



**AJC LOGISTICS, LLC.  
FREIGHT BROKER TERMS AND CONDITIONS**

These terms and conditions of service (the “Terms and Conditions”) constitute a legally binding contract among the parties, and shall apply solely to services provided by AJC Logistics, LLC to the Customer (as defined below).

**1. DEFINITIONS.**

- a. A freight broker “Broker” is a firm specializing in arranging shipping of merchandise on behalf of its shippers, customers and/or cargo owners. “Broker” means AJC Logistics, LLC, its related companies, agents, and/or representatives acting solely and on behalf of cargo owners; Broker is not a freight carrier.
- b. “Customer” means the entity that the Broker is rendering service for, including shippers, distributors, exporters, importer, sender, consignee, consignee, transferor, or transferee of the shipment.
- c. “Third Parties” means carriers, forwarders, customs brokers, agents, warehousemen and others to which the goods are entrusted for transportation, cartage, handling and/or delivery and/or storage or otherwise.

**2. THIRD PARTY SERVICES.**

Broker undertakes only to use reasonable care in the selection of carriers, agents and others to whom it may entrust the goods for transportation, cartage, delivery, or and assumes no liability as a carrier and is not to be held responsible for any loss, damage, expense or delay to the goods to be forwarded or imported except as provided in paragraph 9 and subject to the limitations of paragraph 10 below or to the extent required by 49 U.S. Code § 14706 (the “Carmack Amendment”).

**3. LIABILITY FOR ACTS OR OMISSIONS OF THIRD PARTIES.**

Broker is authorized to select and engage Third Parties to transport, process, and deliver the goods, all of whom shall be considered the agents of the Customer. The goods may be entrusted to such Third Parties 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, forwarders, customs brokers, agents, warehousemen, and others. Broker shall not be liable 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 Broker to forward, enter, clear, transport or render other services with respect to such goods.

**4. CHOOSING ROUTES OR AGENTS.**

Broker has complete freedom in choosing the means, route and procedure to be followed in the handling, transportation and delivery of the goods unless the Customer gives express instructions in writing.

**5. QUOTATIONS.**

Broker’s quotations as to fees, rates, duty, freight charges, insurance premiums or other charges are for informational purposes only and are subject to change without advance notice. Such quotations shall not be binding upon Broker under any circumstances unless Broker in writing specifically undertakes the handling or transportation of the shipment at a specific rate.

**6. DUTY TO FURNISH INFORMATION.**

- a. On an import, at a reasonable time prior to entering of the goods for U.S. Customs, the Customer shall furnish to Broker invoices in proper form and other documents necessary or useful in the preparation of the U.S. Customs entry and, also, such further information as may be sufficient to establish, inter alia, the dutiable value, the classification, the country of origin, the genuineness of the merchandise and any mark or symbol associated with it, the Customer’s right to import and/or distribute the merchandise, and the merchandise’s admissibility, pursuant to U.S. law or regulation. If the Customer fails in a timely manner to furnish such information or documents, in whole or in part, as may be required to complete U.S. Customs entry or comply with U.S. laws or regulations, or if the information or documents furnished are inaccurate or incomplete, Broker shall be obligated only to use its best judgment in connection with the shipment and in no instance shall be charged with knowledge by the Customer of the true circumstances to which such inaccurate, incomplete or omitted information or document pertains. Where a bond is required by U.S. Customs to be given for the production of any document or the performance of any act, the Customer shall be deemed bound by the terms of the bond notwithstanding the fact that the bond has been executed by Broker as principal, it being understood that Broker entered

into such undertaking at the instance and on behalf of the Customer, and the Customer shall indemnify and hold Broker harmless for the consequences of any breach of the terms of the bond. Customer will be responsible to pay charges incurred by Broker in handling customs clearance for freight where customs arrangements are not made by Customer.

b. On an export, at a reasonable time prior to the exportation of the shipment, the Customer shall furnish to Broker the commercial invoice in proper form and number, a proper consular declaration, weights, measures, values and other information in the language of and as may be required by the laws and regulations of the U.S. and the country of destination of the goods.

c. On an export or import, Broker shall not in any way be responsible or liable for increased duty, penalty, fine or expense unless caused by the negligence or other fault of Broker, in which event its liability to the Customer shall be governed by the provisions of paragraphs 8-10 below. The Customer shall be bound by and warrant the accuracy of all invoices, documents and information furnished to Broker by the Customer or its agents for export, entry or other purposes and the Customer agrees to indemnify and hold harmless Broker against any increased duty, penalty, fine or expense including attorneys' fees, resulting from any inaccuracy, incomplete statement, omission or any failure to make timely presentation, even if not due to any negligence of the Customer.

d. Customer must inform Broker of requirements for the transportation of food or food grade products subject to the requirements of the Food Safety Modernization Act of 2011 and its implementing regulations, The Sanitary Food Transportation Act, or, to the extent that Carrier performs services hereunder within, or to or from Canada, the Food and Drug Acts and any/all other applicable statutes and regulations, including, but not limited to the Ontario Food Safety and Quality Act, 2001, or any other jurisdiction's equivalent. Customer must transmit to Broker the shipper's or consignee's protocols and requirements for transporting food shipments subject to these Acts. Where Customer fails to inform Broker of such requirements, Broker and Carrier will have no liability for damage to food products, and Customer must defend, indemnify, and hold Broker and Carrier harmless, from any and all claims, costs, fines, penalties, damages, and other items, including reasonable attorney's fees, incurred by Broker and Carrier as a result of Customer's failure to inform Broker of food transportation requirements.

#### **7. DECLARING 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., Broker 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 9-10 below with respect to any claim against Broker and subject to the provisions of paragraph 3 above.

#### **8. INSURANCE.**

Broker will make reasonable efforts to effect marine, theft and other insurance upon the goods only after specific written instructions have been received by Broker from the Customer in such sufficient time prior to the shipment from the point of origin, and at the same time the written instructions from the Customer specifically states the kind and amount of insurance to be placed. Broker does not undertake or warrant that such insurance can or will be placed. Unless the Customer has its own open marine policy and instructs Broker to effect insurance under such policy, insurance is to be effected with one or more insurance companies or other underwriters to be selected by Broker. 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 Broker shall not be under any responsibility or liability in relation thereto, notwithstanding that the premium upon the policy may not be at the same rates as that charged or paid to Broker by the Customer, or that the shipment was insured under a policy in the name of Broker. Insurance premiums and the charge of Broker 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 Broker receives written instructions from the Customer. Unless specifically agreed in writing, Broker assumes no responsibility to effect insurance on any export or import shipment which it does not handle.

#### **9. LIMITATION OF LIABILITY.**

(a) The Customer agrees that Broker shall not be liable for any loss, damage, expense or delay to the goods caused directly or indirectly from the negligence or other fault of Broker; except to the extent that that such action or omission constitutes gross negligence. Such liability shall be limited to an amount equal to the lesser of five hundred (\$500) dollars or \$0.50/lbs per entry or 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 Broker issues its own bill of lading and receives freight charges as its compensation, the limit of liability shall be the lesser of five hundred (\$500) dollars or \$0.50/lbs per entry or shipment or the fee(s) charged for the services, provided that, in the case of partial loss, such amount will be adjusted pro rata;

(c) Customer agrees that Broker shall, in no event, be liable for consequential, punitive, statutory or special damages in excess of the monetary limit provided for above.

#### **10. PRESENTING CLAIMS.**

Broker shall not be liable under paragraph 9, or otherwise, for any claims not presented to it in writing within thirty (30) days of either the date of loss or incident giving rise to the claim. Broker may assist customer in the claim filing process and use commercially reasonable efforts to assist customer in investigation process. Broker will not be liable for claims arising out of customers, carriers or third party negligence. All freight cargo claims should be submitted directly to the carrier or its insurer, if you submit the claim to Broker; Broker will forward the claim the carrier or its insurer as a courtesy but maintains no liability for any deficiencies in the delivery or processing of the claim. Broker may assist in the resolution of the claim but have no liability for the claims. Timely payment for the shipment is a condition precedent to the processing and

payment of damage or insurance claims. No suit to recover for any claim or demand hereunder shall be maintained against Broker unless instituted within six (6) months after the presentation of the said claim or such longer period provided for under statute(s) of the State having jurisdiction of the matter.

#### **11. ADVANCING MONEY.**

Broker shall not be obligated to incur any expense, guarantee any payment or advance any money in connection with the importing, forwarding, transporting, insuring, storing or cooperating of the goods, unless the same is previously provided to Broker by the Customer on demand. Broker shall be under no obligation to advance freight charges, customs duties or taxes on any shipment, nor shall any advance by Broker be construed as a waiver of the provisions hereof.

#### **12. INDEMNIFICATION FOR FREIGHT & DUTIES.**

In the event that a carrier, other person or any governmental agency makes a claim or institutes legal action against Broker for freight, duties, fines, penalties, liquidated damages or other money due arising from a shipment of goods of the Customer, the Customer agrees to indemnify and hold harmless Broker for any amount Broker may be required to pay such carrier, other person or governmental agency together with reasonable expenses, including attorney and legal fees, incurred by Broker in connection with defending such claim or legal action and obtaining reimbursement from the Customer. The confiscation or detention of the goods by any governmental authority shall not effect or diminish the liability of the Customer to Broker to pay all charges or other money due promptly on demand.

#### **13. 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 Broker 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 Broker 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.

#### **14. GENERAL LIEN ON ANY PROPERTY.**

Broker shall have a general lien on any and all property (and documents relating thereto) to the Customer, in its possession, custody or control or en route, for all claims for charges, expenses or advances incurred by Broker in connection with any shipments of the Customer and if any claim remains unsatisfied for thirty (30) days after demand for its payment is made, Broker 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 Broker. Any surplus from such sale shall be transmitted to the Customer, and the Customer shall be liable for any deficiency in the sale.

#### **15. COMPENSATION OF BROKER.**

The compensation of Broker for its services shall be included with and is in addition to the rates and charges of all carriers and other agencies selected by Broker to transport and deal with the goods and such compensation shall be exclusive of any brokerage, commissions, dividends or other revenue received by Broker from carriers, insurers and others in connection with the shipment. On ocean exports, upon request, Broker shall provide a detailed breakout of the components of all charges assessed and a true copy of each pertinent document relating to these charges. In any referral for collection or action against the Customer for monies due to Broker, the Customer shall pay the expenses of collection and/or litigation, including Broker's reasonable attorneys' fees.

#### **16. NO RESPONSIBILITY FOR GOVERNMENTAL REQUIREMENTS.**

It is the responsibility of the Customer to know and comply with the marking requirements of the U.S. Customs Service, the regulations of the U.S. Food and Drug Administration, and all other requirements, including regulations of Federal, state and/or local agencies pertaining to the merchandise. Broker shall not be responsible for action taken or fines or penalties assessed by any governmental agency against the shipment because of the failure of the Customer to comply with the law or the requirements or regulations of any governmental agency or with a notification issued to the Customer by any such agency.

Customer must inform Broker of requirements for the transportation of food or food grade products subject to the requirements of the Food Safety Modernization Act of 2011 and its implementing regulations, The Sanitary Food Transportation Act, or, to the extent that Carrier performs services hereunder within, or to or from Canada, the Food and Drug Acts and any/all other applicable statutes and regulations, including, but not limited to the Ontario Food Safety and Quality Act, 2001, or any other jurisdiction's equivalent. Customer must transmit to Broker the shipper's or consignee's protocols and requirements for transporting food shipments subject to these Act. Where Customer fails to inform Broker of such requirements, Broker and Carrier will have no liability for damage to food products, and Customer must defend, indemnify, and hold Broker and Carrier harmless, from any and all claims, costs, fines, penalties, damages, and other items, including reasonable attorney's fees, incurred by Broker and Carrier as a result of Customer's failure to inform Broker of food transportation requirements.

#### **17. INDEMNITY AGAINST LIABILITY ARISING FROM THE IMPORTATION OF MERCHANDISE.**

The Customer agrees to indemnify and hold Broker harmless from any claims and/or liability arising from the importation of merchandise which violates any Federal, state and/or other laws or regulations and further agrees to indemnify and hold Broker harmless against any and all liability, loss, damages, costs, claims and/or expenses, including but not limited to attorney's fees, which Broker may hereafter incur, suffer or be required to pay by reason of claims by any government agency or private party. In the event that any action, suit or proceeding is brought against Broker

by any government agency or private party, Broker shall give notice in writing to the Customer by mail at its address on file with Broker. 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 Broker.

**18. LOSS, DAMAGE OR EXPENSE DUE TO DELAY.**

Unless the service to be performed by Broker on behalf of the Customer are delayed by reason of negligence or other fault of Broker, Broker shall not be responsible for any loss, damage or expense incurred by the Customer because of such delay. In the event Broker is at fault, as aforesaid, its liability is limited in accordance with the provisions of paragraphs 9-10 above.

**19. CHOICE OF LAW AND VENUE.**

The foregoing terms and conditions shall be construed according to the laws of the State of Georgia. Unless otherwise consented to in writing by Broker, no legal proceeding against Broker may be instituted by the Customer, or subrogee except in the State of Georgia.