



TERMS AND CONDITIONS OF SERVICE

(Please Read Carefully)

Any and all business undertaken by HORSE AMERICA INC, (herein called the "Company") is transacted subject to the Terms and Conditions hereinafter set forth, which shall be deemed incorporated in all agreements between the Company and its Customers. The Terms and Conditions hereinafter set forth may not be changed, modified, altered or varied, except in writing signed by an authorized officer of the Company.

1. In all transactions between the Company and its Customers, and for all purposes in these Terms and Conditions, the word "Customers" shall mean the persons at whose request the Company undertakes the business, who warrant that they are the owners or authorized agents of the owners or other persons who are or may hereafter become interested in the livestock, animals and/or property involved, and who further warrant that they are authorized to accept and are accepting these Terms and Conditions not only for themselves, but also for and on behalf of the owners and all other persons who are or may hereafter become interested in the livestock, animals and/or property involved in the transactions.

2. In all transactions undertaken by the Company, the Company acts only as a Freight Forwarder and/or Customs Broker and/or Warehouseman, and is not a Common Carrier nor an insurer of the livestock, animals and/or property involved therein. In undertaking the transportation of its Customers' livestock, animals and/or property, the Company agrees only to use reasonable care in selecting the persons, firms and/or corporations who will perform the necessary services in connection with such transportation including the carriage, storage, packing, handling, loading and unloading, caring for and other services when and where needed, and in making the arrangements and bookings for the transportation and in preparing the necessary documents relating thereto, and, when requested by the Customers, and if agreeable to the Company, in advancing fees, charges, duties and expenses for and on behalf of the Customers in connection with such transportations, which the Customers hereby agree to repay to the Company on demand, together with the Company's charges for its services.

3. The Company is authorized by the Customers and is hereby given full freedom to choose the means, route and procedure, and to prepare documents in their names or the Company's name, in the handling, transportation, delivery, receipt or clearance of the livestock, animals and/or property, and to select and engage carriers, truckmen, forwarders, customs brokers, agents, warehousemen and others to transport, store, receive, deliver and/or otherwise deal with or handle the livestock, animals and/or property, all of which shall be deemed to be acts as agents for and in behalf of the Customers, and the livestock, animals and/or property may be entrusted to such agents subject to all conditions as to limitations for loss, damage, delay or expense, and to any and all rules, regulations, requirements and conditions, whether written or printed or stamped, appearing on bills of lading, receipts or tariffs issued by such carriers, truckmen, lightermen, forwarders, customs brokers, warehousemen, agents or others, or as may be applicable by operation of law or Treaty. The Company shall under no circumstances be liable for any loss, damage, delay or expense as to the livestock, animals or property, for any reason whatsoever, when in the custody, possession or control of third parties, selected by the Company or otherwise, to forward, transport, carry, store, pack,

handle, load, unload, care for, enter and clear, receive or render any other services in respect to the livestock, animals and/or property involved in any transaction undertaken by the Company.

4. Pending and during the handling of any transaction, the livestock, animals and/or property of the Customer may be warehoused or otherwise held at any place or places in the sole discretion of the Company and the cost thereof shall be for the account of the Customer.

5. The Company shall be entitled to perform any of its duties, in connection with any transaction, by itself or by its parent, affiliated or subsidiary corporations, or by any other person, firm or corporation carrying on the functions of freight forwarders who shall be entitled to the benefit of these Terms and Conditions to the same extent and as though they were the Company. The Customer shall not seek to impose upon any such other Company a liability greater than that accepted by the Company under these Terms and Conditions.

6. The Company will not take physical possession of the Customers' livestock, animals and/or property, and by reason thereof, and by reason of the special nature and possible value thereof, and other factors, the Company does not insure or guaranty the health, care, safety, well-being, maintenance or delivery thereof in any particular condition, nor does the Company undertake to feed or water the livestock, animals and/or property but may do so at the expense of the Customers if, in the opinion of the Company, it is reasonable to do so, without the Company thereby incurring any liability for any consequences therefrom. All transportations of Customers' livestock, animals and/or property are at the risk of the Customers, without any responsibility or liability on the part of the Company in connection therewith, the Customers hereby waiving all recourse against the Company in connection therewith. The Company shall not be liable in any event in connection with any transaction, except for the willful neglect or default of the Company and/or its officers, agents and/or employees in the course of their duties as such. In the event that due to any law, said waiver of liability is not valid or enforceable in any place or jurisdiction, same shall not disturb the validity of the rest of these Terms and Conditions, which shall be deemed to be severable, and in such event, the liability of the Company, however arising, and notwithstanding any lack of explanation, shall not exceed the value of the livestock and/or animals to a maximum of \$5,000.00 per claim, and in the case of other property, shall not exceed the value of the property to a maximum of 50.00 per claim. The Customers shall have the option to pay a special compensation to the Company to increase the liability of the Company in excess of said maximum limits of liability, but such option can be exercised only by specific written agreement signed by the Company and the Customers prior to the shipment in which agreement the limit of the Company's liability is specifically set forth and the amount of the special compensation is paid simultaneously therewith.

7. Quotations as to fees, rates of duty, freight charges, insurance premiums and/or other charges given by the Company to the Customers are for information purposes only and are subject to change without notice, and shall not, under any circumstances, be binding upon the Company. Quotations are given on the basis of immediate acceptance and are subject to the right of withdrawal or revision by the Company and/or third parties actually rendering the services and/or the persons who furnished the Company with the basis of such quotations.

8. The Customer shall furnish the Company with all details, documents, information, descriptions, values, markings, pedigrees and addresses and identifying materials as to the livestock, animals and property and instructions as to the disposition thereof, and the Customer warrants the accuracy thereof, without which, the Company may use its discretion and may sell or otherwise dispose of the livestock, animals and property without notice to the Customer, owner, consignor or consignee thereof, and pay or tender payment of the proceeds of such sale, after deducting all charges and expenses arising in connection therewith, and same shall be the equivalent of delivery and performance, and the Customer agrees to indemnify the Company

against all losses, damages, expenses and lines whatsoever arising as a result of Customer's failure to comply herewith.

9. The Customer warrants and represents to the Company that the livestock, animals and property which it requests the Company to undertake to transport or otherwise handle, are in good and healthy condition and able to undertake the requested transportation and/or handling and the Customer agrees to indemnify the Company against any losses or expenses resulting from misrepresentation or failure of the foregoing. In any event, the Company shall have no responsibility or liability for any injury or sickness or death of any livestock or animal, however arising, prior to, during or after any transportation or handling

10. When livestock, animals and/or property are accepted by the Company for handling upon instructions from the Customer to collect freight charges, duties or other expenses or "Collect on Delivery (C.O.D.)" or collect on any specified terms by time drafts or otherwise, from the Consignee or other persons, the Company shall not be responsible or liable for the same if not paid for any reason whatsoever, the risk of non-payment being reserved to the Customer, who shall be and remain responsible for any non-collection, however occurring.

11. No insurance will be effected by the Company upon or in connection with the livestock, animals or property involved in any transaction handled by the Company, unless specifically requested by the Customers in writing, and agreed to by the Company, in writing. Such insurance will be at the cost of the Customer and will be subject to the exceptions and conditions of the policies of the insurance company or underwriters taking the risk. The Company does not undertake or warrant that such insurance can or will be placed. The Company shall not be under any obligation to effect a separate insurance policy in connection with any transaction, but may declare it, without being obliged to do so, on any open or general policy, if available. Should the insurers dispute their liability for any reason, the insured shall have recourse only against the insurers and the Company shall be under no responsibility or liability whatsoever in connection therewith, notwithstanding that the premium upon the policy may not be at the same rates as that charged or paid to the Company by the Customer, or that the shipment or the livestock, animals or property were insured under a policy in the name of the Company. Insurance premiums and the charge of the Company for arranging the same shall be at the Customer's expense. The Company will be under no responsibility for any non-payment of any claims by the insurance company, even if the insurance was effected by, and the insurance company was selected by, the Company. The Company shall under no circumstances be deemed an insurer or bailee in connection with any transaction handled by it.

12. The Customer shall be liable for all duties, taxes, imposts, levies, freights and outlays of all kinds levied by authorities at any port or place, for or in connection with, the livestock, animals and property of the Customer, and for all payments, storage, demurrage, fines, expenses, loss or damage, howsoever incurred or sustained by the Company in connection therewith, regardless of cause. The Company shall not be obliged to incur any expense, guarantee payment or advance any money in connection with handling any transaction, unless the Company agrees to do so in writing signed by an officer thereof. In the event that any claims or legal actions are brought against the Company arising out of any transaction handled by the Company for any Customer, the Customer agrees to indemnify and hold harmless the Company for any amount the Company may be required to pay or lose or incur, including attorney's fees in defending against such claim or legal action in obtaining reimbursement therefor from the Customer.

