

## Terms and Conditions

This Terms and Conditions is entered into between

**DBA SmartHubPrep / SmartHubFulfillment / New York FBA Prep Center/ California FBA Prep Center / Texas FBA PrepCenter ("Warehouse Operator")**

And

### **The Client ("Depositor")**

and together with Warehouse Operator, the "**Parties**", and each, a "**Party**").

WHEREAS Warehouse Operator is in the business of warehousing and storing goods; and

WHEREAS Depositor desires to engage Warehouse Operator to provide warehousing and related services, and Warehouse Operator desires to provide such services to Depositor.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

(A) Warehouse Operator shall provide warehousing, storage, handling, processing, and related services (the "Services") for the goods tendered by Depositor from time to time under this Terms and Conditions ("Goods"). The Parties further acknowledge that Warehouse Operator utilizes an electronic warehouse management system ("WMS").

(B) The parties acknowledge and agree that if there is any conflict between the terms and conditions of this Agreement and the terms and conditions in any other document, then the terms and conditions of this Agreement shall supersede and control.

(C) Depositor represents and warrants that it is the owner or has lawful possession of the Goods and all right and authority to store them with Warehouse Operator and thereafter direct the release and/or delivery of the Goods. Depositor is required to make sure there are no Trademark violations related to his products. Depositor shall (i) tender any Goods for storage only during Warehouse Operator's posted business hours for the Warehouse; (ii) tender all Goods to the Warehouse properly marked and packed for storage and handling; (iii) provide Warehouse Operator with information concerning the Goods that is accurate, complete, and sufficient to allow Warehouse Operator to comply with all laws and regulations concerning the storage, handling, processing, and transportation of the Goods; and (iv), if necessary, furnish at or prior to tender of the Goods for storage written instructions listing any categories of Goods, brands or sizes to be separately kept and accounted for, and the types of storage and other services requested.

(D) Warehouse Operator may refuse to accept any goods for storage if the goods tendered for storage do not conform to the description contained on the Transportation Contract, or other written instructions. Before tendering Goods that require specialized handling, Depositor shall identify such goods and special handling requirements to Warehouse Operator in writing and Warehouse Operator may decline to store such goods. Depositor is solely responsible for providing complete and accurate handling and storage instructions for any Goods, including any applicable safety procedures. If Warehouse Operator accepts any Goods for storage that require special handling, then Depositor

agrees to rates and charges as may be assigned and invoiced by Warehouse Operator as well as all terms and conditions of this Agreement. Depositor shall not tender hazardous materials or dangerous Goods.

(E) Warehouse Operator is not responsible for any case of lost or damaged packages that may occur on the carrier side. Warehouse operator is responsible for Depositor goods once they have been "received" and until they have been "shipped". Inbound packages are constituted as "received" if the bill of lading or other contract of carriage is signed by Warehouse Operator representative. Outbound packages are constituted as "shipped" if they have the "shipped" status in an electronic warehouse management system ("WMS").

(F) For all Goods shipped to the Warehouse, Depositor shall ensure that the bill of lading or other contract of carriage as well as all declarations to government regulatory agencies (i) identify Depositor as the named consignee, in care of Warehouse Operator, and (ii) do not identify Warehouse Operator as the consignee. If any Goods are shipped to the Warehouse naming Warehouse Operator as named consignee on the Transportation Contract, Depositor shall promptly notify the carrier in writing that Warehouse Operator is (i) the "in care of party" only and (ii) does not have any beneficial title or interest in the Goods. Warehouse Operator may refuse to accept any Goods tendered for storage in violation of this provision and shall not be liable for any loss or damage to, or misconsignment of, such Goods. Whether Warehouse Operator accepts or refuses goods shipped in violation, Depositor agrees to indemnify and hold Warehouse Operator harmless from all claims for transportation, storage, handling, and other charges relating to such goods, including surcharges, undercharges, rail demurrage, truck/intermodal detention, and other charges of any nature whatsoever. Depositor further agrees to indemnify, defend, and hold Warehouse Operator harmless from any costs, liabilities, actions, penalties, or expenses of any kind associated with the improper declaration of Warehouse Operator as consignee.

(G) Depositor shall provide Warehouse Operator with reasonable advance written notice and preparatory instruction (each, a "Release (Outbound) Order") if it desires to order any Goods released from the Warehouse (the comprehensive preparatory, shipping, shipping insurance instructions must be provided by The Depositor prior to the order is being picked and processed). Such a written notice and instructions must be provided in an electronic warehouse management system ("WMS"). Subject to receipt of such Release Order and payment of all outstanding storage and other fees, Warehouse Operator shall release the requested Goods to Depositor or its designee. Goods may be delivered on instructions by telephone or oral communication, but Warehouse Operator shall not be responsible for loss or error occasioned thereby. Depositor shall give Warehouse Operator a reasonable time after Warehouse Operator's receipt of Depositor's written instructions to carry out Depositor's instructions to release the Goods to Depositor or its designee. Warehouse Operator may without liability rely on any information contained in any Release Order or other written communication from Depositor. Depositor shall be responsible for all shipping, handling, and other charges assessed by carriers and/or third parties in connection with the delivery and/or other shipment of the Goods. A Release Order providing instructions to transfer Goods on the books of Warehouse Operator to any other depositor of goods in the Warehouse will not be effective until such Release Order is delivered to and accepted by Warehouse Operator. The depositor of record shall be responsible for all charges up to the time the actual transfer of the applicable Goods is made.

