## **TERMS AND CONDITIONS - WAREHOUSE & STORAGE**

## KK INTEGRATED LOGISTICS, INC.

Terms and Conditions for Warehousing & Storage Services

1. <u>Agreement to Terms and Conditions</u>. It is agreed that the terms set forth on the Warehouse Quote / Pricing & Assumptions ("Quote") and these Warehouse & Storage Terms and Conditions (collectively, the "Agreement") shall govern the dealings between Company and Customer for all warehousing and storage services. It is furthermore agreed that Company's Warehouse & Storage Terms and Conditions are electronically published at http://www.kkil.net, and may be amended by Company from time to time, without notice. In the event of any conflict between these Terms and Conditions as printed herein and the electronically published Terms and Conditions, the electronically published version shall control. It is expressly understood that the Agreement does not cover or apply to any rights, obligations, terms or conditions of the freight forwarding, or other services that Company has provided or may provide to the Customer; and that those separate services shall be governed by their respective terms and conditions which are provided separately and are posted on the above referenced website.

2. <u>Definitions</u>. As used in the Agreement:

a. "Company" means the individual or entity listed on the front side of the Quote providing the warehousing services hereunder including its officers, directors, employees and agents of the Company while acting within the scope and course of their employment;

b. "Customer" means the person, company, firm or other entity for whom the Goods are stored and/or handled and to whom the Quote is issued;

c. "Goods" means the property tendered to Company by Customer for which Company has agreed to store and/or handle pursuant to the Agreement;

d. "Warehouse" means Company's facility or facilities, collectively, including the facility(ies) set forth in the Quote.

3. <u>Ownership of Goods</u>. Customer warrants that it is the lawful owner and/or has lawful possession of the Goods tendered for storage. Customer warrants that it has sole legal rights to store Goods tendered, to release Goods, and to instruct Company regarding delivery or disposition of the Goods. Customer agrees to notify all parties acquiring any interest in the Goods of this Agreement and further agrees to indemnify and hold Company harmless from any claim by third parties relating to the ownership, storage, handling or delivery of Goods, or from any other services provided by Company under this Agreement. Such indemnification shall include any legal fees or costs incurred from any claim by a third party, regardless of whether or not litigation is actually filed.

4. <u>Storage</u>.

a. <u>Tender/Acceptance</u>. From time to time, as its business needs require, Customer shall tender its Goods to Company for warehouse services at Company's Warehouse. Pursuant to the terms and conditions of this Agreement, Company agrees to receive, store, handle, and release

the Goods in accordance with Customer's reasonable instructions to the extent that space is available at the Warehouse; provided, however, Company will have discretion on how to store the Goods, storing the Goods in a manner deemed appropriate based on factors such as the type of product, the potential hazards presented by such product, applicable fire codes, safety, etc.

b. <u>Non-Conformance</u>. In the event that Goods tendered for warehouse services do not conform in material respect to the description provided in advance by Customer, then Company shall have the option, (i) to reject such Goods, in which case Customer shall bear all cost, expense and liability from such rejection, or (ii) to accept the Goods provided that Customer shall be liable for and shall pay the rates and charges applicable to the Goods as properly described.

c. <u>Pallets</u>. If Company determines that the original palletization of Goods must be broken down for storage purposes, Company shall be authorized to break down the pallets without further notice required to Customer.

d. <u>Storage Locations</u>. Company will store the Goods at its discretion at any one or more buildings at Company's Warehouse location(s) identified on the Quote. The identification of any specific location within the Company's warehouse complex does not guarantee that Goods shall be stored therein. Company may at its own expense, move Goods to any other warehouse complex operated by Company.

e. <u>Additional Services</u>. Company may provide additional services to Customer as requested and as agreed. Additional handling charges will apply whenever Goods are pulled for distribution or release, whenever physical inventories are requested by Customer, and whenever additional services are requested that are not explicitly included in the monthly storage charge quoted to Customer. Such additional charges will be provided to Customer and will be invoiced to Customer in addition to any storage charges due.

