

U-FREIGHT AMERICA INC.  
STANDARD WAREHOUSE TERMS AND CONDITIONS  
Effective 4/1/2020

**SECTION 1 – DEFINITIONS**

As used in this Standard Warehouse Terms and Conditions, the following terms have the following meanings:

- (a) COMPANY- Refers to U-Freight America, Inc., its subsidiaries, and employees, when applicable, while acting within the scope and course of their employment.
  - (b) CUSTOMER - The person, firm, corporation, or other entity for whom the GOODS described herein are stored and to whom this Standard Warehouse Terms and Conditions is issued and anyone else claiming an interest in the GOODS.
  - (c) GOODS - Includes DANGEROUS GOODS, goods, wares, merchandise, packing materials, and articles of every kind whatever; and any container, trailer, tank, or pallet (including similar articles of transport used to store or consolidate goods) not supplied by or on behalf of the COMPANY which the COMPANY has agreed to receive and/or store pursuant to the contract and/or service agreement.
  - (d) DANGEROUS GOODS - Includes goods that are of a dangerous, explosive, inflammable, radioactive or damaging nature. For the purpose of this Standard Warehouse Terms and Conditions, all GOODS containing rechargeable battery will be considered as DANGEROUS GOODS.
  - (e) LOT - Unit or units of GOODS which are separately identified by the COMPANY. It may be used to reference each inbound/outbound container or trailer, a bulk order, and/or a consolidation of GOODS.
  - (f) ADVANCE - All sums due or claimed to be due to COMPANY from CUSTOMER or others relating to the GOODS regardless of the source, whether liquidated or not, including but not limited to loans, disbursements, charges made for or on account of CUSTOMER or GOODS, necessary for preservation of GOODS or reasonably incurred in their sale pursuant to law.
  - (g) SERVICE - Any services of the COMPANY provided for the CUSTOMER e.g. undertaking or arranging for carriage of GOODS by air, sea, inland waterway, rail and/or road; and/or undertaking or arranging for storage, sorting, loading, palletizing, labeling, unloading, packing, unpacking, consolidation, de-consolidation, collection, delivery and/or other handling of GOODS.
  - (h) AGENT – Any sub-contractors and service providers the COMPANY appointed and act on its behalf and/or provide SERVICE.
  - (i) WAREHOUSE – Facility, building, and/or space where the COMPANY offers storage, distribution, and any other warehouse services to CUSTOMER. It includes COMPANY and AGENTS'S facility, building, and/or space.
- (i) It is the CUSTOMER'S responsibility to inform COMPANY of perishable GOODS and provide handling instructions prior to delivery. Perishable GOODS must be properly labeled or marked with expiration date on the inner and outer cartons.
- (j) In the event that GOODS tendered for SERVICE 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 the CUSTOMER, COMPANY may refuse to accept such GOODS. If COMPANY accepts such GOODS, CUSTOMER agrees to rates and charges as may be assigned and invoiced by COMPANY and to all terms of the contract.

**SECTION 4 - TERMINATION OF STORAGE**

- (a) CUSTOMER must notify COMPANY in writing at least 30 days prior to the termination of storage.
- (b) COMPANY may, upon written notice, as required by law, require the removal of the GOODS, or any portion thereof, from the WAREHOUSE upon the payment of all charges attributable to said GOODS within a stated period, not less than 30 days after such notification. If said GOODS are not so removed, the COMPANY reserves the right to exercise the following actions:
  - i. Impose a new storage fee and other additional charges,
  - ii. Take ownership and sell the GOODS as provided by law and shall be entitled to exercise any other rights it has under the law with respect to said GOODS, and/or
  - iii. Dispose or scrap the GOODS at the expense of the CUSTOMER.
- (c) If, in the opinion of COMPANY, GOODS may be about to deteriorate or decline in value to less than the amount of COMPANY'S lien thereon, or may constitute a hazard to other property or to the WAREHOUSE or persons, the GOODS may be removed or disposed of by COMPANY as permitted by law. All charges related to said removal shall be paid by CUSTOMER.
- (d) COMPANY reserves the right to terminate SERVICE to DANGEROUS GOODS at any time.

**SECTION 5 - STORAGE LOCATION**

- (a) The GOODS shall be stored at COMPANY'S discretion at any one or more location or area in the WAREHOUSE. The identification of any specific WAREHOUSE location or area does not guarantee that the GOODS shall be stored therein.
- (b) Subject to any contrary written instructions given by CUSTOMER, COMPANY may, at any time, at its expense, and without notice to CUSTOMER, remove any GOODS from any location or area to any other location or area in the WAREHOUSE.

**SECTION 6 - STORAGE CHARGES**

- (a) Unless specified in the contract and/or service agreement, storage charges commence upon the date GOODS arrive at the WAREHOUSE regardless of unloading date or date warehouse receipt is issued.
- (b) Charges shall be applicable as set forth in the rate quotation or other document issued by COMPANY to CUSTOMER and/or in COMPANY'S tariff.
- (c) Unless COMPANY specifies otherwise all storage charges are due and payable on the 1st day of storage for the initial month and thereafter on the 1st day of each calendar month.

**SECTION 7 - HANDLING CHARGES**

- (a) Unless otherwise specified or elected by COMPANY,
  - i. Handling charges cover only the ordinary labor and duties incidental to receiving and delivering GOODS during normal warehouse hours. National holidays and weekends are not considered as normal warehouse hours.
  - ii. Overtime charge in addition to the regular handling charges will be made for any work performed by COMPANY other than specified in Section (a) at rates which are in effect from time to time.
  - iii. Handling charges do not cover labor and duties such as loading, unloading, sorting, palletization, inventory count, customs clearance, and other duties.
  - iv. Handling charges do not cover pallet, label, packing material, documentation, and any materials used during the handling process.
- (b) When GOODS are ordered out in quantities less than in which received, the COMPANY reserves the right to charge an additional fee for each order or each item of an order.
- (c) Delivery by the COMPANY of less than all units of any LOT received or of less than all the GOODS stored for CUSTOMER shall be made without subsequent sorting except by special arrangement and subject to an additional charge unless otherwise specified.

**SECTION 8 – SHIPPING, DELIVERY, RETURN, AND TRANSFER TITLE**

- (a) Unless specified and agreed by COMPANY, WAREHOUSE, and/or AGENT, CUSTOMER agrees not to ship GOODS using COMPANY, WAREHOUSE, and/or AGENT as the named shipper and shipping address.
  - (b) Instructions by CUSTOMER to ship, deliver, and/or transfer GOODS to the account of another are not effective until delivered to and accepted by COMPANY. Charges will be made for each such shipping, delivery, and/or transfer request and for any re-handling of GOODS deemed by COMPANY to be required thereby. COMPANY reserves the right not to ship, deliver, or transfer GOODS if the COMPANY determines that the shipping, delivery, and transfer of GOODS maybe in violation of any local, federal, and/or foreign regulations.
  - (c) COMPANY shall have a reasonable time to make delivery after GOODS are ordered out and shall have a minimum of 10 business days after receipt of a delivery order in which to locate any misplaced GOODS for orders/shipment arranged by the COMPANY.
  - (d) If COMPANY has exercised reasonable care and is unable, due to causes beyond its control, to effect delivery before expiration of the current storage period, the GOODS will be subject to storage charges for each succeeding storage period.
  - (e) All instructions and requests for shipping and delivery of GOODS or transfer of title are received subject to satisfaction of all charges, liens, and security interests of COMPANY with respect to the GOODS whether for accrued charges or ADVANCES or otherwise.
  - (f) Unless GOODS return to WAREHOUSE due to undeliverable address or otherwise specified in the contract or service agreement, CUSTOMER may not use COMPANY, WAREHOUSE, or AGENT'S name and address as the return address. CUSTOMER
- All business undertaken by the COMPANY is transacted subject to this Standard Warehouse Terms and Conditions, which shall be deemed to be incorporated in any warehouse and distribution contract and/or agreement between the COMPANY and CUSTOMER. CUSTOMER automatically enters into an agreement with all terms and conditions listed in this Standard Warehouse Terms and Conditions when CUSTOMER requests SERVICE to be performed by the COMPANY or AGENT prior to a contract or service agreement is established.

**SECTION 2 – APPLICATION**

All business undertaken by the COMPANY is transacted subject to this Standard Warehouse Terms and Conditions, which shall be deemed to be incorporated in any warehouse and distribution contract and/or agreement between the COMPANY and CUSTOMER. CUSTOMER automatically enters into an agreement with all terms and conditions listed in this Standard Warehouse Terms and Conditions when CUSTOMER requests SERVICE to be performed by the COMPANY or AGENT prior to a contract or service agreement is established.

**SECTION 3 - TENDER FOR STORAGE**

- (a) CUSTOMER agrees not to ship GOODS to COMPANY or its WAREHOUSE as the "named consignee." If in violation of this agreement, GOODS are shipped to COMPANY or its WAREHOUSE as "named consignee", CUSTOMER agrees to notify carrier in writing prior that such "named consignee" is a COMPANY, WAREHOUSE, or AGENT, and the "named consignee" has no beneficial title or interest in such property and CUSTOMER further agrees to indemnify and hold harmless the "named consignee" from any and all charges of any nature, in connection with goods so shipped. CUSTOMER further agrees that, if it fails to notify carrier as required by the next preceding sentence, COMPANY and WAREHOUSE shall not be liable or responsible for any loss, injury, or damage of any nature to, or related to, such GOODS. CUSTOMER agrees that all promises contained in this section will be binding on CUSTOMER'S heirs, successors, and assigns.
- (b) All GOODS for storage shall be delivered at the WAREHOUSE properly marked, labeled, and packed for handling.
- (c) CUSTOMER shall furnish, at or prior to such delivery, a manifest showing the name of the product, quantity, unit of measure, dimension, weight, markings, and detailed descriptions of the GOODS.
- (d) CUSTOMER must declare DANGEROUS GOODS for GOODS regulated by IMDG, IATA, and/or DOT and obtain approval from COMPANY prior to delivery. CUSTOMER must provide COMPANY with the following info:
  - i. MSDS for each DANGEROUS GOODS,
  - ii. Detail description of each DANGEROUS GOODS,
  - iii. Special handling instructions for each DANGEROUS GOODS,
  - iv. A 24-hour emergency contact info that will be kept on record for storage and for use on shipping document and labels. COMPANY will not be the emergency contact. CUSTOMER must provide the following info:
    - 1. First and last name of the contact
    - 2. 24-Hour Emergency Contact Number
    - 3. Email Address
- (e) Receipt and delivery of all or any units of a LOT shall be made without subsequent sorting except as agreed in writing and/or by special arrangement and subject to a charge.
- (f) COMPANY shall store and deliver GOODS only in the packages in which they are originally received unless otherwise agreed to in writing.
- (g) Unless CUSTOMER shall have given, at or prior to delivery of the GOODS, written instructions to the contrary, COMPANY, in its discretion, may commingle and store in bulk different lots of GOODS, whether owned by the same CUSTOMER or not.
- (h) COMPANY shall not be responsible for segregating GOODS by production code date unless specifically agreed to in writing.

agrees not to provide COMPANY, WAREHOUSE, AGENT'S contact info to its own customers. COMPANY, WAREHOUSE, AGENT reserves the right to refuse acceptance of any returned GOODS. CUSTOMER is fully responsible for all charges and claims that arise as a result of the unauthorized return of GOODS.

(g) COMPANY may require, as a condition precedent to shipping and delivery, a statement from CUSTOMER holding COMPANY harmless from claims of others asserting a superior right to CUSTOMER possession of the GOODS. Nothing herein shall preclude COMPANY from exercising any other remedy available to it under the law to resolve conflicting claims to possession of the GOODS. All costs, including attorney's fees, incurred by COMPANY relating in any way to COMPANY'S activities referred to in SECTION 8 (g) shall be charged to CUSTOMER and shall, for purposes of Section 13 below, be considered "charges present or future with respect to such GOODS" and shall attach as a lien on the GOODS.

#### SECTION 9 - OTHER SERVICES AND CHARGES

- (a) Other services rendered in the interest of CUSTOMER or the GOODS are chargeable to CUSTOMER. Such services may include, but are not limited to, the following: furnishing of special warehouse space, or yard space or material, repairing, sampling, weighing, inspecting, kitting, preparing stock reports, recording and/or reporting marked weights or numbers, and other order/shipment handling.
- (b) All ADVANCES are due and payable immediately. All charges are due and payable upon the date of invoice. All charges and ADVANCES not paid within 30 days from the due date are subject to an interest charge, from the date said charge or ADVANCE became due until paid, at the rate of 1.5% per month. COMPANY reserves the right to refuse SERVICE until all ADVANCES are paid.
- (c) CUSTOMER may, subject to insurance regulations and reasonable limitations, inspect the GOODS when accompanied by a representative of the COMPANY whose time is chargeable to CUSTOMER.
- (d) Any additional costs incurred by COMPANY in handling damaged GOODS and DANGEROUS GOODS are chargeable to CUSTOMER. CUSTOMER is also responsible for all costs and claims by AGENT and other CUSTOMERS for damages caused by the damaged GOODS and DANGEROUS GOODS.
- (g) COMPANY shall not be responsible for demurrage charges or delays in loading or unloading unless such demurrage charge or delay was caused solely by COMPANY'S negligence.
- (h) A charge in addition to regular storage and handling rates will be made for bonded storage.
- (i) Unless otherwise specified, all storage, handling, and other services are subject to minimum charges.
- (j) CUSTOMER agrees to pay COMPANY all costs and ADVANCES including reasonable attorney's fees incurred by COMPANY in connection with the storage, handling and/or disposition of the GOODS, including without limitation, such costs, ADVANCES, and/or fees relating to lawsuits (including Bankruptcy proceedings) involving in any way said GOODS and/or CUSTOMER'S performance under this agreement. All such costs, ADVANCES, and fees, for purposes of SECTION 13 below, shall constitute "charges present or future with respect to such GOODS".

#### SECTION 10 - LIABILITY AND LIMITATION OF DAMAGES

- (a) The CUSTOMER shall defend, indemnify and hold harmless the COMPANY from and against all claims, costs and demands whatsoever and by whomsoever made or preferred in excess of the liability of the COMPANY under this Standard Warehouse Terms and Conditions, and such indemnity shall include all claims, costs and demands arising from the negligence or mistake of the COMPANY or from the mistake, negligence, willful default or deliberate wrongdoing of the COMPANY and AGENT.
- (b) COMPANY and CUSTOMER agree that COMPANY'S duty of care referred to in Section 10 (a) above does not extend to providing a sprinkler system at the warehouse complex or any portion thereof.
- (c) Unless specifically agreed to in writing, COMPANY shall not be required to store GOODS in a humidity-controlled environment or be responsible for temperature of GOODS.
- (d) In the event of loss, damage, or destruction to GOODS for which the COMPANY is legally liable, CUSTOMER declares that COMPANY'S liability shall be limited to the lesser of the following:
- (1) The actual cost to CUSTOMER of replacing, or reproducing the lost, damaged, and/or destroyed GOODS together with transportation costs to warehouse,
  - (2) The fair market value of the lost, damaged, and/or destroyed GOODS on the date CUSTOMER is notified of loss, damage and/or destruction.
  - (3) 50 times the monthly storage charge applicable to such lost, damaged and/or destroyed GOODS,
  - (4) 2 SDR per kilogram (kg) for said lost, damaged, and/or destroyed GOODS. provided, however that within a reasonable time after receipt of this standard warehouse terms and conditions, CUSTOMER may, upon written request increase COMPANY'S liability on part or all of the GOODS in which case an increased charge will be made based upon such increased valuation; further provided that no such request shall be valid unless made before loss, damage or destruction to any portion of the GOODS has occurred.
- (e) The COMPANY'S liability referred to in Section 10(d) shall be CUSTOMER'S exclusive remedy against COMPANY for any claim or cause of action whatsoever relating to loss, damage and/or destruction of GOODS and shall apply to all claims including inventory shortage and mysterious disappearance claims unless CUSTOMER proves by affirmative evidence that COMPANY converted the GOODS to its own use. CUSTOMER waives any rights to rely upon any presumption of conversion imposed by law. In no event shall CUSTOMER be entitled to incidental, special, punitive, or consequential damages.
- (f) COMPANY is not responsible for charges, damages, loss, and claims of any GOODS refused to be handled and/or accepted due to violation of this Standard Warehouse Terms and Conditions.
- (g) COMPANY is not liable for any GOODS opened, damaged, loss, or confiscated by government officials and representatives.

