

224-2007421

Standard Agreement (12-87)
Nonexclusive

POU PRINTING & STATIONERY COMPANY
2325 MAIN, HOUSTON, TEXAS 77002, (713) 659-3159

AGREEMENT WITH FREIGHT HANDLER

1. PARTIES

1.1 The parties to this agreement are Manchester Terminal Corporation, 10000 Manchester Avenue, Houston, Texas 77012 (hereinafter referred to as MTC) and GULF STREAM MARINE, INC., whose address is: 12655 WOODFOREST, SUITE 800, HOUSTON, TEXAS 77015 (hereinafter referred to as Freight Handler).

2. DEFINITIONS

- 2.1. "Cargo" means all non-containerized goods in transit through the terminal facility.
- 2.2. "Container" as used herein means a fully enclosed reusable container used for the purpose of transporting packaged, loose or bulk articles and constructed in a manner that will permit handling from either side by forklift and/or top/lift machinery.
- 2.3. "Terminal Facility" refers to the docks, wharfs, sheds, warehouses, railroad tracks and the various yards available for storage of cargo and containers at MTC's terminal at 10000 Manchester Avenue.
- 2.4. A "day" means the 24 hour period beginning at 12:01 a.m. and running until midnight.

3. FREIGHT HANDLING

- 3.1. MTC and Freight Handler agree that Freight Handler has the right and obligation to load, unload, handle and render other related services to cargo and containers which have been accepted by MTC for transit through its terminal facility, for any party who has agreed to employ the services of Freight Handler at MTC's terminal facility. It is understood and agreed that Freight Handler's operations under this agreement are those of an independent contractor.
- 3.2. MTC will provide space for the loading, unloading, handling, marshalling or storage of cargo and containers accepted by MTC for transit through its terminal facility. Freight Handler will prepare the documents from available, appropriate shipping information and furnish same to Freight Handler. Freight Handler will not receive or deliver cargo and/or containers into or out of the terminal facility before receiving the customary documentation from MTC. All cargo and containers received into and delivered out of the terminal facility pursuant to this agreement will be inspected by Freight Handler at the time of such receipt or delivery and Freight Handler will note on the documents provided by MTC any exceptions taken to cargo and/or containers.
- 3.3. Freight Handler agrees that all cargo and/or containers to be handled at MTC's terminal facility pursuant to this agreement will be received into the care, custody and control of the Freight Handler and will remain in Freight Handler's care, custody and control while on MTC's property.
- 3.4. MTC from time to time may have available for Freight Handler's use container handling machinery for the mounting and dismounting of containers in the container yards pursuant to this agreement. The expense of fueling the machinery and the expense of ordinary maintenance will be borne by MTC.
- 3.5. All container handling machinery is presumed to be in good operating condition when made available to Freight Handler and MTC will not be responsible for delays caused by Freight Handler by breakdown of machinery. Freight Handler agrees that any machinery which is used will be returned to MTC in the same condition as received, ordinary wear and tear excepted, or Freight Handler will reimburse MTC for any repairs to machinery damaged during Freight Handler's use, ordinary wear and tear excepted. It is specifically understood and agreed that any container handling machinery and/or any other machinery owned by MTC and used by Freight Handler is accepted by Freight Handler "as is" MTC makes no warranties, express or implied, with respect to any machinery and/or the fitness or suitability of any machinery for any particular purpose.
- 3.6. Any freight handling machinery when used by Freight Handler will be under Freight Handler's supervision, direction and control.

