TERMS & CONDITIONS OF SERVICE FOR ALL U.S. CUSTOMS BROKER BUSINESS

Pedraza <u>Customhouse Brokers</u>, **Inc. – NCBFAA Terms & Conditions of Service**These <u>terms and conditions</u> of service constitute a legally binding contract between the "Company" and the "Customer". In the event, the Company renders <u>services</u> and issues a document containing <u>Terms and Conditions</u> governing such <u>services</u>, the <u>Terms and Conditions</u> set forth in such other document(s) shall govern those <u>services</u>.

1. Definitions.

- (a) "Company" shall mean Pedraza <u>Customhouse Brokers</u>, Inc., its subsidiaries, related companies, agents and/or representatives;
- (b) "Customer" shall mean the person for which the Company is rendering service, as well as its principals, agents and/or representatives, including, but not limited to, shippers, importers, exporters, carriers, secured parties, warehousemen, buyers and/or sellers, shipper's agents, insurers and underwriters, break-bulk agents, consignees, etc. It is the responsibility of the Customer to provide notice and copy(s) of these terms and conditions of service to all such agents or representatives;
- (c) "Documentation" shall mean all information received directly or indirectly from Customer, whether in paper or electronic form;
- (d) "Ocean Transportation Intermediaries" ("OTI") shall include an "ocean freight forwarder" and a "non-vessel operating carrier";
- (e) "Third parties" shall include, but not be limited to, the following: "carriers, truckmen, cartmen, lightermen, forwarders, OTIs, customs brokers, agents, warehousemen and others to which the goods are entrusted for transportation, cartage, handling and/or delivery and/or storage or otherwise".
- 2. Company as agent. The Company acts as the "agent" of the Customer for the purpose of performing duties in connection with the entry and release of goods, post entry services, the securing of export licenses, the filing of export and security documentation on behalf of the Customer and other dealings with Government Agencies, or for arranging for transportation services or other logistics services in any capacity other than as a carrier.

3. Limitation of Actions.

- (a) Unless subject to a specific statute or international convention, all claims against the Company for a potential or actual loss, must be made in writing and received by the Company, within ninety (90) days of the event giving rise to claim; the failure to give the Company timely notice shall be a complete defense to any suit or action commenced by Customer.
- (b) All suits against Company must be filed and properly served on Company as follows:
- (i) For claims arising out of ocean transportation, within one (1) year from the date of the loss;
- (ii) For claims arising out of air transportation, within one (1) year from the date of the loss;
- (iii) For claims arising out of the preparation and/or submission of an import entry(s), within 75 days from the date of liquidation of the entry(s);
- (iv) For any and all other claims of any other type, within one (1) year from the date of the loss or damage.
- 4. No Liability For The Selection or Services of Third Parties and/or Routes.

Unless services are performed by persons or firms engaged pursuant to express written instructions

from the Customer, Company shall use reasonable care in its selection of third parties, or in selecting the means, route and procedure to be followed in the handling, transportation, clearance and delivery of the shipment; advice by the Company that a particular person or firm has been selected to render services with respect to the goods, shall not be construed to mean that the Company warrants or represents that such person or firm will render such services nor does Company assume responsibility or liability for any actions(s) and/or inaction(s) of such third parties and/or its agents, and shall not be liable for any delay or loss of any kind, which occurs while a shipment is in the custody or control of a third party or the agent of a third party; all claims in connection with the Act of a third party shall be brought solely against such party and/or its agents; in connection with any such claim, the Company shall reasonably cooperate with the Customer, which shall be liable for any charges or costs incurred by the Company.

5. **Quotations Not Binding.** Quotations as to fees, rates of duty, freight charges, insurance premiums or other charges given by the Company to the Customer are for informational purposes only and are subject to change without notice; no quotation shall be binding upon the Company unless the Company in writing agrees to undertake the handling or transportation of the shipment at a specific rate or amount set forth in the quotation and payment arrangements are agreed to between the Company and the Customer.

6. Reliance On Information Furnished.

- (a) Customer acknowledges that it is required to review all documents and declarations prepared and/or filed with U.S. Customs & Border Protection, other Government Agency and/or third parties, and will immediately advise the Company of any errors, discrepancies, incorrect statements, or omissions on any declaration or other submission filed on Customers behalf;
- (b) In preparing and submitting customs entries, export declarations, applications, security filings, documentation and/or other required data, the Company relies on the correctness of all documentation, whether in written or electronic format, and all information furnished by Customer; Customer shall use reasonable care to ensure the correctness of all such information and shall indemnify and hold the Company harmless from any and all claims asserted and/or liability or losses suffered by reason of the Customer's failure to disclose information or any incorrect, incomplete or false statement by the Customer or its agent, representative or contractor upon which the Company reasonably relied. The Customer agrees that the Customer has an affirmative non-delegable duty to disclose any and all information required to import, export or enter the goods.
- (c) Customer acknowledges that it is required to provide verified weights obtained on calibrated, certified equipment of all cargo that is to be tendered to steamship lines and represents that Company is entitled to rely on the accuracy of such weights and to counter-sign or endorse it as agent of Customer in order to provide the certified weight to the steamship lines. The Customer agrees that it shall indemnify and hold the Company harmless from any and all claims, losses, penalties or other costs resulting from any incorrect or questionable statements of the weight provided by the Customer or its agent or contractor on which the Company relies.
- 7. **Declaring Higher Value To Third Parties.** Third parties to whom the goods are entrusted may limit liability for loss or damage; the Company will request excess valuation coverage only upon

specific written instructions from the Customer, which must agree to pay any charges therefore; in the absence of written instructions or the refusal of the third party to agree to a higher declared value, at Company's discretion, the goods may be tendered to the third party, subject to the terms of the third party's limitations of liability and/or terms and conditions of service.

- 8. **Insurance**. Unless requested to do so in writing and confirmed to Customer in writing, Company is under no obligation to procure insurance on Customer's behalf; in all cases, Customer shall pay all premiums and costs in connection with procuring requested insurance.
- 9. Disclaimers; Limitation of Liability.
 - (a) Except as specifically set forth herein, Company makes no express or implied warranties in connection with its <u>services</u>;
 - (b) In connection with all <u>services</u> performed by the Company, Customer may obtain additional liability coverage, up to the actual or declared value of the shipment or transaction, by requesting such coverage and agreeing to make payment therefor, which request must be confirmed in writing by the Company prior to rendering <u>services</u> for the covered transaction(s).
 - (c) In the absence of additional coverage under (b) above, the Company's liability shall be limited to the following:
 - (i) where the claim arises from activities other than those relating to customs business, \$50.00 per shipment or transaction, or (ii) where the claim arises from activities relating to "Customs business," \$50.00 per entry or the amount of brokerage fees paid to Company for the entry, whichever is less; (d) In no event shall Company be liable or responsible for consequential, indirect, incidental, statutory or punitive damages, even if it has been put on notice of the possibility of such damages, or for the acts of third parties.
- 10. **Advancing Money**. All charges must be paid by Customer in advance unless the Company agrees in writing to extend credit to customer; the granting of credit to a Customer in connection with a particular transaction shall not be considered a waiver of this provision by the Company.
 - 11. **Indemnification/Hold Harmless.** The Customer agrees to indemnify, defend, and hold the Company harmless from any claims and/or liability, fines, penalties and/or attorneys' fees arising from the importation or exportation of customers merchandise and/or any conduct of the Customer, including but not limited to the inaccuracy of entry, export or security data supplied by Customer or its agent or representative, which violates any Federal, State and/or other laws, and further agrees to indemnify and hold the Company harmless against any and all liability, loss, damages, costs, claims, penalties, fines and/or expenses, including but not limited to reasonable attorney's fees, which the Company may hereafter incur, suffer or be required to pay by reason of such claims; in the event that any claim, suit or proceeding is brought against the Company, it shall give notice in writing to the Customer by mail at its address on file with the Company.
 - 12. **C.O.D. or Cash Collect Shipments.** Company shall use reasonable care regarding written instructions relating to "Cash/Collect on Deliver (C.O.D.)" shipments, bank drafts, cashier's and/or certified checks, letter(s) of credit and other similar payment documents and/or instructions regarding collection of monies but shall not have liability if the bank or consignee refuses to pay for the shipment.
 - 13. **Costs of Collection**. In any dispute involving monies owed to Company, the Company shall be entitled to all costs of collection, including reasonable attorney's fees and interest at 18 % per annum or the highest rate allowed by law, whichever is less unless a lower amount is agreed to by Company. 14. **General Lien and Right To Sell Customer's Property.**
 - (a) Company shall have a continuing lien on any and all property and documents relating thereto of Customer coming into Company's actual or constructive possession, custody or control or enroute, which lien shall survive delivery, for all charges, expenses or advances owed to Company with regard

- to the shipment on which the lien is claimed, a prior shipment(s) and/or both. Customs duties, transportation charges, and related payments advanced by the Company shall be deemed paid in trust on behalf of the Customer and treated as pass-through payments made on behalf of the Customer for which the Company is acting as a mere conduit.
- (b) Company shall provide written notice to Customer of its intent to exercise such lien, the exact amount of monies due and owing, as well as any ongoing storage or other charges; Customer shall notify all parties having an interest in its shipment(s) of Company's rights and/or the exercise of such lien.
- (c) Unless, within thirty days of receiving notice of lien, Customer posts cash or letter of credit at sight, or, if the amount due is in dispute, an acceptable bond equal to 110% of the value of the total amount due, in favor of Company, guaranteeing payment of the monies owed, plus all storage charges accrued or to be accrued, Company shall have the right to sell such shipment(s) at public or private sale or auction and any net proceeds remaining thereafter shall be refunded to Customer.
- 15. **No Duty To Maintain Records For Customer.** Customer acknowledges that pursuant to Sections 508 and 509 of the Tariff Act, as amended, (19 USC §1508 and 1509) it has the duty and is solely liable for maintaining all records required under the Customs and/or other Laws and Regulations of the United States; unless otherwise agreed to in writing, the Company shall only keep such records that it is required to maintain by Statute(s) and/or Regulation(s), but not act as a "recordkeeper" or "recordkeeping agent" for Customer.
 - 16. **Obtaining Binding Rulings, Filing Protests, etc**. Unless requested by Customer in writing and agreed to by Company in writing, Company shall be under no obligation to undertake any pre- or post Customs release action, including, but not limited to, obtaining binding rulings, advising of liquidations, filing of petition(s) and/or protests, etc.
 - **17. No Duty To Provide Licensing Authority.** Unless requested by Customer in writing and agreed to by the Company in writing, Company shall not be responsible for determining licensing authority or obtaining any license or other authority pertaining to the export from or import into the United States.
 - 17. **Preparation and Issuance of Bills of Lading.** Where Company prepares and/or issues a bill of lading, Company shall be under no obligation to specify thereon the number of pieces, packages and/or cartons, etc.; unless specifically requested to do so in writing by Customer or its agent and Customer agrees to pay for same, Company shall rely upon and use the cargo weight supplied by Customer.
 - 18. **No Modification or Amendment Unless Written.** These <u>terms and conditions</u> of service may only be modified, altered or amended in writing signed by both Customer and Company; any attempt to unilaterally modify, alter or amend same shall be null and void.
 - **19. Compensation of Company.** The compensation of the Company for its <u>services</u> shall be included with and is in addition to the rates and charges of all carriers and other agencies selected by the Company to transport and deal with the goods and such compensation shall be exclusive of any brokerage, commissions, dividends, or other revenue received by the Company from carriers, insurers and others in connection with the shipment. On ocean exports, upon request, the Company shall provide a detailed breakout of the components of all charges assessed and a true copy of each pertinent document relating to these charges. In any referral for collection or action against the Customer for monies due the Company, upon recovery by the Company, the Customer shall pay the expenses of collection and/or litigation, including a reasonable attorney fee.
 - **20. Force Majeure**. Company shall not be liable for losses, damages, delays, wrongful or missed deliveries or nonperformance, in whole or in part, of its responsibilities under the Agreement, resulting from circumstances beyond the control of either Company or its sub-contractors, including but not limited to: (i) acts of God, including flood, earthquake, storm, hurricane, power failure or other natural disaster; (ii) war, hijacking, robbery, theft or terrorist activities; (iii) incidents or deteriorations to means of transportation, (iv) embargoes, (v) civil commotions or riots, (vi) defects,

nature or inherent vice of the goods; (vii) acts, breaches of contract or omissions by Customer, Shipper, Consignee or anyone else who may have an interest in the shipment, (viii) acts by any government or any agency or subdivision thereof, including denial or cancellation of any import/export or other necessary license; or (ix) strikes, lockouts or other labor conflicts.

- **21. Severability.** In the event any Paragraph(s) and/or portion(s) hereof is found to be invalid and/or unenforceable, then in such event, the remainder hereof shall remain in Full force and effect. Company's decision to waive any provision herein, either by conduct or otherwise, shall not be deemed to be a further or continuing waiver of such provision or to otherwise waive or invalidate any other provision herein.
- **22. Governing Law; Consent to Jurisdiction and Venue**. These <u>terms and conditions</u> of service and the relationship of the parties shall be construed according to the laws of the State of California without giving consideration to principles of conflict of law. Customer and Company
- (a) irrevocably consent to the jurisdiction of the United States District Court and the State courts of California;
- (b) agree that any action relating to the <u>services</u> performed by Company, shall only be brought in said courts;
- (c) consent to the exercise of in personam jurisdiction by said courts over it, and
- (d) further agree that any action to enforce a judgment may be instituted in any jurisdiction. © Approved by the National Customs Brokers and Forwarders Association of America, Inc. (Revised 6/16)

TERMS & CONDITIONS OF SERVICE FOR ALL WAREHOUSE BUSINESS

Standard Contract Terms and Conditions for Merchandise Warehouses (Approved and promulgated by American Warehouse Association, October 1968; revised and promulgated by International Warehouse Logistics Association, January 1998 and November 2008) ACCEPTANCE – Sec. 1 (a) This Contract, including accessorial charges that may be attached hereto, must be accepted within 30 days from the proposal date by signature of Depositor. In the absence of written acceptance, the act of tendering goods described herein for storage or other services by Warehouse within 30 days from the proposal date shall constitute acceptance by Depositor. Depositor has had the opportunity to review and inspect the warehouse facility ("Facility"). (b)In the event that goods tendered for storage or other services do not conform to the description contained herein, or conforming goods are tendered after 30 days from the proposal date without prior written acceptance by Depositor as provided in paragraph (a) of this section, Warehouse may refuse to accept such goods. If Warehouse accepts such goods, Depositor agrees to rates and charges as may be assigned and invoiced by Warehouse and to all terms of this Contract. (c) Any goods accepted by Warehouse shall constitute Goods under this Contract. (d)This Contract may be canceled by either party upon 30 days written notice and is canceled if no storage or other services are performed under this Contract for a period of 180 days.

SHIPMENTS TO AND FROM WAREHOUSE – Sec. 2 Depositor agrees that all Goods shipped to Warehouse shall identify Depositor on the bill of lading or other contract of carriage as the named consignee, in care of Warehouse, and shall not identify Warehouse as the consignee. If, in violation of this Contract, Goods are shipped to Warehouse as named consignee on the bill of lading or other contract of carriage, Depositor agrees to immediately notify carrier in writing, with copy of such notice to Warehouse, that Warehouse named as consignee is the "in care of party" only and has no beneficial title or interest in the Goods. Furthermore, Warehouse shall have the right to refuse such Goods and shall not be liable for any loss, misconsignment, or damage of any nature to, or related to, such Goods. Whether Warehouse accepts or refuses Goods shipped in violation of this Section 2, Depositor agrees to indemnify and hold Warehouse harmless from all claims for transportation, storage, handling and other charges relating to such Goods, including undercharges, rail demurrage, truck/intermodal detention and other charges of any nature whatsoever. TENDER OF GOODS – Sec. 3 All Goods shall be delivered at the Facility properly marked and packaged for storage and handling.

The Depositor shall furnish at or prior to such delivery, a manifest showing marks, brands, or sizes to be kept and accounted for separately, and the class of storage and other services desired. STORAGE PERIOD AND CHARGES - Sec. 4 (a) Unless otherwise agreed in writing, all charges for storage are per package or other agreed unit per month. (b) The storage month begins on the date that Warehouse accepts care, custody and control of the Goods, regardless of unloading date or date of issue of warehouse receipt. (c) Except as provided in paragraph (d) of this section, a full month's storage charge will apply on all Goods received between the first and the 15th, inclusive, of a calendar month; one-half month's storage charge will apply on all Goods received between the 16th and the last day, inclusive, of a calendar month, and a full month's storage charge will apply to all Goods in storage on the first day of the next and succeeding calendar months. All storage charges are due and payable on the first day of storage for the initial month and thereafter on the first day of the calendar month. (d)When mutually agreed in writing by the Warehouse and the Depositor, a storage month shall extend from a date in one calendar month to, but not including, the same date of the next and all succeeding months. All storage charges are due and payable on the first day of the storage month. TRANSFER, TERMINATION OF STORAGE, REMOVAL OF GOODS - Sec. 5 (a) Instructions to transfer Goods on the books of the Warehouse are not effective until delivered to and accepted by Warehouse, and all charges up to the time transfer is made are chargeable to the Depositor. If a transfer involves rehandling the Goods, such will be subject to a charge. When Goods in storage are transferred from one party to another through issuance of a new warehouse receipt, a new storage date is established on the date of transfer. (b) The Warehouse reserves the right to move, at its expense, 14 days after notice is sent by certified mail or overnight delivery to the Depositor, any Goods in storage from the Facility in which they may be stored to any other of Warehouse's Facilities. Warehouse will store the Goods at, and may without notice move the Goods within and between, any one or more of the warehouse buildings which comprise the Facility identified on the front of this Contract. (c) The Warehouse may, upon written notice of not less than 30 days to the Depositor and any other person known by the Warehouse to claim an interest in the Goods, require the removal of any Goods. Such notice shall be given to the last known place of business of the person to be notified. If Goods are not removed before the end of the notice period, the Warehouse may sell them in accordance with applicable law. (d)If Warehouse in good faith believes that the Goods are about to deteriorate or decline in value to less than the amount of Warehouse's lien before the end of the 30-day notice period referred to in Section 5(c), the Warehouse may specify in the notification any reasonable shorter time for removal of the Goods and if the Goods are not removed, may sell them at public sale held one week after a single advertisement or posting as provided by law. (e) If as a result of a quality or condition of the Goods of which the Warehouse had no notice at the time of deposit the Goods are a hazard to other property or to the Facility or to persons, the Warehouse may sell the Goods at public or private sale without advertisement on reasonable notification to all persons known to claim an interest in the Goods. If the Warehouse after a reasonable effort is unable to sell the Goods it may dispose of them in any lawful manner and shall incur no liability by reason of such disposition. Pending such disposition, sale or return of the Goods, the Warehouse may remove the Goods from the Facility and shall incur no liability by reason of such removal.

HANDLING – Sec. 6 (a) The handling charge covers the ordinary labor involved in receiving Goods at warehouse door, placing Goods in storage, and returning Goods to warehouse door. Handling charges are due and payable on receipt of Goods. (b)Unless otherwise agreed in writing, labor for unloading and loading Goods will be subject to a charge. Additional expenses incurred by the Warehouse in receiving and handling damaged Goods, and additional expense in unloading from or loading into cars or other vehicles not at warehouse door will be charged to the Depositor. (c) Labor and materials used in loading rail cars or other vehicles are chargeable to the Depositor. (d)When Goods are ordered out in quantities less than in which received, the Warehouse may make an additional charge for each order or each item of an order. (e) The Warehouse shall not be liable for any demurrage or detention, any delays in unloading inbound cars, trailers or other containers, or any delays in obtaining and loading cars, trailers or other containers for outbound shipment unless Warehouse has failed to exercise reasonable care.

