



Warehouse Contract

ACCEPTANCE – Sec. 1

- a) This Contract, including accessorial charges that may be attached hereto, must be accepted within 30 days from the proposal date by signature of the CUSTOMER. In the absence of written acceptance, the act of tendering GOODS described herein for storage or other services by KRC LOGISTICS within 30 days from the proposal date shall constitute acceptance by the CUSTOMER. CUSTOMER has had the opportunity to review and inspect the KRC Logistics facility ("FACILITY").
- b) In the event that GOODS tendered for storage or other services 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 as provided in paragraph (a) of this section, KRC LOGISTICS may refuse to accept such GOODS. If KRC LOGISTICS accepts such GOODS, CUSTOMER agrees to rates and charges as may be assigned and invoiced by KRC LOGISTICS and to all terms of this Contract.
- c) Any GOODS accepted by KRC LOGISTICS shall constitute GOODS under this Contract.
- d) This Contract may be canceled by either party upon 30 days written notice and is canceled if no storage or other services are performed under this Contract for a period of 180 days.

SHIPMENTS TO AND FROM KRC LOGISTICS – Sec. 2

CUSTOMER agrees that all GOODS shipped to and from KRC LOGISTICS shall identify the CUSTOMER on the bill of lading or other contract of carriage as the named consignee, in care of KRC LOGISTICS, and shall not identify KRC LOGISTICS as the consignee. If, in violation of this Contract, GOODS are shipped to KRC LOGISTICS as named consignee on the bill of lading or other contract of carriage, CUSTOMER agrees to immediately notify carrier in writing, with copy of such notice to KRC LOGISTICS, that KRC LOGISTICS named as consignee is the "in care of party" only and has no beneficial title or interest in the GOODS. Furthermore, KRC LOGISTICS shall have the right to refuse such GOODS and shall not be liable for any loss, mis-consignment,

or damage of any nature to, or related to, such GOODS. The parties agree that, regardless of whether KRC LOGISTICS is incorrectly identified as named consignee, or CUSTOMER fails to notify carrier of the incorrect identification on the bill of lading or other contract of carriage, under no circumstances shall KRC LOGISTICS be considered the consignee for purposes of identifying the “importer” under 21 U.S.C. § 384a. The parties further agree that, regardless of whether KRC LOGISTICS is named as an “agent” for purposes of 21 U.S.C. § 350d or receives notification from the U.S. government with respect to confirmation of KRC LOGISTICS’S status as “agent” under 21 U.S.C. § 350d, under no circumstances shall KRC LOGISTICS be an agent for purposes of identifying the “importer.” KRC LOGISTICS shall not be responsible for complying with or performing the duties required of an “importer” under 21 U.S.C. § 384a. Whether KRC LOGISTICS accepts or refuses GOODS shipped in violation of this Section 2, CUSTOMER agrees to indemnify and hold KRC LOGISTICS harmless from all claims for transportation, storage, handling and other charges relating to such GOODS, including undercharges, rail demurrage, truck/intermodal detention, and any fines, penalties, costs and expenses (including attorney’s fees) and other charges of any nature whatsoever, resulting from the CUSTOMER’S failure to comply with the requirements of this Section 2.

TENDER OF GOODS – Sec. 3

All GOODS shall be delivered at the FACILITY in a segregated manner, properly marked and packaged for storage and handling. The CUSTOMER shall furnish at or prior to such delivery, a manifest showing marks, brands, or sizes to be kept and accounted for separately, and the class of storage and other services desired. KRC LOGISTICS is not a guarantor of the condition of such GOODS under any circumstances, including, but not limited to hidden, concealed, or latent defects in the GOODS. Concealed shortages, damage, inherent vice or tampering will not be the responsibility of KRC LOGISTICS.

STORAGE PERIOD AND CHARGES – Sec. 4

- a) Unless otherwise agreed in writing, all charges for storage are per package or other agreed unit per month as per available space.
- b) The storage month begins on the date that KRC LOGISTICS accepts care, custody and control of the GOODS, regardless of unloading date or date of issue of KRC Logistics receipt.
- c) All storage charges are due and payable 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 KRC LOGISTICS 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 and payable on the first day of the storage month.

e) Any invoice over 30 days past due may be assessed a service charge of 3% APR per month or a charge otherwise permitted by law. Any dispute as to the amount of the invoice shall be claimed in writing within 30 days from date of invoice. CUSTOMER may not offset payment of invoices under any circumstances without the prior written consent of KRC LOGISTICS.

TRANSFER, TERMINATION OF STORAGE, REMOVAL OF GOODS – Sec. 5

a) Instructions to transfer GOODS on the books of KRC LOGISTICS are not effective until delivered to and accepted by KRC LOGISTICS, and all charges up to the time transfer is made are chargeable to the CUSTOMER. If a transfer involves re-handling the GOODS, such will be subject to a charge. When GOODS in storage are transferred from one party to another through issuance of a new KRC Logistics receipt, a new storage date is established on the date of transfer.

b) KRC LOGISTICS reserves the right to move, at its expense, 14 days after notice is sent by certified mail or overnight delivery to the CUSTOMER, any GOODS in storage from the FACILITY in which they may be stored to any other of KRC LOGISTICS'S facilities. KRC LOGISTICS will store the GOODS at the Facility and may without notice move the GOODS within and between, any one or more of the KRC Logistics buildings which comprise the FACILITY identified on the front of this Contract.

c) KRC LOGISTICS reserves the right to require advance payment of all past, present, and future charges prior to removal of the GOODS from the Facility.

d) KRC LOGISTICS may, upon written notice of not less than 30 days to the CUSTOMER and any other person known by KRC LOGISTICS 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, KRC LOGISTICS may sell them in accordance with applicable law.

e) If KRC LOGISTICS in good faith believes that the GOODS are about to deteriorate or decline in value to less than the amount of KRC LOGISTICS'S lien before the end of the 30-day notice period referred to in Section 5(c), KRC LOGISTICS 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.

f) If as a result of a quality or condition of the GOODS of which KRC LOGISTICS had no notice at the time of deposit the GOODS are a hazard to other property or to the FACILITY or to persons, KRC LOGISTICS may: i) sell the GOODS at public or private sale without advertisement on reasonable notification to all persons known to claim an interest in the GOODS, ii) return

GOODS freight collect, or iii) dispose of GOODS. Pending such disposition, sale or return of the GOODS, KRC LOGISTICS may remove the GOODS from the FACILITY and shall incur no liability by reason of such removal.

g) If, after a reasonable effort, KRC LOGISTICS is unable to sell the GOODS pursuant to this Section 5, KRC LOGISTICS may dispose of the GOODS in any lawful manner and shall incur no liability by reason of such disposition.

HANDLING – Sec. 6

a) The handling charge covers the ordinary labor involved in receiving GOODS at KRC Logistics door, placing GOODS in storage, and returning GOODS to KRC Logistics door. Handling charges are due and payable 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 KRC LOGISTICS in receiving and handling damaged GOODS, and additional expense in unloading from or loading into cars or other vehicles not at KRC Logistics door will be charged to the CUSTOMER.

c) Labor and materials used in loading other vehicles are chargeable to the CUSTOMER.

d) When GOODS are ordered out in quantities less than in which received, KRC LOGISTICS may make an additional charge for each order or each item of an order.

e) CUSTOMER shall indemnify, defend, and hold KRC LOGISTICS harmless from all loss, costs, penalties, claims, expenses (including reasonable attorney's fees) for transportation, storage, handling and other charges related to the GOODS, including but not limited to undercharges, rail demurrage, truck/intermodal detention and other charges, asserted by any third-party. KRC LOGISTICS shall not be liable to CUSTOMER 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 KRC LOGISTICS has failed to exercise reasonable care as determined by industry practice.

DELIVERY REQUIREMENTS – Sec. 7

No GOODS shall be delivered or transferred except upon receipt by KRC LOGISTICS of CUSTOMER'S complete written instructions. Written instructions shall include, but are not limited to, FAX, EDI, E-Mail or similar communication, provided KRC LOGISTICS has no liability when relying on the information contained in the communication as received. GOODS may be delivered upon instruction by telephone or electronically in accordance with CUSTOMER'S prior written authorization, but KRC LOGISTICS shall not be responsible for loss or error occasioned thereby. KRC LOGISTICS shall not be liable for failure to carry out such instructions and GOODS

remaining in storage will continue to be subject to regular storage charges. When GOODS are ordered out, a reasonable time shall be given to KRC LOGISTICS to carry out instructions.

EXTRA SERVICES (SPECIAL SERVICES) – Sec. 8

- a) KRC LOGISTICS labor required for services other than ordinary handling and storage will be charged to the CUSTOMER.
- b) 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.
- c) Dunnage, bracing, packing materials or other special supplies, may be provided for the CUSTOMER at a charge in addition to the KRC LOGISTICS'S cost.
- d) By prior arrangement, GOODS may be received or delivered during other than usual business hours, subject to a charge.
- e) Communication expense including postage, overnight delivery, or telephone may be charged to the CUSTOMER if such concern more than normal inventory reporting or if, at the request of the CUSTOMER, communications are made by other than regular United States Mail.
- f) KRC LOGISTICS will take physical inventories and cycle counts as requested by CUSTOMER, at CUSTOMER'S expense. Representatives of the CUSTOMER and KRC LOGISTICS personnel, as well as any independent auditor or designee, may be present when any physical inventory is taken.

BONDED STORAGE – Sec. 9

- a) A charge in addition to regular rates will be made for merchandise in bond.
- b) Where a KRC Logistics receipt covers GOODS in U.S. Customs bond, KRC LOGISTICS shall have no liability for GOODS seized or removed by U.S. Customs.

MINIMUM CHARGES – Sec. 10

- a) A minimum handling charge per lot and a minimum storage charge per lot per month will be made. When a KRC Logistics receipt covers more than one lot or when a lot is in assortment, a minimum charge per mark, brand, or variety will be made.
- b) A minimum monthly charge to one account for storage and/or handling will be made. This charge will apply also to each account when one customer has several accounts, each requiring separate records and billing.

LIABILITY AND LIMITATION OF DAMAGES – Sec. 11

- a) KRC LOGISTICS shall not be liable for any loss or damage to GOODS tendered, stored or handled however caused unless such loss or damage resulted from the failure by KRC LOGISTICS to exercise such care in regard to them as a reasonably careful person would exercise under like circumstances. KRC LOGISTICS is not liable for damages which could not have been avoided by the exercise of such care.
- b) GOODS are not insured by KRC LOGISTICS against loss or damage however caused.
- c) In the event of loss or damage to the GOODS for which KRC LOGISTICS is legally liable, CUSTOMER declares that KRC LOGISTICS'S liability for damages are limited to \$0.50 per pound, and in no instance shall any one claim exceed the limit of KRC LOGISTICS'S liability insurance, provided, however, that such liability may at the time of acceptance of this Contract as provided in Section 1 be increased upon CUSTOMER'S written request on part or all of the GOODS hereunder in which event an additional monthly charge will be made based upon such increased valuation.
- d) The limitation of liability referred to in Section (c) above shall be CUSTOMER'S exclusive remedy against KRC LOGISTICS for any claim or cause of action whatsoever relating to loss, damage, and/or destruction of the GOODS and shall apply to all claims including inventory shortage and mysterious disappearance claims unless the CUSTOMER proves by affirmative evidence that KRC LOGISTICS converted the GOODS to its own use. Any presumption of conversion imposed by law shall not apply.
- e) Where loss or damage occurs to tendered, stored or handled GOODS, for which KRC LOGISTICS is not liable, the CUSTOMER shall be responsible for the cost of removing and disposing of such GOODS and the cost of any environmental cleanup and site remediation resulting from the loss or damage to the GOODS.

NOTICE OF CLAIM AND FILING OF SUIT – Sec. 12

- a) Claims by the CUSTOMER and all other persons must be presented in writing to KRC LOGISTICS within a reasonable time, and in no event any later than the earlier of: (i) 60 days after delivery of the GOODS by KRC LOGISTICS or (ii) 60 days after CUSTOMER is notified by KRC LOGISTICS that loss or damage to part or all of the GOODS has occurred. Each claim must contain information necessary to identify the GOODS affected, the basis for liability and the amount of the alleged loss or damage, as well as all appropriate supporting documentation.
- b) No lawsuit or other action may be maintained by the CUSTOMER or others against KRC LOGISTICS for loss or damage to the GOODS unless timely written claim has been given as

provided in paragraph (a) of this section and unless such lawsuit or other action is commenced by no later than the earlier of: (i) nine months after date of delivery by KRC LOGISTICS or (ii) nine months after the CUSTOMER is notified that loss or damage to part or all of the GOODS has occurred.

c) When GOODS have not been delivered, notice may be given of known loss or damage to the GOODS by mailing of a letter via certified mail or overnight delivery to the CUSTOMER. Time limitations for presentation of claim in writing and maintaining of action after notice begin on the date of mailing of such notice by KRC LOGISTICS.

LIABILITY FOR CONSEQUENTIAL DAMAGES – Sec. 13

With respect to any claim arising from or related to this agreement, or otherwise arising from the relationship of the parties, in no event will KRC LOGISTICS be liable for special, indirect, exemplary, punitive, or consequential damages of any kind, including but not limited to lost profits, lost sales, or damages due to business interruption, regardless of whether such damages were foreseeable or KRC LOGISTICS had notice of the possibility of such damages.

LIABILITY FOR MIS-SHIPMENT AND CHARGEBACKS – Sec. 14

a) If KRC LOGISTICS negligently mis-ships GOODS, KRC LOGISTICS shall pay the reasonable transportation charges incurred to return the mis-shipped GOODS to the FACILITY. If the consignee fails to return the GOODS, KRC LOGISTICS'S maximum liability shall be for the lost or damaged GOODS as specified in Section 11 above, and KRC LOGISTICS shall have no liability for damages due to the consignee's acceptance or use of the GOODS whether such GOODS be those of the CUSTOMER or another.

b) KRC LOGISTICS shall not be responsible for chargebacks of any kind.

c) Any and all claims made pursuant to this Section must be in compliance with the requirements set forth in Section 12.

RECALL – Sec. 15

In the event a recall, field alert, product withdrawal or field correction (together, "Recall") may be necessary with respect to any GOODS provided under this Contract, CUSTOMER shall immediately notify KRC LOGISTICS in writing. KRC LOGISTICS will not act to initiate a Recall without the express prior written approval of CUSTOMER unless otherwise required by applicable laws. The cost of any Recall shall be borne by CUSTOMER. CUSTOMER shall indemnify and hold harmless KRC LOGISTICS from all loss, cost, penalty, and expense (including reasonable attorneys' fees) which KRC LOGISTICS pays or incurs as a result of a Recall.

FORCE MAJEURE – Sec. 16

Neither party shall be liable to the other for default in the performance or discharge of any duty or obligation under this Contract, except for CUSTOMER'S obligation to pay for services rendered by KRC LOGISTICS, when caused by acts of God, hurricanes, tidal waves, flood, tornadoes, cyclone, wind storm, earthquake, public enemy, civil commotion, strikes, labor disputes, work stoppages or other difficulties within the workforce, failure to provide power by the utility provider, intentional or malicious acts of third persons or any other organized opposition, cyber-attacks, viruses, corruption, depredation, accidents, explosions, fire, water sprinkler leakage, moths, vermin, insect, seizure under legal process, embargo, prohibition of import or export of GOODS, closure of public highways, railways, airways or shipping lanes, governmental interference, order, regulation, or other action(s) by governmental authority, national, regional, or local emergency(ies), plague, epidemic, pandemic, outbreaks for infectious disease or any public health crisis, including but not limited to compliance with related practices required or recommended by governmental or health organizations (including but not limited to quarantine or other employee restrictions) or other contingency(ies), similar or dissimilar to the foregoing, beyond the reasonable control of the affected party. Upon the occurrence of such an event the party seeking to rely on this provision shall promptly give written notice to the other party of the nature and consequences of the cause. If the cause is one which nevertheless requires KRC LOGISTICS to continue to protect the GOODS, CUSTOMER agrees to pay the storage or similar charges associated with KRC LOGISTICS'S obligation during the continuance of the force majeure. All GOODS are stored, handled, and transported at CUSTOMER'S sole risk of loss, damage, or delay caused by any of the above.

RIGHT TO STORE GOODS – Sec. 17

CUSTOMER represents and warrants that CUSTOMER is lawfully possessed of the GOODS and has the right and authority to store them with KRC LOGISTICS. CUSTOMER agrees to indemnify and hold harmless KRC LOGISTICS from all loss, cost and expense (including reasonable attorneys' fees) which KRC LOGISTICS pays or incurs as a result of any dispute or litigation, whether instituted by KRC LOGISTICS or others, respecting CUSTOMER'S right, title or interest in the GOODS. Such amounts shall be charges in relation to the GOODS and subject to KRC LOGISTICS'S lien.