f. <u>Hazard / Potential Disposal of Goods</u>. If Company reasonably believes that the Goods have become, or may become, an immediate hazard to other property, to the Facility, or to any person, then Company may immediately dispose of the Goods and, in such instance, Company shall have no duty to provide advance notice to Customer or any other person believed to have an interest in the Goods; provided, however, that Company shall use commercially reasonable efforts to provide advance notice to Customer in writing or by telephone. Company shall prepare a written record of the circumstances giving rise to the disposal, including a description of the hazard, or potential hazard, and the cause (if known). Customer shall bear the costs and expenses of disposal, and Company shall not bear any liability of any kind arising from its disposal of the Goods under such circumstances, unless Company's decision was grossly negligent or made in bad faith.

### 5. <u>Shipping</u>.

a. Customer shall not ship Goods to Company as named consignee. Rather, Customer shall ship Goods to the Warehouse in Customer's own name, in care of Company.

b. If, in violation of the foregoing requirement, Goods are shipped to Company as named consignee, then Customer shall provide Company with documentation stating that

Company was named in error as consignee, and shall notify its carrier that Company has no beneficial interest in, or title to, the Goods. Whether Company accepts or refuses Goods shipped in violation of this Section 5, Customer further agrees that it shall indemnify, defend and hold Company harmless from any and all claims for unpaid transportation charges, including undercharges, demurrage, detention or similar charges in connection with Goods so shipped. Company shall have the right to reject any goods shipped to Company as consignee and shall have no liability for any loss, injury or damage of any nature to, or related to, such Goods.

#### 6. <u>Customer's Warranties & Tender for Storage</u>.

a. <u>Lawful Possession</u>. Customer represents and warrants that Customer has lawful possession of the Goods and has legally sufficient right, interest and authority to store them with Company. All stored Goods shall at all times be and remain the exclusive property of Customer. Company shall make no representation to others that Company has any ownership rights in the stored Goods.

b. <u>Proper Packaging</u>. Customer warrants that the Goods are properly marked, packaged, labeled and classified for handling and are fit for storage and transportation as may be required. Company will not accept Goods that are not properly packaged or which, in the reasonable opinion of Company, are not suitable for movement or storage within the warehouse.

c. <u>Manifest</u>. Customer shall furnish at or prior to delivery, a manifest showing marks, brands or sizes to be accounted for separately and the class of storage desired, if applicable.

d. Hazardous Materials. Unless otherwise made known to Company in writing and accepted by Company, Customer warrants that the Goods are not considered hazardous materials and/or dangerous goods at the time the Goods are tendered to Company. If hazardous materials and/or dangerous goods are tendered for storage and accepted by the Company, a notation shall be so made on the face of the warehouse receipt or delivery manifest. Customer warrants that the Goods shall be limited to the permissible materials and quantities in the then current regulations, and agrees to properly classify the Goods, to accurately describe the Goods, and to provide Company with all necessary or useful information for the safe storage and handling of the Goods including but not limited to, whenever applicable, Material Safety Data Sheets and/or Product Safety Data Sheets. If Customer breaches any of the foregoing warranties related to tender of hazardous materials or dangerous goods, or otherwise delivers any such unfit Goods to Company, Company shall be entitled to exercise all available remedies including the immediate destruction or removal of the Goods from the warehouse without notice to Customer. In the event of the foregoing breach of Customer warranties, Customer shall be liable for all expenses, costs, losses, damages, fines, penalties or other expenses of any sort incurred by Company in connection with the removal, or destruction, or handling of the Goods and shall indemnify Company against all amounts, liabilities, claims, or damages arising in connection with the Goods.

e. <u>Required Information</u>. For all Goods tendered for storage, Customer shall supply such information and documents as are necessary to comply with all laws, rules and regulations. For all Goods, Customer shall provide to Company all documents or information necessary or useful for the safe and proper warehousing, handling, storage, and transportation (if any) of the Goods.

If all such information and documents are not fully, accurately and timely provided to Company, Customer shall indemnify Company for all consequences of such failure.

f. <u>Compliance with Laws</u>. Customer warrants its compliance with all applicable laws, rules, and regulations including but not limited to customs laws, import and export laws, as well as with the U.S. Foreign Corrupt Practices Act and similar laws related to anti-corruption and anti-bribery.

## 7. <u>Rates; Payment Terms & Collection Expenses</u>.

a. <u>Rates/Charges</u>. The rates and charges applicable to the warehouse storage, handling and other services provided by Company under this Agreement shall be those set forth in the Quote. Company shall have the right to adjust the rates and charges at any time(s) upon thirty (30) days' advance, written notice to Customer.

b. <u>Handling Charges</u>. Company's handling charges assume and cover its ordinary labor involved in receiving the Goods at the warehouse door, placing the Goods in storage, and returning the Goods to the warehouse door. All handling charges become applicable upon the date that Company accepts care, custody and control of the Goods at the rates set forth in the Quote. If Company incurs costs or expenses because the Goods arrive at the Warehouse in damaged or loose condition, then Company shall have the right to assess additional charges as set forth in the Quote.

c. <u>Payment Terms</u>. Warehousing and storage accounts are due and payable monthly, in advance. Company will issue the monthly statement, in advance to Customer and Customer shall pay Company within fifteen (15) days of the invoice date unless otherwise agreed by the Parties in writing. All invoices not paid within fifteen (15) days of invoice date will be subject to a late fee of 1.5% per month, or the maximum rate then allowable pursuant to applicable law. If it becomes necessary for Company to utilize a collection agency and/or an attorney to collect any unpaid amount owed or to assist in effectuating the lien provisions herein, Customer shall be obligated to pay the collection agency fees and/or attorney fees, and expenses including court costs incurred, regardless of whether litigation is actually filed.

8. <u>Lien Rights</u>. Company shall have a lien on the Goods tendered by Customer and upon any and all property belonging to Customer in Company's possession, custody or control for all charges, advances or amounts of any kind due to Company under this Agreement or under any prior or subsequent invoices issued to Customer by Company (including charges for storage, handling, transportation, demurrage, terminal charges, insurance, labor, and any other charges incurred). Company shall have a lien on the Goods and may refuse to surrender possession of the Goods until all charges or debts are paid in full. If such amounts remain unpaid for thirty (30) days after Company's demand for payment, Company may sell the Goods at public auction or private sale or in any other manner reasonable, and shall apply the proceeds of such sale to the amounts owed. Customer remains responsible for any deficiency outstanding to Company.

9. <u>Term</u>. This Agreement shall be for a term of one (1) year, commencing on the date set forth in the Quote (the "Effective Date"), unless terminated sooner by either party in accordance with Section 13. If this Agreement has not been so terminated, then it shall automatically renew for successive one (1) year terms.

10. Liability/Limitation of Liability.

a. <u>General Statement of Liability</u>. Company shall not be liable for any loss or destruction of or damage to the Goods, however caused, unless such loss, damage or destruction resulted from Company's failure to exercise such care in regard to the Goods as a reasonably careful person would exercise under like circumstances. Company is not liable for damages which could not have been avoided by the exercise of such care. Company and Customer agree that Company's duty of care referred to herein shall not extend to providing a sprinkler system at the warehouse complex or any portion thereof.