DELIVERY REQUIREMENTS – Sec. 7 (a) No Goods shall be delivered or transferred except upon receipt by the Warehouse of Depositor's complete written instructions. Written instructions shall include, but are not limited to, FAX, EDI, E-Mail or similar communication, provided Warehouse has no liability when relying on the information contained in the communication as received. Goods may be delivered upon instruction by telephone in accordance with Depositor's prior written authorization, but the Warehouse shall not be responsible for loss or error occasioned thereby. (b) When Goods are ordered out a reasonable time shall be given the Warehouse to carry out instructions, and if it is unable because of acts of God, war, public enemies, seizure under legal process, strikes, lockouts, riots or civil commotions, or any reason beyond the Warehouse's control, or because of loss of or damage to Goods for which Warehouse is not liable, or because of any other excuse provided by law, the Warehouse shall not be liable for failure to carry out such instructions and Goods remaining in storage will continue to be subject to regular storage charges. EXTRA SERVICES (SPECIAL SERVICES) – Sec. 8 (a) Warehouse labor required for services other than ordinary handling and storage will be charged to the Depositor. (b) Special services requested by Depositor including but not limited to compiling of special stock statements; reporting marked weights, serial numbers or other data from packages; physical check of Goods; and handling transit billing will be subject to a charge. (c) Dunnage, bracing, packing materials or other special supplies, may be provided for the Depositor at a charge in addition to the Warehouse's cost. (d)By prior arrangement, Goods may be received or delivered during other than usual business hours, subject to a charge. (e) Communication expense including postage, overnight delivery, or telephone may be charged to the Depositor if such concern more than normal inventory reporting or if, at the request of the Depositor, communications are made by other than regular United States Mail. BONDED STORAGE - Sec. 9 (a) A charge in addition to regular rates will be made for merchandise in bond. (b)Where a warehouse receipt covers Goods in U.S. Customs bond, Warehouse shall have no liability for Goods seized or removed by U.S. Customs.

MINIMUM CHARGES – Sec. 10 (a) A minimum handling charge per lot and a minimum storage charge per lot per month will be made. When a warehouse receipt covers more than one lot or when a lot is in assortment, a minimum charge per mark, brand, or variety will be made. (b)A minimum monthly charge to one account for storage and/or handling will be made. This charge will apply also to each account when one customer has several accounts, each requiring separate records and billing.

LIABILITY AND LIMITATION OF DAMAGES – Sec. 11 (a) WAREHOUSE SHALL NOT BE LIABLE FOR ANY LOSS OR DAMAGE TO GOODS TENDERED, STORED OR HANDLED HOWEVER CAUSED UNLESS SUCH LOSS OR DAMAGE RESULTED FROM THE FAILURE BY WAREHOUSE TO EXERCISE SUCH CARE IN REGARD TO THEM AS A REASONABLY CAREFUL PERSON WOULD EXERCISE UNDER LIKE CIRCUMSTANCES AND WAREHOUSE IS NOT LIABLE FOR DAMAGES WHICH COULD NOT HAVE BEEN AVOIDED BY THE EXERCISE OF SUCH CARE. (b)GOODS ARE NOT INSURED BY WAREHOUSE AGAINST LOSS OR DAMAGE HOWEVER CAUSED. (c) THE DEPOSITOR DECLARES THAT DAMAGES ARE LIMITED TO

PER______, PROVIDED, HOWEVER, THAT SUCH LIABILITY MAY AT THE TIME OF ACCEPTANCE OF THIS CONTRACT AS PROVIDED IN SECTION 1 BE INCREASED UPON DEPOSITOR'S WRITTEN REQUEST ON PART OR ALL OF THE GOODS HEREUNDER IN WHICH EVENT AN ADDITIONAL MONTHLY CHARGE WILL BE MADE BASED UPON SUCH INCREASED VALUATION. (d)WHERE LOSS OR DAMAGE OCCURS TO TENDERED, STORED OR HANDLED GOODS, FOR WHICH WAREHOUSE IS NOT LIABLE, THE DEPOSITOR SHALL BE RESPONSIBLE FOR THE COST OF REMOVING AND DISPOSING OF SUCH GOODS AND THE COST OF ANY ENVIRONMENTAL CLEAN UP AND SITE REMEDIATION RESULTING FROM THE LOSS OR DAMAGE TO THE GOODS. NOTICE OF CLAIM AND FILING OF SUIT – Sec. 12 (a) Claims by the Depositor and all other persons must be presented in writing to the Warehouse within a reasonable time, and in no event any later than the earlier of: (i) 60 days after delivery of the Goods by the Warehouse or (ii) 60 days after Depositor is notified by the Warehouse that loss or damage to part or all of the Goods has occurred. (b)No lawsuit or other action may be maintained by the Depositor or others against the Warehouse for loss or damage to the Goods unless timely written claim has been given as provided in paragraph (a) of this section and unless such lawsuit or other

action is commenced by no later than the earlier of: (i) nine months after date of delivery by Warehouse or (ii) nine months after Depositor is notified that loss or damage to part or all of the Goods has occurred. (c) When Goods have not been delivered, notice may be given of known loss or damage to the Goods by mailing of a letter via certified mail or overnight delivery to the Depositor. Time limitations for presentation of claim in writing and maintaining of action after notice begin on the date of mailing of such notice by Warehouse.

