



## TERMS AND CONDITIONS

All services performed by KFAS for the Client shall be subject to the following terms and conditions of service, which constitutes a legally binding contract between KFAS and Client.

### DEFINITIONS:

Klasson Services, LLC d/b/a Klasson Fine Art Services, together with its officers, employees and agents are collectively referred to herein as "KFAS." KFAS may be referred to as the "Carrier," "Warehouse," "Warehouseman," or "Service Provider."

"Client" shall refer to any person, entity or organization that enters into a Storage Agreement and/or Professional Services Agreement, and any other person, entity or organization that retains KFAS to collect, deliver, handle, place, position, relocate, transport, store, pack, crate, rig, condition, catalog, inventory, and/or otherwise provide any Services. Client shall also include any person or organization that represents itself as an agent or representative of the Client and or any direct or indirect owner of the Property in whole or in part. Client shall ensure that any person or organization that represents itself to be an agent or representative of the Client and or owner of Property comply with KFAS's terms and conditions and that Client shall be responsible to KFAS for damages resulting from any breach of KFAS's terms and conditions by such agent or representative and shall be liable to KFAS with the same effect as if Client breached KFAS's terms and conditions itself.

"Condition Report" shall refer to documentation detailing an artwork's complete physical appearance. "Consignee" is the person or parties who receive the Property from KFAS or KFAS's subcontractors or agents.

"Contents" shall refer to any items, excluding Property, including but not limited to fine and decorative arts, antiques, furnishings, equipment and household goods located at Premises.

"Declared Value" is the value of the Property declared by Client when seeking to increase KFAS's limitation of liability which will result in a higher rate being charged for KFAS's Services. The Declared Value must appear on the face of the applicable Storage Agreement, Waybills, Bills of Lading or Warehouse Receipts, and/or the appropriate forms attached to the Storage Agreement and Professional Service Agreement and may only be entered in writing by KFAS employees.

"Estimates" shall refer to estimates or quotations provided by KFAS as fees for Services and/or other charges.

"NVD" means no value declared when the Client consigns the Property for Services by KFAS and does not declare a value for Property; thus releasing KFAS to a limitation of liability of \$0.60 per pound as set forth below.

"Premises" shall refer to the structure, fixtures and fittings at any location other than the facilities maintained by KFAS, including but not limited to the location where the Services are being performed, the Client's residence or place of business, Consignee's residence or place of business, and or any location where KFAS receives and or delivers Property and or performs Services.

"Professional Services Agreement" means a written agreement between KFAS and Client for the performance of Services related to Client's Property. Any Job issued by KFAS will serve as a Professional Services Agreement.

"Property," also referred to as "Cargo," "Goods," "Freight," or "Objects" are items in whole or in part, in packed or unpacked state, including but not limited to fine and decorative arts, antiques, and household goods that are tendered to KFAS for any reason whatsoever including but not limited to handling, placement, transportation, storage, packing, crating, rigging, conditioning, cataloging, inventorying, and or any other related services.



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“Services” shall refer to any and all work performed by KFAS for a Client, including but not limited to storage, transport, carriage, handling, conditioning, movement, collecting, receiving, delivering, placement and securing of Property, as well as construction and repair of crates and other storage or travel containers for Property.

“Shipper” shall refer to any person or organization that consigns Property for transport, carriage, packing and related services.

“Storage Agreement” means a written agreement between KFAS and Client for storage of Client’s Property within a KFAS facility. “Subcontractors” shall refer to any third parties retained by KFAS to perform Services. Authorization and Subcontracting: Client authorizes KFAS to make, endorse, and sign bills of lading, waybills, warehouse receipts, and/or other necessary or required documentation in connection with the transportation, storage, and/or handling of Property, in the name, place and stead of Client. Moreover, Client acknowledges and agrees that KFAS and/or its authorized agents may subcontract the performance of Services to third parties and/or subcontractors and hereby authorizes KFAS and/or its authorized agents to hire, retain, and or otherwise appoint third parties and subcontractors, including but not limited to domestic and international carriers, indirect air carriers, freight forwarders, and/or warehousemen to perform and transact business on behalf of Client in the name, place and stead of Client. When third parties and/or subcontractors physically handle Property or provide Services, they do so subject to the Limitations of Liability set forth herein.

Term for Storage: The terms of storage shall be set forth in a Storage Agreement. Absent such a written agreement, storage for Property is provided by KFAS on a month- to- month basis at KFAS’s prevailing rate. The month- to- month terms will automatically renew, unless terminated by either party, in writing on thirty (30) days written notice, which notice shall state the date of termination. An acknowledgement of the notice of termination by the other party is required.