4. PAYMENT TO MANCHESTER

- 4.1. Freight Handler agrees to pay MTC \$25 for:
 - (a) each container loaded or empty, received by Freight Handler at the terminal facility from an inland carrier;
 - (b) each container, loaded or empty, delivered to an inland carrier at the terminal facility by Freight Handler; and
 - (c) each container, loaded or empty, which is received by Freight Handler from a vessel at the terminal facility and subsequently delivered by Freight Handler to a vessel at the terminal facility.
- 4.2. In addition to the payment described in paragraph 4.1. above, Freight Handler will pay MTC \$15 for each day, or for any part of a day, that a container going to or coming from a vessel receives electrical service from MTC for refrigeration.
- 4.3. Freight Handler agrees to pay MTC \$5 for:
 - (a) each empty chassis or bogey received by Freight Handler at the terminal facility from an inland carrier;
 - (b) each empty chassis or bogey received by an inland carrier at the terminal facility by Freight Handler; and
 - (c) each empty chassis or bogey which is received by Freight Handler from a vessel at the terminal facility and subsequently delivered by Freight Handler to a vessel at the terminal facility.
- 4.4. MTC will keep all records regarding the payments due and owing to MTC under this agreement and will invoice Freight Handler on a regular basis pursuant to the terms stated above. Payment will be due on all invoices submitted to Freight Handler within thirty days of receipt of the invoice documents by Freight Handler. If any dispute arises with regard to amounts owed MTC, Freight Handler must notify MTC in writing within thirty days after receipt of MTC's invoice or pay the sum reflected by said invoice in full. If there is any dispute as to amounts owed MTC, Freight Handler will pay MTC, within thirty days from receipt of an invoice, all sums not in dispute.
- 4.5. All charges for dockage, wharfage, wharf demurrage, shed hire, wharf use, terminal charges, berth cleaning, fresh water and pallet hire will accrue to, be invoiced by and collected by MTC.
- 4.6. The parties agree that all of the prices stated in paragraph 4 are subject to change by MTC upon 30 days written notice.

5. INCORPORATION OF TARIFF

- 5.1. MTC has filed a tariff with the Federal Maritime Commission and MTC's tariff is available for inspection at MTC's office during normal business hours. MTC's tariff is incorporated into this agreement as if fully set out at length and Freight Handler acknowledges that by entering into this agreement it is placed on notice of all the provisions of said tariff. Freight Handler agrees to be bound and to abide by all of the terms, conditions and provisions in MTC's tariff unless such terms or conditions are specifically contradicted by terms and conditions in this agreement in which case the terms and conditions of this agreement control.
- 5.2. Freight Handler agrees that all of the services it renders pursuant to this agreement will be in conformance with MTC's public tariff and all charges for its services to third parties shall be equally applied to, invoiced and collected from all customers in accordance with MTC's tariff. Freight Handler will never charge more than the MTC tariff rate for any service it provides.
- 5.3. In the event Freight Handler wishes to charge a rate for a service lower than that stated in MTC's tariff, it may do so only with approval from the Federal Maritime Commission and/or by following any and all requirements of the federal shipping acts and federal law.

6. WORKMANLIKE PERFORMANCE AND COMPLIANCE WITH LAW

- 6.1. Freight Handler warrants that all of its services will be performed expeditiously and in a good and workmanlike manner. Freight Handler agrees that it will not condone use of or permit any person to use in any manner whatsoever the terminal facility or any part or portion thereof for any purpose calculated to injure or which could reasonably be expected to injure the reputation of MTC or for any purpose or use in violation of the laws of the United States or of the State of Texas or for any immoral or unlawful purpose whatsoever, nor suffer or permit nuisances upon the premises. Freight Handler at all times shall comply with any state and local authorities, including but not limited to all laws, rules and regulations respecting fire hazards and air and water pollution. Should any such governmental agency ever levy a fine against MTC arising out of the conduct of Freight Handler, Freight Handler shall pay such fine or reimburse MTC therefor.

7. MAINTENANCE AND IMPROVEMENTS

- 7.1. MTC will be responsible for general maintenance of the terminal facility. Freight Handler will pay MTC for all damages to the property of MTC caused by Freight Handler and its employees, servants and/or agents, normal wear and tear excepted. Freight Handler will notify MTC of any item in need of repair or replacement. Freight Handler will make no alterations to MTC property without the prior approval of MTC.
- 7.2. Freight Handler will exercise good housekeeping and agrees to maintain its working areas in a clean condition, free of trash, debris or other materials. MTC will be responsible for sweeping the facility.

8. CONTAINERS LOADED IN EXCESS OF RATED CAPACITY

- 8.1. MTC will not permit its mechanical equipment to be used in any way to lift, move or transport a container which is loaded in excess of the container's rated capacity.

9. FORCE MAJEURE

- 9.1. MTC will not be liable for any delay, loss or damage arising out of, connected with or related to:
 - (a) labor disputes and/or strikes of any person in MTC's employ or in the service of others;
 - (b) tumult, insurrection, Acts of God, shut off or failure of electric current, inherent vice, shrinkage, frost, heat, leakage, evaporation, sweat, moisture, humidity, rodents, animals, insects, explosions, dampness, rust, pitting by the natural elements; and/or
 - (c) any force majeure or occurrence whatsoever which is beyond the control of MTC.

