



Warehouse Location: Harbour International, Incorporated, 10100 NW 116th Way, Suite 15, Medley, FL. 33178

Negotiable Warehouse Receipt

CONTRACT TERMS AND CONDITIONS

SECTION 1 – DEFINITIONS

As used in this Negotiable Warehouse Receipt (“Warehouse Receipt”) the following terms have the following meanings:

- (a) CUSTOMER. The person, or the agent of the person, in possession of this Warehouse Receipt that is endorsed either to Bearer, or to the order of the person in possession.
- (b) HARBOUR INTERNATIONAL, INCORPORATED. As used in Sections 9 and 10 hereof HARBOUR INTERNATIONAL, INCORPORATED includes officers, directors, employees and agents of HARBOUR INTERNATIONAL, INCORPORATED while acting within the scope and course of their employment.
- (c) LOT. Unit or units of GOODS, which are separately identified by HARBOUR INTERNATIONAL, INCORPORATED.
- (d) ADVANCE. All sums due or claimed to be due to HARBOUR INTERNATIONAL, INCORPORATED from CUSTOMER or others relating to GOODS regardless of the source, whether liquidated or not, including but not limited to loans, disbursements, charges made for or on account of CUSTOMER or GOODS, necessary for preservation of GOODS or reasonably incurred in their sale pursuant to law.
- (e) GOODS. The personal property which is described on the front of this Warehouse Receipt, which HARBOUR INTERNATIONAL, INCORPORATED has agreed to receive and store pursuant to this Warehouse Receipt.
- (f) BEARER. The person in possession of this Warehouse Receipt that is endorsed to Bearer or endorsed in blank.

SECTION 2 - TENDER FOR STORAGE

- (a) CUSTOMER or CUSTOMERs agent shall deliver the Goods for Storage at the Warehouse properly marked and packed for handling.
- (b) CUSTOMER 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.



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- (c) CUSTOMER or CUSTOMER's agent shall deliver the GOODS for storage at the warehouse properly marked and packed for handling.
- (d) HARBOUR INTERNATIONAL, INCOPORATED'S receipt and delivery of a LOT (or partial LOT) shall be made without subsequent sorting except by special arrangement and subject to charge.
- (e) HARBOUR INTERNATIONAL, INCOPORATED shall store and deliver GOODS only in the packages in which they were originally received unless otherwise agreed in writing.
- (f) HARBOUR INTERNATIONAL, INCOPORATED shall not be responsible for segregating goods by production code date unless specifically agreed to in writing and subject to charge.
- (g) CUSTOMER acknowledges HARBOUR INTERNATIONAL, INCOPORATED is only obligated to account for and deliver the GOODS identified on the front of the WAREHOUSE RECEIPT.

SECTION 3 – TERMINATION OF STORAGE

- (a) HARBOUR INTERNATIONAL, INCORPORATED may upon written notice , as required by law, require the removal of GOODS, or any portion thereof, within a stated period, not less than 30 days after such notification. If said GOODS are not so removed, HARBOUR INTERNATIONAL, INCORPORATED may sell them as provided by the law, and shall be entitled to exercise any other rights it has under the law with respect to said GOODS.
- (b) If in the opinion of HARBOUR INTERNATIONAL, INCORPORATED GOODS may be about to deteriorate or decline in value to an amount less then HARBOUR INTERNATIONAL, INCORPORATED's lien thereof, or may present a hazard to other property or to the warehouse or persons HARBOUR INTERNATIONAL, INCORPORATED may remove or dispose of said GOODS as allowed by law. CUSTOMER shall pay all expenses related to removal.

SECTION 4 – STORAGE LOCATION

- (a) HARBOUR INTERNATIONAL, INCORPORATED shall store goods at its discretion at any one of its warehouses. The identification of any specific location within HARBOUR INTERNATIONAL, INCORPORATED Warehouse Receipt does not guarantee that GOODS shall be stored therein.
- (b) Subject to any contrary written instructions given by CUSTOMER, HARBOUR INTERNATIONAL, INCORPORATED may, at any time, at its expense, and without notice to CUSTOMER, remove any GOODS from any room or area of the warehouse complex to any other room or area thereof.