Storage Period and Charges: All storage periods and charges shall be set forth in the Storage Agreement between Client and KFAS. However, in the event that Property is stored without a Storage Agreement the following terms shall apply to such storage:

- (a) All charges for storage are determined based on size, quantity, dimension, or storage space required, as well as the Declared Value, if applicable.
- (b) Storage charges become applicable upon the date that KFAS accepts care, custody and control of the Property, regardless of unloading date or date of issue of the Warehouse Receipt(s).
- (c) A full month’s storage charge will apply to all Property received between the first and the 15th, inclusive, of a calendar month; one-half month’s storage charge will apply to all Property received between the 16th and last day, inclusive, of a calendar month, and a full month’s storage charge will apply to all Property in storage on the first day of the next and succeeding calendar months.
- (d) The monthly storage charges shall increase by 6% per annum from the commencement date (rounded to the nearest whole cent).

Charges for Services other than Storage: The Client shall pay charges for Services other than storage pursuant to KFAS’s current rates (per KFAS’s effective Rate Sheet, available upon request) within thirty (30) days of the date of KFAS’s invoice for Services. Such rates are quoted subject to change at any time by written notice from KFAS to the Client. Such changes are to be effective at the beginning of the following month.



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Late Charges and Other Fees: If Client's charges are not paid on or before the due date, Client shall be liable for late charges at a rate of 1.5% per month of the outstanding balance until all amounts due have been paid, together with all expenses incurred by KFAS in collection, including reasonable attorneys' fees and expenses. It is further understood and agreed that the Client shall pay a charge of \$50.00 for any dishonored check, whether same is issued on a closed account or insufficient or uncollected funds. KFAS reserves the right to refuse payment by check at any time. Client further agrees to pay all wiring and bank fees incurred as part of the invoice settlement process. KFAS reserves the right to apply processing fees for credit card paying clients.

LIMITATIONS OF KFAS'S LIABILITY: THE LIMITATIONS OF LIABILITY SET FORTH HEREIN ARE AN INTEGRAL PART OF THESE TERMS AND CONDITIONS AND THE RATES CHARGED REFLECT SUCH LIMITATIONS.

SUBJECT TO AND LIMITED BY THE PARAGRAPHS STATED BELOW IN THIS "LIMITATIONS OF KFAS'S LIABILITY" SECTION, KFAS IS RESPONSIBLE FOR PHYSICAL LOSS OF OR DAMAGE TO THE PROPERTY.

WHERE KFAS HAS EXERCISED REASONABLE CARE, CLIENT AND KFAS AGREE THAT KFAS SHALL NOT BE LIABLE FOR: (I) ANY LOSS OR DAMAGE TO PROPERTY OR EXPENSE DIRECTLY OR INDIRECTLY CAUSED BY OR CONTRIBUTED TO, OR ARISING FROM CLIENT ADVISING KFAS TO PERFORM AN SERVICE AGAINST ADVISE, KFAS CAUSING DAMAGAGE TO HIDDEN STRUCTURE(S) WITHIN WALLS WHILE PERORMING SERVICE, WEAR AND TEAR, GRADUAL DETERIORATION AND INHERENT DEFECT, WEAKNESS OR ANY PRE-EXISTING CONDITION OF THE PROPERTY; ITEMS CONTAINING INTERNAL DAMAGE OR CONCEALED BREAKAGE, SUCH AS GLASS, CERMAMIC, AND STONE WITH EXISTING CRACKS, ITEMS CONTAINING INTERNAL MECHANICS OR INSTRUMENTATION, ITEMS WITH WAXEN, RESINOUS, OR VISCOUS SURFACE AREA, BE THEY IN WET, SEMI-DRY OR HARDEN STATE, UNCURED AND/OR NOT THOROUGHLY DRY PAINTINGS, UNCURED AND/OR UNSET VARNISH APPLIED TO FURNITURE, OR (II) ANY LOSS OR DAMAGE TO THE PROPERTY THAT: (A) IS CAUSED BY OR RESULTING FROM WORK DONE IN THE COURSE OF ANY REFINISHING, RENOVATION, REPAIRING OR RESTORING PROPERTY; (B) ANY LOSS OR DAMAGE TO THE PROPERTY THAT IS IMPROPERTLY OR INADEQUATELY PACKED OR MISLABELED BY CLIENT, PROPERTY WITH DIRECTIONAL ORIENTATION TO WHICH CLIENT DOES NOT AFFIX DESCRIPTIVE ARROWS IN ADVANCE, CLIENT INTERFERERS WITH OR IMPEDES KFAS COLLECTION, DELIVERY, AND/OR HANDELING PROCEDURES, AND PROPERTY SHIPPED UNWRAPPED AT THE STATED REQUEST OF CLIENT; (C) IS/ARE: ACCOUNTS, BILLS, DEEDS, EVIDENCE OF DEBTS, LETTER OF CREDIT, PASSPORTS, TICKETS, DOCUMENTS, NOTES, SECURITIES, CURRENCY, MONEY OR BULLION; (D) IS DIRECTLY OR INDIRECTLY OCCASIONED BY, HAPPENING THROUGH OR IN CONSEQUENCE OF WAR, INVASION, ACTS OF FOREIGN ENEMIES, HOSTILITIES (WHETHER WAR BE DECLARED OR NOT), CIVIL WAR, REBELLION, REVOLUTION, INSURRECTION, MILITARY OR USURPED POWER (OTHER THAN WHILE IN THE COURSE OF OVERSEAS TRANSIT) OR CONFISCATION OR NATIONALIZATION OR REQUISITION OR DESTRUCTION OF OR DAMAGE TO PROPERTY BY OR UNDER THE ORDER OF ANY GOVERNMENT OR PUBLIC OR LOCAL AUTHORITY; (E) IS DIRECTLY OR INDIRECTLY CAUSED BY OR CONTRIBUTED TO OR ARISING FROM THE USE OR OPERATION, AS A MEANS FOR INFLECTING HARM, OF ANY COMPUTER, COMPUTER SYSTEM, COMPUTER SOFTWARE PROGRAM, MALICIOUS CODE, COMPUTER VIRUS OR PROCESS OR ANY OTHER ELECTRONIC SYSTEM; OR (F) IS DIRECTLY OR INDIRECTLY CAUSED BY OR CONTRIBUTED TO OR ARISING FROM AN ACT OF TERRORISM WHETHER CERTIFIED OR NOT UNDER THE TERRORISM INSURANCE ACT OF 2002 AS AMENDED.