10. CONSEQUENTIAL DAMAGES

- 10.1. MTC shall not be liable for any consequential or special damages whether or not MTC had knowledge that such damages might be incurred. In no case will MTC be liable for punitive or exemplary damages.

11. DISCLAIMER OF WARRANTY FOR PREMISES

- 11.1. It is specifically understood and agreed that Freight Handler takes MTC's premises "as is" and assumes all risks of loss, damage or injury to any cargo and/or containers, and/or to Freight Handler itself, its employees and invitees, which arise from the use of MTC's premises. MTC has not made and is not making any representations or warranties whatsoever in connection with said premises or the conditions thereof during the term or in connection with the use thereof by Freight Handler and MTC gives no warranties of the fitness or suitability of the premises for any particular purpose whatsoever either express or implied.

12. NO ASSIGNMENT OF AGREEMENT

- 12.1. The rights of the Freight Handler as described herein are not assignable and are personal to Freight Handler. Any attempt of Freight Handler to assign its rights hereunder shall cause this agreement to become null, void and of no further force and effect.

13. TAXES

- 13.1. It is agreed that Freight Handler shall be liable for all taxes assessed Freight Handler or for which Freight Handler may become liable pursuant to its operations at MTC's facility. Freight Handler agrees to indemnify and hold harmless MTC against any taxes, claims, liens or assessments therefor. Further, if there is any tax liability imposed on MTC as a result of this agreement with Freight Handler, Freight Handler agrees to pay MTC, in addition to the amount stated above, a sum equal to the tax liability of MTC arising out of this agreement.



14. INSURANCE REQUIREMENTS

14.1 The Freight Handler at its own expense, shall provide and maintain insurance with insurers acceptable to MTC on terms acceptable to MTC (and will require all sub-contractors to obtain similar coverage) as will protect MTC and Freight Handler against claims of any and all persons for injury, death or property damage occurring in or about MTC's property and/or any vessel, resulting from, related to, or arising out of any work being performed by Freight Handler. Said insurance will consist of the following coverages and such other coverages, forms and endorsements as MTC might from time to time deem necessary:

14.1.1. Workers' compensation coverage as required by all applicable federal, state, local or other laws. Said workers' compensation will include a specific endorsement for coverage of employees falling under the Longshoremen and Harbor Workers' Compensation Act. Such insurance will also include Employer's Liability coverage with a minimum limit of \$500,000.00.

14.1.2. Comprehensive general liability coverage, including personal injury, bodily injury, property damage and completed operations coverage with a combined single limit of \$1,000,000.00 per occurrence and with a broad form contractual liability endorsement specifically insuring Freight Handler's indemnity obligations under this agreement.

14.1.3. Comprehensive automobile liability coverage including nonownership and hired car coverage as well as owned vehicle coverage with a combined single limit of one million dollars per occurrence.

14.1.4. Excess umbrella liability insurance following the form of all the above referenced primary coverages with a minimum limit of four million dollars.

14.2. MTC shall be named as an additional assured on all policies except that MTC need not be named as an additional assured on Freight Handler's workers' compensation policies. MTC will be named an additional assured for purposes of employer's liability coverage. The policies will all contain a specific waiver of subrogation clause as to MTC.

14.3. The policies will contain a clause providing that the employees of one assured shall be considered to be third-parties as to any other assured so that if one of the assureds incurs liability to any of the other assureds or the employees of any other assured, the policy will cover the assured against whom claim is or may be made in the same manner as if separate policies had been issued to each assured.

14.4. All the policies, both primary and excess, shall contain a clause providing that the primary and excess insurance coverage maintained by Freight Handler and the sub-contractors shall be considered primary coverage with respect to any other insurance maintained separately by MTC and that such primary and excess insurance coverage shall be exhausted before any insurance separately maintained by MTC takes effect.

14.5. All insurance policies shall provide for 30 days prior notice to MTC in the event of cancellation or nonrenewal by Freight Handler or the insurance company. At MTC's option MTC can request and Freight Handler agrees to provide MTC with valid certificates of insurance acceptable to MTC. MTC may require said certificates to be produced before Freight Handler commences any work or comes on MTC's property.

14.6. Freight Handler shall require all sub-contractors to obtain, maintain and keep in force insurance coverage similar to that maintained by Freight Handler and furnish MTC acceptable evidence of such insurance.

15. INDEMNIFICATION

15.1. Freight Handler agrees to and shall indemnify, defend and hold harmless MTC and its respective owners, officers, directors, agents and employees for and against any and all claims, losses, damages, causes of action, suits, and liability of every kind, including, but not limited to, all expenses of litigation, court costs, and attorney's fees, for injury to or death of any person, damage to or loss of any property, detention, demurrage, and/or delay, arising out of or in any way connected with any work done by Freight Handler and/or arising out of or in any way connected with the defectiveness of any equipment used by Freight Handler, whether said equipment is owned by Freight Handler or not. Such indemnity shall apply even where the claims, losses, damages, causes of action, suits, or liability arise in part from the negligence of MTC, the maintenance, design, manufacture, or distribution of any equipment and/or the failure of MTC to warn any person of any defect in any equipment.

15.2. It is specifically understood that the indemnity provided by Freight Handler to MTC as described in 15.1 above is provided without regard to MTC's negligence, derivative negligence or strict liability and Freight Handler specifically agrees to indemnify, defend and hold MTC harmless from and against MTC's own negligence, derivative negligence or strict liability; provided that Freight Handler will not indemnify MTC if the injury, damage or loss was caused solely by MTC's own negligence, unmixed with the fault of any other person or entity.

16. TERM OF AGREEMENT AND DEFAULT

16.1. This agreement shall be for the term of one year from the date of the signing hereof and shall thereafter continue from year to year until cancelled.

16.2. At its option, MTC may, by written notice to Freight Handler, declare Freight Handler in default upon the failure of Freight Handler to pay MTC's charges as set forth herein or to perform any of its obligations as set forth in this agreement, including, without limitation, failure to furnish the requisite insurance or by transferring or assignment of an interest under this agreement in contravention hereof. Upon default, MTC shall have the right to immediately terminate both this agreement and Freight Handler's rights under this agreement.

16.3. Either party shall have the right to cancel this agreement at any time upon 30 days written notice to the other party. Upon cancellation of this agreement it will be the sole responsibility and obligation of Freight Handler to remove from MTC's property, within 30 days from receipt of the notice of cancellation by either party, all cargo, containers, chassis and bogeys received by Freight Handler into the terminal and all other equipment or property of any kind in the care, custody or control of Freight Handler.

17. APPLICABLE LAW

17.1. This agreement shall be construed under and in accordance with the laws of the state of Texas and all obligations of the parties created here are performable in Harris County, Texas. If any one or more of the provisions contained in this agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision and this agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

18. MISCELLANEOUS PROVISIONS

18.1. All notices required by this agreement shall be made in writing by certified mail to the party at the address of the party stated in paragraph 1.1 above.

18.2. No waiver of any breach or violation of any provision of this agreement by either party shall be deemed made unless made in writing. Any such waiver shall not operate or be construed as a waiver of any subsequent breach or violation of this agreement.

18.3. This writing represents the entire agreement and understanding of the parties and supercedes any prior understandings or written or oral agreements between the parties, their agents or employees. This agreement may not be altered or amended except by a subsequent written agreement duly executed by all the parties.

18.4. The headings of the paragraphs in this agreement are of convenience only and shall not affect its interpretation.

This agreement made this 5th day of JUNE, 1991

GULF STREAM MARINE, INC.
FREIGHT HANDLER
By: [Signature]

MANCHESTER TERMINAL CORPORATION

By: [Signature]

Acknowledgment for an individual:

STATE OF TEXAS HARRIS
COUNTY OF

JUNE 5, 1991

This instrument was acknowledged before me on
by DAVID W. WHARTON, PRESIDENT

Notary Public in and for The State of TEXAS
Printed Name of Notary:

[Signature]
My commission expires: MAY 31, 1992

HATTIE WIERZOWIECKI

Acknowledgement for a corporation:

STATE OF TEXAS HARRIS
COUNTY OF

JUNE 5, 1991

This instrument was acknowledged before me on
by HAROLD REAY, PRESIDENT

MANCHESTER TERMINAL CORPORATION

a corporation, on behalf of said corporation.

Notary Public in and for The State of TEXAS
Printed Name of Notary:

[Signature]
My commission expires: May 31, 1991

HATTIE WIERZOWIECKI

Acknowledgement for a corporation:

STATE OF TEXAS
COUNTY OF

This instrument was acknowledged before me on

by

of

a corporation, on behalf of said corporation.

Notary Public in and for The State of TEXAS
Printed Name of Notary:

My commission expires: