

STANDARD TERMS AND PROCEDURES FOR UPS CAPITAL CARGO FINANCE® TRANSACTIONS

The following are standard terms and procedures ("STAPs") that are applicable to financing transactions pursuant to each Cargo Finance Agreement (each, a "Cargo Finance Agreement") entered into between **UPS CAPITAL CORPORATION** ("Lender") and a customer (each a "Borrower"). Each Borrower, by entering into a Cargo Finance Agreement that incorporates the terms (defined in the Cargo Finance Agreement as the "STAPs") of this Website (defined in the Cargo Finance Agreement as the "Cargo Finance Website"), will be deemed to have agreed to be bound by the following standard terms and procedures. Capitalized terms used herein, unless otherwise defined, will have the meanings ascribed to them in the applicable Cargo Finance Agreement.

1. Definitions; Rules of Construction. (a) In addition to the defined terms contained in the Cargo Finance Agreement and elsewhere in these STAPs, the following terms shall have the following meanings ascribed to them (terms defined in the singular to have the same meanings when used in the plural, and *vice versa*):

"ACH" means Automated Clearing House.

"ACH Borrower" means a Borrower that has expressly authorized Lender to initiate ACH transfers (whether pursuant to the Cargo Finance Agreement, in accordance with Section 3 of the STAPs or otherwise) in repayment of Advances and other Obligations.

"Blocked Person" means a Person that is listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224 or is owned or controlled by, or acts for or on behalf of, any such Person; a Person that is named as a "specially designated national" on the most current list published by the U.S. Treasury Department Office of Foreign Asset Control ("OFAC") at its official website or any replacement website or other official publication of such list; an agency of the government of, a Person directly or indirectly controlled by, or a Person resident in, a country on any official list maintained by OFAC; or any Person affiliated with any of the foregoing Persons.

"Business Day" means a day other than a Saturday, Sunday, a day that is a legal holiday under the laws of the State of Georgia or a day on which banking institutions located in Georgia are authorized or required to be closed.

"Collateral" has the meaning ascribed to such term in Section 21 of the Cargo Finance Agreement, if applicable.

"Collateral Springing Event" has the meaning ascribed to such term in Section 21 of the Cargo Finance Agreement, if applicable.

"De Minimis Overpayment" has the meaning ascribed to such term in Section 14 of the STAPs.

"Distribution" means any payment of dividends or other distributions on account of any equity interest in Borrower and any purchase, redemption or other acquisition or retirement for value of any such equity interest.

"Dollars" and the sign "\$" means legal tender in the United States of America.

"Eligible Document" means, with respect to the shipment of any Goods, a Bill of Lading or waybill that is acceptable in all respects to Lender in its discretion. Without limiting the generality of the foregoing:

(i) **if Lender has not been granted a security interest in the Collateral pursuant to Section 21 of the Cargo Finance Agreement:** Lender generally will require each Eligible Document to have the following characteristics: (A) such Document is a clean sea waybill or Bill of Lading (which, if required by Lender in its discretion, is a Negotiable Bill of Lading) issued by a UPS Affiliate or an Other Carrier as non-vessel operating common carrier (with respect to shipments of Goods by ship), an air waybill issued by a UPS Affiliate or an Other Carrier as carrier (with respect to shipments of Goods by aircraft), a Bill of Lading issued by a UPS Affiliate or an Other Carrier as carrier (with respect to shipments of Goods by truck), or a rail or carload waybill or Bill of Lading issued by a UPS Affiliate or an Other Carrier as carrier (with respect to shipments of Goods by rail), in each case, which is issued no earlier than the date on which such Goods are received by and are on board with the carrier thereof, (B) such Document names Borrower as consignee, and (C) if Lender, in its discretion, has required the use of Negotiable Bills of Lading for shipments of Goods by ship, an original counterpart (or all original counterparts, if so required by Lender) of such Document are in the possession of Lender, a UPS Affiliate or an Other Carrier and have been or will be sent to a location of Lender, a UPS Affiliate or an Other Carrier in the jurisdiction of the port of destination (which jurisdiction is approved by Lender in its discretion), unless the UPS Affiliate or Other Carrier has agreed to release the Goods without requiring delivery of the original Negotiable Bill of Lading; and

(ii) **if Lender has been granted a security interest in the Collateral pursuant to Section 21 of the Cargo Finance Agreement:** Lender may require each Eligible Document to have the following characteristics: (A) such Document is a clean, tangible Negotiable Bill of Lading issued by a UPS Affiliate or an Other Carrier as non-vessel operating common carrier (with respect to shipments of Goods by ship), an air waybill issued by a UPS Affiliate or an Other Carrier as carrier (with respect to shipments of Goods by aircraft), a Bill of Lading issued by a UPS Affiliate or an Other Carrier as carrier (with respect to shipments of Goods by truck), or a rail or carload waybill or Bill of Lading issued by a UPS Affiliate or an Other Carrier as carrier (with respect to shipments of Goods by rail), in each case, which is issued no earlier than the date on which such Goods are received by and are on board with the carrier thereof, (B) such Document names Borrower (or, if Lender so directs, Lender) as consignee, (C) such Document is subject to Lender's security interest and no other Liens except for Permitted Liens, and (D) with respect to a Negotiable Bill of Lading (but not a Non-Negotiable Bill of Lading or a waybill), (1) an original counterpart (or all original counterparts, if so required by Lender) of such Document are in the possession of either Lender, a UPS Affiliate or an Other Carrier and have been or will be sent to a location of Lender, a UPS Affiliate or the Other Carrier in the United States, and (2) such Document, if so requested by Lender, is held by a UPS Affiliate or an Other Carrier (while in the possession of such UPS Affiliate or Other Carrier) as bailee for Lender, pursuant to a Handling Agreement in form and substance satisfactory to Lender.

"Eligible Goods" means Goods which Borrower has purchased from an Eligible Vendor; which are in good, new and saleable condition; which conform to the contract entered into between Borrower and such Vendor; which may be lawfully imported into the applicable jurisdiction (which jurisdiction has been approved by Lender in its discretion); which are insured in accordance with the Cargo

Finance Documents; which are accurately described in the commercial invoice rendered by such Vendor to Borrower and received by Lender; the Invoice Price for which is payable in Dollars (or such other currency as Lender may accept in its discretion); which are owned by Borrower free and clear of any and all Liens or adverse claims of such Vendor (except for such Vendor's rights as an unpaid seller) and, if Lender has been granted a security interest in the Collateral pursuant to Section 21 of the Cargo Finance Agreement, free and clear of all other Liens or adverse claims other than Permitted Liens; the Documents in respect of which are Eligible Documents; the shipment and handling of which will be performed solely by a UPS Affiliate (or a contractor or subcontractor engaged by a UPS Affiliate) or an Other Carrier from the gateway, port of origin or departure point outside the United States (as may be agreed to by the parties from time to time) to the gateway, port of destination or destination point in the continental United States or other applicable jurisdiction (which jurisdiction shall have been approved by Lender in its discretion) and, if required by Lender, to the place of business of one or more customers of Borrower, except that clearance through customs is in all events handled by a UPS Affiliate (or a contractor or subcontractor thereof) as customs broker; with respect to which, if Lender requests Borrower to provide proof of payment of the full Invoice Price for such Goods, Lender promptly (and in any event, within one (1) Business Day after Lender's request therefor) receives evidence of such payment in form and substance satisfactory to Lender; and, if Lender has been granted a security interest in the Collateral pursuant to Section 21 of the Cargo Finance Agreement and if required by Lender, such Goods, while in the possession of a UPS Affiliate or an Other Carrier, are (if so directed by Lender) held by such UPS Affiliate or Other Carrier as bailee for Lender pursuant to a Handling Agreement in form and substance satisfactory to Lender.

"Eligible Vendor" means a Vendor (a) from whom Borrower has purchased Goods for a period of at least 2 years (or such lesser period as agreed to by Lender in its discretion), (b) who is not a Blocked Person, (c) who is located in a jurisdiction that is acceptable to Lender, and (d) who is otherwise acceptable to Lender in its discretion.

"Guarantor" means each Person who executes a Guaranty in favor of Lender.

"Guaranty" means a guaranty executed by a Person in favor of Lender by which such Person unconditionally guarantees payment and performance of all or any part of the Obligations.

"Handling Agreement" means any Imported Goods Agreement or any similar agreement requested by Lender and executed by Borrower, Lender and one or more UPS Affiliates or Other Carriers, as applicable.

"Negotiable Bill of Lading" means a Bill of Lading that is "negotiable" within the meaning of Article 7 of the UCC.

"Non-negotiable Bill of Lading" means a Bill of Lading that is not a Negotiable Bill of Lading.

"Payment Processing Fee" has the meaning ascribed to such term in Section 14 of the STAPs.

"Permitted Distributions" means, if Borrower is a Subchapter S corporation, cash Distributions to the holders of equity interests in Borrower no more frequently than once per fiscal year based upon the taxable income of Borrower under the Internal Revenue Code for the immediately preceding fiscal year in an aggregate amount that does not exceed the amount necessary to pay federal and state income taxes solely attributable to such holders' distributed shares of the taxable income of Borrower, determined assuming each holder is subject to taxation at a rate equal to the highest federal and state (for the state of such holder's residence) income tax payable by such holder for the applicable tax year (which in no event shall exceed 40% federal and state combined income tax rate), provided that at the time of each such Distribution Borrower is solvent and able to pay its debts as they mature in the ordinary course and no Event of Default exists.