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IN CONSIDERATION OF THE RATES CHARGED, IT IS AGREED THAT KFAS'S LIABILITY FOR LOSS OR DAMAGE TO PROPERTY SHALL BE LIMITED TO \$0.60 PER POUND AS DETERMINED BY THE ACTUAL WEIGHT OF THE UNWRAPPED PROPERTY; PROVIDED, HOWEVER, THAT SUCH LIMITATION MAY BE INCREASED UPON WRITTEN REQUEST BY CLIENT. CLIENT ACKNOWLEDGES THAT CLIENT HAS BEEN PROVIDED WITH THE OPPORTUNITY TO INCREASE THE EXTENT OF THE LIABILITY BEING ASSUMED BY KFAS BY DECLARING A VALUE FOR THE PROPERTY, WHICH WILL RESULT IN A HIGHER RATE BEING CHARGED. IF CLIENT DOES NOT DECLARE A VALUE FOR THE PROPERTY ACCEPTED BY KFAS, IT SHALL CONSTITUTE AN AGREEMENT TO LIMIT KFAS'S LIABILITY TO \$0.60 PER POUND.

EXCEPT WITH RESPECT TO CLIENT'S INDEMNITY OBLIGATIONS UNDER HERUNDER, UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL OR SPECIAL DAMAGES, OR FOR LOSS OF PROFITS, LOSS OF USE, LOSS OF MARKET OR DELAY INCLUDING BUT NOT LIMITED TO ANY SUCH DAMAGES WHICH MIGHT ARISE FROM THE LOSS OR DAMAGE TO THE PROPERTY, EVEN IF SUCH CONSEQUENTIAL OR SPECIAL DAMAGES MIGHT HAVE BEEN CONTEMPLATED OR FORESEEABLE BY THE PARTIES AT THE TIME OF CONTRACTING.

KFAS SHALL HAVE NO LIABILITY WHATSOEVER IN THE EVENT THAT ANY REPRESENTATION MADE BY THE CLIENT REGARDING THE PROPERTY, INCLUDING BUT NOT LIMITED TO ANY REPRESENTATION REGARDING ANY DECLARED VALUE OR ANY REPRESENTATION IN CONNECTION WITH ANY CLAIM AGAINST KFAS IS MADE KNOWING THAT SUCH STATEMENT IS FALSE OR FRAUDULENT AS TO AMOUNT OR OTHERWISE.

KFAS CANNOT BE HELD RESPONSIBLE AND SHALL REMAIN EXEMPT FROM LIABILITY FOR PHYSICAL DAMAGE TO PROPERTY, OR LOSS CAUSED BY DELAY OF DELIVERY, WHEN CONDITIONS BEYOND KFAS'S CONTROL ARE ENCOUNTERED DURING STORAGE OR TRANSIT SUCH AS: EXTREME WEATHER AND/OR CHANGES IN TEMPERATURE, ACTS OF NATURE AND GOD; ACTS OF TERRORISM; BREAKDOWN OR MECHANICAL DEFECTS OF VEHICLES OR EQUIPMENT; FAULTY OR IMPASSABLE HIGHWAY; LACK OF CAPACITY OF ROADWAY STRUCTURE; HIGHWAY OBSTRUCTION OR CLOSURE DUE TO OFFICIAL ACTION; CIVIL DISOBEDIENCE, PANDEMICS, EPIDEMICS, AND/OR STAFF SHORTAGES RESULTING THEREFROM, RIOTS, STRIKES OR LOCKOUTS; AND/OR ILLEGAL OR UNLAWFUL ACTIONS.

