



Re: Informational Pipeline 25-015-NWK

Section 1- H&M Reply to Solicitation

Letter to Port Director



U.S. Customs and Border Protection
Terminal C
1 Hotel Road
Newark, NJ 07114
Attn: APD Jeffrey Greene
EWRAIRCESApplication@cbp.dhs.gov

August 1, 2025

With the attached application, H & M International Warehousing respectfully requests to be considered for nomination as a U.S. Customs Examination Site at Newark Liberty International Airport.

H & M is eager to demonstrate its willingness and capabilities to meet the established requirements for a U.S. Customs Examination Site, as we have done for over 29 years in the New York/New Jersey Seaport and 34 years as the Centralized Air Cargo Examination Facility (CACEF). We have, and will continue to, comply fully with Customs directives, laws, regulations, and instructions.

Our current facility, Cargo Building 157 located on Conrad Rd within Newark Liberty International Airport, offers the accessibility, size, location, and security needed, along with a management staff well-versed in all U.S. Customs rules and regulations. This allows us to continue providing a first-class facility to U.S. Customs & Border Protection as an agency, as well as supporting CBP management and officers and maintaining the efficiency required by the import/export community.

Having operated several other local facilities for many years, including North Jersey Intermodal Terminal (NJIT) (Norfolk Southern Ramp), American Terminals Corporation (ATC) (American President Terminal), Newark Airport CACEF (H & M), and H & M Container Yard/Container Freight Station (Kearny, NJ), As well as a Seaport CES operation in Kearny NJ since 1991 we believe that our numerous customers, as well as CBP management and supervision at our CES locations, can attest to our integrity, cooperation, efficiency, and overall reputation as terminal operators in the Port of New York/New Jersey. With this attached application, we respectfully request consideration as the U.S. Customs Examination Site at Newark Liberty International Airport.

Respectfully,

Richard Werkmeister
President
H & M International Warehousing



Re: Informational Pipeline 25-015-NWK

Section 2 - H&M Reply to Solicitation

Completed Appendix 1

Rate Schedule



H&M INTERNATIONAL WAREHOUSING

NEWARK LIBERTY INTERNATIONAL AIRPORT

Centralized Examination Station

Rate/Fee Schedule

Applicant Name: H&M International Warehousing

INCLUSIVE PRICE PER AIR WAY BILL FOR ALL INTERNATIONAL CARGOES INTO NEWARK LIBERTY INTERNATIONAL AIRPORT

| | | | |
|--------------------|----|-------|--------|
| EWR DESTINED CARGO | \$ | 25.00 | p/MAWB |
| IN-TRANSIT CARGO | \$ | 13.50 | p/MAWB |

Cost per Master Air Way Bill includes all costs related to examination services for cargo located at airline and ground handling facilities within Newark Liberty International Airport (EWR). Billing will be charged to the originating airline and/or ground handling agent as mutually agreed.

Cargo at container freight stations, originating from EWR, should be delivered to the CES by a bonded carrier without any extra costs from the CES operation.

Cargo delivered ramp-side by the airline or ground handling agent will not incur drayage fees by the CES. Cargo picked up by the CES will incur drayage rates as follows:

| | | | | |
|---------|----|-----------|----|---------------|
| Drayage | \$ | 0.42 p/kg | \$ | 85.00 Minimum |
|---------|----|-----------|----|---------------|

Cargo originating from GHA or airline facilities within the airport will be returned to the origin facility for secure delivery.

FREE TIME & DEMURRAGE PERIODS

Day of release + two days (Examinations completed after 16:00 will be afforded an additional day)
All Demurrage fees will be calculated on a \$0.50 per kg per day basis with the following minimums:

| | | |
|---------------------|----|--------------|
| Days 3-5 | \$ | 85.00 p/day |
| Days 5-10 | \$ | 125.00 p/day |
| Day 11 & thereafter | \$ | 175.00 p/day |

Cargo on a Government Hold status after inspection will have 2 days to be resolved, after which a fee of \$0.50 per kilogram per day, with a minimum fee of \$50 per shipment per day, will be applied.

Cargo not examined at the CES but processed for seizure will incur a \$35.00 per carton seizure fee.



H&M INTERNATIONAL WAREHOUSING

**NEWARK LIBERTY INTERNATIONAL AIRPORT
Centralized Examination Station
Rate/Fee Schedule**

**THE FOLLOWING RATES WILL BE APPLICABLE FOR ALL EXAMINATION CARGOES ORIGINATING OUTSIDE OF NEWARK
LIBERTY INTERNATIONAL AIRPORT**

| | | |
|----------------------------------|---------------------|------------------------------|
| Examination Fee: | \$ 0.45 p/kg | \$ 65.00 Min p/AWB &/or HAWB |
| Drayage fee (inner Airport dray) | \$ 0.42 p/kg | \$ 85.00 Min p/AWB &/or HAWB |
| Facility Charge | \$ 55.00 p/AWB/HAWB | |
| Seizure Fee | \$ 15.00 p/AWB/HAWB | |

Damage observed during cargo unloading will be promptly communicated to the Customs Broker via email. A damage report will be generated, documenting all damage. There is no extra charge for this process.

During the examination process, if we notice damaged cargo or believe that reloading could cause damage, we may notify the broker or importer (with permission from the relevant government agency) to view and/or supervise the claims or reloading process after release from examination.

H & M International Warehousing is not responsible for damaged cargo under any circumstances.



Re: Informational Pipeline 25-015-NWK

Section 5 - H&M Reply to Solicitation

Proximity Map

Terminal Overview

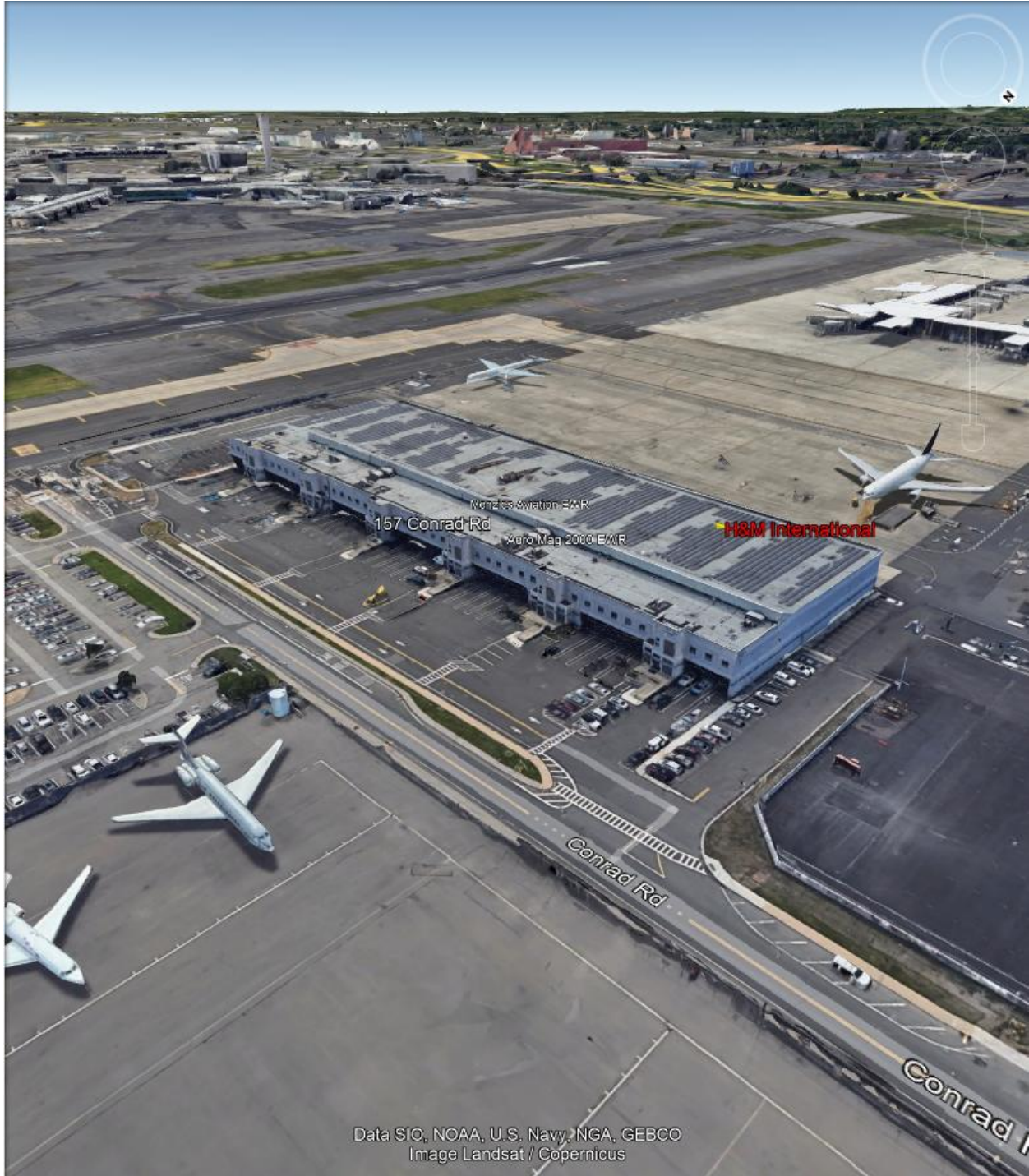
PROXIMITY MAP

157 Conrad Road – Newark, NJ 07114



PROXIMITY MAP

STREET SIDE



Data SIO, NOAA, U.S. Navy, NGA, GEBCO
Image Landsat / Copernicus

PROXIMITY MAP

RAMP SIDE





Re: Informational Pipeline 25-015-NWK

Section 6 - H&M Reply to Solicitation

Industry Interfaces

OIT Requirements

P2P Concept



Port2Point
Screen By Screen
Concept
Walkthrough

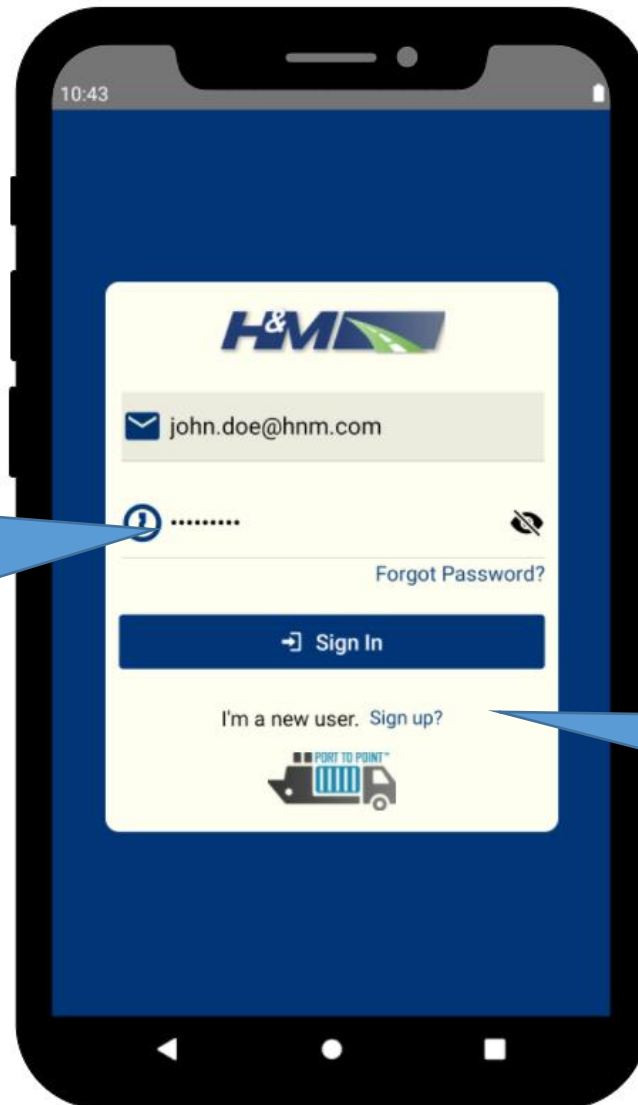
Version 1.4.1
08.11.2023

Login Screen

A Single Login Screen for all users will allow users with accounts to login and users with no account to sign up.

Current users will login in with their credentials. If the user is a customer, they will be directed to the customer version of the Ticket Management Page.

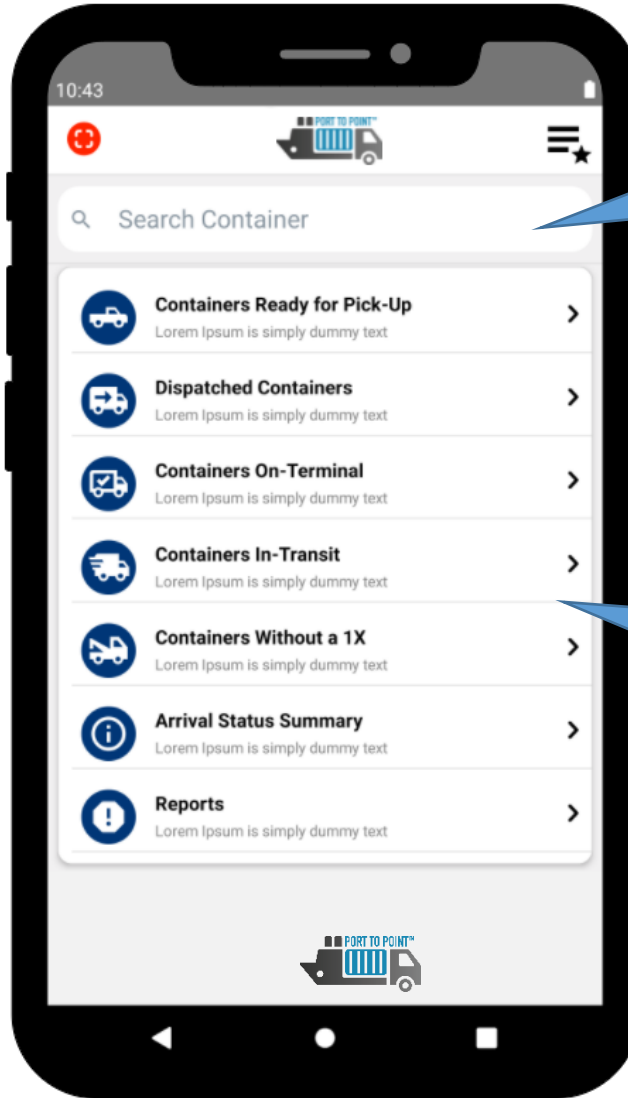
To: Home Screen



New User can sign up for an account by clicking the “New User? Sign Up Here” link.

Home Screen

Once Logged in, the customer/end user will land at the “Home Screen” Screen where users can navigate to one of seven modules in Port 2 Point. Each module offers a particular set of containers and associated key columns of information depending on the container type, status, etc.



Containers can be searched using any identifying information for that container(s)

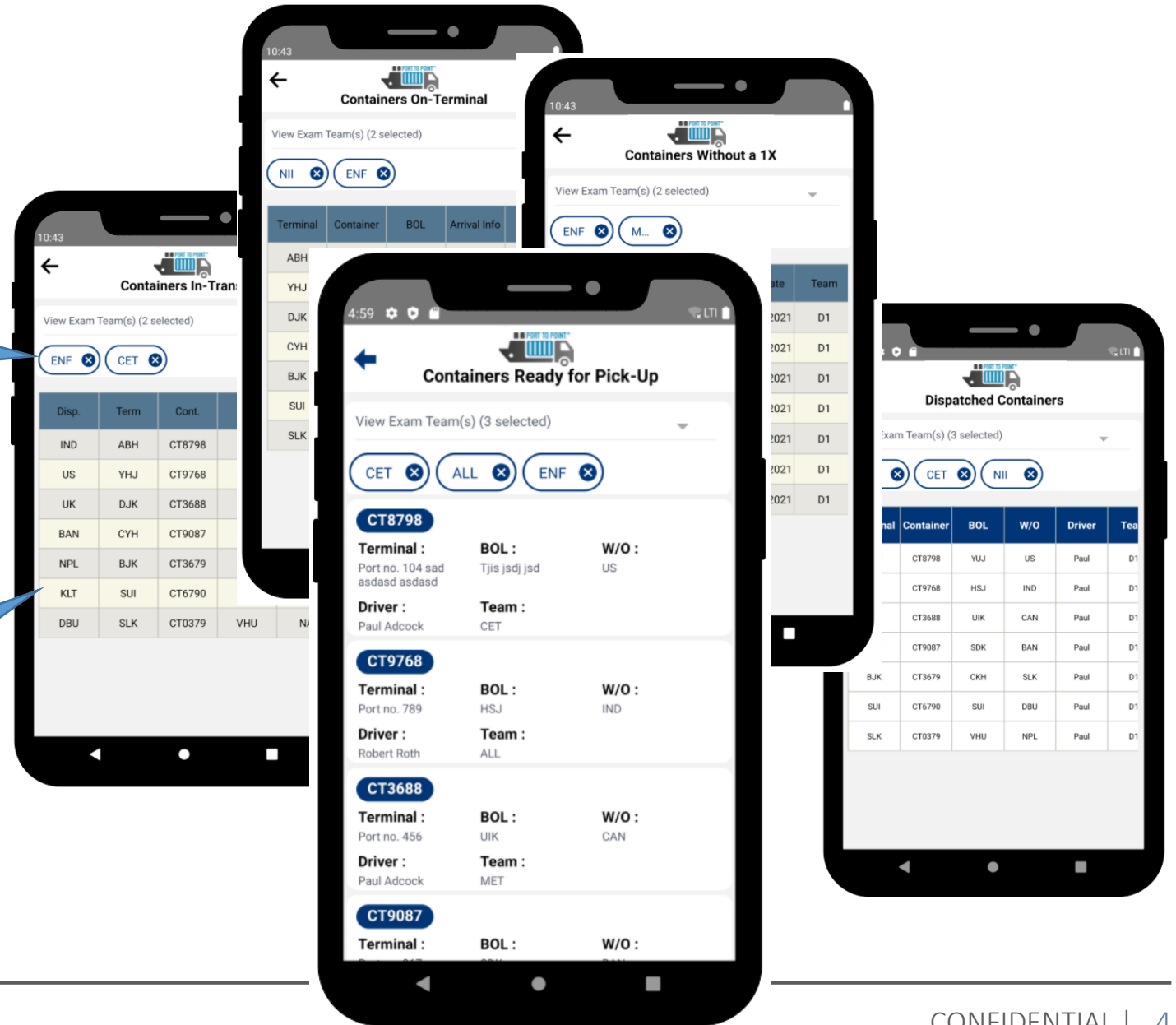
Users can navigate to any screen from the Home Screen. Users can also navigate to a Reports module to select and download multiple canned status reports.

Container Modules

From the Home Screen, the user can navigate to one of the various container status screens.

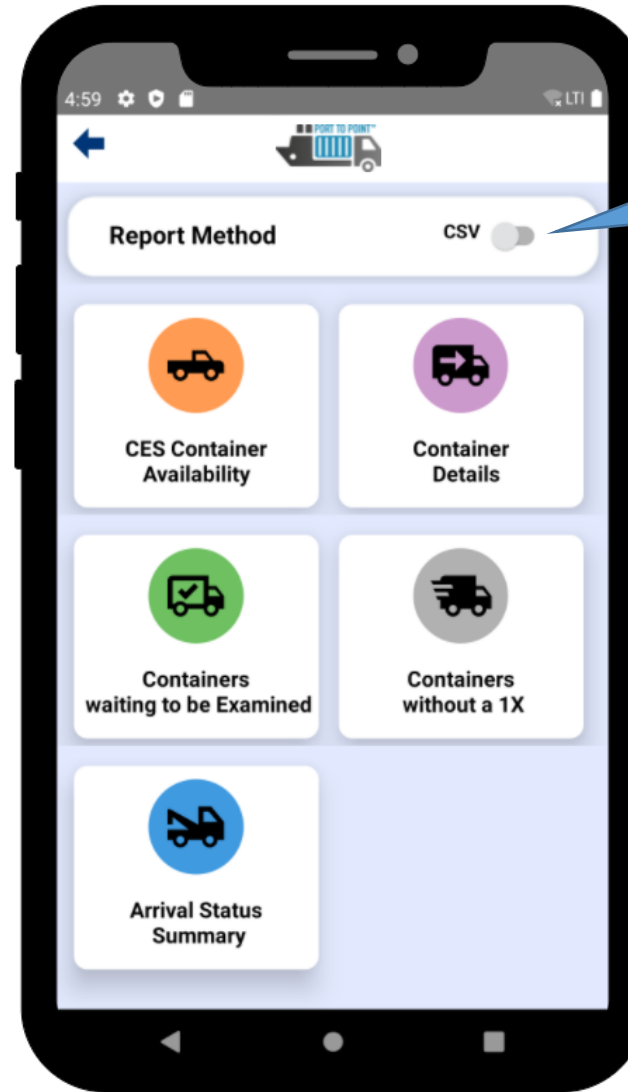
Users can select, filter, and sort individual or multiple containers based on multiple sets of criteria. This functionality is available on every screen within the application

Rotating the device on its side (horizontal view) will result in more visible columns within the device landscape. (This limits the need for scrolling)



Reports

Canned container reports can be displayed, printed, or downloaded right from the application Reports module. As new reports are requested/developed, users can easily navigate between status reports from this module based on real-time updated information.



Users can chose from various formats when displaying and/or printing reports from the reporting screen



ADDITIONAL REMARKS SCHEDULE

| | | | |
|---|-----------------------------|---|--|
| AGENCY The Whitmore Group, Ltd. | | NAMED INSURED H&M International Transportation, Inc. American Terminals Distribution Center 485 B Route 1 South, Iselin, NJ 08830 | |
| POLICY NUMBER SEE PAGE 1 | | | |
| CARRIER SEE PAGE 1 | NAIC CODE SEE P 1 | EFFECTIVE DATE: SEE PAGE 1 | |

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: ACORD 25 FORM TITLE: Certificate of Liability Insurance

Description of Operations/Locations/Vehicles:

Insurer F: Zurich Insurance Company

F) Employee Dishonesty, UC21943236.18/ 05/01/2018-05/01/2019 / \$1,000,000/ \$50,000 Ded

Workers Compensation Coverage Insurer G) ACE American Insurance NAIC Number 22667 08/09/2018-08/09/2019

\$1,000,000 EL Each Accident/ E.L. Disease Each Employee \$1,000,000 /

E.L.Disease -policy limit \$1,000,000

Data Processing and Telecommunications

INTRODUCTION

This attachment provides information on the data processing and voice communication systems used to facilitate cargo processing and enforce Customs and Border Protection (CBP) requirements at Centralized Examination Stations (CES). Due to the dynamic nature of data and voice communications technology, the requirements in this attachment may be subject to change. CBP will make every effort to immediately inform Centralized Examination Station Operators (CESO) when such changes are contemplated. CBP understands CESO budgetary constraints, however federal information systems must be designed to sufficiently ensure system confidentiality, integrity and availability in accordance with any and all applicable regulatory requirements.

Certain electronic systems, as defined in this agreement, are funded, upgraded, maintained and provided by the CESO, but procured, imaged, installed, serviced and controlled by CBP, for law enforcement purposes. Site modifications may be required to meet DHS and CBP standards. The requirements described address typical installations. As each facility is unique and variances occur from site to site, it is required that the CBP Offices of Administration (OA) and Information Technology (OIT) be involved during project planning. The CBP OA will assign a Project Manager (PM) to oversee overall project design and construction, identify CBP requirements to the CESO for specific LAN/Telco room layout and equipment specifications for each facility. The CBP OA PM is solely responsible for making any changes to the specifications outlined in this agreement, including identifying any emerging technologies required to support CBP operations.

RESPONSIBILITIES

- **Centralized Examination Station Operator (CESO)**

The CESO is responsible for funding, upgrading, maintaining and providing certain voice and data communications equipment. The CESO will control the voice communications equipment and services. For law enforcement purposes, CBP will procure, image, install, service and control all data communications equipment utilized for CBP operations. The CESO is also financially responsible for all initial and recurring circuit costs. But, CBP will procure, install and service the circuit(s). The CESO shall provide and install all systems infrastructure for both the data processing and voice communication systems. This includes, but is not limited to, ductbanks between buildings, entrance raceways, backboards, punch down blocks, wireway, cabling, dedicated conduit, data and voice jacks throughout the facility, power panels, and receptacles. CBP must be present during all cable pulls for the CBP areas.

Data Processing and Telecommunications

COMPUTER SYSTEMS

CBP will procure, receive, image, install and service the sufficient quantity of local area networks (LANs) to support commercial processing and administrative functions, for which the CESO will bear the associated costs. Each network generally includes gateways, switches, file servers, personal computers, printers, additional computer peripherals, and data communications hardware and software. It is the responsibility of the CESO to provide all necessary infrastructures to support the chosen topology, including the following: electrical power; an uninterruptible power supply (UPS); all required cabling, dedicated conduit and dedicated data circuits; and proper HVAC to assure optimum equipment performance.

CBP will also procure, receive, image, install and service all personal computers, peripherals and LAN equipment required to support law enforcement, commercial processing and administrative functions carried-out at an operation, which will be funded by the CESO.

Access is through a network of computer peripherals located in various operational areas of the processing facility. System hardware is located in the secure CBP LAN/Telco Room. For each facility, the CBP OA PM will furnish specific room layouts and hardware requirements. Dedicated and secure data lines connect this room to the off-site Wide Area Network (WAN). The equipment and equipment configuration for the location will be determined by the workload. It is essential that the CESO purchases and installs adequate conduit and cabling to assure the proper operation of the required CBP system. CBP must be present during all cable pulls to CBP areas.

The CBP OA PM will conduct site surveys as needed depending upon the complexity of the ADP equipment at the location. CBP will review its findings with the CESO, such as the requirements for the ADP infrastructure, dedicated electrical requirements, layout for the equipment, and the installation schedule. CBP requires at least a 120-day lead-time to procure the equipment and dedicated data circuit for a facility after funds are received from the CESO.

CBP will be responsible for the procurement, receipt, installation, servicing, maintenance, and trouble shooting of all ADP-related matters.

Data Processing and Telecommunications

- **Commercial Processing/Administrative Support Computer System**

The Commercial Processing/Administrative Support Computer System is normally confined to the CBP office areas. Its hardware is caged in the secured CBP LAN/Telco room. The installation of proper cabling is important in all offices. The installation of proper cabling and dedicated conduit is significant in open office configurations that need floor conduits since desks and officer's workstations often are not located adjacent to a convenient wall surface. The CBP OA PM will provide specific requirements to the CESO, however, the minimum wiring standard for each desk or workstation location is one (1) voice drop, one (1) data drop, and one (1) 120 VAC, 6-8 AMP quadraplex electrical outlet. In addition, the CESO must also provide one (1) data drop and one (1) 120 VAC duplex electrical outlet for each LAN/host addressable printer, and one (1) Voice drop and one (1) 120 VAC duplex electrical outlet for each FAX machine. Private offices should have a minimum of two (2) voice drops and two (2) data drops to permit alternate furniture placement. The CBP OIT will assist the CESO in planning to support both the commercial processing and administrative computer systems so that sufficient cabling and adequate power is provided to the LAN Topology.

- **Local Area Network Topology**

In some locations, Ethernet LANs are supported by CBP. When supported, the current standard is the Ethernet (100BASE-T) star-wired LAN topology. Both LANs require the use of unshielded twisted pair (UTP) Category-6 cabling. The CBP OA PM will provide official specifications for cabling topology during the facility planning phase. All CBP configurations facilitate cargo processing and support office automation. CBP LAN users have access to the CBP mainframe applications, multiple databases, development tools, word processing, automated spreadsheets, and other applications for law enforcement purposes.

The data and phone lines needed by personnel using these networks will be obtained by the CESO and provide the appropriate wiring and necessary conduit to support the current and future requirements of this application.

Data Processing and Telecommunications

VOICE COMMUNICATION SYSTEMS

The CESO is responsible for purchasing, installing and maintaining all necessary voice communication equipment required to provide CBP with a complete telephone system, including a voice mail system. The CESO must coordinate with the CBP OA PM early in the planning phase. The CBP OA PM will make all final decisions regarding CBP facility needs as they relate to these specifications. Attachment 4

CABLING REQUIREMENTS

Typical LAN/Telco room layouts are based on the equipment caged in the room and can vary from facility to facility. The CBP OA PM will provide official CBP specifications for CBP data and voice terminations, and make all final decisions regarding cabling specifications and systems design. Conduit between buildings is the responsibility of the CESO. CBP must be present during all cable pulls to CBP areas.

- **Installation Requirements**

The CBP OA PM will provide CBP official specifications for installation requirements during the planning phase. Following are some known CBP minimum installation requirements:

- The wiring used in the network shall be UTP Category-6 orange plenum rated cable, IBM Type 1 or Type 2.
 - UTP Category-6 cable shall be terminated with appropriate Category-6 parts. The present wiring standard is AT&T 568B with female RJ45 interfaces on both ends. All wire terminations, in the proper computer rooms, shall be on AMP's rack mountable ACO patch panels (P/N 556701-2) using ACO kits (P/N 555600-1). Data inserts for the kits shall be female RJ45 Category-6 rated (AMP P/N 557258-1). The equivalent AT&T parts numbers are 1100CAT6-24, 48, 64, or 96 for patch panels and M100CH-112, 8pos., 8-conductor, EIA/TIA T568B inserts for workstations. All terminations shall meet the TSB-40 specifications.
 - Terminate cable with appropriate Category 6, 568B parts. All wiring terminations in the LAN/Telco room(s) shall be on rack mountable patch panels. Kit data inserts shall be female RJ45 Category 6, 568B rated. All terminations must meet the TSB-40 specification.
 - All cabling shall be correctly labeled at both ends and certified tested to conform to industry accepted four-way testing of cable runs. CBP must be present during all cable pulls to CBP areas.
-

Data Processing and Telecommunications

- All cables shall be home-run from a central, convenient termination point, normally the secure CBP LAN/Telco rooms located in the administrative office complex. This room has special construction standards to prevent unauthorized access or accidental tampering with the cabling or LAN/Telco equipment. The CBP OA PM will furnish specific LAN/Telco room construction specifications for each facility
- The length of UTP or IBM cable from the central termination point to the workstation cannot exceed 300 linear feet, including patch cables. In cases where this limitation has been exceeded, fiber optic cable (specifications to be determined by distance from MDF) shall be run to extend the limitation. The CESO must also provide the space used to house remote equipment and furnish and install the fiber optic cable. When used, fiber optic cable shall be terminated with ST style connectors.
- The CBP OA PM shall approve all cabling specifications and parts during the facility planning phase. Dimensions of computer rooms will be based on the equipment caged and housed in the room.
- It is the CESO's responsibility to assure that there is sufficient cabling and secure conduit provided to support the phone and data DEMARK room to the LAN/Telco room(s), and between the LAN/Telco room(s) and the associated closets. The CBP OA PM will make final decisions regarding facility needs as they relate to CBP official specifications.
- Where dedicated conduit is required, it shall be sized to accommodate projected growth thru 2014 or 25%, whichever is greater.

POWER REQUIREMENTS

- **Uninterruptible Power Supply**

The CESO shall provide a UPS or back up generator sized to support the initial power load of all LAN equipment and telecommunications systems in the combined CBP computer/communications rooms. The system shall provide at least a 4-hour backup at 50% load.

Data Processing and Telecommunications

- **LAN/Telco Rooms**

Data processing and telecommunications equipment shall be co-located and separately caged in the LAN/Telco room. Any CESO information systems collocated within LAN/Telco room in shall be physically segregated from CBP information systems. The LAN/Telco room shall have a dedicated power panel fed from the facility UPS/Generator. Dedicated 120 volt AC, 20 or 30-ampere outlets shall be run from the LAN/Telco room power panel as required. The number of outlets required and circuit ratings will depend on the equipment that will be installed in the room. The CBP OA PM will furnish CBP official requirements for the LAN/Telco rooms during the project planning phase.

**U. S. CUSTOMS AND BORDER PROTECTION (CBP)
MEMORANDUM OF AGREEMENT TO REIMBURSE CBP**

This Memorandum of Agreement (“MOA”) outlines the agreement between the below named CES operator and CBP in regards to the operator’s responsibility to reimburse CBP for costs related to providing information technology (IT) services at the below named location. The legal authority for CBP to enter into and to require such an agreement is found at 19 U.S.C. § 1499 and at 19 C.F.R. Part 118.

[CES Operator]: H&M International Warehousing

Location: 157 Conrad Rd Suite 12
Newark, NJ 07114

[CES Operator] RESPONSIBILITIES

Data and Cabling

[CES operator] will be responsible for the procurement and installation of all data cabling and electrical components required for connectivity of the Automated Data Processing (ADP) equipment according to CBP Office of Information Technology (OIT) provided specifications. However, [CES operator] must give CBP two weeks, 14 days’ advance notice of all cable pulls so that CBP can be present and observe their installation.

Reimbursement of ADP Costs

[CES operator] agrees to reimburse CBP for all ADP equipment costs, including equipment ordering, installation, connectivity, maintenance, and recurring costs relative to standing-up and maintaining continuous CBP operations at [location]. Estimated ADP equipment costs total \$XXXXXX. Attached is CBP OIT’s Cost ROM [Number] that identifies the ADP equipment requirements for [location], for which [CES operator] will reimburse CBP all ADP costs.

[CES operator] will be billed for the costs of the ADP equipment, the one-time and recurring charges for the network, and any required replacement equipment. Recurring out-year network charges are estimated at \$XXXXXXXX per year.

ADP Equipment Upgrades

Upgrades to the ADP equipment may be required on a schedule determined by CBP (approximately every 3-5 years, as needed). [CES operator] also agrees to reimburse CBP costs to upgrade ADP equipment. CBP will provide [CES operator] at minimum a 60-day notice advance of required upgrades.

[CES Operator Name] Accounts Payable Information

[CES Operator Name] Tax Identification Number: 22-3695397

[CES Operator Name] Bill To Representative: Ann Krugg

[CES Operator Name] Bill To Address: 157 Conrad Rd Suite 12 Newark, NJ 07114

Payment Process

Upon execution of this MOA, CBP OIT will forward a signed original copy to the CBP National Finance Center (NFC). Upon receipt, the NFC will issue [CES operator] a bill for the estimated ADP costs totaling \$XXXXXX. The CBP NFC will also bill [CES operator] 90-days prior to the due date for \$XXXXXX in recurring out-year network charges owed, and any sums owed for future ADP equipment upgrades and replacements.

Pursuant to 19 C.F.R. § 24.3a, any amounts due CBP under the terms of this agreement not reimbursed within 30 days of billing will begin accruing interest charges based on current U.S. Treasury borrowing rates and may ultimately be referred for collection against the CES operator’s surety.

Equipment Ownership

CBP will retain possessory ownership of all ADP equipment ordered by CBP and reimbursed by [CES operator] until CBP vacates the premises. CBP will transfer ownership rights of all ADP equipment used in CBP operations and reimbursed by the [CES operator] for [location] when CBP vacates the premises. Within one month (30-days) following installation and reimbursement, CBP OIT will deliver a list of Serial Numbers and/or other identification and warranty information for the [CES operator] reimbursed ADP equipment to [CES operator] as instructed below.

[CES operator] ADP Equipment Administrator: _____

[CES operator] Ship to Address: _____

U.S. CUSTOMS AND BORDER PROTECTION (CBP) RESPONSIBILITIES

Equipment Connectivity and Maintenance

The CBP OIT will be responsible for ordering and installing required data equipment connection(s) from [CES Name] to the CBP National Data Center, and imaging, maintaining, and controlling all of the ADP equipment listed in the attached CBP OIT’s Cost ROM [Number] as required by CBP, the costs of which [CES operator] shall reimburse CBP. [CES operator] will incur no additional costs or CBP OIT charged service fees for any required ADP equipment maintenance/repair/replacement covered by CBP procured equipment warranties.

AUTHORIZATION (TWO ORIGINALS WITH SIGNATURES ARE REQUIRED)

Agreement to these terms is attested by the signatures below.

Richard Werkmeister, President _____

Name and Title, (CES Operator)
Agent

Signature

Date

Name and Title,
Port Director
New York/Newark

Date



Re: Informational Pipeline 25-015-NWK

Section 7 – HMIW Company Information

Company History

Articles of Incorporation

CBP 301 Custodial Bond

Certificate of Insurance

Corporate Resolution

Organizational Chart

E-Verify MOU

Employee List

Independent Contractor Lease Agreement



Company Background/History

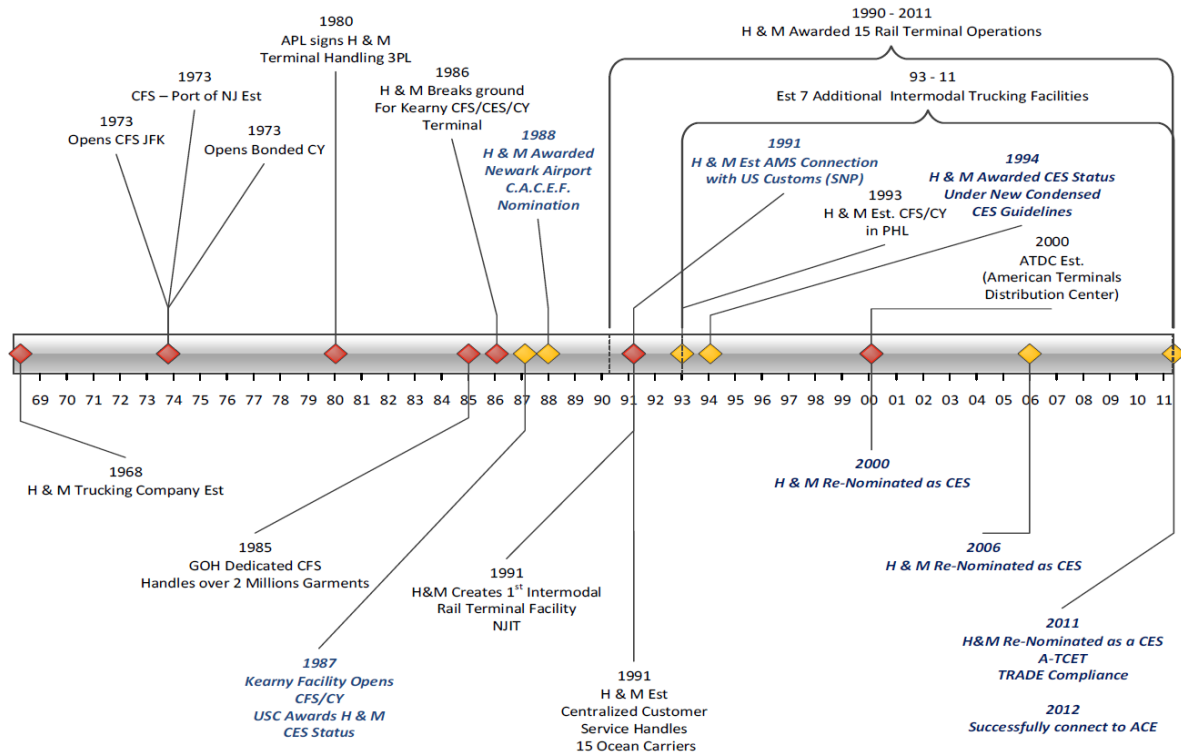
H & M International Warehousing, Inc. began operations as H&M International Transportation in 1968. In the years that followed, driven by our clients' needs for enhanced business services within their supply chains, the company began a fairly rapid, but controlled growth into the diverse organization found today.

Throughout our history, our operations have covered the continental United States, extending from areas as far North and East as Buffalo, NY, and Worcester, MA, to as far South and West as Laredo, TX, and Oakland, CA. H & M's business includes Central Examination Sites in air and ocean venues, Container Freight Stations, Warehousing and Distribution operations, as well as Intermodal Rail Terminal operations, Intermodal Maintenance and Repair, and, of course, Intermodal trucking services. These operations have collectively created jobs for thousands of people over the years.

Throughout H & M International's history, we have been recognized as an industry leader by pioneering new concepts and ideas across all areas of our operations, such as our CY terminals, originally established to handle the "new" intermodal traffic. This eventually led to the creation of the modern-day Intermodal Rail Terminal, a direct result of a joint venture concept introduced to ConRail by H & M International in the late 1980s. This concept resulted in the development of the North Jersey Intermodal Terminal or "NJIT" facility from the ConRail Croxton railyard. At the time, this new concept is now the model adopted nationwide. The same is true for our warehousing and distribution operations, where H & M International introduced the concept of Zone jumping to UPS, revolutionizing small package delivery systems of the day. These ideas not only enhance the efficiency of today's supply chain but also save the trade hundreds of millions of dollars in transportation and facility costs, while creating countless jobs across the country.

The above may be some of H & M's most notable successes, but each of our business lines includes numerous contributions to today's transportation models. In almost every case, the research, development, and/or integration of these services help improve other operations. For example, the EDI 322 gate transaction was initially integrated to support our CY operations — now, these transactions are used in our Kearny CES to provide ocean carriers and third-party equipment suppliers with real-time information on their equipment status, saving hundreds of hours of research and preventing billing errors each year, while also creating a more secure supply chain at lower costs. We're now not only generating this data but also receiving it from terminal operators to make, especially, the AG tailgate process more efficient.

Below please find a time line which highlights key points of H & M's history over the past 40+ years.



- 1968 H & M Trucking is established
- 1973 H & M opens the first Container Freight Stations in the Port of New Jersey
- 1973 H & M opens Container Freight Station Operations in JFK Airport
- 1973 H & M Opens CY Facility in New Jersey
- 1980 APL Signs H & M as Third Party Terminal Service Provider
- 1987 H & M Begins operations in the largest ODCY & CFS in the country
- 1987 H & M is designated as a CES Facility
- 1987 H & M is awarded the EWR Airport CACEF Nomination
- 1991 H & M Creates and opens the first full-service Intermodal Rail Terminal
- 1991 – 2016 H & M is awarded 15 Intermodal Rail Terminal Operations (NS, CSX & UP)
- 1991 H & M International Establishes an AMS connection as a SPN with US Customs
- 1993 H & M International opens PHL CFS/CY Terminal
- 1994 – 2010 H & M International opens 7 additional Intermodal Trucking Facilities
- 1995 H & M International is Re-Designated the EWR CACEF nomination
- 1994 H & M International is Re-Designated as a CES facility
- 2000 H & M International is Re-Designated as a CES facility
- 2000 American Terminals Distribution Center H&M International Warehousing is Established (ATDC)
- 2006 H & M International is Re-Designated as a CES facility
- 2012 H & M is designated as an A-TCET/TRADE CESO – including NII operations
- 2012 H & M establishes the first ACE Service Center connection with CBP as a CESO Friday, June 17, 2016
- 2017 H & M is re-designated as an A-TCET/TRADE CESO – including NII operations
- 2017 H & M Opens new CACEF Operations Facility
- 2022 H & M receives a Comprehensive CES designation in the Port of NY/NJ

As you will have noticed on the previous pages, H & M has been involved in international cargo operations for nearly 60 years and has worked closely with CBP at our multiple terminals for over 53 of those years.

As some may recall, when the idea of centralizing the examination process was introduced at the Port of NJ in 1987, it sparked much debate. This was because the recent failure of the JFK examination pilot program in 1985, awarded to a non-terminal operating company, was still fresh in the trade community's mind. H & M, having firsthand experience with the JFK model through our local CFS operations at Kennedy Airport, immediately recognized that the failure stemmed from the third-party company's lack of familiarity with the operational processes. This experience was crucial in understanding the community's needs as well as those of (at the time) U. S. Customs. When the opportunity arose at Newark International Airport, H & M was approached and submitted a detailed operational plan for consideration of the designation. We were subsequently awarded the contract, and the facility has now operated successfully for nearly 38 years.

During the startup operations of the C.A.C.E.F., H & M was simultaneously launching our ocean CES program, which has enjoyed the same success for many years.

H & M both then and now recognize the importance of experience in these kinds of operations. However, we also understand that each year we need to meet the needs of both CBP and the trade. That is why our operational staff and managers attend industry events, functions, working groups, and operational meetings such as CESAC diligently. We know it is our responsibility not only to stay aware of current industry needs but also to anticipate future changes before they occur. This allows us to adjust our operations and be prepared for the effects, needs, and challenges that will arise for both CBP and the trade.

Although our company's divisions and various operations are based on well-thought-out business plans, H & M has also been recognized as a company capable of responding to the immediate needs of the industry. Over the years, our company has been called upon to safely handle cargo that many other operations could not, and to respond to emergency staffing requirements in rail, warehouse, and trucking terminals throughout the country, among other tasks. One of the more significant requests was in handling US Military personnel foot-lockers in November 2006 when the USPS bulk facility had fallen behind by approximately 3 to 4 weeks. As a result, during an operational meeting with USPS and DOD, CBP recommended temporarily relocating the operation to our CES facility. All parties toured the H & M site that afternoon, and by the following morning, both CBP and H & M were operational. Process delays were brought under control within four days. The US Postal Service asked CBP and H & M to continue this setup until overseas screening procedures were fully functional. By the end of the program, H & M handled over a quarter of a million units for CBP screeners and, based on our recommendation to USPS, sorted and loaded them out by zip code to help facilitate the timely delivery to our service members.

We appreciate your review of our history and look forward to discussing it further during the interview process.

CORPORATE RESOLUTION

At a special meeting of the Board of Directors of H & M International Warehousing, Inc., held at its principal office at 456B Route 1 South, Iselin, New Jersey 08830 on September 6, 2018, there were present a majority of the Directors and all of the shareholders of said Corporation.

WHEREAS, H & M International Warehousing, Inc., will submit an application to U.S. Customs and Border Protection (CBP) to be nominated as a Centralized Examination Station (CES).

Upon motion duly made and seconded, the following resolution was unanimously approved:

“IT IS HEREBY RESOLVED that Richard Werkmeister, President, of the Corporation is hereby authorized to act as a signatory on behalf of the Corporation on all matters relating to this application and nomination by CBP.”

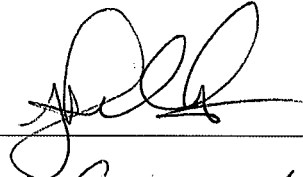
Upon motion duly made and seconded, there being no further business, the meeting was adjourned.

H & M International Warehousing, Inc.

BY: _____

[Print Name] _____

[Title] _____



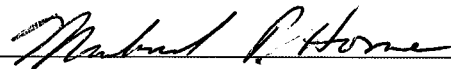
GEORGE WILLMOTT

TREASURER & CORP SECRETARY

I hereby certify that the foregoing is a full and true copy of a Resolution of the Board of Directors of said Corporation, past at a duly convened meeting of said Board, held on the aforesaid date, as taken from and compared with the original resolution written in the Minute Book of said Corporation and that all shareholders of the Corporation were present and each gave their approval and concurrence.

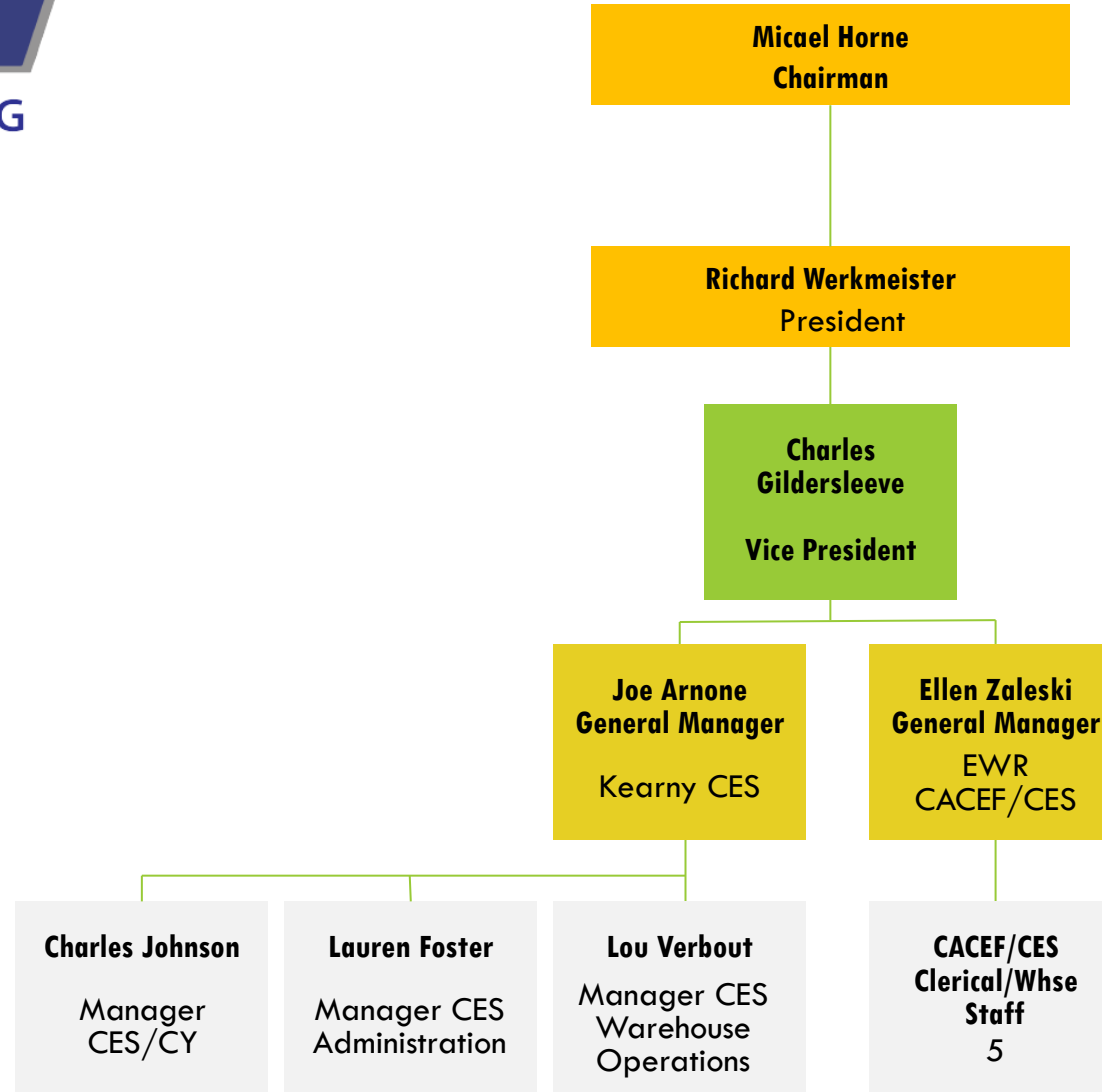
[Print Name] _____

[Title] _____



Michael P. Horne

Senior Operating Partner - Oakhurst
CEO



ORGANIZATION CHART



Company ID Number: 407748

**THE E-VERIFY PROGRAM FOR EMPLOYMENT VERIFICATION
MEMORANDUM OF UNDERSTANDING**

ARTICLE I

PURPOSE AND AUTHORITY

This Memorandum of Understanding (MOU) sets forth the points of agreement between the Department of Homeland Security (DHS) and **H&M International Transportation, Inc** (Employer) regarding the Employer's participation in the Employment Eligibility Verification Program (E-Verify). This MOU explains certain features of the E-Verify program and enumerates specific responsibilities of DHS, the Social Security Administration (SSA), and the Employer. E-Verify is a program that electronically confirms an employee's eligibility to work in the United States after completion of the Employment Eligibility Verification Form (Form I-9). For covered government contractors, E-Verify is used to verify the employment eligibility of all newly hired employees and all existing employees assigned to Federal contracts or to verify the entire workforce if the contractor so chooses.

Authority for the E-Verify program is found in Title IV, Subtitle A, of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (IIRIRA), Pub. L. 104-208, 110 Stat. 3009, as amended (8 U.S.C. § 1324a note). Authority for use of the E-Verify program by Federal contractors and subcontractors covered by the terms of Subpart 22.18, "Employment Eligibility Verification", of the Federal Acquisition Regulation (FAR) (hereinafter referred to in this MOU as a "Federal contractor with the FAR E-Verify clause") to verify the employment eligibility of certain employees working on Federal contracts is also found in Subpart 22.18 and in Executive Order 12989, as amended.

ARTICLE II

FUNCTIONS TO BE PERFORMED

A. RESPONSIBILITIES OF SSA

1. SSA agrees to provide the Employer with available information that allows the Employer to confirm the accuracy of Social Security Numbers provided by all employees verified under this MOU and the employment authorization of U.S. citizens.
2. SSA agrees to provide to the Employer appropriate assistance with operational problems that may arise during the Employer's participation in the E-Verify program. SSA agrees to provide the Employer with names, titles, addresses, and telephone numbers of SSA representatives to be contacted during the E-Verify process.
3. SSA agrees to safeguard the information provided by the Employer through the E-Verify program procedures, and to limit access to such information, as is appropriate by law, to individuals responsible for the verification of Social Security Numbers and for evaluation of the E-Verify program or such other persons or entities who may be authorized by SSA as governed



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by the Privacy Act (5 U.S.C. § 552a), the Social Security Act (42 U.S.C. 1306(a)), and SSA regulations (20 CFR Part 401).

4. SSA agrees to provide a means of automated verification that is designed (in conjunction with DHS's automated system if necessary) to provide confirmation or tentative nonconfirmation of U.S. citizens' employment eligibility within 3 Federal Government work days of the initial inquiry.

5. SSA agrees to provide a means of secondary verification (including updating SSA records as may be necessary) for employees who contest SSA tentative nonconfirmations that is designed to provide final confirmation or nonconfirmation of U.S. citizens' employment eligibility and accuracy of SSA records for both citizens and non-citizens within 10 Federal Government work days of the date of referral to SSA, unless SSA determines that more than 10 days may be necessary. In such cases, SSA will provide additional verification instructions.

B. RESPONSIBILITIES OF DHS

1. After SSA verifies the accuracy of SSA records for employees through E-Verify, DHS agrees to provide the Employer access to selected data from DHS's database to enable the Employer to conduct, to the extent authorized by this MOU:

- Automated verification checks on employees by electronic means, and
- Photo verification checks (when available) on employees.

2. DHS agrees to provide to the Employer appropriate assistance with operational problems that may arise during the Employer's participation in the E-Verify program. DHS agrees to provide the Employer names, titles, addresses, and telephone numbers of DHS representatives to be contacted during the E-Verify process.

3. DHS agrees to make available to the Employer at the E-Verify Web site and on the E-Verify Web browser, instructional materials on E-Verify policies, procedures and requirements for both SSA and DHS, including restrictions on the use of E-Verify. DHS agrees to provide training materials on E-Verify.

4. DHS agrees to provide to the Employer a notice, which indicates the Employer's participation in the E-Verify program. DHS also agrees to provide to the Employer anti-discrimination notices issued by the Office of Special Counsel for Immigration-Related Unfair Employment Practices (OSC), Civil Rights Division, U.S. Department of Justice.

5. DHS agrees to issue the Employer a user identification number and password that permits the Employer to verify information provided by employees with DHS's database.

6. DHS agrees to safeguard the information provided to DHS by the Employer, and to limit access to such information to individuals responsible for the verification of employees' employment eligibility and for evaluation of the E-Verify program, or to such other persons or entities as may be authorized by applicable law. Information will be used only to verify the accuracy of Social Security Numbers and employment eligibility, to enforce the Immigration and



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Nationality Act (INA) and Federal criminal laws, and to administer Federal contracting requirements.

7. DHS agrees to provide a means of automated verification that is designed (in conjunction with SSA verification procedures) to provide confirmation or tentative nonconfirmation of employees' employment eligibility within 3 Federal Government work days of the initial inquiry.

8. DHS agrees to provide a means of secondary verification (including updating DHS records as may be necessary) for employees who contest DHS tentative nonconfirmations and photo non-match tentative nonconfirmations that is designed to provide final confirmation or nonconfirmation of the employees' employment eligibility within 10 Federal Government work days of the date of referral to DHS, unless DHS determines that more than 10 days may be necessary. In such cases, DHS will provide additional verification instructions.

C. RESPONSIBILITIES OF THE EMPLOYER

1. The Employer agrees to display the notices supplied by DHS in a prominent place that is clearly visible to prospective employees and all employees who are to be verified through the system.

2. The Employer agrees to provide to the SSA and DHS the names, titles, addresses, and telephone numbers of the Employer representatives to be contacted regarding E-Verify.

3. The Employer agrees to become familiar with and comply with the most recent version of the E-Verify User Manual.

4. The Employer agrees that any Employer Representative who will perform employment verification queries will complete the E-Verify Tutorial before that individual initiates any queries.

A. The Employer agrees that all Employer representatives will take the refresher tutorials initiated by the E-Verify program as a condition of continued use of E-Verify.

B. Failure to complete a refresher tutorial will prevent the Employer from continued use of the program.

5. The Employer agrees to comply with current Form I-9 procedures, with two exceptions:

- If an employee presents a "List B" identity document, the Employer agrees to only accept "List B" documents that contain a photo. (List B documents identified in 8 C.F.R. § 274a.2(b)(1)(B)) can be presented during the Form I-9 process to establish identity.) If an employee objects to the photo requirement for religious reasons, the Employer should contact E-Verify at 888-464-4218.

- If an employee presents a DHS Form I-551 (Permanent Resident Card) or Form I-766 (Employment Authorization Document) to complete the Form I-9, the Employer agrees to make a photocopy of the document and to retain the photocopy with the employee's Form I-9. The photocopy must be of sufficient quality to allow for verification of the photo

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and written information. The employer will use the photocopy to verify the photo and to assist DHS with its review of photo non-matches that are contested by employees. Note that employees retain the right to present any List A, or List B and List C, documentation to complete the Form I-9. DHS may in the future designate other documents that activate the photo screening tool.

6. The Employer understands that participation in E-Verify does not exempt the Employer from the responsibility to complete, retain, and make available for inspection Forms I-9 that relate to its employees, or from other requirements of applicable regulations or laws, including the obligation to comply with the antidiscrimination requirements of section 274B of the INA with respect to Form I-9 procedures, except for the following modified requirements applicable by reason of the Employer's participation in E-Verify: (1) identity documents must have photos, as described in paragraph 5 above; (2) a rebuttable presumption is established that the Employer has not violated section 274A(a)(1)(A) of the Immigration and Nationality Act (INA) with respect to the hiring of any individual if it obtains confirmation of the identity and employment eligibility of the individual in good faith compliance with the terms and conditions of E-Verify; (3) the Employer must notify DHS if it continues to employ any employee after receiving a final nonconfirmation, and is subject to a civil money penalty between \$550 and \$1,100 for each failure to notify DHS of continued employment following a final nonconfirmation; (4) the Employer is subject to a rebuttable presumption that it has knowingly employed an unauthorized alien in violation of section 274A(a)(1)(A) if the Employer continues to employ an employee after receiving a final nonconfirmation; and (5) no person or entity participating in E-Verify is civilly or criminally liable under any law for any action taken in good faith based on information provided through the confirmation system. DHS reserves the right to conduct Form I-9 and E-Verify system compliance inspections during the course of E-Verify, as well as to conduct any other enforcement activity authorized by law.

7. The Employer agrees to initiate E-Verify verification procedures for new employees within 3 Employer business days after each employee has been hired (but after the Form I-9 has been completed), and to complete as many (but only as many) steps of the E-Verify process as are necessary according to the E-Verify User Manual, or in the case of Federal contractors with the FAR E-Verify clause, the E-Verify User Manual for Federal Contractors. The Employer is prohibited from initiating verification procedures before the employee has been hired and the Form I-9 completed. If the automated system to be queried is temporarily unavailable, the 3-day time period is extended until it is again operational in order to accommodate the Employer's attempting, in good faith, to make inquiries during the period of unavailability. Employers may initiate verification by notating the Form I-9 in circumstances where the employee has applied for a Social Security Number (SSN) from the SSA and is waiting to receive the SSN, provided that the Employer performs an E-Verify employment verification query using the employee's SSN as soon as the SSN becomes available.

8. The Employer agrees not to use E-Verify procedures for pre-employment screening of job applicants, in support of any unlawful employment practice, or for any other use not authorized by this MOU. Employers must use E-Verify for all new employees, unless an Employer is a Federal contractor that qualifies for the exceptions described in Article II.D.1.c. Except as provided in Article II.D, the Employer will not verify selectively and will not verify employees hired before the effective date of this MOU. The Employer understands that if the Employer



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uses the E-Verify system for any purpose other than as authorized by this MOU, the Employer may be subject to appropriate legal action and termination of its access to SSA and DHS information pursuant to this MOU.

9. The Employer agrees to follow appropriate procedures (see Article III. below) regarding tentative nonconfirmations, including notifying employees in private of the finding and providing them written notice of the findings, providing written referral instructions to employees, allowing employees to contest the finding, and not taking adverse action against employees if they choose to contest the finding. Further, when employees contest a tentative nonconfirmation based upon a photo non-match, the Employer is required to take affirmative steps (see Article III.B. below) to contact DHS with information necessary to resolve the challenge.

10. The Employer agrees not to take any adverse action against an employee based upon the employee's perceived employment eligibility status while SSA or DHS is processing the verification request unless the Employer obtains knowledge (as defined in 8 C.F.R. § 274a.1(l)) that the employee is not work authorized. The Employer understands that an initial inability of the SSA or DHS automated verification system to verify work authorization, a tentative nonconfirmation, a case in continuance (indicating the need for additional time for the government to resolve a case), or the finding of a photo non-match, does not establish, and should not be interpreted as evidence, that the employee is not work authorized. In any of the cases listed above, the employee must be provided a full and fair opportunity to contest the finding, and if he or she does so, the employee may not be terminated or suffer any adverse employment consequences based upon the employee's perceived employment eligibility status (including denying, reducing, or extending work hours, delaying or preventing training, requiring an employee to work in poorer conditions, refusing to assign the employee to a Federal contract or other assignment, or otherwise subjecting an employee to any assumption that he or she is unauthorized to work) until and unless secondary verification by SSA or DHS has been completed and a final nonconfirmation has been issued. If the employee does not choose to contest a tentative nonconfirmation or a photo non-match or if a secondary verification is completed and a final nonconfirmation is issued, then the Employer can find the employee is not work authorized and terminate the employee's employment. Employers or employees with questions about a final nonconfirmation may call E-Verify at 1-888-464-4218 or OSC at 1-800-255-8155 or 1-800-237-2515 (TDD).

11. The Employer agrees to comply with Title VII of the Civil Rights Act of 1964 and section 274B of the INA, as applicable, by not discriminating unlawfully against any individual in hiring, firing, or recruitment or referral practices because of his or her national origin or, in the case of a protected individual as defined in section 274B(a)(3) of the INA, because of his or her citizenship status. The Employer understands that such illegal practices can include selective verification or use of E-Verify except as provided in part D below, or discharging or refusing to hire employees because they appear or sound "foreign" or have received tentative nonconfirmations. The Employer further understands that any violation of the unfair immigration-related employment practices provisions in section 274B of the INA could subject the Employer to civil penalties, back pay awards, and other sanctions, and violations of Title VII could subject the Employer to back pay awards, compensatory and punitive damages. Violations of either section 274B of the INA or Title VII may also lead to the termination of its participation in E-



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Verify. If the Employer has any questions relating to the anti-discrimination provision, it should contact OSC at 1-800-255-8155 or 1-800-237-2515 (TDD).

12. The Employer agrees to record the case verification number on the employee's Form I-9 or to print the screen containing the case verification number and attach it to the employee's Form I-9.

13. The Employer agrees that it will use the information it receives from SSA or DHS pursuant to E-Verify and this MOU only to confirm the employment eligibility of employees as authorized by this MOU. The Employer agrees that it will safeguard this information, and means of access to it (such as PINS and passwords) to ensure that it is not used for any other purpose and as necessary to protect its confidentiality, including ensuring that it is not disseminated to any person other than employees of the Employer who are authorized to perform the Employer's responsibilities under this MOU, except for such dissemination as may be authorized in advance by SSA or DHS for legitimate purposes.

14. The Employer acknowledges that the information which it receives from SSA is governed by the Privacy Act (5 U.S.C. § 552a(i)(1) and (3)) and the Social Security Act (42 U.S.C. 1306(a)), and that any person who obtains this information under false pretenses or uses it for any purpose other than as provided for in this MOU may be subject to criminal penalties.

15. The Employer agrees to cooperate with DHS and SSA in their compliance monitoring and evaluation of E-Verify, including by permitting DHS and SSA, upon reasonable notice, to review Forms I-9 and other employment records and to interview it and its employees regarding the Employer's use of E-Verify, and to respond in a timely and accurate manner to DHS requests for information relating to their participation in E-Verify.

D. RESPONSIBILITIES OF FEDERAL CONTRACTORS WITH THE FAR E-VERIFY CLAUSE

1. The Employer understands that if it is a subject to the employment verification terms in Subpart 22.18 of the FAR, it must verify the employment eligibility of any existing employee assigned to the contract and all new hires, as discussed in the Supplemental Guide for Federal Contractors. Once an employee has been verified through E-Verify by the Employer, the Employer may not reverify the employee through E-Verify.

a. Federal contractors with the FAR E-Verify clause agree to become familiar with and comply with the most recent versions of the E-Verify User Manual for Federal Contractors and the E-Verify Supplemental Guide for Federal Contractors.

b. Federal contractors with the FAR E-Verify clause agree to complete a tutorial for Federal contractors with the FAR E-Verify clause.

c. Federal contractors with the FAR E-Verify clause not enrolled at the time of contract award: An Employer that is not enrolled in E-Verify at the time of a contract award must enroll as a Federal contractor with the FAR E-Verify clause in E-Verify within 30 calendar days of contract award and, within 90 days of enrollment, begin to use E-Verify to initiate verification of employment eligibility of new hires of the Employer who are working in the United States,



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whether or not assigned to the contract. Once the Employer begins verifying new hires, such verification of new hires must be initiated within 3 business days after the date of hire. Once enrolled in E-Verify as a Federal contractor with the FAR E-Verify clause, the Employer must initiate verification of employees assigned to the contract within 90 calendar days from the time of enrollment in the system and after the date and selecting which employees will be verified in E-Verify or within 30 days of an employee's assignment to the contract, whichever date is later.

d. Employers that are already enrolled in E-Verify at the time of a contract award but are not enrolled in the system as a Federal contractor with the FAR E-Verify clause: Employers enrolled in E-Verify for 90 days or more at the time of a contract award must use E-Verify to initiate verification of employment eligibility for new hires of the Employer who are working in the United States, whether or not assigned to the contract, within 3 business days after the date of hire. Employers enrolled in E-Verify as other than a Federal contractor with the FAR E-Verify clause, must update E-Verify to indicate that they are a Federal contractor with the FAR E-Verify clause within 30 days after assignment to the contract. If the Employer is enrolled in E-Verify for 90 calendar days or less at the time of contract award, the Employer must, within 90 days of enrollment, begin to use E-Verify to initiate verification of new hires of the contractor who are working in the United States, whether or not assigned to the contract. Such verification of new hires must be initiated within 3 business days after the date of hire. An Employer enrolled as a Federal contractor with the FAR E-Verify clause in E-Verify must initiate verification of each employee assigned to the contract within 90 calendar days after date of contract award or within 30 days after assignment to the contract, whichever is later.

e. Institutions of higher education, State, local and tribal governments and sureties: Federal contractors with the FAR E-Verify clause that are institutions of higher education (as defined at 20 U.S.C. 1001(a)), State or local governments, governments of Federally recognized Indian tribes, or sureties performing under a takeover agreement entered into with a Federal agency pursuant to a performance bond may choose to only verify new and existing employees assigned to the Federal contract. Such Federal contractors with the FAR E-Verify clause may, however, elect to verify all new hires, and/or all existing employees hired after November 6, 1986. The provisions of Article II.D, paragraphs 1.a and 1.b of this MOU providing timeframes for initiating employment verification of employees assigned to a contract apply to such institutions of higher education, State, local and tribal governments, and sureties.

f. Verification of all employees: Upon enrollment, Employers who are Federal contractors with the FAR E-Verify clause may elect to verify employment eligibility of all existing employees working in the United States who were hired after November 6, 1986, instead of verifying only new employees and those existing employees assigned to a covered Federal contract. After enrollment, Employers must elect to do so only in the manner designated by DHS and initiate E-Verify verification of all existing employees within 180 days after the election.

g. Form I-9 procedures for existing employees of Federal contractors with the FAR E-Verify clause: Federal contractors with the FAR E-Verify clause may choose to complete new Forms I-9 for all existing employees other than those that are completely exempt from this process. Federal contractors with the FAR E-Verify clause may also update previously completed Forms I-9 to initiate E-Verify verification of existing employees who are not completely exempt as long as that Form I-9 is complete (including the SSN), complies with

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Article II.C.5, the employee's work authorization has not expired, and the Employer has reviewed the information reflected in the Form I-9 either in person or in communications with the employee to ensure that the employee's stated basis in section 1 of the Form I-9 for work authorization has not changed (including, but not limited to, a lawful permanent resident alien having become a naturalized U.S. citizen). If the Employer is unable to determine that the Form I-9 complies with Article II.C.5, if the employee's basis for work authorization as attested in section 1 has expired or changed, or if the Form I-9 contains no SSN or is otherwise incomplete, the Employer shall complete a new I-9 consistent with Article II.C.5, or update the previous I-9 to provide the necessary information. If section 1 of the Form I-9 is otherwise valid and up-to-date and the form otherwise complies with Article II.C.5, but reflects documentation (such as a U.S. passport or Form I-551) that expired subsequent to completion of the Form I-9, the Employer shall not require the production of additional documentation, or use the photo screening tool described in Article II.C.5, subject to any additional or superseding instructions that may be provided on this subject in the Supplemental Guide for Federal Contractors. Nothing in this section shall be construed to require a second verification using E-Verify of any assigned employee who has previously been verified as a newly hired employee under this MOU, or to authorize verification of any existing employee by any Employer that is not a Federal contractor with the FAR E-Verify clause.

2. The Employer understands that if it is a Federal contractor with the FAR E-Verify clause, its compliance with this MOU is a performance requirement under the terms of the Federal contract or subcontract, and the Employer consents to the release of information relating to compliance with its verification responsibilities under this MOU to contracting officers or other officials authorized to review the Employer's compliance with Federal contracting requirements.

ARTICLE III

REFERRAL OF INDIVIDUALS TO SSA AND DHS

A. REFERRAL TO SSA

1. If the Employer receives a tentative nonconfirmation issued by SSA, the Employer must print the notice as directed by the E-Verify system and provide it to the employee so that the employee may determine whether he or she will contest the tentative nonconfirmation. The Employer must review the tentative nonconfirmation with the employee in private.

2. The Employer will refer employees to SSA field offices only as directed by the automated system based on a tentative nonconfirmation, and only after the Employer records the case verification number, reviews the input to detect any transaction errors, and determines that the employee contests the tentative nonconfirmation. The Employer will transmit the Social Security Number to SSA for verification again if this review indicates a need to do so. The Employer will determine whether the employee contests the tentative nonconfirmation as soon as possible after the Employer receives it.

3. If the employee contests an SSA tentative nonconfirmation, the Employer will provide the employee with a system-generated referral letter and instruct the employee to visit an SSA office within 8 Federal Government work days. SSA will electronically transmit the result of the referral to the Employer within 10 Federal Government work days of the referral unless it

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determines that more than 10 days is necessary. The Employer agrees to check the E-Verify system regularly for case updates.

4. The Employer agrees not to ask the employee to obtain a printout from the Social Security Number database (the Numident) or other written verification of the Social Security Number from the SSA.

B. REFERRAL TO DHS

1. If the Employer receives a tentative nonconfirmation issued by DHS, the Employer must print the tentative nonconfirmation notice as directed by the E-Verify system and provide it to the employee so that the employee may determine whether he or she will contest the tentative nonconfirmation. The Employer must review the tentative nonconfirmation with the employee in private.

2. If the Employer finds a photo non-match for an employee who provides a document for which the automated system has transmitted a photo, the employer must print the photo non-match tentative nonconfirmation notice as directed by the automated system and provide it to the employee so that the employee may determine whether he or she will contest the finding. The Employer must review the tentative nonconfirmation with the employee in private.

3. The Employer agrees to refer individuals to DHS only when the employee chooses to contest a tentative nonconfirmation received from DHS automated verification process or when the Employer issues a tentative nonconfirmation based upon a photo non-match. The Employer will determine whether the employee contests the tentative nonconfirmation as soon as possible after the Employer receives it.

4. If the employee contests a tentative nonconfirmation issued by DHS, the Employer will provide the employee with a referral letter and instruct the employee to contact DHS through its toll-free hotline (as found on the referral letter) within 8 Federal Government work days.

5. If the employee contests a tentative nonconfirmation based upon a photo non-match, the Employer will provide the employee with a referral letter to DHS. DHS will electronically transmit the result of the referral to the Employer within 10 Federal Government work days of the referral unless it determines that more than 10 days is necessary. The Employer agrees to check the E-Verify system regularly for case updates.

6. The Employer agrees that if an employee contests a tentative nonconfirmation based upon a photo non-match, the Employer will send a copy of the employee's Form I-551 or Form I-766 to DHS for review by:

- Scanning and uploading the document, or
- Sending a photocopy of the document by an express mail account (paid for at employer expense).

7. If the Employer determines that there is a photo non-match when comparing the photocopied List B document described in Article II.C.5 with the image generated in E-Verify, the Employer must forward the employee's documentation to DHS using one of the means described in the preceding paragraph, and allow DHS to resolve the case.



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ARTICLE IV

SERVICE PROVISIONS

SSA and DHS will not charge the Employer for verification services performed under this MOU. The Employer is responsible for providing equipment needed to make inquiries. To access E-Verify, an Employer will need a personal computer with Internet access.

ARTICLE V

PARTIES

A. This MOU is effective upon the signature of all parties, and shall continue in effect for as long as the SSA and DHS conduct the E-Verify program unless modified in writing by the mutual consent of all parties, or terminated by any party upon 30 days prior written notice to the others. Any and all system enhancements to the E-Verify program by DHS or SSA, including but not limited to the E-Verify checking against additional data sources and instituting new verification procedures, will be covered under this MOU and will not cause the need for a supplemental MOU that outlines these changes. DHS agrees to train employers on all changes made to E-Verify through the use of mandatory refresher tutorials and updates to the E-Verify User Manual, the E-Verify User Manual for Federal Contractors or the E-Verify Supplemental Guide for Federal Contractors. Even without changes to E-Verify, DHS reserves the right to require employers to take mandatory refresher tutorials. An Employer that is a Federal contractor with the FAR E-Verify clause may terminate this MOU when the Federal contract that requires its participation in E-Verify is terminated or completed. In such a circumstance, the Federal contractor with the FAR E-Verify clause must provide written notice to DHS. If an Employer that is a Federal contractor with the FAR E-Verify clause fails to provide such notice, that Employer will remain a participant in the E-Verify program, will remain bound by the terms of this MOU that apply to participants that are not Federal contractors with the FAR E-Verify clause, and will be required to use the E-Verify procedures to verify the employment eligibility of all newly hired employees.

B. Notwithstanding Article V, part A of this MOU, DHS may terminate this MOU if deemed necessary because of the requirements of law or policy, or upon a determination by SSA or DHS that there has been a breach of system integrity or security by the Employer, or a failure on the part of the Employer to comply with established procedures or legal requirements. The Employer understands that if it is a Federal contractor with the FAR E-Verify clause, termination of this MOU by any party for any reason may negatively affect its performance of its contractual responsibilities.

C. Some or all SSA and DHS responsibilities under this MOU may be performed by contractor(s), and SSA and DHS may adjust verification responsibilities between each other as they may determine necessary. By separate agreement with DHS, SSA has agreed to perform its responsibilities as described in this MOU.

Company ID Number: 407748

D. Nothing in this MOU is intended, or should be construed, to create any right or benefit, substantive or procedural, enforceable at law by any third party against the United States, its agencies, officers, or employees, or against the Employer, its agents, officers, or employees.

E. Each party shall be solely responsible for defending any claim or action against it arising out of or related to E-Verify or this MOU, whether civil or criminal, and for any liability wherefrom, including (but not limited to) any dispute between the Employer and any other person or entity regarding the applicability of Section 403(d) of IIRIRA to any action taken or allegedly taken by the Employer.

F. The Employer understands that the fact of its participation in E-Verify is not confidential information and may be disclosed as authorized or required by law and DHS or SSA policy, including but not limited to, Congressional oversight, E-Verify publicity and media inquiries, determinations of compliance with Federal contractual requirements, and responses to inquiries under the Freedom of Information Act (FOIA).

G. The foregoing constitutes the full agreement on this subject between DHS and the Employer.

H. The individuals whose signatures appear below represent that they are authorized to enter into this MOU on behalf of the Employer and DHS respectively.



Company ID Number: 407748

To be accepted as a participant in E-Verify, you should only sign the Employer's Section of the signature page. If you have any questions, contact E-Verify at 888-464-4218.

Employer **H&M International Transportation, Inc**

Mary Hayes

Name (Please Type or Print)

Title

Electronically Signed

04/11/2011

Signature

Date

Department of Homeland Security – Verification Division

USCIS Verification Division

Name (Please Type or Print)

Title

Electronically Signed

04/11/2011

Signature

Date

Information Required for the E-Verify Program

Information relating to your Company:

| | |
|---------------------------------|--|
| Company Name: | H&M International Transportation, Inc |
| Company Facility Address: | 700 Belleville Turnpike |
| | CES Warehouse |
| | Kearny, NJ 07032 |
| Company Alternate Address: | |
| County or Parish: | HUDSON |
| Employer Identification Number: | 222392583 |

Company ID Number: 407748

| | |
|---|----------|
| North American Industry Classification Systems Code: | 488 |
| Administrator: | |
| Number of Employees: | 20 to 99 |
| Number of Sites Verified for: | 1 |
| Are you verifying for more than 1 site? If yes, please provide the number of sites verified for in each State: | |
| <ul style="list-style-type: none">NEW JERSEY 1 site(s) | |

Information relating to the Program Administrator(s) for your Company on policy questions or operational problems:

| | | | |
|-------------------|-----------------------|-------------|------------------|
| Name: | Mary E Hayes | Fax Number: | (732) 510 - 4691 |
| Telephone Number: | (732) 510 - 4667 | | |
| E-mail Address: | mhayes@hmit.net | | |
| Name: | Lauren Foster | Fax Number: | (732) 510 - 2875 |
| Telephone Number: | (732) 510 - 2712 | | |
| E-mail Address: | lfoster@hmit.net | | |
| Name: | Richard F Werkmeister | Fax Number: | (732) 510 - 2875 |
| Telephone Number: | (732) 510 - 2702 | | |
| E-mail Address: | rwerk@hmit.net | | |
| Name: | Joyce Adamson | Fax Number: | (732) 510 - 2875 |
| Telephone Number: | (732) 510 - 2707 | | |
| E-mail Address: | jadamson@hmit.net | | |



Company ID Number: 407748



INDEPENDENT CONTRACTOR
OPERATING AGREEMENT

THIS INDEPENDENT CONTRACTOR OPERATING AGREEMENT (the "Agreement") is made this _____ day of _____, 20____ by and between H&M International Warehousing (the "Carrier") and _____ (the "Contractor").

BACKGROUND

- A. The carrier is a common and contract carrier by motor vehicle operating under authority issued by the Department of Transportation, **DOT Number 569618**.
- B. CONTRACTOR is the owner or lessee or in otherwise lawful possession of certain motor vehicle equipment suitable for the transportation of property, which equipment is described in the attached, incorporated Exhibit A; CONTRACTOR is lawfully permitted to operate as a trucker and is engaged in the business of hauling commodities by motor vehicle for others for hire.
- C. The Carrier desires to lease the Equipment from the Contractor and to engage the Contractor to perform certain services involving, *inter alia*, the counting, loading, unloading, pickup, transportation, arrangement for delivery, delivery and maintenance for appropriate records of shipments required by the Carrier (the "Services") and the Contractor desires to lease the Equipment to the Carrier and to perform the Services for the Carrier as specified in this Agreement.
- D. The Contractor is not required to purchase or rent any products, equipment or services from the Carrier as a condition of entering into this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and premises contained herein, and intending to be legally bound hereby, the parties hereto agree as follows:

1. **RELATIONSHIP OF PARTIES:** This Agreement is between co-equal motor carriers, both of who are engaged in "for hire" motor carriage. The Parties and not an employee, agent, joint venture or partner of CARRIER for any purpose whatsoever. The Parties intend this Agreement to create the relationship of CARRIER and independent contractor and not that of employer-employee. Neither the CONTRACTOR nor its employees are to be considered employees of CARRIER at any time, under any circumstances or for any purpose. Neither party shall have the right to bind the other by contract or otherwise except as specifically provided in this Agreement. CARRIER shall have no right to, and shall not, control the manner or prescribe the method of accomplishing those services which shall be contracted to, and performed by, CONTRACTOR pursuant to this Agreement, and the general public and all governmental agencies regulating such activities shall be so informed; provided however that, to the extent required by applicable state law/regulation and by the Code of Federal Regulations, Title 49, Section 376.12(c), CARRIER "shall have exclusive possession, control and use of the equipment for the duration of the lease, "and"

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...shall assume complete responsibility for the operation of the equipment for the duration of the Lease." Those provisions of the Agreement reserving ultimate authority in CARRIER have been inserted solely to achieve compliance with federal and state laws, rules, and interpretations thereof. None of the provisions of the Agreement shall be interpreted as creating the relationship of employer and employee between CARRIER and CONTRACTOR or between CARRIER and any driver, agent, servant or other employee of CONTRACTOR.

2. Compensation

As compensation for the Services to be provided by the Contractor to the Carrier and the lease of the Equipment, as specified in this Agreement, the Carrier shall pay the Contractor a combined amount in accordance with the applicable rate(s) set forth on Exhibit "B" attached hereto and incorporated herein by reference, which amount shall constitute full and complete payment to the Contractor for the Services and the lease of the Equipment.

The amount to be paid may be expressed as a percentage of gross revenue, a flat rate per mile, a variable rate depending on the direction traveled or the type of commodity transported, or by any other method of compensation mutually agreed upon by the Carrier and Contractor.

3. Payment Specifications

- a. Period- Payment to the Contractor shall be made by the Carrier within fifteen (15) days after submission of the necessary delivery documents and other paperwork concerning a trip in the service of the authorized Carrier. The paperwork required before the Contractor can receive payment is limited to logbooks required by the Department of Transportation and those documents necessary for the Carrier to secure payment from the shipper.
- b. Removal of Identification- As a condition precedent to the payment by the Carrier to the Contractor of any compensation otherwise payable under this Agreement upon the termination or earlier cancellation of the term of this Agreement, the Contractor shall remove, at its sole cost and expense, all identification devices of the Carrier and, except in the case of identification painted directly on the Equipment, return them to the Carrier within fifteen (15) days. If the identification device has been lost or stolen, a letter certifying its removal will satisfy this requirement, upon which the Carrier shall deduct One Hundred Dollars (\$100.00), for each such lost or stolen identification device from the gross compensation otherwise payable to the Contractor at final settlement. To the extent permitted by law, Contractor's failure to comply with this requirement may delay or cause the payment of Contractor's final settlement to be withheld.
- c. Submission of Freight Documentation-The Carrier may require the submission of additional documents by the Contractor, but not as a prerequisite to payment. Payment to the Contractor shall not be made

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contingent upon submission of a bill of lading to which no exceptions have been taken. The Carrier shall not set time limits for the submission by the Contractor of required delivery documents and other paperwork.

- d. Copies of Freight Bill or Other Forms of Freight Documentation- When a Contractor's revenue is based on a percentage of the gross revenue for a shipment, the Carrier shall give the Contractor, before or at the time of settlement, a copy of the rated freight bill or a computer generated document containing the same information or in the case of contract carriers, any other form of documentation actually used for a shipment containing the same information that would appear on a freight bill. When a computer generated document is provided, the Contractor shall be permitted to view, during normal business hours, a copy of any actual document underlying the computer-generated document. Regardless of the method of compensation, the Contractor shall have the right to examine copies of the Carrier's tariff, or in the case of contract carriers, other documents from which rates and charges are computed, provided that where rates and charges are computed from a contract of a contract carrier, only those portions of the contract containing the same information that would appear on a rated freight bill need be disclosed. The Carrier may delete the names of shippers and consignees shown on the freight bill or other form of documentation.
- e. Charge Back Items- In the event that the Contractor has secured an advance of any kind from the Carrier, or if the Contractor or any of the Contractor's authorized agents or employees are indebted to the Carrier for any costs or expenses to be incurred by the Contractor under this Agreement, the Carrier may deduct any such amount from the gross compensation otherwise payable to the Contractor at final settlement. The Carrier shall provide to the Contractor a copy of any and all documentation necessary to substantiate how such amounts were computed. The Contractor shall be given copies of the documents to determine the validity of the charges.

4. Escrow

- a. Escrow Fund- The Contractor agrees that upon execution of this Agreement, the Contractor shall deposit with the Carrier and shall maintain at all times during the term of this Agreement with the Carrier an escrow fund equal to the sum of (a) One Thousand Dollars (\$1,000.00), for the first three items of Equipment identified on Exhibit "A", and (b) Two Hundred Fifty Dollars (\$250.00), for each additional item of Equipment identified on Exhibit "A", which Escrow Amount shall be held by the Carrier in an interest bearing account. If the Contractor is unable to establish the Escrow Fund in full upon execution of this Agreement, the Carrier shall deduct the lesser of (a) Five Percent (5%) of the gross compensation otherwise payable to the Contractor under this Agreement, or (b) One Hundred Dollars (\$100.00) for each item of Equipment identified on Exhibit "A", which amount shall be deducted from the gross compensation otherwise payable to the Contractor

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under this Agreement at each settlement and at final settlement until such time as the balance of the escrow fund is equal to the escrow amount.

- b. Accrued Interest- While the escrow fund is under the control of the Carrier, the Carrier shall pay interest on the escrow fund on at least a quarterly basis. The interest rate shall be established on the date the interest period begins and shall be at least equal to the average yield or equivalent coupon issue yield on 91-day, 13-week Treasury bills as established in the weekly auction by the Department of Treasury.
 - c. Accounting to the Contractor- While the Escrow fund is under the control of the Carrier, the Carrier shall provide an accounting to the Contractor of any transactions involving such fund at any time. The Carrier shall perform this accounting in one of the following ways:
 - i. By clearly indicating on individual settlement sheets the amount and description of any deduction or addition made to the escrow fund; or
 - ii. By providing a separate accounting to the Contractor of any transactions involving the escrow fund. This separate accounting shall be done on a monthly basis.
 - d. Return of the Escrow Fund- The lease shall specify what conditions the Contractor must fulfill in order to have the escrow fund returned. At the time of the return of the escrow fund, the Carrier may deduct monies for those obligations incurred by the Contractor which have been previously specified in the lease, and shall provide a final accounting to the Contractor of all such final deductions. In no event shall the Escrow Fund be returned later than forty five (45) days from the date of termination.
5. Collection of Money – In the event that the Contractor is required to collect any charges of the Carrier in conjunction with the performance of the Services, which charges may include shipper’s C.O.D. charges, or transportation charges, or both, the Contractor shall remit such funds immediately to the Carrier in accordance with the instructions issued to the Contractor by the Carrier.
6. Independent Contractor Status – The Contractor and the Carrier hereby acknowledge and agree that in furnishing the Services, the Contractor shall act as an independent contractor in relation to the Carrier and not an employee of the Carrier and, subject only to the terms of this agreement, the Contractor shall determine its own method of operation in the course of its performance of the service. The Contractor shall have no authority to act for or on behalf of the Carrier or to bind the Carrier without Carrier’s express written consent. The Contractor shall not be entitled to receive any compensation, commissions or benefits except as otherwise expressly provided in this Agreement.

7. Duties of the Contractor

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- a. Equipment and Drivers- The Contractor agrees to lease the Equipment to the Carrier and to provide driver(s) and other personnel to the Carrier to operate and maintain the Equipment as necessary for the Services to be provided under this Agreement.

- b. Maintenance of the Equipment- The Contractor shall maintain the Equipment in a state of repair consistent with any and all applicable federal, state and local regulations where the Equipment may be operated under this Agreement. Prior to placing any of the Equipment into service in accordance with this Agreement, the Carrier may conduct an inspection of the Equipment and shall submit a report of the results of such inspection in accordance with the requirements of the Federal Highway Inspection Administration (FMCSA) within five (5) days after such inspection. In the event said report discloses that any of the Equipment subject to such an inspection is not mechanically suitable for the Services or is otherwise found not to be safe for operation under applicable federal, state or local statutes, regulations, or ordinances, the Equipment shall not be utilized for the Services pending repair thereof and the Contractor shall take such actions as necessary to correct any such defects at the Contractor's sole cost and expense. If the Carrier deems it necessary to insure the safe operation of any of the Equipment during the term of this Agreement, the Carrier may require the Contractor to repair or replace, at the Contractor's sole cost and expense, any parts, accessories, or equipment normally utilized in connection with that Equipment. In the event the Contractor fails or refuses to make any such repair or replacement upon notice from the Carrier, or if the Contractor fails to properly maintain any of the Equipment, the Carrier may take such action without further notice to the Contractor, and thereafter, may deduct the cost thereof from any amounts due to the Contractor under this Agreement.

- c. Operation of the Equipment- The Contractor hereby warrants that the Equipment operated under this Agreement presently complies with all federal, state, and local statutes and regulations, and further warrants that the Contractor will insure that the Equipment will continue to comply with all federal, state, and local statutes and regulations during the term of this Agreement.

- d. Performance of the Services- The Contractor shall count, load, unload, pickup, transport, arrange for delivery, deliver, and maintain and process appropriate records of such shipments as the Carrier may tender to the Contractor and which the Contractor may accept from the Carrier, it being expressly understood that the Contractor retains the discretion to refuse to accept shipments for pickup and delivery designated by the Carrier. The Contractor shall provide and operate, or cause to be operated, for any such Services, the Equipment as the Contractor deems necessary and shall furnish, or cause to be furnished for any such services, sufficient labor to operate the Equipment.

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- e. Driver Qualifications- The Contractor shall hire, compensate, supervise and control such qualified drivers and other personnel as the Contractor shall deem necessary for the performance of the Services. The Contractor shall provide to the Carrier, at the Contractor's sole expense, a physician's certificate evidencing compliance with applicable safety regulations prior to any driver's operation of any of the Equipment under this Agreement, which certificate shall be carried by the driver at all times while operating any of the Equipment. In addition, the Contractor shall insure that each driver is sufficiently familiar with all driving safety rules contained in any applicable federal, state, and local statutes, regulations, and ordinances and shall require such drivers to fully comply in all respects with such driving safety rules.

Lastly, the Contractor shall furnish, at its sole expense, any mandatory testing of such drivers including, without limitation, drug testing, vehicle inspecting testing, driver's skill testing and/or road handling tests prescribed by all applicable federal, state or local statutes, regulations or ordinances. The Contractor assumes sole responsibility for compliance with all economic, operational safety, insurance and any other requirements imposed by any applicable federal, state or local statutes, regulations or ordinances.

- f. Supervision, Control, Responsibility- The Contractor shall determine the means and methods of the performance of the Services, including, without limitation, the selection of the route or combination of routes the Contractor and/or its driver(s) shall use in performing the Services, subject only to any performance criteria provided by the Carrier to the Contractor with respect to the time and place of pickup and delivery.
- g. Employees- The Contractor shall retain sole responsibility for the hiring of drivers and other personnel required to perform the Services, including, without limitation, setting the wages, benefits, hours, working conditions and adjusting the grievances of, supervising, training, disciplining, and firing of all drivers and other personnel necessary for the performance of the Services, all of whom shall at all times and for all purposes be employees of the Contractor.
- h. Equipment- The Contractor shall retain sole responsibility with respect to the storage, maintenance and repair of the Equipment, including, without limitation, the purchase of fuel, oil and repair services, except as otherwise provided in this Agreement.
- i. Operating Expenses- The Contractor shall retain sole responsibility for the payment of all operating expenses incurred with respect to the Equipment including without limitation, all expenses for property taxes, fuel taxes, fuel, oil, repairs, non-dispatched empty mileage, road taxes, mileage taxes, tolls,

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base plates, licenses, permits of all types, detention and accessorial services, and any unused portions of such items.

To the extent the Carrier initially pays for any of the above items, the Carrier may deduct such amounts from the compensation otherwise payable to the Contractor under this Agreement at the time of payment or final settlement, as well as applicable interest, penalties, court costs, administrative expenses and attorney's fees and costs associated with the Contractor's failure to timely pay any of the foregoing.

Prior to making any such deduction, however, the Carrier shall provide to the Contractor a copy of any and all documentation necessary to substantiate how such amounts were computed. In an effort to minimize such expenses, the Contractor shall provide original fuel receipts showing the Contractor as the purchaser of all fuel at the time of payment or final settlement. Notwithstanding the foregoing, the Carrier shall, upon receipt of a written request from the Contractor, permit the Contractor to participate in the Carrier's "Fuel Purchase Program", whereupon all fuel purchased by the Contractor and paid for by the Carrier shall be deducted from the gross compensation otherwise payable to the Contractor under this Agreement at the time of payment or final settlement.

With respect to fuel taxes advanced or to be advanced by Carrier on Contractor's behalf, such advances shall be reimbursed to Carrier as follows. From each payment to Contractor hereunder, the Carrier shall deduct the lesser of (a) One Hundred Dollars (\$100.00) or (b) the actual amount of such fuel tax as determined by Carrier to be due. To the extent that the amount deducted is less than the actual amount of such fuel taxes, the Carrier shall continue to make deductions as provided herein from the payments to Contractor until the aggregate amount deducted is equal to the total fuel tax amount. To the extent there remains any unreimbursed fuel tax advances at the time of final payment or settlement, the amount of all such unreimbursed fuel taxes (whether or not in excess of One Hundred Dollars (\$100.00)), shall be deducted at the time of final payment or settlement.

- j. Loading and Unloading- The Contractor shall load and unload the equipment, except to the extent that the Contractor receives special instructions from the Carrier to the contrary. The compensation provided by the Carrier to the Contractor as set forth in Paragraph 2 of this Agreement includes that portion of the Services allocable to loading and/or unloading and the Carrier shall pay no separate compensation to the Contractor for loading and/or unloading.
- k. Withholding and Employment Taxes- The Contractor shall retain sole responsibility, financial and otherwise, for all withholding and employment taxes due to federal, state and/or local governments with respect to drivers and other personnel hired by the Contractor to perform the Services and/or

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otherwise satisfy the Contractor's obligations under this Agreement. The Contractor shall indemnify, defend, and save the Carrier harmless against any claim by any driver or other worker so utilized by the Contractor, in regards to withholding and/ or employment taxes, or any other actions arising from the Contractor's relationship with its employees.

In furtherance of the foregoing, the Contractor shall (a) file all federal, state and local withholding tax forms as well as federal highway use tax forms and returns which the Contractor may be required to file by law, on account of itself, its drivers and any other personnel hired by the Contractor to perform the Services and/or otherwise satisfy the Contractor's obligations under this Agreement at the time and place specified in any applicable federal, state or local statute, regulation or ordinance, and shall pay, when due, all taxes and contributions reported in such forms and returns; and (b) furnish copies of such forms and returns to the Carrier within ten (10) days after filing same.

- l. Cargo Liability- In the event of any shortage, loss or damage to any cargo transported by the Contractor, its driver or any other authorized agent of the Contractor, the Contractor shall verbally notify the Carrier of same before any notations as to such shortage, loss or damage may be made on any applicable shipping order or related document(s). Such notation shall only be made in accordance with the strict instructions furnished by the Carrier to the Contractor, its driver or such other authorized agent of the Contractor, which notations shall include the date and time the Carrier was contacted as to such shortage, loss, or damage, the name of the individual who furnished such notation instructions and the name of the individual receiving such notation instructions.

- m. Accidents- In the event of an accident involving the Equipment in the course of rendering the Services, the Contractor or its authorized agent shall (a) immediately advise the Carrier of such accident by verbally communicating the details thereof to a designated employee of the Carrier; (b) furnish complete information relative to such accident; and (c) to the extent required by applicable regulations, comply with the Motor Carrier Safety regulations issued by the United States Department of Transportation, Federal Highway Administration.

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- n. Identification- The Contractor shall identify the Equipment with the name (or trade name) and "MC" or other number(s) of the Carrier as required by any and all applicable federal, state and local statutes, regulations and ordinances.
- o. Receipt for Possession and Return of Equipment- Upon taking possession of the Equipment, the Carrier shall furnish to the Contractor a receipt for such Equipment, substantially in the form attached hereto as Exhibit "C". Upon the termination or earlier cancellation of the term of this Agreement, the Equipment shall be returned to the Contractor (or its agent or employee designated for that purpose), and the Contractor shall furnish a receipt to the Carrier for such Equipment, substantially in the form attached hereto as Exhibit "D".
- p. Subleasing- The Contractor may, upon prior telephone approval from the Carrier, enter into a sublease of the Equipment on behalf of the Carrier, as agent, with the same force and effect as though an officer of the Carrier shall have executed such sublease, provided, however, that the Contractor shall not be authorized hereunder to enter into any sublease which includes as one of its terms, any provision by which the Carrier, as lessor of such Equipment agrees to indemnify or hold the lessee of such Equipment harmless from claims or liability arising out of the lessee's use of such equipment under lessee's operating rights or otherwise. In the event the Contractor enters into any sublease in violation of the terms of the Agreement, the Contractor shall indemnify and hold the Carrier harmless against any and all claims or liability, including attorney's fees and costs, arising out of the terms of such sublease. The Carrier has the privilege of subleasing any of the Equipment to other authorized motor carriers in accordance with the leasing rules and regulations of the Commissions. In the event the Carrier or the Contractor enters into a sublease of the Equipment hereunder, the Carrier shall be considered the owner of the Equipment for the purpose of such sublease during the term of this Agreement.
- q. Subleasing Required Documentation- In the event the Contractor enters into a sublease of the Equipment, the Contractor shall provide to the Carrier all shipping documents related to such sublease upon the termination of such sublease as well as any other information requested by the Carrier with respect to such sublease.
- r. Subleasing Compensation- All compensation for leasing of the Equipment and driver under any sublease as provided herein shall be received by the Carrier and any checks shall be made payable only to the Carrier. The Contractor shall neither endorse any check payable to the Carrier nor deposit any such check in any banking or other account maintained by the Contractor. As compensation for the leasing of the Equipment and driver under any sublease as provided herein, the Carrier shall pay to the

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Contractor a sum equal to Seventy Percent (70%) of the revenue paid to the Carrier in connection with the sublease.

- s. Interchange Inspections- The Contractor hereby acknowledges and agrees that the Carrier's operations involve the interchange of trailers, containers and chassis with various railroad and steamship lines. Before accepting any such equipment on behalf of the Carrier, the Contractor shall inspect such equipment for defects and/or damages including, without limitation, tires, lenses, mud flaps, body damage, as well as for general compliance with all federal, state and local regulations applicable where such equipment may be operated and shall record any such defects/damages on the interchange papers prior to accepting such equipment. The Contractor shall cause any necessary repairs to be made to such equipment prior to accepting same. In the event the Carrier is held responsible and/or is billed for any defects/damages which the Carrier cannot re-bill to the applicable railroad or steamship line or other owner of such equipment for whom the Carrier provides interchange services, the Contractor shall reimburse the Carrier for One Hundred Percent (100%) of the cost to the Carrier of any such repairs due to neglect, which amount shall be deducted from the gross compensation otherwise payable to the Contractor under this Agreement.

8. Duties of the Carrier-

- a. Assumption of Risk- As required by applicable regulations, except when the violation results from the acts or omissions of the Contractor, the Carrier shall assume the risk and be responsible for fines for overweight and oversize Equipment when the Equipment is preloaded, sealed, or the load is containerized or when the Equipment is otherwise outside the Contractor's control. The Carrier hereby acknowledges and agrees that it shall reimburse the Contractor for any such fines paid by the Contractor. If the Carrier is authorized to receive a refund or credit for base plates purchased by the Contractor from and issued in the name of the Carrier, or if the base plates are authorized to be sold by the Carrier to another lessor, the Carrier shall refund to the initial lessor on whose behalf such base plates were first obtained, a prorated share of the amount received.

9. Insurance and Indemnity

- a. While CARRIER maintains insurance as necessary for its operations and as required by law, such insurance is secondary to that to be borne by CONTRACTOR. Accordingly, as a condition of doing business with CARRIER, and at its own expense, CONTRACTOR shall purchase and maintain current during the life of this Agreement insurance of the type and in the amounts as may be required from time to time by CARRIER pursuant to the terms of this Agreement. As of the execution of this Agreement, CARRIER requires CONTRACTOR maintain the following insurance coverages as set forth herein:

- i. Occupational Accident Insurance or Workers' Compensation Insurance- At the request of the Carrier, the Contractor shall provide a

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true and complete copy of the Contractor's currently effective Occupational Accident Insurance Policy(ies) or statutory Workers' Compensation Insurance Policy(ies), binder or Certificate of Insurance relating to such coverage, which shall specifically name Carrier as a certificate holder entitled to not less than ten (10) days advance notice of cancellation of any such policy(ies). Notwithstanding the fact that the Carrier has no responsibility to maintain any insurance coverage for the benefit of the equipment or any drivers or other personnel employed by the Contractor to perform the Services and/or otherwise satisfy the Contractor's obligations under this Agreement, the Carrier shall, upon written request from the Contractor, attempt to obtain Occupational Accident Insurance or Statutory Workers' Compensation Insurance for the benefit of the Contractor and any driver(s) or other personnel employed by the Contractor to perform the Services and/or otherwise satisfy the Contractor's obligations under this Agreement (SEE SCHEDULE 1). If the Contractor requests such coverage, the Carrier shall deduct the appropriate insurance rate during the term of this Agreement for each item of Equipment identified on Exhibit "A" from the gross compensation otherwise payable to the Contractor pursuant to this Agreement.

- ii. Non-Trucking Insurance Coverage- The Contractor shall maintain, at its expense, non-trucking (bobtail/deadhead) insurance coverage for public liability and property damage to cover loss or damage having a combined single limit of Five Hundred Thousand Dollars (\$500,000.00). Upon execution of this Agreement, the Contractor shall provide a true and complete copy of the Contractor's currently effective non-trucking insurance policy(ies), or binder of insurance relating to such coverage's, which shall show the Carrier as an additional insured thereunder. Notwithstanding the foregoing, the Contractor may elect to participate in the Carrier's Non-Trucking Insurance Program. Accordingly, in lieu of maintaining its own non-trucking insurance coverage, the Contractor shall authorize the Carrier to **deduct Thirty Dollars (\$30.00) per month from the gross compensation** otherwise payable to the Contractor under this Agreement in consideration for which the Carrier shall arrange such insurance coverage. (SEE SCHEDULE 2).
- iii. Physical Damage Insurance Coverage – OPTIONAL – The Contractor hereby elects to participate in the Carriers Physical Damage (Collision) Insurance Program. Accordingly, in lieu of maintaining its own physical damage insurance coverage, the Contactor herby authorizes the Carrier to deduct **6.80% annually** of the Actual Cash Value (ACV) of covered vehicle from the gross compensation otherwise payable to the Contactor during the term of the agreement in consideration for which the Carrier shall arrange such insurance coverage. (ACV) Actual Cash Value as determined by the Insurance Carrier. (SEE SCHEDULE 3).

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- iv. Truck Plus Package – **OPTIONAL** – The Contractor hereby elects to participate in the Carriers Physical Damage (Collision) Insurance Program and Truck Plus Package. This can only be selected if you have selected the Carriers Physical Damages Collision Insurance mentioned above (schedule 3). The Contractor hereby authorizes the Carrier to deduct ***\$18.00 monthly*** from the gross compensation otherwise payable to the Contractor during the term of the agreement in consideration for which the Carrier. This does Not include Personal Effects including Tarps, Chains and Binders (SEE SCHEDULE 4).
- b. CONTRACTOR is responsible for the purchase of any required insurance coverage and need not purchase such insurance from or through CARRIER. CONTRACTOR shall evidence such insurance coverage by delivering to CARRIER, before its equipment is allowed to commence working, certificates of insurance and additional insured endorsements made out in forms suitable to CARRIER and naming CARRIER as additional insured on all classes of insurance required.
- c. If CARRIER does not require CONTRACTOR to maintain certain classes or types of insurance, that is not to be construed as a waiver of the right to indemnification for acts of CONTRACTOR or its employees or equipment which cause loss to CARRIER. CONTRACTOR accordingly agrees to indemnify CARRIER for any and all losses, including attorneys' fees and costs, incurred in defending, settling or otherwise handling claims predicated upon acts of CONTRACTOR alleging either intentional or unintentional conduct on the part of CONTRACTOR and/or CONTRACTOR'S agents or employees.
- i. Contractor Deductible For Claim Made Against Any Carrier-maintained Insurance Coverage – In the event a claim for loss or damage is made against any insurance coverage maintained by the Carrier based on the operation of the Equipment subject to this Agreement and/or the acts of the Contractor and/or the Contractor's employees while performing services under this Agreement, the Contractor shall reimburse the Carrier for the first Two Thousand Dollars (\$2,000.00) to be paid with respect to all loss and/or damage for a single incident, which amount shall be deducted from the gross compensation otherwise payable to the Contractor under this Agreement.
- ii. Workers' Compensation Coverage Notwithstanding anything to the contrary contained in this Agreement, in the event the Contractor is required by law to maintain workers' compensation insurance for the benefit of the Contractor's employees, the Carrier shall have no responsibility to maintain any insurance coverage for the benefit of any driver(s) or other personnel employed by the Contractor to perform the Services and/or otherwise satisfy the Contractor's obligations under this Agreement, including workers' compensation insurance coverage for the benefit of the Contractor and any driver(s) and other personnel employed by the Contractor to perform the Service and/or otherwise satisfy the Contractor's obligations under this Agreement. Accordingly, in such

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event, the Contractor shall maintain at its sole cost and expense all insurance coverage(s), for the benefit of himself, any driver(s) or other personnel employed by the Contractor to perform the Services and/or otherwise satisfy the Contractor's obligations under this Agreement as required by any and all federal, state and local regulations applicable where the Equipment may be operated under this Agreement and shall indemnify and hold the Carrier harmless against any and all claims asserted against the Carrier by any driver, including the Contractor, or other personnel employed by the Contractor in connection with any claim for injury sustained in conjunction with the performance of the Services hereunder, which injury did not result from the negligence or misconduct of the Carrier, its employees, or agents. H&M Terminals Transport Corporation will provide Occupational Accident Insurance upon written request from the Contractor (SEE SCHEDULE 1).

- iii. Carrier's Liability- The Carrier shall in no way be liable for any damage which may occur to the Equipment, nor shall the Carrier have any responsibility to maintain any insurance coverage for the benefit of the Equipment or any drivers or other personnel employed by the Contractor to perform the Services and/or otherwise satisfy the Contractor's obligations under this Agreement, including workers' compensation insurance coverage for the benefit of the Contractor and any drivers and other personnel employed by the Contractor to perform the Services and/or otherwise satisfy the Contractor's obligations under this Agreement.
 - iv. Protection of the Public- The Carrier shall maintain, at its expense, insurance coverage for the protection of the public pursuant to Federal Motor Carrier Safety Administration regulation 49 U.S.C. 13906.
 - v. Right to Copy of Policy- If the Contractor purchases any insurance coverage for the operation of the leased equipment in conjunction with the Carrier's fleet or group policies, the Carrier shall provide the Contractor with a copy of each policy upon the request of the Contractor. Where the Contractor purchases such insurance, the Carrier shall provide the Contractor with a certificate of insurance for each such policy. Each certificate of insurance shall include the name of the insurer, the policy number, the effective date of the policy, the amounts and types of coverage, the cost to the Contractor for each type of coverage, and the deductible amount for each type of coverage for which the Contractor may be liable.
- d. CONTRACTOR agrees to indemnify CARRIER against loss of, pilferage of, spoilage of, or any other damage of cargo which may result from the actions of CONTRACTOR or those of its agents or employees, and agrees that if any losses are incurred, they may be deducted from the compensation due CONTRACTOR.
 - e. CONTRACTOR agrees that CARRIER may deduct from payments due CONTRACTOR all costs chargeable by CARRIER to CONTRACTOR for

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insurance which CONTRACTOR may obtain under or through CARRIER'S fleet or group policies. CONTRACTOR understands and agrees that the cost charged by CARRIER to CONTRACTOR for the requested insurance coverages or services to CONTRACTOR may exceed the actual cost to CARRIER of providing, or making available, such coverages/services to CONTRACTOR.

- f. TERMINATION OF THIS AGREEMENT BY EITHER PARTY AUTOMATICALLY CANCELS INSURANCE PROVIDED TO THE CONTRACTOR UNDER OR THROUGH CARRIER'S FLEET OR GROUP POLICIES.
10. CARRIER is authorized to terminate any authorized insurance coverage upon twenty-four (24) hours prior notice to CONTRACTOR or upon termination of the Parties' Lease and Subhaul Agreement.
 - a. Inability to Procure or Maintain Insurance- Notwithstanding the Carrier's willingness to provide any insurance coverage for the benefit of the Equipment or driver(s) or other personnel employed by the Contractor to perform the Services and/or otherwise satisfy the Contractor's obligations under this Agreement, the Carrier's obligation to procure or maintain any such insurance coverage during the term of this Agreement shall cease upon the Contractor's receipt of written notice from the Carrier of the termination of any such insurance coverage. Upon such notice, the Carrier shall cease making any further deductions with respect to such insurance coverage from the gross compensation otherwise payable to the Contractor under this Agreement, and the Contractor shall be responsible for procuring and obtaining such insurance coverage. The Carrier shall not be liable to the Contractor as a result of its inability to procure or maintain any such insurance coverage, nor shall the Carrier's inability to procure or maintain any such insurance coverage constitute a breach under this Agreement.
 11. Terms- The terms of this Agreement shall commence immediately upon execution of this Agreement by the Carrier and the Contractor and shall continue thereafter for a period of one (1) calendar year after such date. Either party may terminate this Agreement at the end of said term by giving the other party at least thirty days (30) prior written notice. If neither party gives the requisite thirty day (30) written notice, this Agreement shall continue upon the same terms and conditions in force immediately prior to the expiration of the term hereof for a further period of one (1) calendar year and so on from year to year unless or until terminated by either party upon thirty days (30) prior written notice of the expiration of the current term.
 12. Early Termination- Notwithstanding anything to the contrary contained in the Agreement, the Carrier may terminate this Agreement due to the Contractor's failure to fully comply with the terms and conditions of this Agreement or any and all applicable federal, state and local regulations, which termination shall be effective immediately upon the Contractor's receipt of written notice from

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the Carrier of the Carrier's intent to terminate. *In the event the Contractor terminates this Agreement within ninety (90) days after the date hereof, or if the Carrier terminates this Agreement during such period, due to Contractor's failure to comply, the Carrier may assess an administrative charge against the Contractor of Three Hundred Dollars (\$300.00), which amount may be deducted from the gross compensation payable to the Contractor at final settlement.*

13. Copy of Agreement- An original and two copies of each lease shall be signed by the parties. The Carrier shall keep the original and shall place a copy of the lease on the equipment during the period of the lease unless a statement as provided for in Sec. 376.11 (c) (2) is carried on the equipment instead. Sec. 376.11(c) (2) states: The Carrier shall keep a statement with the equipment during the period of the lease certifying that the equipment is being operated by it. The statement shall specify the name of the owner, the date and length of the lease, any restrictions in the lease relative to the commodities to be transported, and the address at which the original lease is kept by the Carrier. This statement shall be prepared by the Carrier or its authorized representative.
14. Complete Agreement- This Agreement constitutes the entire Agreement and understanding between the parties and supersedes all prior agreements and undertakings, both written and oral, with respect to the subject matter.
15. Captions and Headings- The captions and headings contained in this Agreement are for convenience of reference only and shall not control or affect the meaning or interpretation of the terms or provisions of his Agreement.
16. Governing Law- This Agreement and all questions relating to its validity, interpretation, performance and enforcement shall be governed by and construed in accordance with the laws of the State of New Jersey.
17. No Assignment- Neither the Carrier nor the Contractor may assign this Agreement without prior express written consent of the other party.
18. Notices- All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed to have been duly given or made as of the date delivered if delivered personally, or if mailed by registered or certified mail (postage prepaid, return receipt requested) at the time such notices or other communications shall be deposited in any post office or branch post office regularly maintained in the U.S. government to the parties at the following addresses (or at such other address for a party as shall be specified by like notice) except that notices of changes of address shall be effective upon receipt.

(a) Carrier:

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H&M International Warehousing Inc.
485 B Route 1 South, Suite 110
Iselin, NJ 08830
Attention: Richie Werkmeister
p-(732) 510-4650
f-(732) 510-4691

(b) Contractor:

Attention: _____

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year written above.

THE CARRIER H&M International Warehousing Inc.

By: _____

Name: _____

Title: _____

THE CONTRACTOR:

By: _____

Name: _____

Title: _____

T.I.N. _____

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Exhibit "A"

DESCRIPTION OF EQUIPMENT

Make: _____ Year: _____ Model: _____

V.I.N. _____ Color: _____

Engine Type: _____ State Reg: _____

Engine Size: _____ License No.: _____

State Title: _____ Title No.: _____

Name Titled To: _____

No. of Tires: _____ Size of Tires: _____

Type of Tractor – Conventional/ Cabover: _____

MFG Empty Weight: _____ Gross Maximum Weight: _____

Date of Purchase: _____

Purchase Price: _____

New or Used: _____

Model Number: _____

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Exhibit "B"

COMPENSATION

It is hereby acknowledged and agreed by and between the Carrier and the Contractor that as compensation for the Services to be provided by the Contractor to the Carrier and the Carrier's lease of the Equipment, as specified in the Agreement, the Carrier shall pay to the Contractor a combined amount equal to the sum of the following:

1. Mileage Rate

- a. \$ _____ per loaded mile.
- b. \$ _____ per dispatched empty mile.

Mileage shall be computed pursuant to the Current PC Miler published by ALK Associates. Upon request, the Carrier shall make a copy of the Current PC Miler available for the Contractors' review at the Carrier's terminal facility.

- 2. Flat Rate Schedule* - Specific Flat Rate Schedule Charges for each H&M Trucking Terminal Location are available upon request.
- 3. Accessorial Charges* Specific Accessorial Charges for each H&M Trucking Terminal Location are available upon request.

The undersigned have read, understand and agree to the above conditions.

CONTRACTOR

By: _____
Name: _____
Title: _____

CARRIER

H&M International Warehousing Inc.
By: _____
Name: _____
Title: _____

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Exhibit "C"

Delivery Receipt for Possession of Motor Vehicle Equipment

Received from _____ (Contractor) on _____, 20_____, at _____
(am / pm).

Make _____ Type _____ Serial No. _____ Year _____ License # _____

Make _____ Type _____ Serial No. _____ Year _____ License # _____

CARRIER

H&M International Warehousing Inc.

By: _____

Name: _____

Title: _____

CONTRACTOR

Company: _____

Name: _____

Title: _____

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Exhibit "D"

Return Receipt from Contractor to Carrier

Received by _____, (Contractor) on _____,
20____, at _____ (am / pm) from H&M Terminals Transport Corporation

Tractor

Make _____ Type _____ Serial No. _____ Year _____ License # _____

Make _____ Type _____ Serial No. _____ Year _____ License # _____

CONTRACTOR

Company: _____

Name: _____

Title: _____

CARRIER

H&M International Warehousing Inc.

By: _____

Name: _____

Title: _____

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SCHEDULE 1
Occupational Accident Insurance
Workers' Compensation Insurance

(Choose ONLY one option)

1. Upon the request of the Carrier, the Contractor has delivered or shall deliver to the Carrier a true and complete copy of the Contractor's currently effective Occupational Accident Insurance Policy (ies) or Workers' Compensation Insurance Policy (ies), or binder of insurance relating to such coverage. Accordingly, the Contractor hereby declines the opportunity to have the Carrier obtain such insurance coverage for the benefit of the Contractor.

CONTRACTOR

By: _____

Name: _____

Title: _____

2. CONTRACTOR requests that CARRIER obtain or allow occupational accident/injury or statutory workers' compensation insurance coverage, as applicable, insurance coverage for CONTRACTOR, in connection with CONTRACTOR'S business with CARRIER during the periods CONTRACTOR operates its equipment on CARRIER'S behalf, under or through CARRIER'S group, fleet or other policies with a maximum deductible to CONTRACTOR of **\$1,000,000.00**. CONTRACTOR acknowledges that it is solely responsible for any and all deductible portions of such coverage and agrees to indemnify CARRIER therefore. The cost to CONTRACTOR to obtain and maintain the requested insurance under or through CARRIER'S group or fleet policy is **\$130.00** per month. The Contractor hereby authorizes the Carrier to deduct the foregoing amount on a regular basis from the Contractor's settlements for the term of this Agreement. The insurance will be purchased through One Beacon Insurance. The Contractor will be required to complete the One Beacon Enrollment Form and final approval will be subject to One Beacon Insurance Carrier. All rates are subject to change. CONTRACTOR understands and agrees that the cost charged by CARRIER to CONTRACTOR for the requested insurance coverage may exceed the actual cost to CARRIER of providing, or making available, such coverages/services to CONTRACTOR.

CONTRACTOR

By: _____

Name: _____

Title: _____

ACKNOWLEDGED AND AGREED, this _____ day of _____, 20_____.

H&M International Warehousing Inc.

By: _____

Name: _____

Title: _____

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SCHEDULE 2
Non-Trucking Insurance

(Choose ONLY one option)

1. The Contractor has delivered or shall deliver to the Carrier a true and complete copy of the Contractor's currently effective Non-Trucking Insurance Policy (ies), or binder of insurance relating to such coverage, which shows the Carrier as an additional insured there under. Such insurance is sufficient to cover loss or damage having a combined single limit of Five Hundred Thousand Dollars (\$500,000.00). Accordingly, the Contractor hereby DECLINES the option to participate in the Carrier's Non-Trucking Insurance Program.

CONTRACTOR

By: _____

Name: _____

Title: _____

2. CONTRACTOR requests that CARRIER obtain or allow non-trucking insurance coverage, as applicable, insurance coverage for CONTRACTOR, in connection with CONTRACTOR'S business with CARRIER during the periods CONTRACTOR operates its equipment on CARRIER'S behalf, under or through CARRIER'S group, fleet or other policies with a maximum deductible to CONTRACTOR of **\$500,000.00**. CONTRACTOR acknowledges that it is solely responsible for any and all deductible portions of such coverage and agrees to indemnify CARRIER therefore.

The cost to CONTRACTOR to obtain and maintain the requested insurance under or through CARRIER'S group or fleet policy is **\$30.00 per month**. The Contractor hereby authorizes the Carrier to deduct the foregoing amount on a regular basis from the Contractor's settlements for the term of this Agreement. All rates are subject to change. CONTRACTOR understands and agrees that the cost charged by CARRIER to CONTRACTOR for the requested insurance coverage may exceed the actual cost to CARRIER of providing, or making available, such coverages/services to CONTRACTOR.

CONTRACTOR

By: _____

Name: _____

Title: _____

ACKNOWLEDGED AND AGREED, this _____ day of _____, 20_____.

H&M International Warehousing Inc.

By: _____

Name: _____

Title: _____

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SCHEDULE 3
Physical Damage (Collision) Insurance
(OPTIONAL)

1. The Contractor hereby elects to participate in the Carrier's Physical Damage (Collision) Insurance Program. Accordingly, in lieu of maintaining its own physical damage insurance coverage, the Contractor hereby authorizes the Carrier to deduct **6.80% annually** of the Actual Cash Value (ACV) of covered vehicle from the gross compensation otherwise payable to the Contractor during the term of this agreement in consideration for which the Carrier shall arrange such insurance coverage. (ACV) Actual Cash Value as determined by the insurance carrier. There will be a **\$1,000 Deductible**.

V.I.N. of Covered Vehicle: _____

Actual Cash Value (ACV): _____

CONTRACTOR - _____

By: _____

Name: _____

Title: _____

SCHEDULE 4
Truck Plus Package
(must select Physical Damage Insurance to participate)
(OPTIONAL)

2. The Contractor hereby elects to participate in the Carrier's Physical Damage Insurance Truck Plus Package. The Contractor hereby authorizes the Carrier to deduct **\$18.00 Monthly** of covered vehicle from the gross compensation otherwise payable to the Contractor during the term of this agreement in consideration for which the Carrier shall arrange such insurance coverage. This does NOT include Personal Effects including Tarps, Chains and Binders

CONTRACTOR - _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGED AND AGREED, this _____ day of _____, 20_____.

H&M International Warehousing Inc.

By: _____

Name: _____

Title: _____

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NON-TRUCKING LIABILITY INSURANCE FOR INDEPENDENT CONTRACTORS
UNDER LEASE TO H&M International Warehousing, Inc.

Effective Date of Insurance: _____

Name of Insured: _____

Street Address: _____

City, State, Zip: _____

Home Phone#: _____

Vehicle Description

Unit#: _____ Year: _____ Make: _____

Serial#: _____ State Base Plated: _____

Coverage Information

Add Non-Trucking Liability Coverage: _____

Delete Non-Trucking Liability Coverage: _____

Modification: (Please indicate desired changes) _____

To initiate any coverage, please contact and fax:

Risk Management Department
H&M International Warehousing Inc.
485 B Route 1 South, Suite 110
Iselin, NJ 08830
Phone: (732) 510-4640
Fax: (732) 510-4691