

## **Cargo Logistics Group, Inc. Terms & Conditions of Service**

These terms and conditions of service (hereinafter referred to as the ("Contract") constitute a legally binding contract between the "Company" and the "Customer". In the event the Company renders services and issues a document containing Terms and Conditions governing such services, the Terms and Conditions set forth in such other document(s) shall govern those services.

### **1. Definitions.**

- a. "Company" shall mean **Cargo Logistics Group, 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 purposes 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: as to all other services, Company acts as an independent contractor. Customer has a duty to provide accurate information to Company and agrees to indemnify and defend Company if inaccurate information is provided, see Section 6 of this Contract.

### **3. Limitation of Actions.**

- a. (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 (3) three 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 thirty (30) 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 select vendors who are properly licensed, by the relevant government entities, to perform the transportation services in question and are insured at the level required by such entities. 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 the 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:** 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 Customer's behalf. 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. 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. Customer shall 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. Customer's duty shall include paying and all costs relating to Company defending itself from a claim made by a government agency arising from the provision of inaccurate information by Customer as well as any and all attorney's fees paid defending said claim(s).

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. **No Warranties:** Except as specifically set forth herein, Company makes no express or implied warranties in connection with its services;
  - b. **Option to Purchase Additional Liability Coverage:** In connection with all services 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 therefore, which request must be confirmed in writing by the Company prior to rendering services for the covered transaction(s).
  - c. **COMPANY'S LIMITATION OF LIABILITY:** In the absence of additional coverage under (b) above, the Company's liability shall be limited to the following: The charges for carriage hereunder have been in part based upon either the value declared by the Customer or, in the absence of such declared value, the Company's limitation of liability. The liability of the Company shall in no event exceed the Customer's declared value stated on the face of the waybill, and, in the absence of such declared value and payment of the additional charges for such excess valuation, the liability of the Company shall not exceed the sum of the amount determined by multiplying the weight of that part of the shipment which is lost, destroyed or damaged by the following applicable amounts: (A) for international shipments and shipments to and from Puerto Rico, U.S. \$9.07 per pound, U.S. \$20.00 per kilogram; (B) for domestic shipments, \$.50 per pound; and the freight charges applicable to the portion of the shipment which is lost, destroyed or damaged.
    - i. **Maximum Liability Limitation for Domestic Shipments:** Notwithstanding the foregoing, the liability of the Company for a domestic shipment shall not be less than \$50.00 plus the applicable freight charges for the part of the shipment which is lost, damaged or destroyed.
    - ii. **Determining the Weight for Liability:** The weight used to determine the Company's limit of liability on a shipment, or part thereof, shall be the same as that which is used (or on a pro rata basis in the case of a partial shipment) to determine the transportation charged for such shipment.
    - iii. **Special Rules Concerning Shipments with a Value of Over \$10,000:** Shipments with a declared value for carriage in excess of \$10,000 will be accepted for carriage only upon advance arrangements with the Company.
  - d. **Prohibited Articles:** Shipments containing certain articles will NOT be accepted for transportation. These articles include, but are not limited to: shipments prohibited by law, gold, silver, money and all like valuables, artwork, antiques, furs, watches, personal effects, original film prints, original wearing apparel designs and hazardous waste. The Customer shall not be liable for any loss, damage or delay of the foregoing articles, however described or misdescribed. All claims shall be subject to proof of value.
  - e. **Company NOT Liable for Consequential Damages:** 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.
  - f. **Application of Airline Tariff:** For some international shipments, the Company reserves the option to act as an agent of the airline, instead of as a Forwarder, in which event the direct airline's tariffs shall apply to those shipments.
  - g. All claims shall be subject to proof of value.

- 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 customer's 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. If the Customer, in writing or endorsement of the waybill, authorizes the Company to accept the consignee's check made payable to the Customer in payment of the C.O.D. amount, the Company's sole responsibility shall be to secure the check and to exercise due care and diligence in forwarding it to the Customer.
- 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 twenty percent (20%) 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:** Company shall have a general and continuing lien on any and all property of Customer coming into Company's actual or constructive possession or control for monies owed to Company with regard to the shipment on which the lien is claimed, a prior shipment(s) and/or both; 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 on-going 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. 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 one hundred and ten percent (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. 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. Customer has a duty to provide accurate information to Company and agrees to indemnify and defend Company if inaccurate information is provided, see Section 6 of this Contract.
- 18. No Modification or Amendment Unless Written:** These terms and conditions 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 services 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. 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.

- 21. Governing Law:** The Parties agree that the terms of this Contract shall be governed and construed in accordance with the laws of the State of Maryland and that the exclusive venue for any disputes that may arise from this Contract, or the services provided by Company for Customer pursuant to this Contract shall be state and/or Federal Courts with jurisdiction over Anne Arundel County, Maryland.
- 22. Construction:** This Contract has been negotiated by the Parties and their respective Counsel and shall be interpreted fairly and in accordance with its terms without any strict construction in favor of or against any Party.
- 23. Execution:** an original, but all of which shall constitute one and the same document. The Parties may execute and deliver this Contract by transmitting an authorized signature by fax or .pdf via email, and copies of this Contract signed and delivered by means of faxed signatures in a .pdf document shall have the same effect as copies executed and delivered with original signatures.
- 24. Effective Date:** This Contract shall become effective upon the execution by all Parties.
- 25. Authority:** The individuals that sign this Contract represent that they have full authority to bind their respective entities to the entirety of the Contract.
- 26. Consultation with Counsel:** The Parties have read this Contract, have had the opportunity to consult with Counsel, and sign this instrument voluntarily and freely, with the understanding of its terms. The Parties represent and acknowledge that in executing this Contract, that they do not rely and have not relied upon any representation or statement that may have been made by any other party or attorneys, agents, or representatives of any other party regarding the subject matter, basis of this Contract.

**COMPANY: Cargo Logistics Group, Inc.**

**CUSTOMER:** \_\_\_\_\_

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Signature

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Signature

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Title

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Title

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Date

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