"Permitted Lien" means (a) a Lien in existence on the date hereof; (b) a Lien in favor of Lender; (c) a statutory Lien arising in the ordinary course of Borrower's business, but only if and for so long as (i) payment in respect of such Lien is not at the time required or the indebtedness secured thereby is being actively contested by Borrower in good faith and by appropriate and lawful proceedings, (ii) such Lien does not materially detract from the value of the property of Borrower to which it attaches and does not materially impair the use thereof in the operation of Borrower's business, (iii) such Lien is at all times subordinate in priority to all security interests and other Liens in favor of Lender with respect to the same property, and (iv) an enforcement action in respect of such Lien has not been commenced; (d) a Lien in favor of a UPS Affiliate with respect to Goods to secure payment of all amounts owed by Borrower with respect to the shipment, storage or handling of such Goods by such UPS Affiliate; (e) in the case of Goods that are subject to a Multi-Carrier Shipment, customary carrier's Liens in favor of the Other Carrier to secure payment of all amounts owed by Borrower with respect to the shipment, storage or handling of such Goods by the Other Carrier; and (f) a Lien consented to in writing by Lender in its discretion, but only to the extent and on the conditions expressly set forth in such writing.

"Required Payment Date" means the date by which Borrower is required, under the applicable invoice or sales contract with the applicable Vendor, to pay the full Invoice Price for any Eligible Goods.

"Subordination Agreement" means an agreement which is executed by a Person in favor of, and accepted by, Lender and by which such Person subordinates repayment of all or part of the indebtedness owed from time to time by an Obligor to such Person to the full and final payment of all or part of the Obligations.

(b) The terms "herein," "hereof" and "hereunder" and other words of similar import refer to the Cargo Finance Agreement as a whole and not to any particular section, paragraph or subdivision. Any pronoun used shall be deemed to cover all genders. Section references appear as a matter of convenience only and shall not affect the interpretation of the Cargo Finance Agreement. Unless otherwise provided in the Cargo Finance Agreement, all references to any instrument or agreement, or any applicable law, shall include all amendments of same; or to the time of day shall mean the time of day on the day in question in Atlanta, Georgia. Unless otherwise agreed by Lender in its discretion, all Advances shall be funded in Dollars and all Obligations shall be repaid in Dollars. Any agreement or waiver, to be binding on Lender, must be in writing.

2. Funding Requests; Advances. (a) If Borrower desires for Lender to make an Advance in connection with Borrower's purchase of Eligible Goods, Borrower shall comply with all of the requirements of the Standard Funding Procedures set forth in Exhibit A to the STAPs (with such changes thereto as Lender may require in its discretion), in each case, in form and substance satisfactory to Lender in its discretion.

(b) Lender may, in its discretion, elect to honor or decline any Funding Request and may revoke any agreement to honor a Funding Request at any time prior to the actual date of funding of the requested Advance. If Lender elects to make an Advance despite the fact that (i) the Funding Request, a copy of any of the applicable commercial invoice or the applicable transport document (whether a waybill or Bill of Lading) is

FORM (12/2017)

received by Lender after the applicable Goods arrive at the port or gateway of destination, or (ii) Lender determines in its discretion that the applicable Goods are not Eligible Goods, the applicable Documents are not Eligible Documents or the applicable Vendor is not an Eligible Vendor, Lender's waiver of Borrower's strict compliance with such deadlines or other requirements for such Advance shall not be deemed to establish a course of conduct or an agreement on Lender's part to honor any future Funding Request in connection with which Borrower fails to comply with such deadlines and other requirements.

(c) Lender may from time to time increase or decrease the percentage of the Invoice Price that Lender is willing to fund as an Advance (which percentage, as of the date of the Cargo Finance Agreement, is set forth in Section 21(d) of the Cargo Finance Agreement), which change in percentage shall be effective upon Borrower's receipt of notice of such change.

(d) Certain Cargo Finance Agreements provide that the due date for repayment of an Advance is based in part upon the Estimated Arrival Date for the Eligible Goods relating to the applicable Advance. Each Borrower that is subject to such a Cargo Finance Agreement acknowledges and agrees that (i) the Estimated Arrival Date for any Ocean Shipment Advance or Ground Shipment Advance will be set forth on the applicable Funding Request Letter, (ii) the Estimated Arrival Date is an estimate provided to Lender by certain UPS Affiliates (or, in the case of Multi-Carrier Shipments, by Borrower or Other Carriers), and such estimate is based upon numerous factors, some of which (including weather, actual shipping times, processing times by the applicable customs authorities, and other factors) may be beyond the control of Lender or any UPS Affiliate, (iii) neither Lender nor any UPS Affiliate makes any representation or warranty regarding the accuracy, completeness or reasonableness of any information provided to it by Borrower or any Other Carrier, and (iv) by accepting any Funding Request Letter reflecting an Estimated Arrival Date or by causing funds to be withdrawn from Borrower's Deposit Account on a due date for an Advance that is based upon the Estimated Arrival Date, neither Lender nor any UPS Affiliate makes any representation or warranty regarding the actual date that the applicable Goods may or may not arrive at the port or gateway of destination or clear customs, and neither Lender nor any UPS Affiliate shall have any liability whatsoever to Borrower if such Goods arrive at the port or gateway of destination or clear customs on a date that is earlier or later than the Estimated Arrival Date.