KFAS WILL BE RELEASED FROM LIABILITY FOR PROPERTY WHEN DIRECTED TO ACCEPT AND LOAD OR DELIVER AND UNLOAD AT UNMANNED LOCATIONS WHERE THE CLIENT IS NOT PRESENT.

KFAS IS ONLY LIABLE TO EFFECT INSIDE DELIVERY AND WILL NOT BE LIABLE FOR UNWRAPPING OR UNPACKING PROPERTY UNLESS ARRANGED FOR IN ADVANCE BY THE CLIENT IN WRITING. "INSIDE DELIVERY" IS HERBY DEFINED AS DELIVERY TAKING PLACE INSIDE CONSIGNEE'S LOCATION OR STRUCTURE AT OR NEAR A COMMON POINT OF ENTRY AND WITHIN A REASONABLY ACCESSIBLE AREA. ANY ADDITIONAL EXPENSES INCURRED BY KFAS WITH UNWRAPPING OR UNPACKING PROPERTY WILL BE CHARGED TO CLIENT.

IN THE EVENT AN ITEM OF PROPERTY IS NOT COMPLETELY LOST OR DESTROYED, THE EXTENT OF KFAS'S LIABILITY FOR SUCH LOSS OR DAMAGE SHALL BE LIMITED TO THE DIMINUTION OF VALUE RESULTING FROM SUCH LOSS OR DAMAGE, NOT TO EXCEED \$0.60 PER POUND, OR, IN THE EVENT SUCH ITEM IS THE SUBJECT OF A DECLARED VALUE ELECTION BY THE CLIENT WHICH HAS BEEN APPROVED BY KFAS, NOT TO EXCEED THE DECLARED VALUE AMOUNT OF SUCH ITEM.

IN THE EVENT ANY PORTION OR PART OF THE PROPERTY IS LOST, DAMAGED OR DESTROYED, WHICH NECESSARILY EFFECTS THE VALUE OF THE REMAINING PORTION(S), AT THE OPTION OF THE CLIENT, (1) KFAS AGREES TO PAY THE VALUE OF THE ENTIRE PROPERTY AND THE CLIENT AGREES TO SURRENDER THE DAMAGED AND SOUND PORTIONS TO KFAS OR (2) THE MEASURE OF



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LOSS OR DAMAGE TO SUCH ARTICLE OR ARTICLES SHALL BE THE REASONABLE AND FAIR PROPORTION OF THE TOTAL VALUE OF THE PAIR, SET OR WHOLE OBJECT, CONSIDERATION BEING GIVEN TO THE IMPORTANCE OF SAID ARTICLE OR ARTICLES. FOLLOWING THE PAYMENT OF THE VALUE FOR ANY ITEM, PAIR OR SET, KFAS WILL BECOME THE FULL OWNERS AND RESERVE THE RIGHT TO TAKE POSSESSION OF THE ITEM, PAIR OR SET.

KFAS SHALL NOT BE LIABLE TO PAY ANY LOSS OR CLAIM TO THE EXTENT SUCH PAYMENT WOULD EXPOSE KFAS TO ANY SANCTION, PROHIBITION OR RESTRICTION UNDER UNITED NATIONS.

RESOLUTIONS OR THE TRADE OR ECONOMIC SANCTIONS, LAWS OR REGULATIONS OF THE EUROPEAN UNION, UNITED KINGDOM OR UNITED STATES OF AMERICA, INCLUDING, BUT NOT, LIMITED TO ANY SANCTIONS ADMINISTERED AND ENFORCED BY THE UNITED STATES TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSET CONTROL.

Force Majeure: Neither party shall be liable for any delay or failure to perform caused by acts of God, governmental actions, labor unrest, acts of terrorism, riots, unusual traffic delays, pandemics, epidemics, and/or staff shortages resulting therefrom, or other causes beyond its reasonable control.

Insurance: KFAS does not insure Client's Property and KFAS is not an insurance broker. Client should maintain its own insurance on its Property for any damage, loss, expense or delay suffered while the Property is in KFAS's care, custody, or control. In the event that the Client maintains such insurance, it shall be considered as being for the benefit of both the Client and KFAS. Client's insurance company will provide a Certificate of Insurance to KFAS.

Upon written request by the Client in sufficient time prior to the shipment or receipt of the Property, KFAS shall make reasonable efforts to place insurance on the Property for the period of time that the Property is in KFAS's care, custody, or control. The request shall state the Declared Value representing the amount of insurance coverage to be placed and shall confirm the Client's agreement to pay all fees and cost incurred by KFAS in placing and/or attempting to place such insurance. However, KFAS does not undertake or warrant that such insurance can or will be placed.