b. <u>Nonliability</u>. In no event shall Company be liable for any loss or damage caused by:

i) acts of God; public authorities acting with actual or apparent authority; strikes; labor disputes; weather; mechanical or equipment failures; cyberattacks; civil commotions; hazards incident to a state of war; acts of terrorism; acts or omissions of customs or quarantine officials; acts of carriers related to security; the nature of the freight or any defects thereof; inherent vice of the goods; perishable qualities of the merchandise; fires; frost or change of weather; sprinkler leakage; floods; wind; storm; moths; public enemies; or other causes beyond its control;

ii) fragile articles injured or broken, unless packed by Company's employees and unpacked by them at the time of delivery;

iii) pilferage or theft, unless such loss or damage is caused by the failure of Company to exercise such ordinary care required by law; and

iv) concealed damage, or for losses incurred due to the concealed damage of the Goods.

c. <u>Monetary Maximum Liability</u>: In the event of loss or damage to the Goods for which Company is legally liable, Company's liability shall be limited to the actual cost to repair, restore and/or replace any damaged Goods, subject to a maximum of fifty (50) times the monthly storage rate, whichever is less. Notwithstanding the foregoing, Company's limit of liability may be increased upon the Customer's declaration of higher value, the Company's acceptance thereof, and the payment by the Customer of an additional charge. Customer acknowledges and agrees that the foregoing is not insurance, and that if Customer desires that the Goods be insured, that Customer shall obtain such insurance through its own insurance agent and/or carrier.

d. <u>Non-Covered Items</u>. In no event shall Company be responsible for loss or damage to documents, stamps, securities, artwork, heirlooms, jewelry or other articles of high and unusual value unless a special agreement in writing is made between Company and Customer with respect to such articles.

e. <u>No Consequential Damages</u>. IN NO EVENT SHALL COMPANY BE RESPONSIBLE OR LIABLE FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, OR SPECIAL DAMAGES OF ANY TYPE OR NATURE WHATSOEVER AND HOWEVER ARISING, INCLUDING, WITHOUT LIMITATION, EXEMPLARY, OR PUNITIVE DAMAGES, LOST PROFITS OR REVENUES, OR DIMINUTION IN VALUE, ARISING OUT OF OR RELATING TO ANY BREACH OF ANY PROVISION OF THIS AGREEMENT, WHETHER OR NOT THE POSSIBILITY OF SUCH DAMAGES HAS BEEN DISCLOSED IN ADVANCE BY CUSTOMER OR COULD HAVE BEEN REASONABLY FORESEEN BY PERSON OR ENTITY, REGARDLESS OF THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT, OR OTHERWISE) UPON WHICH THE CLAIM IS BASED, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE. IN NO EVENT SHALL COMPANY'S AGGREGATE LIABILITY UNDER THIS AGREEMENT INCLUDING, BUT NOT LIMITED TO, COMPANY'S LIABILITY UNDER SECTION 10 OF THIS AGREEMENT, EXCEED THE TOTAL OF THE AMOUNTS PAID TO COMPANY FOR THE SERVICES RENDERED HEREUNDER.

f. <u>Responsibility for Removing/Disposing of Goods</u>. In the case of loss or damage to Goods for which Company is not liable, Customer shall be responsible for all charges incurred in removing and disposing of such Goods, including any environmental clean-up and remediation costs related to such Goods and their removal and disposal.

g. <u>Exclusive Remedy</u>. The remedies set forth in this Section 10 shall be Customer's sole and exclusive remedy for any damage or loss to Goods.

#### 11. <u>Insurance</u>.

a. Company does not insure the Goods while in storage and the storage rates or charges billed to Customer do not include any insurance on the Goods. The Goods will, therefore, not be insured for any loss or damage, including any loss or damage against fire or other casualty, and the Limitation of Liability set forth in Section 10, above, shall apply in all circumstances where Company is legally liable for such loss or damage, unless the Customer has requested in writing that Company obtain insurance for the Customer's benefit, and the Customer has paid the required premium to Company for such additional insurance. Company will not be required to maintain a watchman or a sprinkler system, and Customer acknowledges that Company's failure to do so will not constitute negligence under Section 10 or otherwise.

b. Customer represents and warrants that it maintains first party property and casualty insurance coverage on the Goods, and that Customer shall maintain such insurance at all times pertinent to this Agreement, including without limitation, at the time of tender of the Goods to Company, throughout the time the Goods are stored at the Warehouse, and at the time the Goods are transferred out of the Warehouse.

c. Customer recognizes and understands that Company does not and will not maintain first party property and casualty insurance coverage Goods at any time, and that any potentially relevant insurance coverage maintained by Company is fault-based liability insurance only.

#### 12. Indemnity Against Third-Party Claims.

a. Customer shall indemnify, defend and hold Company harmless and defend it from any and all losses, liabilities, costs, penalties, fines, injuries and expenses (including reasonable attorneys' fees) (collectively, the "Losses") which arise in connection with (i) Customer's failure to comply with its obligations under this Agreement, including without limitation any Losses resulting from or connected with the hazardous, toxic, corrosive, dangerous or harmful nature of the Goods; and (ii) except to the extent resulting from any negligence or intentional misconduct on the part of Company, any injury to or death of any persons authorized by Company to be present at the Warehouse or damage to property whatsoever (including a third party's property) in relation to the storage, handling or transporting of the Goods. It is agreed and understood that damage to property includes without limitation damage to the environment, contamination, and pollution, and/or release into the atmosphere, ground or water.

b. In the event that Customer instructs or otherwise authorizes Company to ship Goods using a specified third party shipping service, Customer shall be fully and directly responsible to that shipping service for all associated charges and, except to the extent resulting from any negligence or intentional misconduct on the part of Company, shall defend, indemnify and hold Company harmless from and against any and all past, present or future claims, demands, obligations, actions or causes of action asserted by third parties which arise out of such shipment, including, without limitation, claims by the shipping service for payment and all other claims for damages, costs, fees, losses of service, compensation, interest or expenses of any nature whatsoever.

13. <u>Temperature or Humidity-Controlled Storage</u>. Unless specifically agreed to in writing, Company shall not be responsible for storage of the Goods in a temperature or humiditycontrolled environment. Customer knowingly accepts that the Goods will be warehoused in a non-temperature/humidity-controlled environment. Company will not be responsible for any loss or damage to the Goods that result from fluctuations in temperature range or in humidity levels of the warehouse. Company will furthermore not be responsible for losses or damages incurred to perishable Goods, unless otherwise agreed to in writing prior to tender of the Goods for storage.

14. <u>Inspection & Security</u>. All shipments are subject to inspection by Company; by Company's carriers for any transportation services provided, if any; and by any duly authorized government or regulatory entities, including but not limited to the U.S. Transportation Security Administration, U.S. Customs and Border Protection, and like entities. Notwithstanding the foregoing right to inspect shipments, Company is not obligated to perform such inspection except as mandated by law. Further, Company reserves the right to unilaterally reject any shipment that it deems unfit for transport, or for storage under this Agreement, after inspection.

### 15. <u>Termination</u>.

a. In addition to any remedies that may be provided under this Agreement, Company may terminate this Agreement with immediate effect upon written notice to Customer, if: (i) Customer fails to pay any amount when due under this Agreement; (ii) Customer has not otherwise performed or complied with its obligations under any of the provisions contained in this Agreement, in whole or in part; (iii) Customer becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization, or assignment for the benefit of creditors; or (iv) the Goods are a hazard to other property within the Warehouse or to the Warehouse itself or to persons as a result of the quality or condition of the Goods of which Company had no notice at the time of deposit. b. This Agreement may be terminated by either Party upon 30 days' prior written notice with or without any cause or reason being given or required.

c. If this Agreement is terminated for any reason, Customer shall promptly arrange the removal of all Goods from the Warehouse, subject to payment of all outstanding fees and charges due hereunder. If Customer does not promptly remove such Goods, Company may without liability remove the Goods and sell the Goods at public or private sale without advertisement and with or without notification to all persons known to claim an interest in the Goods (to the last known place of business of the person to be notified) in the manner provided by law. If Company, after a reasonable effort, is unable to sell the goods, it may dispose of them without liability in any lawful manner.