3. ACH Debit Authorizations. (a) Each Borrower that is not an ACH Borrower agrees, if requested by Lender at any time, to make commercially reasonable efforts to cause the financial institution with which such Borrower maintains its primary operating Deposit Account to accept Lender's instructions for the initiation of ACH transfers from such Deposit Account, whereupon such Borrower shall be deemed an "ACH Borrower" and subject to the provisions of these STAPs that are applicable to ACH Borrowers (including Sections 3(b) and (c) below), as well as the provisions of Section 9(a) and 21(g) of the Cargo Finance Agreement that are applicable to ACH Borrowers.

(b) Each ACH Borrower authorizes Lender to initiate ACH transfers from the applicable Deposit Account or Deposit Accounts of such ACH Borrower (and authorizes the applicable financial institution or institutions to accept such instructions) in repayment of the Obligations, such that funds in respect of any unpaid Obligations would be withdrawn from such Deposit Account or Deposit Accounts on or after the due date thereof.

(c) Each ACH Borrower acknowledges that, notwithstanding Lender's authority to initiate ACH transfers from such ACH Borrower's Deposit Account, such ACH Borrower shall bear sole responsibility for ensuring that all payments due to Lender under the Credit Documents are timely made. Each ACH Borrower acknowledges that, if payment in respect of any Advance or other Obligation is not timely received by Lender for any reason, then, without limiting any other remedies available to Lender under the Credit Documents or applicable law, Lender may direct UPS Affiliates to withhold Documents or Goods in accordance with the STAPs and Section 10 of the Cargo Finance Agreement, until Lender receives payment of such Obligations, and no failure or delay by Lender in initiating any ACH transfer in repayment of any Obligations shall relieve Borrower from repaying the full amount of such Obligations, with late charges in accordance with Section 21(e) of the Cargo Finance Agreement, provided that, Lender will not charge any such late charges in respect of the principal amount of any Advance (or any Obligations consisting of interest or Transaction Fees that are payable in respect of such Advance) that are not paid in a timely manner solely due to Lender's failure or delay in initiating the applicable ACH transfer, but excluding any circumstance in which Lender initiated a proper ACH transfer but did not receive payment in a timely manner due to insufficient funds or for any other reason. Each ACH Borrower acknowledges that, after Lender initiates any ACH transfer in repayment of any Obligations, but prior to the remittance of such funds by Borrower's bank to Lender on the due date of such Obligations, Borrower's bank may place a "hold" on all or any portion of such funds, which therefore may not be available to Borrower.

4. Administration, Safeguarding and Insurance of Inventory and Other Collateral (if applicable). (a) Borrower shall keep accurate and complete records of its Inventory (including records showing the cost thereof); shall provide reports relating to its Inventory to Lender, if requested by Lender, in form reasonably satisfactory to Lender, shall not acquire or accept any Inventory on consignment or on a sale-on-approval basis, will ensure that all Inventory will be produced in accordance with applicable law, including (to the extent applicable) the Fair Labor Standards Act; shall use, store and maintain all Inventory with reasonable care in conformity with applicable law and in accordance with prudent practices; shall maintain current rent payments at all locations at which any Inventory is maintained or stored; and shall not sell, lease or otherwise dispose of any Inventory except in the ordinary course of Borrower's business as presently conducted.

(b) If Borrower has granted Lender a security interest pursuant to Section 21 of the Cargo Finance Agreement, other than Inventory in transit to Borrower and Documents in the possession of Lender or Lender's agents and bailees, all tangible items of Collateral shall at all times be kept at one or more of the business locations of Borrower set forth in the Information Certificate (if Lender in its discretion requires Borrower to deliver an Information Certificate), provided that in the absence of an Event of Default and acceleration of the maturity of the Obligations in consequence thereof, Borrower may make sales or other dispositions of any Inventory as authorized in the Cargo Finance Agreement or the STAPs.