Where insurance is placed by KFAS, such insurance shall be governed by the certificate or policy issued and shall only be effective in accordance with the terms thereof.

In the event of a coverage dispute with any insurer or underwriter, the Client shall have no claim or right of recourse against KFAS. The Client further agrees to indemnify and hold KFAS harmless for any claims made by any insurer or underwriter in connection therewith.

Neon Clause: Due to the fragile nature, KFAS will not be held liable for any damage occurred during transport, de-installation, packaging, crating, and installation of neon glass tubes. KFAS will not perform any work that requires a licensed electrician associated with the de-install or installation and such activity is not included in any KFAS' Estimates.

Requests for Release, Delivery, and Services: Any requests by Client concerning the release, delivery, or for any other Services to be performed in connection with the Property must be made in writing, and subject to these Terms and Conditions, and any other relevant terms and conditions set forth in the Storage Agreement, Professional Services Agreement, or any other agreement between Client and KFAS.

Access: Client agrees that its access to KFAS's facilities will be restricted, and that Client must be accompanied by KFAS personnel while in KFAS's facilities. Pursuant to applicable restrictions, KFAS only allows the Client and the Client's expressly authorized and previously identified agents, employees or assigns to access the Client's Property. KFAS does not allow any other persons, including, but not limited to, other logistics companies or outside art handlers, to enter KFAS's warehouse under any circumstances.



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Rules and Regulations: KFAS has certain Rules and Regulations (which are subject to change) necessary for the operation of the Warehouse. Client and Client's previously identified agents, employees or assigns shall familiarize themselves with said Rules and Regulations from time to time and abide by them. Said rules are incorporated herein by reference. Viewing rooms may be leased for use as Client work space.

Use of Viewing Rooms: The Client shall make no changes in or to any viewing room provided by KFAS without KFAS's prior written consent. Client shall be liable for any damage to KFAS's facility or any viewing room caused by Client or its agents and or any violation of KFAS's Rules and Regulations, which shall constitute a default.

No Warranties: KFAS makes no warranties, express or implied as to any Service, unless expressly so stated and agreed by KFAS.

Ownership Warranty: Client warrants that it is the owner or legal custodian of the Property and has full authority to direct KFAS to perform Services in accordance with these Terms and Conditions. Client shall reimburse KFAS for any expenses reasonably incurred by KFAS (including reasonable attorneys' fees) by reason of (i) KFAS's compliance with the instructions of Client in the event of a dispute concerning the ownership, custody or disposition of Property, and (ii) any misrepresentation by Client as to its ownership or legal right to possess and control the Property.

Prohibited Property: The following types of freight shall not be stored or transported by KFAS under any circumstance: contraband or illegal substances; firearm; ammunition; currency or other negotiable instruments; precious stones or jewelry; explosive; solvents, fuels, or any flammables; chemical, noxious, or dangerous Property; livestock; plants; or hazardous Property. The act of consigning items of these types to KFAS, whether by Client or other person or entity acting with or without knowledge of the Client, shall entitle KFAS to recover any and all costs for fines, penalties, legal fees, damage to KFAS equipment and/or personal injury and compensation to KFAS employees. The Client also shall be liable for and indemnify KFAS against all loss or damage to other Property or persons caused by said dangerous Property. KFAS is at liberty to dispose of any items consigned with or associated with said dangerous Property at any time and place deemed appropriate by KFAS with disposal charges billable to the Client.

Indemnity and Hold Harmless: To the fullest extent allowed by law, Client shall defend, indemnify and hold KFAS harmless from and against any and all claims, liabilities, damages, losses and judgments, incurred or brought by third parties, including attorneys' fees and costs and expenses incident thereto, which may be incurred by or recoverable from KFAS by reason of injury to or death of any person or damage to any Property by reason of any quality or condition of Client's Property, or from the fault, willful misconduct or negligence of the Client, its officers, agents, subcontractors or employees even where such injury, death or property damage results in part from KFAS's performance of Services.

Third Party Beneficiary Indemnity: Except as expressly provided herein, no person other than Client and KFAS shall have any right or privilege hereunder, and Client shall indemnify and hold KFAS harmless for claims brought by third party privies of Client against KFAS whenever such claims, arising out of loss or damage to Property transported or stored hereunder, exceed the limitations of liability for Property as provided above.

Waiver of Subrogation: To the extent permitted by law, Client hereby waives all rights of subrogation against KFAS, its officers, members, agents and employees, occurring and or arising out of any loss or damage to Property, Contents or Premises to the extent such loss or damage is covered by insurance.