LIABILITY FOR CONSEQUENTIAL DAMAGES – Sec. 13 Warehouse shall not be liable for any loss of profit or special, indirect, or consequential damages of any kind.

LIABILITY FOR MISSHIPMENT – Sec. 14 If Warehouse negligently misships Goods, the Warehouse shall pay the reasonable transportation charges incurred to return the misshipped Goods to the Facility. If the consignee fails to return the Goods, Warehouse's maximum liability shall be for the lost or damaged Goods as specified in Section 11 above, and Warehouse shall have no liability for damages due to the consignee's acceptance or use of the Goods whether such Goods be those of the Depositor or another. MYSTERIOUS DISAPPEARANCE – Sec. 15 Warehouse shall be liable for loss of Goods due to inventory shortage or unexplained or mysterious disappearance of Goods only if Depositor establishes such loss occurred because of Warehouse's failure to exercise the care required of Warehouse under Section 11 above. Any presumption of conversion imposed by law shall not apply to such loss and a claim by Depositor of conversion must be established by affirmative evidence that the Warehouse converted the Goods to the Warehouse's own use.

RIGHT TO STORE GOODS – Sec. 16 Depositor represents and warrants that Depositor is lawfully possessed of the Goods and has the right and authority to store them with Warehouse. Depositor agrees to indemnify and hold harmless the Warehouse from all loss, cost and expense (including reasonable attorneys' fees) which Warehouse pays or incurs as a result of any dispute or litigation, whether instituted by Warehouse or others, respecting Depositor's right, title or interest in the Goods. Such amounts shall be charges in relation to the Goods and subject to Warehouse's lien. ACCURATE INFORMATION – Sec. 17 Depositor will provide Warehouse with information concerning the Goods which is accurate, complete and sufficient to allow Warehouse to comply with all laws and regulations concerning the storage, handling and transporting of the Goods. Depositor will indemnify and hold Warehouse harmless from all loss, cost, penalty and expense (including reasonable attorneys' fees) which Warehouse pays or incurs as a result of Depositor failing to fully discharge this obligation.

SEVERABILITY AND WAIVER – Sec. 18 (a) If any provision of this Contract, or any application thereof, should be construed or held to be void, invalid or unenforceable, by order, decree or judgment of a court of competent jurisdiction, the remaining provisions of this Contract shall not be affected thereby but shall remain in full force and effect. (b)Warehouse's failure to require strict compliance with any provision of this Contract shall not constitute a waiver or estoppel to later demand strict compliance with that or any other provision(s) of this Contract. (c) The provisions of this Contract shall be binding upon the heirs, executors, successors and assigns of both Depositor and Warehouse; contain the sole agreement governing Goods tendered to the Warehouse; and, cannot be modified except by a writing signed by Warehouse and Depositor.

LIEN – Sec. 19 Warehouse shall have a general warehouse lien for all lawful charges for storage and preservation of the Goods; also for all lawful claims for money advanced, interest, insurance, transportation, labor, weighing coopering, and other charges and expenses in relation to such Goods, and for the balance on any other accounts that may be due. Warehouse further claims a general warehouse lien for all such charges, advances and expenses with respect to any other Goods stored by the Depositor in any other facility owned or operated by Warehouse. In order to protect its lien, Warehouse reserves the right to require advance payment of all charges prior to shipment of Goods. DOCUMENTS OF TITLE – Sec. 20 Documents of title, including warehouse receipts, may be issued either in physical or electronic form at the option of the parties

GOVERNING LAW AND JURISDICTION – Sec. 21 This Contract and the legal relationship between the parties hereto shall be governed by and construed in accordance with the substantive laws of the state where the Facility is located, including Article 7 of the Uniform Commercial Code as ratified in that state, notwithstanding its conflict of laws rules. Any lawsuit or other action involving any dispute, claim or controversy relating in any way to this Contract shall be brought only in the

appropriate state or federal court in the state where the Facility is located. The parties acknowledge the Limitation of Liability and Damages in Section 11.

Use of any <u>services</u> provided by Pedraza <u>Customhouse Brokers</u>, Inc. constitutes acceptance of our <u>Terms & Conditions of Service</u>.