(c) All expenses of protecting, storing, warehousing, insuring, handling, maintaining and shipping any Inventory (and, if applicable, any other Collateral), all taxes and duties imposed under any applicable law on any of the Inventory (and, if applicable, any other Collateral) or in respect of the sale or other disposition thereof, and all other payments required to be made by Lender to any Person (including any UPS Affiliate) to exercise any rights in respect of any Inventory (and, if applicable, any other Collateral) shall be borne and paid by Borrower. Lender shall not be responsible in any way for the protection or safeguarding any Collateral (if applicable) and the same shall be at Borrower's sole risk. Lender shall have the right at any time to inspect, audit, verify and check any or all tangible items of Eligible Goods (and, if applicable, any other Collateral) and, in the case of the Records, to make copies of or extracts from such Records.

(d) Borrower shall maintain and pay for insurance upon all Eligible Goods (and, if applicable, any other Collateral), wherever located, covering casualty, hazard, theft, malicious mischief and such other risk in such amounts and with such insurance companies as are satisfactory to Lender, including, as applicable, marine cargo insurance (with respect to shipments of Goods by ship), air cargo insurance (with respect to shipments

of Goods by aircraft) and inland marine cargo insurance (with respect to shipments of Goods by truck or rail). If Borrower has granted Lender a security interest pursuant to Section 21 of the Cargo Finance Agreement and if required by Lender in its discretion, Borrower shall deliver Lender's loss payable endorsements acceptable to Lender not less than 30 days prior written notice to Lender in the event of cancellation of the policy for any reason whatsoever and a clause specifying that the interest of Lender will not be impaired or invalidated by any act or neglect of Borrower.

5. Liens; Collateral Springing Events. If Borrower has granted Lender a security interest pursuant to Section 21 of the Cargo Finance Agreement, Borrower shall not grant or otherwise permit to exist any Lien upon any of the Collateral except for Permitted Liens. Certain Cargo Finance Agreements provide that Borrower grants a Lien upon and security interest in the Collateral, but that Lender will not file a UCC Financing Statement to perfect, and Lender will not foreclose upon, such Lien until a Collateral Springing Event occurs. With respect to each Borrower that is subject to such a Cargo Finance Agreement, such Borrower shall not be deemed to have granted to Lender a security interest in the Collateral until the occurrence of a Collateral Springing Event *for purposes of Section 9* of the Cargo Finance Agreement, *for purposes of* the definitions of "Eligible Document" and "Eligible Goods" in the STAPs, and *for purposes of Sections 4, 5 and 11* of the STAPs.

6. Dividends and Distributions. Borrower shall not declare or pay any dividend or Distribution other than a Permitted Distribution.

7. Sharing of Information with UPS Affiliates, Vendors and Credit Insurers; Credit Bureaus and Credit Reporting Agencies; Responding to Credit Inquiries. (a) Lender shall be authorized at any time, without notice to Borrower, to share with any UPS Affiliate, and each UPS Affiliate shall be authorized to share with Lender, any information (whether or not designated by Borrower as confidential) regarding Borrower, its business or financial condition, the status of any Credit Document and Borrower's compliance or non-compliance under any Credit Document, or any Collateral. Borrower authorizes each UPS Affiliate to grant access to Lender (including by the provision of access codes and passwords) to all electronic platforms and information exchange systems that may be made available to Borrower by or through any UPS Affiliate, and Borrower will take all other necessary steps to facilitate such access to Lender. Borrower authorizes Lender to communicate with each Vendor for any purpose, and in respect of any matter, including to determine whether such Vendor or any Goods or Documents covering such Goods satisfy the eligibility requirements set forth in the Cargo Finance Agreement or herein (including to determine whether any Vendor has received the Invoice Price for any Eligible Goods). Borrower authorizes Lender to share with such Vendor any information (whether or not designated by Borrower as confidential) regarding Borrower (including its business or financial condition). Lender also shall be authorized to share any such information with other third parties, including any credit insurer, but Lender may in its discretion refuse to share any such information.

(b) Borrower hereby authorizes Lender from time to time (but Lender shall have no obligation) to (i) provide to credit bureaus and credit reporting agencies reports regarding the amount of the Obligations owed to Lender, the maximum amount of Advances that are permitted to be outstanding at any time under the Cargo Finance Agreement, Borrower's payment history with respect to the Obligations and other information regarding Borrower, the Obligations and the Cargo Finance Agreement that is customarily reported to credit bureaus, credit reporting agencies and credit rating agencies, and (ii) respond to usual and customary credit inquiries from third parties concerning Borrower or any of its subsidiaries.