#### SECTION 11 - NOTICE OF CLAIM AND FILING OF SUIT

- (a) COMPANY shall not be liable for any claim of any type whatsoever for loss and/or destruction of and/or damage to GOODS unless such claim is presented, in writing, within a reasonable time, not exceeding 60 days after CUSTOMER learns or, in the exercise of reasonable care, should have learned of such loss, destruction and/or damage.

- (b) As a condition precedent to making any claim and/or filing any suit, CUSTOMER shall provide COMPANY with a reasonable opportunity to inspect the GOODS which are the basis of CUSTOMER'S claim.
- (c) No lawsuit or other action may be maintained by CUSTOMER or others against COMPANY with respect to the GOODS unless a timely written claim has been made as provided in paragraph (a) of this section and unless CUSTOMER has provided COMPANY with a reasonable opportunity to inspect the GOODS as provided in paragraph (b) of this section and unless such lawsuit or other action is commenced within nine (9) months after CUSTOMER learns or, in the exercise of reasonable care, should have learned of the loss and/or destruction of and/or damage to the GOODS.

#### SECTION 12 - INSURANCE

GOODS are not insured by COMPANY or AGENT for the benefit of CUSTOMER against natural disaster, fire damage, water damage, or any other casualty.

#### SECTION 13 - LIEN

COMPANY shall have a lien against the GOODS and on the proceeds thereof for all charges for storage, handling, transportation (including demurrage and terminal charges), insurance, labor and other charges present or future with respect to the GOODS, ADVANCES or loans by COMPANY in relation to the GOODS and for expenses necessary for preservation of the GOODS or reasonably incurred in their sale pursuant to law. COMPANY further claims a lien on the GOODS for all such charges, ADVANCES and expenses in respect to any other property stored by CUSTOMER in any warehouse owned or operated by COMPANY or its subsidiaries wherever located and whenever deposited and without regard to whether or not said other property is still in storage.

#### SECTION 14 - WAIVER - SEVERABILITY

- (a) COMPANY'S failure to insist upon strict compliance with any provision of this Standard Warehouse Terms and Conditions shall not constitute a waiver or estoppel to later demand strict compliance thereof and shall not constitute a waiver or estoppel to insist upon strict compliance with all other provisions of this Standard Warehouse Terms and Conditions.
- (b) In the event any section of this Standard Warehouse Terms and Conditions part thereof shall be declared invalid, illegal and/or unenforceable, the validity, legality and enforceability of the remaining sections and parts shall not, in any way, be affected or impaired thereby.

#### SECTION 15 - AUTHORITY

CUSTOMER represents and warrants that it either:

- i. is the lawful owner of the GOODS which are not subject to any lien or security interest of others; or
- ii. is the authorized agent of the lawful owner and/or any holder of a lien or security interest and has full power and authority to enter into the agreement incorporated into this Standard Warehouse Terms and Conditions. CUSTOMER agrees to notify all parties acquiring any interest in the GOODS of the terms and conditions of this Standard Warehouse Terms and Conditions and to obtain, as a condition of granting such an interest, the agreement of such parties to be bound by the terms and conditions of this Standard Warehouse Terms and Conditions.

#### SECTION 16 - NOTICES

All written notices provided herein may be transmitted by any commercially reasonable means of communication and directed to COMPANY at the address on the front hereof and to CUSTOMER at its last known address. CUSTOMER is presumed to have knowledge of the contents of all notices transmitted in accordance with this Section within five days of transmittal.

#### SECTION 17 - ENTIRE AGREEMENT

This agreement shall constitute the entire agreement between COMPANY and CUSTOMER relating to the GOODS and supersedes all existing agreements between them whether written or oral and shall not be changed, amended or modified except by written agreement signed by representatives of COMPANY and CUSTOMER.

#### SECTION 18 - GENERAL PROVISIONS

- (a) The terms and condition of this Standard Warehouse Terms and Conditions shall be construed and enforced in accordance with the laws of the State of California. CUSTOMER agrees that any lawsuit arising out of or resulting from this Agreement shall be subject to the laws of the United States and the State of California, and the appropriate state or federal court shall have exclusive jurisdiction.
- (b) All section headings in this Agreement are inserted herein for convenience only and shall not affect construction or interpretation of this Agreement.
- (c) This Agreement contains the entire contract between the Parties with respect to any matter mentioned herein and shall supersede any prior agreements between the parties. Any amendment or modification to this Agreement shall be effective only if in writing and signed by each party hereto.