

Team Air Express, Inc.
Warehousing Conditions of Contract

The following provisions shall apply to govern warehousing services provided by Team Air Express, Inc. dba Team Worldwide (TEAM):

1. Definitions.

1.1 Warehousing Services. Warehousing services shall include all services performed by TEAM at TEAM's warehouse, or in a warehouse leased or otherwise utilized by TEAM. These services shall include, but not be limited to, storage, on-forwarding, warehouse distribution, packing and crating.

1.2 Owner (OWNER). Shall mean the owner of stored goods as well as its agents and authorized representatives, and shall include the holder of a negotiable receipt, any party with a security interest in the goods and the party delivering the goods to TEAM.

2. Performance of Warehousing Services. In the performance of the warehousing services, TEAM shall be considered as a warehouseman under applicable local law.

3. Warehouse Receipt. For all property or Goods of OWNER or OWNER's customers entering into the possession of TEAM as a warehouseman, TEAM shall issue a warehouse receipt which shall note the description of the merchandise entering the warehouse, including, if available, quantity, serial number, stock keeping unit "SKU", type, condition and value of the merchandise. The warehouse receipt may also include the rate of storage and any other charges for services to be rendered with respect to the merchandise. In the event a warehouse receipt is not issued, these terms and conditions shall apply and OWNER agrees to pay the rate for storage as set forth in the invoice for services issued by TEAM.

4. Marking and Packaging. All goods for storage shall be delivered at the warehouse property marked and packed for handling. OWNER shall furnish, at or prior to such delivery, a manifest showing marks, brands or sizes to be kept and accounted for and the class of storage desired, otherwise the goods may be stored on bulk or assorted lots or general storage at the discretion of TEAM and will be charged accordingly. TEAM undertakes to store and deliver goods only in the packaging in which they are originally received, unless by special arrangement and subject to charge.

5. Charges for Warehouse Services. All goods are stored on a month to month basis unless otherwise agreed prior to commencement of the storage period. Unless otherwise agreed by the TEAM and OWNER in advance to the receipt of any goods, a full month's storage charge will be due on all goods regardless of the date of the month received. TEAM reserves the right to increase any of the charges up thirty (30) days written notice to OWNER. Rates or charges do not include insurance. Goods stored are not insured by TEAM. Insurance or excess value coverage are available for a separate cost and must be negotiated in writing prior to any services being performed.

5.1 Payment of Charges. OWNER agrees to pay TEAM in U.S. Dollars thirty (30) days after receipt of an invoice. Failure by OWNER to pay all charges invoiced in a timely manner is considered a material breach of these Conditions of Contract entitling TEAM to; (i) withhold services, (ii) enforce warehouseman's lien, or exercise any other remedy available at law or by virtue of these Conditions of Contract.

5.2 Late Payment. Invoices not paid to TEAM by OWNER for service rendered will incur one and one half (1 & 2%) interest per month or the maximum amount allowable by law on the unpaid balance.

6. Receive, Shipping or Transfer of Goods. TEAM will receive, ship or transfer goods during normal local business hours (08:00 am to 5:00 pm) Monday through Friday.

6.1 Receive. OWNER must provide carrier with accurate arrival information of goods shipped to TEAM.

6.2 Ship or Transfer. TEAM must have a minimum of five (5) hours pre-notice to ship or transfer on same day. Failure to provide such notice will delay shipment or transfer to next business day.

6.3 Communication. All notifications or communications must be sent electronically or in writing.

7. Access and Inspection. Owner of stored goods or any person with written authority of the Owner subject to reasonable limitations imposed by the warehousemen may have access to stored goods for inspection if accompanied by a representative of TEAM whose time will be charged to the OWNER according to TEAM's rates. Any access or inspection will occur only on posted business hours of the warehouse location.

8. Removal of Goods. Except where another procedure is provided by statute, TEAM may, upon written notice to OWNER and to any other person known by TEAM to claim an interest in the goods, require the removal of all or any part of the goods by the end of the next succeeding storage month. Such notice shall be given by delivery in person or by registered or certified letter addressed to the last known address of the person to be notified.

9. Receipt of Goods. In all circumstances where freight is received at the warehouse, transit shall be deemed to have ceased and the storage of said goods shall be pursuant to the terms of the warehouse receipt issued or in accordance with these terms and conditions of service.

10. Third Party Locations. TEAM is specifically authorized at its sole discretion and without notice to store the subject goods with third parties. Third parties to whom the goods are entrusted may limit liability for loss or damage; TEAM will request excess valuation coverage only upon specific written instructions from OWNER, which must agree to pay any charge therefore. OWNER expressly acknowledges that there is a distinction between excess valuation coverage, which increases the legal liability amount of the subject service provider beyond a released value rate, and a request for insurance. In the absence of written instructions from OWNER, and/or in instances in which the third party does not agree to a higher declared value, at TEAM's discretion, the goods may be tendered to the third party subject to the terms of the third party's limitations of liability and/or terms and conditions of service.

11. Liability. TEAM's liability for loss or damage for warehouse services provided at a warehouse it operates or owns shall be limited to 50 cents per pound per item, not to exceed the value of the goods, unless otherwise provided in the warehouse receipt. TEAM shall in no way be liable for any loss or damage occurring in a third-party warehouse.

The responsibility of TEAM, in the absence of any other written provision is that of reasonable care and diligence required by law. TEAM shall not be responsible for loss or damage caused by acts of God, fire, insects or rodents, rust, normal wear and tear, leakage, extremes in temperature or ambient moisture, inherent vice, latent defect, concealed damage, loss of market due to delay or any other consequential loss or damage, wars, strikes, riots, civil commotion or any other cause beyond the control of TEAM. Further TEAM shall not be responsible for breakage of any fragile items unless packed and/or unpacked by TEAM. In the absence of any visible signs of damage, TEAM shall not be responsible for the mechanical operation of any musical instrument, electronic device of any description or of any photographic equipment. Perishables of any description, which susceptible to damage through temperature changes or other causes incidental to general storage, are not accepted.

12. Items Not Accepted for Storage: TEAM will not accept food or other perishable commodities, bonded storage, hazardous materials to include but not limited to explosives, inflammable, radioactive biological wastes or any commodity harmful to the environment.

13. Lien and Right of Retention. TEAM shall have a general warehouseman's lien upon goods for lawful charges of warehouse services and for all other sums owed by OWNER as well as for any money advanced, interest, insurance, transportation, labor weighing, cooping, cleaning or other expenses fees, charges costs, liabilities and payments by or incurred by TEAM with respect to the goods or with respect to any other goods stored by OWNER at any facility used whether owned or operated by TEAM. TEAM may require advance payment of all charges prior to release of any goods.

14. Indemnification. Owner shall defend, indemnify and hold harmless TEAM and its affiliates, including their agents, employees, insurers, customers, shippers, receivers, successors, assigns, directors, officers, representatives and contractors, against all claims, fines, taxes, penalties, demands, actions, suits, damages, liabilities, losses, settlements, judgments, costs or expenses, as well as all resulting outside or in-house attorneys' fees, costs or expenses, which directly or indirectly arise out of: (i) Owner's or its employee, agent or subcontractor's breach of any term of this Agreement or any other agreement, violation of any law or regulation, negligence, recklessness or willful misconduct; (ii) the design, manufacture, distribution, marketing, defect, use or sale of the Goods; (iii) the transportation of the Goods to or from the facility, including any charges incidental thereto (such as demurrage or detention); or (iv) the hazardous nature of the Goods.

15. Claims. All claims, including claims for overcharges, must be made in writing to Team Air Express, Inc., P.O. Box 668, Winnsboro, TX 75494 to the attention of the Claims Department within a period of nine (9) months after the date of acceptance of the goods by TEAM. TEAM shall not be liable on any action brought to enforce a claim nor process a claim unless the above provisions have been met by the proper claimant to include, but not limited to the presentation of all requested information and documentation from the claimant, the payment of the associated charges and OWNER's account is current within nine (9) months from the date of acceptance of the shipment by TEAM. Failure to meet all of the above requirements within this aforementioned time period will time bar the claim and TEAM will not be obligated to pay. Any legal actions must be brought within two (2) years after the date written notice is given to the claimant that TEAM has disallowed the claim in whole or in part.

16. Litigation. OWNER agrees that any law suit or arbitration will be filed in the court of jurisdiction of Wood County, Texas. OWNER further agrees to reimburse TEAM for any costs incurred when TEAM is found not liable in any action. TEAM reserves the option, in our sole discretion, to determine any legal liability under this paragraph by initiating binding arbitration under the "Commercial Rules of the American Arbitration Association".