8. Withholding of Documents and Goods. In addition to any rights that Lender may have under any Handling Agreement (if applicable), with respect to any default in payment of any Obligations, Lender shall be authorized to direct any UPS Affiliate in control of any Documents or Goods (whether or not such Documents or Goods are related to any Advance for which any payment is past due) to withhold such Documents or Goods from delivery to Borrower or any nominee of Borrower (and such UPS Affiliate is hereby authorized and instructed by Borrower to comply with Lender's directions in respect of any such Documents or Goods) until such time as Borrower has made payment of all past due amounts then owing to Lender. Neither any UPS Affiliate nor Lender shall have any liability to Borrower or any other Person on account of the withholding of delivery of such Documents or Goods under the immediately preceding sentence, and Borrower agrees to indemnify and defend Lender and each UPS Affiliate, and to hold Lender and each UPS Affiliate harmless from and against, any liability, cost or expense (including reasonable attorneys' fees) that may ever be suffered or incurred by Lender or such UPS Affiliate in connection with its withholding delivery of such Documents or Goods.

9. Communications. Except as otherwise expressly provided in any Credit Document or in the STAPs, all notices and other communications regarding the Cargo Finance Agreement and the other Credit Documents, to be effective against the noticed party, shall be in writing and sent to the noticed party at the address for such noticed party shown below its signature to the Cargo Finance Agreement (or at such other address as the noticed party may specify in a written notice given in accordance with this Section) and shall be deemed effective (i) if sent by U.S. Mail, on the third Business Day after properly deposited in the U.S. Mail, certified mail with postage prepaid; (ii) if sent by UPS Next Day Air® or personal delivery, when received at the office of the noticed party; or (iii) if sent by facsimile transmission, when received (if on a Business Day and, if not received on a Business Day, then on the next Business Day after receipt) at the office where the noticed party's telecopier is located. Notwithstanding the foregoing, no Funding Request Letter shall be effective until actually received by Lender. Any notice sent by any other means shall nevertheless be effective on the date actually received by the noticed party.

10. Limitation of Liability, Indemnification and Expense Reimbursement. Lender shall not have any liability to Borrower or any other Person for any act or neglect of any UPS Affiliate or Other Carrier; any delay by Lender in indicating its willingness to make, declining to make, or any delay in making, any Advance; Lender's assertion or failure to assert any right, privilege, remedy or claim of Borrower against any Vendor; or any adverse action taken by any Vendor arising out of or resulting from any communication that Lender may have with such Vendor pursuant to Section 6 of the STAPs. Borrower agrees to indemnify and defend Lender, and to hold Lender harmless from and against, any liability, cost or expense (including reasonable attorneys' fees) that may ever be suffered or incurred by Lender in connection with any of the Cargo Finance Documents or any transactions thereunder, including any property, documentary stamp, intangible or other taxes at any time payable in respect of any Cargo Finance Document, any costs or expenses incurred in connection with any audits of the Collateral or due diligence regarding the eligibility of any Vendors (including the fees set forth in Section 21(j) of the Cargo Finance Agreement), Goods or Documents. The foregoing indemnities shall survive the termination of the Cargo Finance Agreement and payment of the Obligations. Borrower shall reimburse Lender for all expenses incurred by Lender in connection with the making of any Advance, administering any of the transactions under any of the Cargo Finance Documents, and expenses (including reasonable attorneys' fees) incurred by Lender in the enforcement of any Cargo Finance Documents, the collection of any of the Obligations, the preservation of the validity and priority of Lender's security interest in any of the Collateral, or the realization upon any Collateral.

11. Multiple Borrowers; Joint and Several Liability. If more than one Person is a Borrower under the Cargo Finance Documents, then each such Person identified as a Borrower shall be jointly and severally liable with the other Borrower or Borrowers for the payment and performance of all of the Obligations; each reference to a "Borrower" in any Credit Document or in the STAPs shall be deemed to be a reference to each such Person, individually, and to all such Persons, collectively; if any Person has granted a security interest to Lender pursuant to Section 21 of

the Cargo Finance Agreement, each such Person shall be deemed to have separately granted to Lender a security interest and Lien upon the Collateral of such Person as set forth in the Cargo Finance Agreement; each such Person shall be deemed to have separately made the representations and warranties set forth in the Cargo Finance Agreement and the other Credit Documents; each such Person shall be responsible jointly and severally with the other Borrowers for all of the indemnities set forth in any of the Credit Documents; each such Person shall be jointly and severally responsible for discharging the covenants contained in each of the Credit Documents applicable to it; Lender shall have the right to deal with any individual of a single Borrower with regard to all matters concerning the rights and obligations of Lender hereunder and the duties and liabilities of each Borrower hereunder; all actions or inactions of the officers, managers, members and agents of any Borrower with regard to the transactions contemplated under any of the Credit Documents shall be deemed to be binding upon all Borrowers hereunder; and any Advances other extensions of credit made by Lender to one Borrower shall be deemed to have been made to and for the benefit of all Borrowers, it being understood that the Borrowers' businesses are a mutual and collective enterprise and Borrowers believe that the consolidation of all Advances under the Cargo Finance Agreement and the other Credit Documents will enhance the aggregate borrowing powers of each Borrower and ease the administration of their loan relationship with Lender, all to the mutual advantage of Borrowers. Each Borrower hereby appoints each other Borrower as its true and lawful attorney-in-fact, with full right and power, for purposes of exercising all rights of such appointing Borrower under the Credit Documents and under applicable law with regard to the transactions contemplated under the Credit Documents.