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SECTION 5 – STORAGE CHARGES

- (a) Storage charges commence upon the date that HARBOUR INTERNATIONAL, INCORPORATED accepts care, custody and control of GOODS, regardless of unloading date or date Warehouse Receipt is issued. Charges shall be computed separately for each LOT on one of the following optional bases:
- (1) If storage rates are quoted on a “SPLIT MONTH” basis the storage month shall be a calendar month. A full month's storage charge shall apply to all GOODS received between the 1st and 15th, inclusive, of a calendar month. One half month's storage charge shall apply on all GOODS received between the 16th and last day, inclusive, of a calendar month. A full month's storage charge shall apply on the 1st day of the next calendar month and each month thereafter on all GOODS then remaining in storage.
 - (2) If storage rates are quoted on an “ANNIVERSARY” basis the storage month shall extend from date of receipt in one calendar month to, but not including, the same date of the next month. If there is no corresponding date in the next month, the storage month shall end on the last day of said next month. A full month's storage charge shall apply on receipt of GOODS and an additional monthly storage charge shall apply on each monthly anniversary date on all GOODS then remaining in storage.
- (b) Charges shall be applicable as set forth in the rate quotation or other document issued by HARBOUR INTERNATIONAL, INCORPORATED to CUSTOMER and/or in HARBOUR INTERNATIONAL, INCORPORATED's tariff or rate schedule.
- (c) Unless HARBOUR INTERNATIONAL, INCORPORATED specifies otherwise, all storage charges are fully earned and due and payable on the 1st day of storage for the initial month and thereafter on the 1st day of each storage month.
- (d) Rates quoted by weight, shall unless otherwise specified shall be computed on gross weight and 2,000 shall equal a ton.

SECTION 6 – HANDLING CHARGES

- (a) Unless otherwise specified or elected by COMPANY, handling charges cover only the ordinary labor and duties incidental to receiving and delivering unitized GOODS on pallets at the warehouse dock during normal warehouse hours but do not include loading and unloading.



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- (b) Unless otherwise specified, COMPANY may impose a charge in addition to the regular handling charges for any work performed by COMPANY other than that specified in Section 6(a) at rates which are in effect from time to time, a copy of which rates are available upon request.
- (c) HARBOUR INTERNATIONAL, INCORPORATED may impose an additional charge for each order or each item of an order, when GOODS are ordered out in quantities less than they were received.
- (d) HARBOUR INTERNATIONAL, INCORPORATED's delivery of less than all units of any LOT or of less than all the fungible GOODS stored for CUSTOMER shall be made without subsequent sorting except by special arrangement and subject to an additional charge.

SECTION 7 – TRANSFER OF TITLE - DELIVERY

- (a) CUSTOMER may transfer all rights and title in and to GOODS by proper endorsement and delivery of this Warehouse Receipt. Both the transferring CUSTOMER and the receiving CUSTOMER must promptly provide notice of transfer of title of this Warehouse Receipt to HARBOUR INTERNATIONAL, INCORPORATED. Otherwise, HARBOUR INTERNATIONAL, INCORPORATED shall continue to treat the transferring CUSTOMER as the CUSTOMER and invoice the transferring CUSTOMER for storage and other charges and such CUSTOMER shall continue to be liable to HARBOUR INTERNATIONAL, INCORPORATED for all storage and other charges. HARBOUR INTERNATIONAL, INCORPORATED may impose charges for each such transfer and for any rehandling of GOODS that HARBOUR INTERNATIONAL, INCORPORATED deems to be required.
- (b) HARBOUR INTERNATIONAL, INCORPORATED shall have a reasonable time to make delivery after CUSTOMER's request for delivery and presentation of this properly endorsed Warehouse Receipt, and shall have a minimum of 10 business days after receipt of a delivery order in which to locate any misplaced GOODS.
- (c) If HARBOUR INTERNATIONAL, INCORPORATED has exercised reasonable care and is unable, due to causes beyond its control, to affect delivery before expiration of the current storage period, GOODS shall be subject to storage charges for each succeeding storage period.
- (d) All instructions and requests for delivery of GOODS or transfer of title are received subject to satisfaction of all charges, liens and security interests of HARBOUR INTERNATIONAL, INCORPORATED with respect to GOODS whether for accrued charges or ADVANCES or otherwise.