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Notice of Claims: Unless otherwise provided herein, all claims for loss, damage or delay must be filed in writing with KFAS within nine months after the Client is notified by KFAS that loss or damage to the Property has occurred, or after the delivery and receipt of the Property to the Client or anyone on Client's behalf, or from the date that Client discovers or should have discovered the loss, damage, or delay except that claims for failure to make delivery must be filed in writing within nine months after a reasonable time for delivery has elapsed. The Client agrees that the aforesaid requirement to file claims in writing with KFAS within the prescribed nine month period shall be a condition precedent to the Client's right to institute any legal action or proceeding against KFAS. The Client further agrees to cooperate with KFAS in connection with any such claims providing such relevant information and evidence as may reasonably be required. If required by KFAS, the Client must submit to an examination under oath by KFAS or its designee.

Filing of Actions: The Client agrees that no legal action or proceedings may be maintained against KFAS for loss or damage to the Property, or any breach of these Terms and Conditions or any other agreement between KFAS and Client, unless Client is in compliance with its contractual obligations hereunder and notice of such claim was given as set forth above, and unless such action or proceeding is commenced within two (2) years after the claim is denied by KFAS.

Notice of Loss: When Property has been lost or damaged, notice thereof may be given by mailing a letter to Client's address and/or by sending such letter by electronic mail to Client's email address as set forth in the Storage Agreement, Professional Services Agreement, or otherwise provided to KFAS in writing. The time limitation for notice of a claim begins on the date of Customer's receipt of such notice.

Transit Claims: As a condition precedent to recovery, claims for loss, damage or delay during transit must be filed in writing with KFAS in accordance with the provisions of the claim filing regulations of the Federal Motor Safety Administration set forth at 49 C.F.R. §370, which regulations are expressly incorporated herein by reference in their entirety. Suits for loss, damage, injury or delay must be commenced against KFAS no later than two years from the day when delivery was made or storage was terminated (unless the Carriage of Property by Sea Act ("COGSA") applies to the shipment and then COGSA's one year limitation of time to file suit applies). Where claims are not filed or suits are not instituted thereon in accordance with the foregoing provisions, KFAS shall not be liable and such claims shall not be paid.

Proof of Claim: Payment of claim shall be subject to proof of actual damages suffered. The Client upon request by KFAS shall submit a signed and sworn proof of loss within sixty (60) days after it has provided Notice of Loss (unless such period be extended by the written agreement of KFAS) stating the time, place and cause of loss, the interest of Client and all others in the Property, the sound value thereof and the amount of loss or damage thereto. In any claim and/or action, suit or proceeding to enforce a claim against KFAS, the burden of proving that the loss is recoverable hereunder and that no limitations or exclusions set forth herein apply and the quantum of loss shall fall upon the Client. The Client must hold the Property and its associated packaging or shipping container and its contents, if any, in the same condition they were in when damage was discovered. No claims for loss or damage shall be entertained until all of KFAS charges have been paid in full. The amount of the claim may not be deducted from the total due and payable charges.

Transportation by Air Only Via Direct or Indirect Air Carriers: If the carriage involves air transport and an ultimate destination or stop in a country other than the country of departure, the Warsaw Convention, Montreal Convention, the Montreal Protocol, and or The Hague Protocol 1955 may be applicable and in most cases limit the liability of KFAS in respect of loss or damage to Property.

Inspection by Authorities: If by the order of the proper authorities at any point while in storage or transit, the Property or a container or crate has to be opened to be inspected, KFAS shall not be liable for any loss, damage or delay incurred to the Property as a result of such inspection, including the cost of opening, unstuffing, inspection or repacking, which cost shall be recoverable by KFAS from the Client as part of KFAS's charges.



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Estimated and/or Quotations Subject to Change: Estimates and/or Quotations as fees, rates of duty, freight charges or other charges given by KFAS to the Client are for informational purposes only and are subject to change without notice.

Indemnification for Freight Duties, etc.: In the event that a carrier, other person or any governmental agency makes a claim or institutes legal action against KFAS arising from a shipment of Client's Property, the Client shall indemnify and hold KFAS harmless for any amount KFAS may be required to pay such carrier, other person or governmental agency together with reasonable expenses, including but not limited to attorneys' fees, costs, and expenses incurred by KFAS in connection with defending such claim or legal action and obtaining reimbursement from the Client. The confiscation or detention of Property by any governmental authority shall not affect or diminish the liability of Client to pay KFAS all charges due to KFAS for Services.

Responsibility for Governmental Requirements: It is the responsibility of the Client to know and comply with the requirements, laws and regulations of any Federal, State and/or local agencies pertaining in any way to Property, including, but not limited to, regulations, laws, and requirements pertaining to marking, classification, licensing, transporting hazardous materials, export controls, and any other transporting, importing, or exporting requirements. KFAS shall not be responsible for action taken or fines or penalties assessed by any governmental agency against the Property because of the failure of the Client to comply with the law or the requirements or regulations of any governmental agency or with a notification issued to the Client by any such agency.

