

CONTRACT TERMS AND CONDITIONS

SECTION 1 - DEFINITIONS

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

(a) **HOLDER.** The person in possession of this Warehouse Receipt that is endorsed either to BEARER or to the order of the person in possession.

(b) **COMPANY, Partners Alliance Cold Storage.** As used in Sections 9 and 10 hereof COMPANY includes officers, directors, employees and agents of COMPANY while (c) **Test Unit or units for GOODS,** which are separately identified by COMPANY for USDA testing purposes.

(d) Warehouse Receipt Lot. Unit or units of GOODS, which are separately identified by COMPANY for purpose of identifying a single deliverable unit of GOODS.

(e) **ADVANCE.** All sums due or claimed to be due to COMPANY from HOLDER 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 HOLDER or GOODS, necessary for preservation of GOODS or reasonably incurred in their sale pursuant to law.

(f) **GOODS.** The personal property which is described on the front of this Warehouse Receipt, which COMPANY has agreed to receive and store pursuant to this Warehouse Receipt.

(g) **BEARER.** The person in possession of this Warehouse Receipt that is endorsed to bearer or endorsed in blank.

SECTION 2 - TENDER FOR STORAGE

(a) HOLDER or HOLDER'S agent shall deliver the GOODS for storage at the warehouse properly marked and packed for handling.

(b) HOLDER 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 desired.

(c) COMPANY'S receipt and delivery of a LOT (or partial LOT) shall be made without subsequent sorting except by special arrangement and subject to a charge.

(d) COMPANY shall store and deliver GOODS only in the packages in which they are originally received unless otherwise agreed to in writing.

(e) COMPANY shall not be responsible for segregating GOODS by production code date unless specifically agreed to in writing.

(f) HOLDER acknowledges that COMPANY is only obligated to account for and deliver the GOODS identified on the front of this Warehouse Receipt.

SECTION 3 - TERMINATION OF STORAGE

(a) COMPANY may, upon written notice, as required by law, require the removal of GOODS, or any portion thereof, from the warehouse upon the payment of all charges attributable to said GOODS within a stated period, not less than

30 days after such notification. If said GOODS are not so removed, COMPANY may sell them as provided by 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 COMPANY, GOODS may be about to deteriorate or decline in value to less than the amount of COMPANY'S lien thereon, or may constitute a hazard to other property or to the warehouse or persons,

COMPANY may remove or dispose of GOODS as permitted by law. HOLDER shall pay all charges related to said removal.

SECTION 4 - STORAGE LOCATION

(a) COMPANY shall store GOODS at its discretion at any one or more buildings at COMPANY'S warehouse complex identified on the front side of this Warehouse Receipt. The identification of any specific location within COMPANY'S warehouse complex does not guarantee that GOODS shall be stored therein.

(b) Subject to any contrary written instructions given by HOLDER, COMPANY may, at any time, at its expense, and without notice to HOLDER, remove any GOODS from any room or area of the warehouse complex to any other or area thereof.

(c) Upon ten (10) days written notice to HOLDER, COMPANY may, at COMPANY'S own expense, remove GOODS to any other warehouse complex operated by COMPANY.

SECTION 5 - STORAGE CHARGES

(a) Storage charges commence upon the date that COMPANY accepts care, custody and control of GOODS, regardless of unloading date or date Warehouse Receipt is issued. Charges shall be computed separately for each LO 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 COMPANY to HOLDER and/or in COMPANY'S tariff or rate schedule.

(c) Unless COMPANY 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, be computed on gross weight and 2,000 pounds shall constitute 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.

(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) COMPANY 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) COMPANY'S delivery of less than all units of any LOT or of less than all the fungible GOODS stored for HOLDER shall be made without subsequent sorting except by special arrangement and subject to an additional charge.

SECTION 7 - TRANSFER OF TITLE; DELIVERY

(a) HOLDER may transfer all rights and title in and to GOODS by proper endorsement and delivery of this Warehouse Receipt. Both the transferring HOLDER and the receiving HOLDER must promptly provide notice of transfer of title of this Warehouse Receipt to COMPANY. Otherwise, COMPANY shall continue to treat the transferring HOLDER as the HOLDER and invoice the transferring HOLDER for storage and other charges and such HOLDER shall

continue to be liable to COMPANY for all storage and other charges. COMPANY may impose charges for each such transfer and for any rehandling of GOODS that COMPANY deems to be required.