ACCURATE INFORMATION – Sec. 18

CUSTOMER represents and warrants to KRC LOGISTICS that there are no known potential health, safety and/or environmental hazards associated with the storage and handling of the

GOODS that have not been disclosed to and acknowledged by KRC LOGISTICS. Notwithstanding, CUSTOMER will provide KRC LOGISTICS with information concerning the GOODS which is accurate, complete and sufficient to allow KRC LOGISTICS to comply with all laws and regulations concerning the storage, handling and transporting of the GOODS. CUSTOMER will indemnify and hold KRC LOGISTICS harmless from all loss, cost, penalty and expense (including reasonable attorneys' fees) which KRC LOGISTICS pays or incurs as a result of CUSTOMER failing to fully discharge this obligation.

CONFIDENTIALITY – Sec. 19

a) The Parties shall keep in confidence and not disclose to any third party (i) the terms of this Contract, and (ii) any confidential or proprietary information (“Confidential Information”) that either learns about the other Party, such as, but not limited to, the rates, value, origin, destination, or consignee of any GOODS or shipment made hereunder. The Parties may disclose such terms and information to the extent required by law, to obtain financing, to substitute service providers to the extent necessary to provide such substitute service, or to auditors retained for the purpose of assessing the accuracy of freight bills.

b) KRC LOGISTICS will maintain and enforce safety and physical security procedures with respect to its possession and maintenance of Confidential Information that comport with the standard of care outlined in Section 11 of this Contract, and which provide reasonably appropriate technical and organizational safeguards against accidental or unlawful destruction, loss, alteration or unauthorized disclosure, removal or access of Confidential Information. KRC LOGISTICS will not be liable for any breach of security or unauthorized access affecting Confidential Information which could not be avoided by the exercise of such reasonable care.

SEVERABILITY, WAIVER, and ASSIGNMENT – Sec. 20

a) If any provision of this Contract, or any application thereof, should be construed or held to be void, invalid or unenforceable, by order, decree or judgment of a court of competent jurisdiction, the remaining provisions of this Contract shall not be affected thereby but shall remain in full force and effect.

b) KRC LOGISTICS'S failure to require strict compliance with any provision of this Contract shall not constitute a waiver or estoppel to later demand strict compliance with that or any other provision(s) of this Contract.

c) The provisions of this Contract shall be binding upon the heirs, executors, successors and assigns of both CUSTOMER and KRC LOGISTICS; contain the sole agreement governing GOODS

tendered to the KRC LOGISTICS; and cannot be modified except by a writing signed by KRC LOGISTICS and CUSTOMER.

d) CUSTOMER shall not assign or sublet its interest or obligations herein, including, but not limited to, the assignment of any monies due and payable, without the prior written consent of KRC LOGISTICS.

LIEN – Sec. 21

KRC LOGISTICS shall have a general warehouse lien for all lawful charges for storage and preservation of the GOODS; also, for all lawful claims for money advanced, interest, insurance, transportation, labor, weighing cooperating, and other charges and expenses in relation to such GOODS, and for the balance on any other accounts that may be due. KRC LOGISTICS further claims a general warehouse lien for all such charges, advances and expenses with respect to any other GOODS stored by the CUSTOMER in any other facility owned or operated by KRC LOGISTICS. In order to protect its lien, KRC LOGISTICS reserves the right to require advance payment of all charges prior to shipment of GOODS. Unless expressly stated otherwise in writing, KRC LOGISTICS will not subordinate its lien to any lender, financial institution, or any other third party.

DOCUMENTS OF TITLE - Sec. 22

Documents of title, including warehouse receipts, may be issued either in physical or electronic form at the option of the parties. Any inconsistencies between the terms of the warehouse receipt and this Contract shall be governed by this Contract.

GOVERNING LAW AND JURISDICTION – Sec. 23

This Contract and the legal relationship between the parties hereto shall be governed by and construed in accordance with the substantive laws of the state where the FACILITY is located, including Article 7 of the Uniform Commercial Code as ratified in that state, notwithstanding its conflict of laws rules. Any lawsuit or other action involving any dispute, claim or controversy relating in any way to this Contract shall be brought only in the appropriate state or federal court in the state where the FACILITY is located.

The parties acknowledge the Limitation of Liability and Damages in Section 11.

Company Name

Authorized Signature

Date

Accepted for CUSTOMER

Company Name

Authorized Signature

Date