12. Shipment of Goods by UPS Affiliates and Other Carriers. Borrower shall cause a UPS Affiliate (or a contractor or subcontractor designated by a UPS Affiliate) or an Other Carrier to perform or arrange all shipments (whether by air, steamship, truck, rail or otherwise) and handling of Eligible Goods in respect of which an Advance is made from the applicable origination point of such shipment to the applicable destination point (provided that clearance through customs shall be handled by a UPS Affiliate, or contractor or subcontractor thereof, as customs broker), and, if required by Lender, shipment of such Goods to the location of one or more customers of Borrower; pay when due all fees and other expenses payable to such UPS Affiliate (or any contractor or subcontractor designated by such UPS Affiliate) or Other Carrier; and promptly comply in all respects with each agreement at any time effective between Borrower and such UPS Affiliate (or Other Carrier, as applicable) with respect to such Goods. Lender shall have no obligation with respect to the shipment, handling or care of any Goods or Documents, and all of the Cargo Finance Obligations shall be payable to Lender irrespective of (and without deduction for) any claim Borrower may ever have or assert against any UPS Affiliate or any Other Carrier.

13. Use of Names. Borrower may not use the name or logo of Lender or any UPS Affiliate, or any abbreviation or adaptation thereof, in any advertising, trade display or published statement or press release, or for any other commercial purpose, without the prior written consent of Lender or such UPS Affiliate in its discretion.

14. Payment Processing Fees. If upon Lender's receipt of any payment in respect of an Advance, the amount of such payment exceeds the balance of Obligations (including principal, interest, fees and other charges) outstanding in respect of such Advance on the date of Lender's application of such payment thereto, Lender will dispose of such overpayment as follows: (a) first, Lender will apply such overpayment to the balance of any other Obligations outstanding at such time (whether or not then due and payable), and (b) second, with respect to the remaining amount of such overpayment (if any), Lender will (i) if the amount of such overpayment is less than or equal to \$5.00 (a "De Minimis Overpayment"), retain such amount as a payment processing fee (a "Payment Processing Fee") that shall be deemed earned on the date of Lender's receipt of the De Minimis Overpayment, and (ii) if the amount of such overpayment is greater than \$5.00, in its discretion retain such amount for application to future Obligations or return such amount to Borrower. To the extent that Section 21(f) of the Cargo Finance Agreement contains a provision with respect to Payment Processing Fees that conflicts with the terms hereof, the provisions of the Cargo Finance Agreement with respect to any Payment Processing Fee shall govern and control.

1. Borrower will contact Vendor and request Vendor to arrange for UPS Supply Chain Solutions, Inc. (“UPS SCS”) or an Other Carrier to handle Borrower’s next shipment of Goods and for UPS SCS to serve as customs broker with respect to such shipment.
2. Vendor will contact UPS SCS or an Other Carrier and make an ocean, air or ground booking request.
3. UPS SCS or the Other Carrier will send a "booking notice" to Borrower, which will include the anticipated shipping date of the Goods (i.e., the "estimated time of departure" or "ETD" of the goods), a booking number and, if applicable, the Estimated Arrival Date for such Goods. Borrower will forward to Lender a copy of each booking notice issued by Other Carriers.
4. Borrower will (a) prepare and sign a Funding Request Letter in substantially the form included in the STAPs as Exhibit B (with such changes thereto as Lender may require in its discretion), which will, among other things, identify the applicable booking number assigned to the shipment of the Goods and indicate whether the requested Advance would be an Air Shipment Advance, Ocean Shipment Advance or Ground Shipment Advance, and (b) deliver by e-mail or facsimile to Lender the signed Funding Request Letter.
5. Following Lender's receipt of the signed Funding Request Letter, Lender will obtain from UPS SCS, the Other Carrier or from Borrower (a) a copy of the commercial invoice related to the purchased Goods, and (b) a copy of the waybill or Bill of Lading (which, if required by Lender in its discretion, is a Negotiable Bill of Lading) issued by UPS SCS or Other Carrier and related to the purchased Goods, which shall name Borrower (or, if Lender so elects in the case of a Negotiable Bill of Lading, Lender) as consignee, and otherwise shall be in form and substance satisfactory to Lender in its discretion.
6. Upon Lender’s receipt and approval of the documents referenced in paragraphs 4 and 5 above, Lender will, subject to all of the terms and conditions of the Cargo Finance Agreement, transfer to Borrower funds in an amount not to exceed the percentage of the Invoice Price of the purchased Goods that is agreed to from time to time by Lender.
7. Borrower will pay Vendor the full Invoice Price for the Eligible Goods relating to any Advance on or before the Required Payment Date. If requested by Lender, Borrower shall promptly provide to Lender, by e-mail or facsimile, evidence satisfactory to Lender in its discretion of Borrower's payment in full for the Goods (e.g., evidence of Borrower's wire transfer to Vendor).

Typically, if all conditions to funding (including, without limitation, Lender's determination that the applicable Goods are Eligible Goods) are satisfied at or prior to 12:00 o'clock noon (Atlanta, Georgia time) on a Business Day, the ACH or wire transfer will be initiated on the same Business Day; if all such conditions are satisfied after 12:00 o'clock noon (Atlanta, Georgia time) on a Business Day, the ACH or wire transfer will be initiated on the following Business Day.

Typically, all conditions to funding the requested Advance must be satisfied (as determined by Lender in its discretion) no later than the date the purchased Goods arrive in the jurisdiction of the port or gateway of destination (with respect to Air Shipment Advances and Ocean Shipment Advances).

(See following page.)



UPS Capital®

UPS Capital Cargo Finance®

BORROWER NAME - FUNDING REQUEST LETTER

Date: _____ / _____ / 20____

UPS Capital Corporation
35 Glenlake Parkway, N.E., Suite 340
Atlanta, Georgia 30328
Attention: Cargo Finance Portfolio Manager

This is a Funding Request Letter under that certain Cargo Finance Agreement (as at any time amended, the “Cargo Finance Agreement”), between UPS Capital Corporation (“Lender”) and the undersigned (“Borrower”), effective DATE. Capitalized terms used herein, unless otherwise defined, will have the meanings attributable to such terms under the Cargo Finance Agreement. Borrower request that Lender make one or more Advances for the account of Borrower, and disburse the proceeds of such Advance(s) to the Borrower pursuant to the instructions set forth below, to finance a portion of the Invoice Price Eligible goods described below, which have been purchased by the Borrower from the Vendor(s) described below, all in the manner and on the terms set forth below and in the Cargo Finance Agreement.

Borrower’s Financial Institution for funds Disbursement: Bank Name ABA No.: 000000000 Account No.: 00000000

To Be Completed by Borrower				For Internal Use Only		
<u>{Bill of Lading / Airway Bill #}</u>	<u>Commercial Invoice #</u>	<u>Invoice Amount</u>	<u>* Advance Amount for this Invoice</u>	<u>Borrower listed as Consignee / Notify Party</u>	<u>Shipment Arrived @ Destination Port?</u>	<u>Amt. of Com. Inv. Match Request?</u>
1.		\$	\$	Yes	Yes	Yes
				No	No	No
2.		\$	\$	Yes	Yes	Yes
				No	No	No
3.		\$	\$	Yes	Yes	Yes
				No	No	No
4.		\$	\$	Yes	Yes	Yes
				No	No	No
5.		\$	\$	Yes	Yes	Yes
				No	No	No
<u>Total Amount of Requested Advance(s):</u>			\$			

Borrower acknowledges that Lender’s decision whether or not to honor this Funding Request with respect to any Advance is purely discretionary on Lender’s part; if Lender elects to honor any Advance requested under this Funding Request, such Advance will be repayable, with interest and any applicable fees, in accordance with the Cargo Finance Agreement; the Lender’s honoring of any Advance requested under this Funding Request will not be deemed to establish a course of conduct or an agreement on Lender’s part to honor any future Funding Request. Upon Lender’s receipt of this Funding Request Letter, Lender shall be irrevocably authorized (but not required) to disburse at any time on or after such receipt, the sum of the requested any or all requested Advances to Borrower to the disbursement instructions for Borrower set forth above. Lender may, in its discretion, treat this Funding Request Letter as having been withdrawn with respect to any Advance if Borrower has not satisfied all of the funding requirements set forth in the Cargo Finance Agreement and the STAPs before the applicable Goods arrive in the jurisdiction of the applicable port or gateway of destination.

By signing in the space provided below and accepting any Advance requested herein, Borrower certifies to Lender that Borrower has access and has reviewed the STAPs (which can be found online at <http://www.upscapital.com/cargofinancecontract>), and Borrower agrees to be bound by all the terms and conditions therein with respect to the Advance(s) requested hereby.

Name of Client
BORROWER NAME

Signature

Print Name & Title:

For Internal Use Only

Does each advance amount meet the minimum requirements for Borrower’s state?	Yes	No
Letter signed by an authorized signer for borrower	Yes	No
Banking Instructions selected during funding in IMX matches the disbursement instruction listed above?	Yes	No
Collateral Analyst:	Date:	
Notes / Exceptions:		
Portfolio Manager:	Terms:	Date:

