



Warehouse and Distribution Handling Terms and Conditions

All Warehousing and Distribution (W&D) Handling services performed on behalf of the Customer (which term includes the exporter, importer, sender, receiver, owner, consignor, consignee, transferor or transferee of the shipments or the agent thereof) will be handled by Hot Shot/Final Mile, LLC., (Company) on the following terms and conditions. No agent or employee of either party may alter or waive any of the following terms or conditions:

1. Applicable Services. These W&D Terms shall apply to all warehousing and to all distribution handling services performed by Company. Distribution handling services shall mean cross-docking, consolidation, deconsolidation, transloading, packaging, labeling, and other similar handling activities by Company. In the event a document issued by Company– or a written agreement between Customer and Company – incorporates these W&D Terms by reference, these W&D Terms shall apply with full force and effect as if verbatim set forth in such document or agreement, except as specifically modified or otherwise conditioned in a written agreement between Customer and Company.

2. No Carriage Services. These W&D Terms are not intended to be and shall in no event be construed as a contract-for-shipping. Transportation services rendered by Company in conjunction with warehousing and/or distribution handling services are done strictly in capacity as Customer's agent; the Company shall not be deemed to be a motor carrier of any type nor a freight forwarder as defined under 49 USC § 13102 for purposes of transportation services under these W&D Terms. As such, the liability of Company for transportation services shall be limited to circumstances of independent negligence in capacity as Customer's agent and the Company shall not in any event be liable to Customer for the transportation of Goods arranged by Company.

In the event the Company renders transportation services independently from warehousing and/or distribution handling services, such transportation services shall be governed by the separate **Shipping Terms and Conditions** on www.hotshotfinalmile.com, or in conjunction with a waybill, a tariff or other contract-for-transportation governing such services.

3. Title to Goods. Unless otherwise agreed in formal writing, title to Goods will remain with Customer. Notwithstanding anything herein to the contrary, nothing in this Section shall be deemed to waive or otherwise limit any lien rights that Company may have with respect to the Goods under applicable law and/or these W&D Terms.

4. Liability Limitation: As to warehousing and distribution handling services under these W&D Terms, and except as otherwise agreed in writing between Company and Customer, the

maximum collective liability of Company and third-party subcontractors arising out of or related to loss or damage to Goods, however caused, shall not exceed the lesser of Customer's actual damages or USD 0.50 (fifty cents) per pound of the portion of the Goods lost or damaged. Customer and Company agree that they have negotiated a reasonable limitation of liability. The knowledge of the Company of the value of Goods and/or Customer's declaration of the value of the Goods to Company in regular course or for any other purpose, such as for Customs purposes, shall in no event constitute a declared value of the Goods for liability purposes. Customer waives all rights of subrogation on behalf of its insurers for any loss or damage in excess of Company's liability as agreed and determined under this Section.

5. Liability Immunities and Waiver: In no event shall Company be liable for an amount greater than the value of the affected portion of the Goods or for any delay, consequential, indirect, incidental, or punitive damages even if Company has been put on notice of the possibility of such damages. Company shall have no liability for loss of, or damage to, the Goods or any portion of the Goods in circumstances of: inherent defect, quality or vice of the Goods; defective packing not performed by the Company; inadequate or inaccurate information provided by customer; any event not attributable to the negligence of Company or subcontractors participating in the performance of warehousing and distribution handling services; any Force Majeure event (see Definition below) or event beyond Company's reasonable control. Customer shall reimburse Company for all efforts taken to mitigate Customer's losses under circumstances of any force majeure event, including but not limited to storage charges. Company's liability shall be predicated on a duty of reasonable care, and Company shall have no liability for any damages not directly attributable to Company's breach of such duty.

6. Claim Procedure, Time for Claim and Suit against Company and Waiver: As a condition precedent for liability, any and all claims against Company for a potential or actual loss or damage to Goods must be filed in writing within sixty (60) days from the event giving rise to the claim, or such claim is otherwise waived. Any litigation brought by Customer against Company under this Agreement must be filed within two (2) years from the event giving rise to the claim, or such claims are otherwise waived.

7. Quotation and Calculation of Fees: Quotations of Fees 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 and until the Company agrees to Fees in writing. Fees are subject to change and are subject to surcharges. Fees may be calculated on the basis of the description of the Goods furnished by the Customer, but Company may at any time, count, weigh, measure and examine contents of the Goods and issue charges and fees based on the corrected calculations. (Basic W&D Fee methodology listed in Appendix A)

8. Payment of Fees: Customer shall pay to Company all Fees with no right of set off for any claim filed against Company. Customer payments not received within 30 days after the Company invoice date will cause Customer account to be considered past due and late fees applied monthly will apply. If Customer in good faith disputes Fees invoiced or otherwise asserted owed by Company, Customer shall pay the undisputed amount and Customer shall

promptly notify Company in writing of such dispute and work in good faith with Company to promptly resolve the disputed amount. All such disputed invoice amounts must be resolved within 60 days of the date of Customer's written notice to Company. Once the Parties have resolved the dispute, Customer shall within ten days of resolution pay to Carrier all previously disputed and resolved amounts for which Customer is responsible.

9. Contractual Lien and Right to Sell. Company shall have a general and spreading lien on any and all Goods in its possession, custody and/or control for any and all Fees, advances, claims, costs, freight charges, duties, surcharges, expenses, debts or other liabilities or money due and payable to Company by Customer, whether or not relating to the Goods being subject to lien. Company shall have the right to sell the Goods at public or private sale not less than 30 days after having given written notice thereof to Customer and Customer shall be liable for all costs and fees incurred by Company in the lien and lien sale of the Goods. Company also reserves all other rights allowed by law to recover unpaid amounts. Company Affiliates shall be third party beneficiaries to these W&D Terms to the extent necessary to enforce this section

10. Company's Right to Suspend Service and to Recover Costs of Collection. In the event payment is not made when due, Company reserves the right in its sole discretion to suspend all services and all amounts owed shall immediately become due and payable. Company will further be entitled to all costs of collection, including reasonable attorneys' fees.

11. TERMINATION OF STORAGE, REMOVAL OF GOODS – (a) Instructions to transfer Goods in storage at the Company are not effective until the instructions are delivered to and accepted by the Company, and all charges up to the time transfer is made are chargeable. (b) The Company may, upon written notice of not less than 30 days to the Customer and any other person known by the Company 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 Company may sell them in accordance with applicable law. (c) If the Company in good faith believes that the Goods are about to deteriorate or decline in value to less than the amount of the Company's lien before the end of the 30-day notice period referred to in (b) above, the Company 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. (d) If as a result of a quality or condition of the Goods of which the Company had no notice at the time of deposit the Goods are a hazard to other property or to the Facility or to persons, the Company 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 Company, 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 Company may remove the Goods from the facility and shall incur no liability by reason of such removal.

12. Confidentiality: The Party receiving such Confidential Information will not disclose such Confidential Information to any third Party except as permitted here in and shall not use such Confidential Information for any purpose except as necessary to perform its obligations under these W&D Terms. The receiving Party shall exercise the same degree of care to avoid

disclosure of such Confidential Information as it employs with respect to its own Confidential Information, but not less than reasonable care. These obligations with respect to Confidential Information will remain in effect for a period of two years from the date of its disclosure.

13. Hazardous Materials, Dangerous Goods and Other Regulated Goods. Unless otherwise provided in a separate written agreement between Customer and Company, Company will not handle, receive, accept, ship, carry, dispose of, transport, store, or arrange for the handling, disposal, storage or transportation of: (i) any type of hazardous materials, dangerous goods, or Goods containing hazardous materials or dangerous goods regulated under Title 49 of the Code of Federal Regulations ("49 CFR") or the International Civil Aviation Organization Technical Instructions for the Safe Transport of Dangerous Goods by Air, and the International Air Transport Association (IATA) Dangerous Goods Regulations; or (ii) any type of Goods, which may be regulated by a governmental body, entity or agency, including but not limited to those Goods, which are regulated by the United States Food and Drug Administration, the United States Department of Agriculture, the United States Drug Enforcement Administration, the United States Bureau of Alcohol, Tobacco, Firearms and Explosives, and analogous regulatory agencies in countries in which the Services are provided (collectively, "Hazardous, Dangerous or Regulated Goods"). Customer covenants and warrants that it will not itself or through others offer, present or otherwise tender any Hazardous, Dangerous or Regulated Goods to Company, agents, servants or subcontractors. Customer further covenants and warrants that it will not itself or through others offer, present or otherwise tender any "Hazardous Waste", as defined under Title 40 of the Code of Federal Regulations, to Company, agents, servants or subcontractors, as Company will not handle, receive, accept, ship, carry, dispose of, transport, or store Hazardous Waste.

14. Governing Law. The terms and conditions hereof shall be construed according to the laws of the State of Texas. SHIPPER AND COMPANY AGREE THAT ANY CLAIM OR DISPUTE ARISING BETWEEN THEM, WHETHER UNDER FEDERAL, STATE, LOCAL, OR FOREIGN STATUTES, REGULATIONS, OR COMMON LAW, SHALL BE BROUGHT EXCLUSIVELY IN THE STATE OR FEDERAL COURTS SERVING HARRIS COUNTY, TEXAS. SHIPPER AND COMPANY HEREBY CONSENT TO THE JURISDICTION OF SUCH COURTS.

15. Force Majeure Definition: to include but not be limited to, natural disasters, strikes or lockouts or stoppage/restraint of labor from whatever cause, equipment failure not attributable to the fault of Company (to include electrical power, heat, light, air conditioning or communications equipment), civil unrest, acts of war or armed conflicts, acts of public authorities, or acts or threatened acts of public enemies, hijackers or assailing thieves.



Appendix A

Base W&D Pricing Methods

Long Term (over 7 days) Storage Fees

(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 the Company 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, storage charges will be billed on a prorated basis for any partial storage month. All storage charges are due 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 Company and the Customer, 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 on the first day of the storage month.

HANDLING Fees

(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 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 Company 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 Customer.

(c) Labor and materials used in loading rail cars or other vehicles are chargeable to the Customer.

(d) When Goods are ordered out in quantities less than in which received, the Company may make an additional charge for each order or each item of an order.

(e) The Company 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 the Company has failed to exercise reasonable care.

EXTRA SERVICES (SPECIAL SERVICES) Warehouse labor required for services other than ordinary handling and storage will be charged to the Customer.

(a) Special services requested by Customer 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.

(b) Dunnage, bracing, packing materials or other special supplies, may be provided for the Customer at a charge in addition to the Company's cost.

(c) By prior arrangement, Goods may be received or delivered during other than usual business hours, subject to a charge.

(d) Communication expense including postage, overnight delivery, or telephone may be charged if such concern more than normal inventory reporting or if, at the request of the Customer, communications are made by other than regular E Mail.