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- (e) HARBOUR INTERNATIONAL, INCORPORATED may require, as a condition precedent to delivery, a statement from CUSTOMER holding HARBOUR INTERNATIONAL, INCORPORATED harmless from claims of others asserting a superior right to CUSTOMER to possession of GOODS. Nothing herein shall preclude HARBOUR INTERNATIONAL, INCORPORATED from exercising any other remedy available to it under the law to resolve conflicting claims to possession of GOODS. All costs, including attorney's fees, incurred by HARBOUR INTERNATIONAL, INCORPORATED relating in any way to HARBOUR INTERNATIONAL, INCORPORATED's activities referred to in this Section 7(e) shall be charged to CUSTOMER and shall, for purposes of Section 12 below, be considered "charges present or future with respect to such GOODS" and shall attach as a lien on GOODS.

SECTION 8 – OTHER SERVICES AND CHARGES

- (a) HARBOUR INTERNATIONAL, INCORPORATED may charge CUSTOMER for other services rendered in the interest of CUSTOMER or GOODS at HARBOUR INTERNATIONAL, INCORPORATED's then current schedule of rates. Such services may include, but are not limited to, the following: furnishing of special warehouse space or material, sampling, weighing, repiling, inspecting, compiling stock statements, and reporting or recording marked weights or numbers.
- (b) All ADVANCES are due and payable immediately. All charges are due and payable upon the date of invoice. All charges and ADVANCES not paid within 30 days from the due date are subject to an interest charge, from the date said charge or ADVANCE became due until paid, at the lesser of 1.5% per month or the maximum amount allowed by law.
- (c) CUSTOMER may, subject to insurance regulations and reasonable limitations, inspect GOODS when accompanied by an employee of HARBOUR INTERNATIONAL, INCORPORATED whose time is chargeable to CUSTOMER.
- (d) In the event of damage or threatened damage to GOODS, CUSTOMER shall pay all reasonable and necessary costs of protecting and preserving GOODS. When such costs are attributable to GOODS and other stored property, said costs shall be apportioned among CUSTOMER and all other affected customers on a pro rata basis to be determined by COMPANY.
- (e) HARBOUR INTERNATIONAL, INCORPORATED shall supply dunnage, bracing and fastenings it deems appropriate on outbound shipments and the cost thereof is chargeable to CUSTOMER
- (f) Any additional costs incurred by HARBOUR INTERNATIONAL, INCORPORATED in unloading cars or trucks containing damaged GOODS are chargeable to CUSTOMER.



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- (g) HARBOUR INTERNATIONAL, INCORPORATED shall not be responsible for detention or demurrage charges or delays in loading or unloading unless such detention or demurrage charge or delay was caused solely by HARBOUR INTERNATIONAL, INCORPORATED's negligence.
- (h) A charge in addition to regular storage and handling rates may be made for bonded storage.
- (i) HARBOUR INTERNATIONAL, INCORPORATED may assess an additional charge when GOODS, designated for freezer storage, are received at temperatures above +5 degrees Fahrenheit; however HARBOUR INTERNATIONAL, INCORPORATED shall not be responsible for blast freezing GOODS unless CUSTOMER specifically requests such services in writing.
- (j) All storage, handling and other services may be subject to minimum charges.
- (k) CUSTOMER agrees to pay HARBOUR INTERNATIONAL, INCORPORATED all costs and ADVANCES including reasonable attorney's fees incurred by HARBOUR INTERNATIONAL, INCORPORATED in connection with the storage, handling and/or disposition of GOODS, including without limitation, such costs, ADVANCES, and/or fees relating to lawsuits (including Bankruptcy proceedings) involving in any way said GOODS and/or CUSTOMER's performance under this agreement. All such costs, ADVANCES, and fees, for purposes of Section 12 below, shall constitute "charges present or future with respect to such GOODS".