13. The Company shall have a general lien on any and all property (and documents relating thereto) of the Customer in its possession, custody or en route, for charges, expenses or advances incurred by the Company in connection with any transaction handled by the Company for the Customer, and if such claim remains unpaid for thirty (30) days after demand for payment is made, the Company may charge interest thereon at

the rate of two percent (2%) per annum, and the Company may, at its option, sell at public or private sale, without notice to the Customer, the livestock, animals and/or property of the Customer, or so much thereof as may be necessary to satisfy such lien, and apply the net proceeds therefrom to the payment of the amount due to the Company. Any surplus remaining from such sale shall be transmitted to the Customer. The Customer shall be liable for any deficiency. The confiscation of any livestock, animals or property by any government authority or other agency, public or private, shall not affect the obligation of the Customer to the Company in respect to any charges, expenses or advances due to the Company as to any transaction.

14. The Company shall not be obliged to make any declaration for any purpose as to the nature or value of the livestock, animals or property, or special interest in delivery, unless expressly instructed to do so by the Customer or required by law, rule or regulation. Where there is a choice of rates according to the extent or degree of liability assumed by carriers, warehousemen or others, the livestock, animals and property will be forwarded, dealt with and handled at the Customer's risk or other minimum charges, and no declaration of value (where optional) will be made, unless express written instructions to the contrary have been previously given by the Customer to the Company, whereupon the rates will be the Customer's responsibility.

15. The Company shall have the right to enforce any liability of the Customer under these Terms and Conditions and otherwise, and to recover all sums due the Company not only from the Customer, but also, if it thinks fit, from the sale or disposition of any livestock, animals and/or property of the Customer, and/or from the consignor, consignee or owner of the livestock, animals and property. All sums due to the Company shall be paid to the Company immediately when due without deduction, nor shall payment be withheld or deferred on account of any alleged claim, counterclaim or set-off, actual or contingent.

16. The Company is entitled to retain and be paid all brokerages, commission, allowances and other remunerations customarily retained by, or paid to, Shipping and Forwarding Agents or Freight Forwarders or insurance Brokers.

17(a). The Company shall not be liable for any non-compliance or miscompliance with the instructions given to it unless it is proved that the same was caused by the willful neglect or default of the Company or its own servants.

(b). Except as aforesaid, the Company shall be under no liability in connection with the livestock, animals or property of the instructions given to it.

(c). Further and without prejudice to the generality of the preceding sub-sections, the Company shall not in any event be under any liability for any delay or consequential loss or loss of market however caused nor for any loss, damage or expense arising from or in any way connected with the marks, weights, numbers, brands, contents, quality or description of any livestock, animals, or property however caused.

18(a). In any event, the Company, its parent, subsidiary and affiliated companies. shall be discharged from all liability for any loss, damage, non-delivery or misdelivery of any livestock, animals or property unless the Company receives a notice of claim in writing from the claimant within seven (7) days from the date when the livestock, animals or property has been delivered or should have been delivered, and unless an action is commenced within one (1) year from the date of such written notice.

(b). No claim of any kind shall be made against any agent or employee of the Company, its parent, subsidiary or affiliated companies, on any ground, whatsoever.

19. If the Customer or any employee, servant or agent or other person authorized by the Customer travels by transport arranged or provided by the Company or its agents, the Company is under no liability to him or his

representatives for the loss of life, personal injury or delay or for loss of or damage or delay to his property howsoever caused or for any other loss howsoever arising.

20. Without prejudice to the foregoing Terms and Conditions, the Customer undertakes, in any event, to indemnify the Company against all liabilities suffered or incurred by the Company directly or indirectly as a result of or in connection with handling the Customers' transactions and/or handling the transportation of the Customers' livestock, animals and/or property, and, in particular, the Customers shall indemnify the Company in respect of any liability it may be under to any third parties whomsoever at any time involved with the transportation of the livestock, animals and/or property directly or indirectly or to any owner or consignor or consignee of the livestock, animals and/or property or any other person interested therein whatsoever.