# 16. <u>Notice of Claim and Filing of Suit</u>.

a. <u>Notice of Claim</u>. Company shall not be liable for any claim whatsoever for any loss, damage, or destruction of the Goods unless it is timely filed, in writing, within a maximum of sixty (60) days after Customer knew, or should have known by the exercise of reasonable care, of such loss or damage.

b. <u>Time Bar</u>. Any lawsuit or other claim against Company with respect to the Goods shall be forever waived unless commenced within one (1) years after Customer knew, or should have known by the exercise of reasonable care, about such loss or damage.

c. <u>Waiver of Jury Trial</u>. Each Party acknowledges and agrees that any controversy that may arise under this Agreement, including exhibits and other attachments to this Agreement, is likely to involve complicated and difficult issues and, therefore, each such Party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Agreement, including any exhibits and other attachments to this Agreement, and the transactions contemplated hereby.

17. <u>Notices</u>. All written notices herein may be transmitted by any commercially reasonable means of communication providing delivery receipt to the sender, and shall be directed to Company and Customer at the address set forth on the Quote, unless otherwise instructed by either party in writing.

18. <u>Governing Law</u>. This Agreement shall be governed by the laws of the State of Wisconsin, without reference to its conflict of laws principles.

19. <u>Assignment</u>. Customer shall not assign, transfer, delegate, or subcontract any of its rights or obligations under this Agreement without the prior written consent of Company. Any purported assignment or delegation in violation of this Section 19 shall be null and void. No assignment or delegation shall relieve Customer of any of its obligations hereunder. Company may at any time assign, transfer, or subcontract any or all of its rights or obligations under this Agreement without Customer's prior written consent.

20. <u>Relationship of the Parties</u>. The relationship between the Parties is that of independent contractors. Nothing contained in this Agreement shall be construed as creating any agency,

partnership, franchise, business trust, joint venture, or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither Party shall have authority to contract for or bind the other Party in any manner whatsoever. No relationship of exclusivity shall be construed from this Agreement.

21. <u>Third-Party Beneficiaries</u>. Except as specified in the next sentence, this Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of these terms. Notwithstanding the foregoing, all limitations upon, and exceptions and defenses to, liability granted to Company shall be automatically extended to all parent, subsidiary, and affiliated entities and all subcontractors of Company and the owners, directors, officers, employees, and agents of each of the foregoing. Customer agrees that Company's members, managers, employees, agents, affiliates, successors, and permitted assigns are third-party beneficiaries of the indemnification provision, Section 12 of this Agreement.

22. <u>Waiver</u>. No waiver by Company of any of the provisions of this Agreement is effective unless explicitly set forth in writing and signed by Company. No failure by Company to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Agreement operates, or may be construed, as a waiver thereof. No single or partial exercise by Company of any right, remedy, power, or privilege hereunder precludes any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

23. <u>Merger; Severability</u>. This Agreement constitutes the entire understanding between Customer and Company regarding the storage of the Goods and services provided. This Agreement supersedes all prior or contemporaneous verbal or written negotiations, statements, representations, or agreements. This Agreement may not be modified except for a written agreement between Customer and an officer of Company. If any section or portion of this Agreement is held by any court to be illegal or unenforceable it shall not affect the legality or enforceability of the remaining provisions or terms and conditions herein.

24. <u>Force Majeure</u>. Neither party to this Agreement shall be liable for any delays or failure to perform this Agreement caused by acts of God, public enemies, war, civil disorder, strike, pandemic, epidemic or any other similar or different causes not within the reasonable control of the party in default.

25. <u>Headings Not Binding</u>. The use of headings in this Agreement are for ease of reference only. Headings shall have no effect and are not considered to be part of or a term of this Agreement.