Indemnity against Liability Arising from the Importation of Merchandise: The Client shall indemnify and hold KFAS harmless from any claims and/or liability arising from the importation of Property and/or any conduct of the Client which violates any Federal, state and/or other laws or regulations and indemnify and hold KFAS harmless against any and all liability, loss, damages, costs, claims and/or expenses, including but not limited to reasonable attorney's fees, costs and expenses which KFAS may hereafter incur, suffer or be required to pay by reason of such claims and/or liability. In the event that any such action, suit or proceeding is brought against KFAS, KFAS shall give notice in writing to the Client by mail at its address on file with KFAS. Upon receipt of such notice, the Client at its own expense, and, at KFAS's discretion, in cooperation with KFAS's designated counsel, shall defend against such action and take all steps as may be necessary or proper to prevent the obtaining of a judgment and/or order against KFAS.

KFAS Condition Reports: The Client understands that KFAS does not employ fine art conservators and that KFAS's art handlers may during the normal course of their business as warehousemen and motor carriers, issue a condition report for the purposes of noting damages visible to the naked and untrained eye. Said condition report is made without prejudice and is not binding on KFAS. Should the Client file a claim or lawsuit against KFAS for any reason, KFAS reserves its right to retain a fine art conservator or appraiser to inspect the Client's Property.

General Lien on any Property: KFAS shall have a general and continuing lien on any and all Property (and documents relating thereto) of the Client, either in its actual or constructive possession, custody or control or en route, for all claims for monies owed to KFAS, including without limitation charges, expenses or advances incurred by KFAS, in connection with any Property of the Client. KFAS shall provide written notice to Client of its intent to exercise such lien, the exact amount of monies due and owing, as well as any ongoing storage or other charges; Client shall notify all Parties having an interest in its Property of KFAS's rights and/or the exercise of such lien. Unless, within thirty (30) days after receiving the notice of lien, Client posts cash or a letter of credit at sight, or, if the amount due is in dispute, an acceptable bond equal to 110 percent of the value of the total amount due, in favor of KFAS, guaranteeing payment of the monies owed, plus all storage charges accrued or to be accrued, KFAS may sell the Property at public or private sale, in accordance with governing law or so much thereof as may be necessary to satisfy such lien, and apply the net proceeds of such sale to the payment of the monies owed to KFAS. Any surplus from such sale shall be transmitted to the Client, and the Client shall be liable for any deficiency in





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the sale.

Default and Remedy: Pursuant to §§ 7-209 and 7-210 of the Uniform Commercial Code as adopted in the state where the Property is stored, KFAS shall have a lien on all Property of Client held at the Warehouse for charges for Services, or any other charges past due or due in the future, and for all expenses necessary and reasonably incurred for the protection of any monies due to KFAS. This lien is superior to any other lien or security interest and goes into effect as of the date the Property is brought to the Warehouse. KFAS maintains a lien on the Property covered by all applicable warehouse receipt(s), and a lien on all Property, concurrently, or later received by KFAS for the account of the Client or of any other persons and organization having an interest in the Property covered by the applicable Warehouse Receipt(s), for all charges for storage or transportation (including demurrage and terminal charges), insurance, labor or other charges, present or future in relation to the Property covered by the applicable Warehouse Receipt(s), and for expenses necessary for the preservation of such Property or reasonably incurred in its sale. KFAS also reserves a security interest in all Property above noted (i) for all charges enumerated in the preceding paragraphs which have been incurred since the original date of arrival of said Property as indicated hereon, to the extent that said charges are not secured by a valid lien, and (ii) for advances made, interest thereon and liabilities incurred as indicated herein. When any amounts, for which KFAS has reserved a security interest, have remained due and unpaid for 90 days, the Client shall be deemed to be in default so as to authorize KFAS to dispose of the Property, at its option, in the enforcement of the said security interest. All Property subject to the lien or to the security interest, and all Property, the removal of which has been required, may be disposed of in any manner and by any procedure then authorized by the laws of the State in which the Property is stored by KFAS.

KFAS has this lien in full force and effect should Client cause any of the following to occur: failure to pay charges; failure to pay any other charges; abandonment; failure to execute a vacate/release form; or failure to comply with any term or condition contained herein or any of KFAS's Rules and Regulations.