SECTION 9 - LIABILITY AND LIMITATION OF DAMAGES

- (a) HARBOUR INTERNATIONAL, INCORPORATED shall not be liable for any loss or destruction of or damage to GOODS, however caused, unless such loss, damage or destruction resulted from HARBOUR INTERNATIONAL, INCORPORATED's failure to exercise such care in regard to GOODS as a reasonably careful person would exercise under like circumstances. HARBOUR INTERNATIONAL, INCORPORATED is not liable for damages which could not have been avoided by the exercise of such care.
- (b) HARBOUR INTERNATIONAL, INCORPORATED and CUSTOMER agree that HARBOUR INTERNATIONAL, INCORPORATED 's duty of care referred to in Section 9(a) above does not extend to providing a sprinkler system at the warehouse complex or any portion.



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- (c) Unless specifically agreed to in writing, HARBOUR INTERNATIONAL, INCORPORATED shall not be required to store GOODS in a humidity controlled environment or be responsible for tempering GOODS.
- (d) IN THE EVENT OF LOSS OR DESTRUCTION OF OR DAMAGE TO GOODS FOR WHICH HARBOUR INTERNATIONAL, INCORPORATED IS LEGALLY LIABLE, CUSTOMER DECLARES THAT HARBOUR INTERNATIONAL, INCORPORATED'S LIABILITY SHALL BE LIMITED TO THE LESSER OF THE FOLLOWING: (1) THE ACTUAL COST TO CUSTOMER OF REPLACING, OR REPRODUCING THE LOST, DAMAGED, AND/OR DESTROYED GOODS TOGETHER WITH TRANSPORTATION COSTS TO WAREHOUSE, (2) THE FAIR MARKET VALUE OF THE LOST, DAMAGED, AND/OR DESTROYED GOODS ON THE DATE CUSTOMER IS NOTIFIED OF LOSS, DAMAGE AND/OR DESTRUCTION, (3) 50 TIMES THE MONTHLY STORAGE CHARGE APPLICABLE TO SUCH LOST, DAMAGED AND/OR DESTROYED GOODS, (4) \$0.50 PER POUND FOR SAID LOST, DAMAGED, AND/OR DESTROYED GOODS. PROVIDED, HOWEVER THAT WITHIN A REASONABLE TIME AFTER RECEIPT OF THIS WAREHOUSE RECEIPT, CUSTOMER MAY, UPON WRITTEN REQUEST INCREASE HARBOUR INTERNATIONAL, INCORPORATED'S LIABILITY ON PART OR ALL OF THE GOODS IN WHICH CASE AN INCREASED CHARGE SHALL BE MADE BASED UPON SUCH INCREASED VALUATION. NO SUCH REQUEST SHALL BE VALID UNLESS MADE BEFORE LOSS OR DESTRUCTION OF OR DAMAGE TO ANY PORTION OF GOODS HAS OCCURRED.
- (e) HARBOUR INTERNATIONAL, INCORPORATED'S liability referred to in Section 9(d) shall be CUSTOMER'S exclusive remedy against HARBOUR INTERNATIONAL, INCORPORATED for any claim or cause of action whatsoever relating to loss and/or destruction of and/or damage to GOODS and shall apply to all claims including inventory shortage and mysterious disappearance claims unless CUSTOMER proves by affirmative evidence that HARBOUR INTERNATIONAL, INCORPORATED converted GOODS to its own use. CUSTOMER waives any rights to rely upon any presumption of conversion imposed by law. In no event shall CUSTOMER be entitled to incidental, special, punitive, or consequential damages.
- (f) Limitation of Liability For Stored Goods
 - i. Harbour International, Incorporated and CUSTOMER agree Harbour International, Incorporated is not liable for loss or injury to the stored goods, or delay in their retrieval by CUSTOMER, nor for any consequential damages associated with the stored goods, resulting from, or proximately caused by, any or all of the following events:



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- ii. an act, omission, or order of CUSTOMER or the owner of the stored goods or an agent or employee of either;
- iii. insects, moths, vermin, depreciation, deterioration, obsolescence, and ordinary wear and tear;
- iv. inherent defects, characteristics, infirmities, or fragilities of the goods;
- v. hostile or warlike actions by any authority using military or police forces; acts of war; earthquake, flood, wind, lightning, heat, or other acts of God; any other events commonly called force majeure;
- vi. strikes, lockouts, labor disturbances, riots, or civil unrest;
- vii. any acts of third parties unless Harbour International, Incorporated failed to use reasonable measures to prevent such acts;
- viii. breakage or damage to Chinaware, bric-a-brac, ceramics, glass, and similar items of brittle or fragile composition unless such breakage or damage results from the lack of reasonable care of the goods by Harbour International, Incorporated and the brittle or fragile nature of such items is described by CUSTOMER in this Contract;
- ix. assembling, labeling, decorating, coloring, dismantling, packaging, re-packaging, sorting, building, servicing, or similar work done with the stored goods, unless such breakage or damage results from the lack of reasonable care of the goods by Harbour International, Incorporated;
- x. events happening before acceptance of the goods by Harbour International, Incorporated;
- xi. events happening after delivery of the goods by Harbour International, Incorporated to CUSTOMER;
- xii. events happening at any time Harbour International, Incorporated does not have custody and control of the goods.

(g) LIMITATIONS ON DAMAGES FOR THE STORED GOODS



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- i. In the event Harbour International, Incorporated is liable for CUSTOMER's losses or damages, the total liability of Harbour International, Incorporated for the stored goods shall not exceed the smallest of the following items:
- ii. the cost of repairing damaged goods;
- iii. the cost of replacing damaged or lost or destroyed goods with material of like kind and quality;
- iv. the difference between the actual cash value of damaged property at the time of receipt by Harbour International, Incorporated and the time of its delivery to the CUSTOMER after storage;
- v. the value of the deposited goods as declared by CUSTOMER;
- vi. the total of \$0.50 per lb of CUSTOMER's goods up to \$500.00 maximum.
- vii. In determining the actual cash value of damaged goods, depreciation will be deducted and sentimental value disregarded. CUSTOMER will be charged for betterment of the property after any repairs. Liability of Harbour International, Incorporated for damages to matched pieces of property is limited to repairing, replacing or paying for the lost or damaged pieces only; consequent diminution in value of the entire set shall be disregarded.
- viii. In the event Harbour International, Incorporated is liable for CUSTOMER's losses or damages, Harbour International, Incorporated is not liable for any loss of profits, or special, indirect, punitive or consequential damages of any kind suffered by CUSTOMER for CUSTOMER's loss, destruction, damage, or diminution in value, of the stored goods, whether or not such goods are repaired or replaced by Harbour International, Incorporated. CUSTOMER agrees Harbour International, Incorporated has no duty to indemnify CUSTOMER for such losses. CUSTOMER agrees Harbour International, Incorporated has no duty to defend CUSTOMER against any lawsuit related to such goods or their loss.



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SECTION 10 – NOTICE OF CLAIM & FILING SUIT

- (a) HARBOUR INTERNATIONAL, INCORPORATED shall not be liable for any claim of any type whatsoever for loss or destruction of or damage to GOODS unless such claim is presented, in writing, within a reasonable time, not exceeding 30 days after CUSTOMER learned or reasonably should have learned of such loss, destruction and/or damage.
- (b) As a condition precedent to making any claim and/or filing any suit, CUSTOMER shall provide COMPANY with a reasonable opportunity to inspect the GOODS which are the basis of CUSTOMER's claim.
- (c) NO LAWSUIT OR OTHER ACTION MAY BE MAINTAINED BY CUSTOMER OR OTHERS AGAINST COMPANY WITH RESPECT TO THE GOODS UNLESS A TIMELY WRITTEN CLAIM HAS BEEN MADE AS PROVIDED IN SECTION 10(a) AND UNLESS CUSTOMER HAS PROVIDED COMPANY WITH A REASONABLE OPPORTUNITY TO INSPECT THE GOODS AS PROVIDED IN SECTION 10(b) AND UNLESS SUCH LAWSUIT OR OTHER ACTION IS COMMENCED WITHIN NINE (9) MONTHS AFTER CUSTOMER LEARNED OR REASONABLY SHOULD HAVE LEARNED OF THE LOSS AND/OR DESTRUCTION OF AND/OR DAMAGE TO THE GOODS.

SECTION 11 – PRODUCT INSURANCE

HARBOUR INTERNATIONAL, INCORPORATED does not insure GOODS and the storage rates do not include insurance on GOODS. CUSTOMER has the responsibility to obtain and maintain insurance on GOODS unless HARBOUR INTERNATIONAL, INCORPORATED has agreed, in writing, to obtain product insurance for the benefit of CUSTOMER.

SECTION 12 - LIEN

HARBOUR INTERNATIONAL, INCORPORATED shall have a lien against the GOODS and on the proceeds thereof for all charges for storage, handling, transportation (including demurrage and terminal charges), insurance, labor and other charges present or future with respect to the GOODS, ADVANCES or loans by HARBOUR INTERNATIONAL, INCORPORATED in relation to GOODS and for expenses necessary for preservation of the GOODS or reasonably incurred in their sale pursuant to law.

SECTION 13 – WAIVER - SEVERABILITY

- (a) HARBOUR INTERNATIONAL, INCORPORATED'S failure to insist upon strict compliance with any provision of this Warehouse Receipt shall not constitute a waiver of or estoppel to later demand



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strict compliance thereof and shall not constitute a waiver of or estoppel to insist upon strict compliance with all other provisions of this Warehouse Receipt.

- (b) In the event any section of this Warehouse Receipt or part thereof shall be declared invalid, illegal and/or unenforceable, the validity, legality and enforceability of the remaining sections and parts shall not, in any way, be affected or impaired thereby.

SECTION 14 - AUTHORITY

CUSTOMER represents and warrants that it either (i) is the lawful owner of GOODS which are not subject to any lien or security interest of others; or (ii) is the authorized agent of the lawful owner and/or any CUSTOMER of a lien or security interest and has full power and authority to enter into the agreement incorporated into this Warehouse Receipt. CUSTOMER agrees to notify all parties acquiring any interest in GOODS of the terms and conditions of this Warehouse Receipt.

SECTION 15 – NOTICES

All written notices provided herein may be transmitted by any commercially reasonable means of communication and directed to HARBOUR INTERNATIONAL, INCORPORATED, at its Corporate Offices (30 S. Shumway Ave., Batavia, Illinois 60510) and to CUSTOMER at its last known address. CUSTOMER is presumed to have knowledge of the contents of all notices transmitted in accordance with this Section within five days of transmittal.

SECTION 16 – GOVERNING LAW

This Warehouse Receipt shall be interpreted and construed under the laws of the State of Illinois notwithstanding its conflict.

SECTION 17 - MODIFICATION

The terms and conditions of this Warehouse Receipt cannot be modified.