

CARGO MODULES LLC, CARGO MODULES CHB INC.
AGREED TERMS & CONDITIONS OF SERVICE
(Please Read Carefully)

All shipments to or from the Customer, which term shall include the shipper, exporter, importer, sender, consignor, consignee, transferor or transferee, forwarder, intermediary, and/or customs broker handling this shipment, are undertaken subject to the following terms and conditions. Law, international convention, or treaties may impose additional terms and conditions.

Customer is responsible to be familiar with all such terms governing its shipments. Company (which includes Cargo Modules LLC and Cargo Modules CHB Inc.) does not presume to educate Customers in this or any other regard. Where a conflict arises between the terms of this Agreement and those of bills of lading or airwaybills issued by Company, the terms of the bill of lading or airwaybill shall govern except as to liability for payment of any costs or charges to Company.

- 1. Extension of Credit.** The Company's standard payment terms require receipt of cash in advance of performance. If the Company extends credit to the Customer, the additional terms herein are hereby agreed to be applicable. The amount of credit issued to the Customer is subject to periodic revisions and the Company may decide to decrease, increase or revoke the monetary limits at any given time. This may be done at the sole discretion of the Company.
- 2. Liability for Payment.** The party applying for credit shall be responsible for all costs incurred and charges generated by Company. This shall be the case regardless of whether goods are sent on a prepaid or collect basis, and regardless of whether the applicant is a shipper, intermediary, customs broker or other agent of any kind. By applying for credit, applicant expressly assumes responsibility for all costs and charges and agrees to make payment within normal terms or upon other demand by Company. By establishing a credit account for the Customer, the Company shall be under no obligation to incur any expense, guarantee payment, or advance money on behalf of the Customer. The fact that the Company has made a payment, advance or guarantee shall not be construed as a waiver of this provision. The Customer agrees to keep the account current and agrees to pay each invoice according to its terms.
- 3. Terms of Payment.** Charges from Company are due upon demand, which is otherwise presumed to be fifteen (15) days in the case of FCL shipments and air cargo shipments, thirty (30) days in the case of LCL cargo. Days are calculated from the date on the bill of lading or airwaybill, the date of issuance being included. If the Customer fails to keep the account current, all amounts owed by Customer shall immediately become due and payable. The Customer shall also become indebted to the Company for costs of collection, including reasonable attorney fees, and 2% interest per month, compounded daily and calculated from the due date of the invoice.
- 4. Service by Third Parties.** Company assumes no liability for any loss, damage, expense or delay of goods to be forwarded or imported except as provided in paragraph 10 and subject to the limitations of paragraph 10 below, but undertakes only to use reasonable care in the selection of carriers, truckmen, lightermen, forwarders, intermediaries, customs brokers, agents, warehousemen and others to whom it may entrust the goods for transportation, cartage,

handling and /or delivery and /or storage or otherwise. When the Company carries, stores or otherwise physically handles the shipment, it does so subject to the limitations of paragraph 8 below, unless a separate bill of lading, air waybill, or other contract of carriage is issued by the Company, in which event the terms thereof shall govern.

- 5. Liability Limitations of Third Parties.** The Company is authorized to select and engage carriers, truckmen, lightermen, forwarders, intermediaries, customs brokers, agents warehousemen and others, as required, to transport shipment, deal with and deliver the goods, all of whom shall be considered the agents of the Customer, and the goods may be entrusted to such agencies subject to all conditions as to limitations of liability for loss, damage, expense or delay and to all rules, regulations, requirements and conditions, whether printed, written or stamped, appearing in bills of lading, receipts or tariffs issued by such carriers, truckmen, lightermen, forwarders, intermediaries, customs brokers, agents, warehousemen, and others. The company shall under no circumstances be liable for any loss, damage, expense or delay to the goods for any reason whatsoever when said goods are in the custody, possession or control of third parties selected by the Company to forward, enter, clear, transport, or render other services with respect to such goods.
- 6. Choosing Routes or Agents.** Unless express instructions in writing are received from the Customer, the Company has complete freedom in choosing the means, route and procedure to be followed in the handling, transportation and delivery of the goods. Advice by the Company to the Customer 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 service.
- 7. Quotations Not Binding.** Quotations as to fees, rates of duty, freight charges, insurance premiums or other charges given by Company to the Customer are for informational purposes only and are subject to change without notice and shall not under any circumstances be binding upon the Company unless the company in writing specifically undertakes the handling or transportation of the shipment at a specific rate.
- 8. Declaring Higher Valuation.** Inasmuch as truckers, carriers, warehousemen and others to whom the goods are entrusted usually limit their liability for loss or damage unless a higher value is declared and a charge based on such higher value is agreed to by said trucker, etc. the Company must receive specific written instructions from the Customer to pay such higher charge based on valuation and the truckers etc., must accept such higher declared value; otherwise the valuation placed by the Customer on the goods shall be considered solely for export or customs purposes and the goods will be delivered to the truckers etc., subject to the limit of liability set forth herein in paragraphs 10 below with respect to any claim against the Company and subject to the provisions of paragraph 2 above.
- 9. Insurance.** The Company will make reasonable efforts to effect marine, theft and other insurance upon the goods only after specific written instructions have been received by the Company in sufficient time prior to the shipment from the point of origin, and at the same time states specifically the kind and amount of insurance to be placed. The Company does not

undertake or warrant that such insurance can or will be placed. Unless the Customer has its own open marine policy and instructs the Company to effect insurance under such policy, insurance is to be effected with one or more insurance companies or other underwriters to be selected by the company. Any insurance placed shall be governed by the certificate or policy issued and will only be effective when accepted by such insurance companies or other underwriters. Should an insurer dispute its liability for any reason, the insured shall have recourse against the insurer only and the Company shall not be under any responsibility of liability in relation thereto, notwithstanding that the premium upon the policy may not be at the same rates as that charged or paid to the Company by the Customer, or that the shipment was insured under a policy in the name of the Company. Insurance premiums and the charge of the Company for arranging the same shall be at the Customer's expense. If for any reason the goods are held in warehouse, or elsewhere, the same will not be covered under any insurance, unless the Company receives written instructions from the Customer. Unless specifically agreed in writing, the Company assumes no responsibility to effect insurance on any export or import shipment which it does not handle.

10. Limitation of Liability for Loss, etc.

- (a) Subject to paragraph 18 below, the Customer agrees that the Company shall only be liable for any loss, damage, expense or delay to the goods resulting solely from the negligence or other fault of the Company; such liability shall be limited to an amount equal to the lesser of fifty dollars (\$50.00) per shipment or the fee(s) charged for the services, provided that, in the case of partial loss, such amount will be adjusted pro rata;
- (b) Where the Company issues its own bill of lading or airwaybill and receives freight charges as its compensation, Customer has the option of paying a special compensation and increasing the limit of Company's liability up to the shipment's actual value; however, such option must be exercised by written agreement, entered into prior to any covered transaction(s), setting forth the limit of the Company's liability and the compensation received;
- (c) In instances other than in (b) above, unless the Customer makes specific written arrangements with the Company to pay special compensation and declare a higher value and Company agrees in writing, liability is limited to the amount set forth in (a) above;
- (d) Customer agrees that the Company shall, in no event, be liable for consequential, punitive, statutory or special damages in excess of the monetary limit provided for above.

11. Presenting Claims. Company shall not be liable under paragraph 10 for any claims not presented to it in writing within 90 days of either the date of loss or incident giving rise to the claim. No suit to recover for any claim or demand hereunder shall be maintained against the Company unless instituted within six (6) months after the presentation of the said claim or such longer period provided for by law, international convention, or treaty.