If the Client should be in default of any provisions hereof, or fail to pay any charges when due, KFAS has, in addition to all other rights and remedies, as provided by law, at KFAS's option or if KFAS after giving ten (10) days written notice to the Client (which notice shall be deemed to be given by KFAS by mailing same, postage prepaid, at the last known address of the Client) may at his option take any of the following acts:

- (a) Make any demand or give any notice as may be required by law. Should Client fail to comply with such demand or notice within the time required by law if any, KFAS may terminate all agreements with Client.
- (b) KFAS shall have the right to refuse Client's access to the storage space.
- (c) KFAS shall have the right, but not the duty, to inventory such Property and charge the Client for the reasonable cost of such inventory.
- (d) KFAS shall have the right to dispose of or sell the Property contained in the space to any person by public or private sale in block or in parcels, at any time or place, and on any terms which are commercially reasonable, pursuant to Sections 7-209 and 7-210 of the Uniform Commercial Code as adopted in the state where the Property is stored. KFAS shall apply the proceeds of such a sale only to the Client's indebtedness to KFAS and shall hold any proceeds over and above, if any, the amount owed by the Client to KFAS in account for the benefit of the Client. Upon written demand, the excess, if any, shall be returned to the Client without interest. KFAS shall hold such proceeds for a period not to exceed two years, and it is specifically understood that the proceeds of such sale shall first pay for the costs of sale and subsequent to the costs of sale, the payment of any charges or any other charges.

The Client shall pay all costs and expenses, including reasonable attorneys' fees, reasonable service charges and processing charges of KFAS, in enforcing any action or any term contained herein.

Tender for Storage and Handling: Each tender of Client's Property to KFAS for storage constitutes



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a separate tender and KFAS may reject subsequent tenders of Property whether identical or not. KFAS

may also reject any tender of Property which does not conform to all terms (including dimension, weight, quantity, and description) of the quotation issued by KFAS. All Property shall be delivered to KFAS properly marked and packed for handling and storage. Unless arranged for in advance by the Client in writing, the Property may be placed in general storage without regard humidity or temperature conditions and without responsibility for Property that may be sensitive to temperature and or changes in temperature. The Client shall furnish prior to delivery to KFAS a manifest showing marks, brands, or sizes of the Packages to be kept and accounted for separately and the type of storage desired. The contents of the packages, containers or the Property referred to on the face of the Warehouse Receipt, Waybill or Bill of Lading will be inspected by KFAS for condition, concealed loss, or damage, and documented in a Condition Report and the additional labor expense will be billed to the Client. Client may elect not to have Condition Reporting performed by advance arrangements in writing releasing KFAS of all liability of Property. KFAS shall handle, store, and deliver Property in the packages, crates, and containers in which the Property was originally received. When deterioration or failure of packages, crates, or containers requires, KFAS may, at its discretion and without obligation, repackage the contents and charge Client for labor and materials. KFAS accepts no responsibility for such repair or replacement.

Handling and Handling Charges: Client shall specify the means and methods for handling of Property. Absent specific instructions, KFAS undertakes to handle Property using its customary methods and equipment which are subject to change at its discretion. However, as noted herein, KFAS will not perform certain services without written instructions and approval from Client. The handling charges include, among other things, the labor involved in receiving Property at Warehouse, placing Property in storage, retrieving Property, and any other Services relating to the Property. Any additional expenses incurred by KFAS in receiving and handling damaged Property, and additional expense in unloading from or loading into cars or other vehicles not at the Warehouse loading area will be charged to the Client. Property handled at Clients request outside regular business hours shall be subject to an additional charge.

Release of Property: Unless the Client is in default of its payment obligations hereunder, KFAS shall release any or all of the Property in storage and in accordance with written instructions from the Client. The Client shall give KFAS reasonable prior written notice of each delivery or removal of Property. Any delivery or removal of Property at a time other than during KFAS's regular business hours (*i.e.* 8 a.m. to 12 p.m. and 1 p.m. to 5 p.m. on Monday through Friday) may be subject to additional charges.

### Transfer, Termination of Storage, Removal of Property:

(a) KFAS reserves the right to, without notice, relocate Property to any KFAS facility and/or move Property within any KFAS facility, at its expense.

(b) KFAS may, upon written notice to the Client, without cause, require the removal of any Property by the end of the next succeeding storage month. If Property is not removed before the end of the next succeeding storage month, KFAS may sell it in accordance with applicable law.

Delivery Requirements: No Property shall be delivered or transferred from KFAS's facility except upon receipt by KFAS of written direction from persons authorized to act on Client's account.

Cancellation: KFAS may terminate its relationship with Client at its discretion upon sixty (60) days written notice to Client. Upon the termination of the relationship with Client for any reason, the Client shall immediately pay KFAS all amounts due for Services performed up to and including the date of termination.

Severability: In the event any paragraph(s) and/or portion(s) hereof are found to be invalid and/or unenforceable, the remainder hereof shall remain in full force and effect.



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Governing Law: The rights and obligations of the parties hereunder shall be construed and enforced in accordance with, and shall be governed by, the laws of the State of Montana, without regard to its principles of conflicts of laws. Any dispute, claim, or controversy arising out of or relating to this Contract or any other agreement between the parties, or the breach, termination, enforcement, interpretation, or validity thereof, shall be brought in the District Court of and for the Eighteenth Judicial District, Gallatin County, Montana. The parties hereby irrevocably submit to personal jurisdiction in Montana and consent to venue in the court referenced herein in any action or proceeding brought by one party as against the other.



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