE OF CLAIM AND FILING OF SUIT - Sec. 13

(a) Claims by the depositor and all other persons must be presented in writing to the warehouseman within a reasonable time, and in no event longer than either 60 days after delivery of the goods by the warehouseman or 60 days after depositor of record or the last known holder of a negotiable warehouse receipt is notified by the warehouseman that loss or injury to part or all of the goods has occurred, whichever time is shorter.

(b) No action may be maintained by the depositor or others against the warehouseman for loss or injury to the goods stored unless timely written claim has been given as provided in paragraph (a) of this section and unless such action is commenced wither within nine months after date of delivery by warehouseman or within nine months after depositor of record or the last known holder of negotiable warehouse receipt is notified that loss or injury to part or all of the goods has occurred, whichever time is shorter

(c) When goods have not been delivered, notice may be given of known loss or injury to the goods by mailing of a registered or certified letter to the depositor of record or to the last known holder of a negotiable warehouse receipt. Time limitations for presentation of a claim in writing and maintaining of action after notice begin on the date of mailing of such notice by warehouseman.

(d) It is agreed that any controversy or claim arising out of or relating to this contract or the breach thereof shall be submitted by either party upon written notice to final and binding arbitration and or mediation, with a mutually agreed Arbitration association or Mediation facilitator. Arbitration/mediation costs shall be shared equally by the parties and the outcome shall be binding and enforceable by court having competent jurisdiction. Pre-arbitration or pre-mediation discovery shall be determined by the mutually agreed Arbitration association or Mediation facilitator upon request of any party and managed by any arbitrator or mediator appointed for that purpose. This Arbitration/Mediation provision shall not waive, modify, or otherwise affect in any way the warehouseman's absolute and unqualified right to terminate the bailment of goods stored at its premises, or to satisfy its rights to execute a lien for moneys due on account, as established by these Terms and Conditions, or under any warehousing or services contract in effect between the parties.

By:

Name, Title
CrossGlobe Distribution

Date

Name, Title
Depositor

Date