12. Advancing Money. The Company shall not be obligated to incur any expense, guarantee any payment or advance any money in connection with the transporting, insuring storing or packing of any goods, unless the funds are previously provided to the Company by the Customer on demand. The Company shall be under no obligation to advance freight charges, customs duties or taxes on any shipment, nor shall any advance by the Company be construed as a waiver of the provisions hereof.

13. Indemnification. In the event that any person, entity, or governmental agency makes a claim or institutes legal action against the Company for any damages or other money due arising from a shipment of goods of the Customer, the Customer agrees to indemnify and hold harmless the Company for any amount the Company may be required to pay such party together with reasonable expenses, including attorney fees, incurred by the Company in connection with defending such claim or legal action and obtaining reimbursement from the Customer. The loss, refusal, damage to, confiscation or detention of the goods by any party shall not affect or diminish the liability of the Customer to the Company to pay all charges or other money due promptly on demand.

14. C.O.D. Shipments. Goods received with Customer's or other person's instructions to "Collect on Delivery" (C.O.D.) by drafts or otherwise, or collect to collect on any specified terms by time drafts or otherwise, are accepted by the Company only upon the express understanding that it will exercise reasonable care in the selection of a bank, correspondent, carrier or agent to whom it will send such an item for collection, and the Company will not be responsible for any act, omission, default, suspension, insolvency or want of care, negligence, or fault of such bank, correspondent, carrier or agent, nor for any delay in remittance lost in exchange, or loss during transmission, or while in the course of collection.

15. General Lien on Any Property. The Company shall have a general and continuing lien on any and all property (and documents relating thereto) of the Customer in its possession, custody or control or en route, for all claims for charges, expenses, or advances incurred by the Company in connection with any shipments of the Customer and if any claim remains unsatisfied for thirty (30) days after presentation of de, the Company may sell at public auction or private sale, upon ten (10) days written notice registered mail (R.R.R.), to the Customer, the goods, wares and /or merchandise, or so much thereof as may be necessary to satisfy such lien, and apply the net proceeds of such sale to the payment of amount due the Company. Any surplus from such sale shall be transmitted to the Customer, and the Customer shall be liable for any deficiency in the sale.

In any referral for collection or action against the Customer for monies due to the Company, the Customer shall pay the expenses of collection and/or litigation, including a reasonable attorney fee.

16. No Responsibility For Governmental Requirements. It is the responsibility of the Customer to know and comply with the requirements of every relevant Customs or other governmental, including regulations of Federal, state and/or local agencies or any nation or jurisdiction pertaining to the merchandise. The Company shall not be responsible for action taken or fines or penalties assessed by any governmental agency against the shipment or Customer because of the failure of the Customer to comply with any law or the requirements or regulations of any governmental agency or with a notification issued to the Customer by any such agency.

17. Indemnity. If, as a result of any act or omission by the Customer, an action, suit, claim or proceeding is made or brought against the Company by any party, including government entities, the Company shall give notice in writing to the Customer by mail at its address on file

with the Company. Upon receipt of such notice, the Customer at its own expense shall defend against such action and take all steps as may be necessary or proper to prevent the obtaining of a judgment and/or order against the Company.

18. Loss, Damage or Expense Due To Delay. Unless the services to be performed by the Company on behalf of the Customer are delayed solely by reason of negligence or other fault of the Company AND the Company has agreed in writing to perform or ensure the performance of a third party by a specific time or date certain, the Company shall not be responsible for any loss, damage or expense incurred by the Customer because of such delay. In the event the Company is at fault, as aforesaid, its liability is limited in accordance with the provisions of paragraph 10 above.

19. Construction of Terms and Venue. The foregoing terms and conditions shall be construed according to the laws of the State of New York. Unless otherwise consented to in writing by the Company, no legal proceeding against it may be instituted by the Customer, its assigns, or subrogees except in Nassau County, New York, United States of America.

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