(H) Warehouse Operator shall have a lien on the Goods and upon the proceeds from the sale thereof to secure Depositor's payment of all fees, charges and expenses incurred hereunder in connection with the storage, transportation, preservation, and handling of the Goods, as well as for like charges and expenses in relation to any other goods whenever deposited with Warehouse Operator by Depositor. Warehouse Operator may enforce this

lien at any time, including by selling all or any part of the Goods in accordance with applicable law.

(I) Depositor shall pay the storage charges and service fees at the rates set forth in the price quotation (price list) in effect at the time such charges accrue, or the Services are performed. All fees are subject to change without notice at Warehouse Operator sole discretion. Depositor is subject to and shall pay the minimum storage and handling charge of \$100 per invoice.

(J) All charges for all Services are due and payable within seven (7) days from the date of invoice. Invoices are automatically generated once the relevant outbound orders are created by Depositor. Depositor shall make all payments hereunder in US dollars. Depositor shall pay interest on all late payments of the rate of 10% of the invoice or \$50 penalty fee (whichever is greater). Depositor shall reimburse Warehouse Operator for all costs incurred in collecting any late payments, including, without limitation, reasonable attorneys' fees. In addition to all other remedies available under this Agreement or at law (which Warehouse Operator does not waive by the exercise of any rights hereunder), Warehouse Operator shall be entitled to suspend the release of any Goods or cease performance of any services if Depositor fails to pay any amounts when due hereunder. In addition, Warehouse Operator reserves the right to require payment in full in cash of all amounts owed by Depositor in advance of the release of the Goods. Depositor shall not withhold payment of any amounts due and payable by reason of any set-off of any claim or dispute with Warehouse Operator, whether relating to Warehouse Operator's breach, bankruptcy, or otherwise. After 30 days of delayed payment, Warehouse Operator may without liability remove the Goods and sell the Goods at public or private sale or may dispose of them without liability in any lawful manner.

(K) Once each order is completed (service performed), the appropriate invoice is created and sent to the Depositor for a review. Depositor agrees and confirms that when invoice has been delivered and been accepted/approved by making the payment, each of the fees are non-refundable by any cause and non-creditable against other payable fees.

(L) Warehouse Operator shall not be liable for any loss or damage to the Goods tendered, stored, or handled, however caused, unless such loss or damage resulted from the failure by Warehouse Operator to exercise care regarding the Goods that a reasonably careful warehouseman would have exercised under the same circumstances. Warehouse Operator is not liable for damages which could not have been avoided by the exercise of such reasonable care.

(M) In the event of loss, damage or destruction of the Goods for which Warehouse Operator is legal liable, the Warehouse Operator liability shall be limited \$.50 per pound for said lost, damaged, and/or destroyed Goods. In no event shall Warehouse Operator be liable for any lost sales revenue from Goods loss. Warehouse Operator maximum liability for Goods loss will be capped at 5% of the total Goods value or one month of the average billable storage, whichever is lower.

(N) The Goods are not insured by Warehouse Operator for the benefit of Depositor against fire or another casualty. Warehouse Operator will not be required to maintain a watchman or a sprinkler system, and Depositor acknowledges that Warehouse Operator's failure to do so will not constitute negligence or otherwise.

(O) If the shipments cannot be identified by Warehouse operator and Depositor has not required the shipments to be received within 15 days, such shipments are subject to be considered as "Abandoned Inventory". Warehouse Operator may without liability remove "Abandoned Inventory" and sell "Abandoned Inventory" at public or private sale or may dispose of them without liability in any lawful manner.

(P) The Agreement can be terminated by Warehouse operator or Depositor for any reason and at any time. If this Agreement is terminated, Depositor shall arrange the removal of all Goods from the Warehouse within 14 days, subject to payment of all

outstanding fees and charges due hereunder. If Depositor does not promptly remove such Goods, Warehouse Operator 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 Warehouse Operator, after a reasonable effort, is unable to sell the goods, it may dispose of them without liability in any lawful manner.

(Q) Warehouse Operator shall not be liable or responsible to Depositor, nor be deemed to have defaulted or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement when and to the extent such failure or delay is caused by or results from acts or circumstances beyond the reasonable control of Warehouse Operator including, without limitation, acts of God, flood, fire, earthquake, explosion, governmental actions, war, invasion or hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest, national emergency, revolution, insurrection, epidemic, lockouts, strikes or other labor disputes (whether or not relating to either party's workforce), or restraints or delays affecting carriers, or inability or delay in obtaining supplies of adequate or suitable materials, materials, or telecommunication breakdown or power outage.

(R) Warehouse Operator may revise and update these Terms and Conditions at any time. Depositor's continued usage of the Warehouse Operator services after any change to these Terms and Conditions will mean Depositor's accept those changes. Any aspect of the Warehouse Operator services may be changed, supplemented, deleted, or updated without notice at the sole discretion of Warehouse Operator.