(b) COMPANY shall have a reasonable time to make delivery after HOLDER'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 COMPANY has exercised reasonable care and is unable, due to causes beyond its control, to effect 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 COMPANY with respect to GOODS whether for accrued charges or ADVANCES or otherwise.

(e) COMPANY may require, as a condition precedent to delivery, a statement from HOLDER holding COMPANY harmless from claims of others asserting a superior right to HOLDER to possession of GOODS. Nothing herein shall preclude COMPANY 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 COMPANY relating in any way to COMPANY'S

activities referred to in this Section 7(e) shall be charged to HOLDER 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) COMPANY may charge HOLDER for other services rendered in the interest of HOLDER or GOODS at COMPANY'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) HOLDER may, subject to insurance regulations and reasonable limitations, inspect GOODS when accompanied by an employee of COMPANY whose time is chargeable to HOLDER.

(d) In the event of damage or threatened damage to GOODS, HOLDER 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 HOLDER and all other affected customers on a pro rata basis to be determined by COMPANY.

(e) COMPANY shall supply dunnage bracing and fastenings it deems appropriate on outbound shipments and the cost thereof is chargeable to HOLDER.

(f) Any additional costs incurred by COMPANY in unloading cars or trucks containing damaged GOODS are chargeable to HOLDER.

(g) COMPANY 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 COMPANY'S negligence.

(h) A charge in addition to regular storage and handling rates may be made for bonded storage.

(i) COMPANY may assess an additional charge when GOODS, designated for freezer storage, are received at temperatures above +5 degrees Fahrenheit; however COMPANY shall not be responsible for blast freezing GOODS unless HOLDER specifically requests such services in writing.

(j) All storage, handling and other services may be subject to minimum charges.

(k) HOLDER agrees to pay COMPANY all costs and ADVANCES including reasonable attorney's fees incurred by COMPANY 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 HOLDER'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) COMPANY shall not be liable for any loss or destruction of or damage to GOODS, however caused, unless such loss, damage or destruction resulted from COMPANY'S failure to exercise such care in regard to GOODS as a reasonably careful person would exercise under like circumstances. COMPANY is not liable for damages which could not have been avoided by the exercise of such care.

(b) COMPANY and HOLDER agree that COMPANY'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 thereof.

(c) Unless specifically agreed to in writing, COMPANY 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 COMPANY IS LEGALLY LIABLE, HOLDER DECLARES THAT COMPANY'S LIABILITY SHALL BE LIMITED TO THE LESSER OF THE FOLLOWING: (1) THE ACTUAL COST TO HOLDER 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 HOLDER 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, HOLDER MAY, UPON WRITTEN REQUEST INCREASE COMPANY'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) COMPANY'S liability referred to in Section 9(d) shall be HOLDER'S exclusive remedy against COMPANY 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 HOLDER proves by affirmative evidence that COMPANY converted GOODS to its own use. HOLDER waives any rights to rely upon any presumption of conversion imposed by law. In no event shall HOLDER be entitled to incidental, special, punitive, or consequential damages.

SECTION 10 - NOTICE OF CLAIM AND FILING OF SUIT

(a) COMPANY 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 60 days after HOLDER 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, HOLDER shall provide COMPANY with a reasonable opportunity to inspect the GOODS which are the basis of HOLDER'S claim.

(c) NO LAWSUIT OR OTHER ACTION MAY BE MAINTAINED BY HOLDER 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 HOLDER 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 HOLDER LEARNED OR REASONABLY SHOULD HAVE LEARNED OF THE LOSS AND/OR DESTRUCTION OF AND/OR DAMAGE TO THE GOODS.

SECTION 11 - PRODUCT INSURANCE

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

SECTION 12 - LIEN

COMPANY 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 COMPANY 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) COMPANY'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 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

HOLDER 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 holder of a lien or security interest and has full power and authority to enter into the agreement incorporated into this Warehouse Receipt. HOLDER 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 COMPANY at the address on the front hereof and to HOLDER at its last known address. HOLDER 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 Minnesota notwithstanding its conflict of laws rules.

SECTION 17 - MODIFICATION

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