

IN-BOND EXPORT CONSOLIDATION BOND (CONTINUOUS)

For the consolidation, cartage, transportation and exportation of in-bond merchandise in Customs custody.

KNOW ALL MEN BY THESE PRESENTS, that **Commodity Forwarders, of 11101 S. La Cienega Blvd, Los Angeles, CA 90045**, as principal, and **891-Washington International Insurance Co**, as surety(ies), are held and firmly bound unto the United States of America in the sum of **Fifty Thousand-----00/100** dollars (\$ **50,000**), for the payment of which we firmly bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally.

WITNESS our hands and seals this **14th** day of **March** in the year **2008**.

This bond is to be effective on the **14th** day of **March** in the year **2008**.

WHEREAS, the principal (consolidator) has requested or will request, permission to receive in-bond merchandise, loose or containerized, in Customs custody at **Commodity Forwarders** warehouse at **11101 S. La Cienega Blvd, Los Angeles, CA 90045** for a period beginning with the effective date and for each succeeding annual period, or until terminated. This bond constitutes a separate bond for each period in the amount listed above for liabilities that accrue in each period. The intention to terminate this bond must be conveyed within the time period and manner prescribed in the Customs Regulations;

WHEREAS, the principal has requested, or will request, to consolidate such in-bond merchandise into containers, truck trailers, lift vans or vehicles (hereinafter referred to as vans), or onto air cargo pallets, skids, or other instruments of trade; and transfer the vans or other instruments to the exporting carrier for exportation;

WHEREAS, the principal has requested or will request the assignment of Customs officers or employees to overtime duty at night or on Sundays or holidays, pursuant to 19 USC 267 of the Customs Reform Act or any other act or acts, and regulations relating thereto, in effect at the time of such duty, on behalf of the herein referred to warehouse, vans, and the merchandise contained therein;

NOW, THEREFORE, THE CONDITIONS OF THIS OBLIGATION ARE SUCH THAT-

(1) The principal agrees to faithfully observe and comply with the laws of the United States, the regulations of the Department of the Treasury, U.S. Customs Service, and the directives and other instructions of the U.S. Customs Service pertaining to the receipt, carriage, safekeeping, and disposition of in-bond merchandise, in effect on the dates of receipt, carriage, safekeeping, and disposition of such merchandise. Upon receipt of the merchandise, the principal's bond becomes obligated whereby the principal agrees to keep or store such merchandise, as described in each and every entry or manifest, cartage or lighterage ticket, and each receipt for such merchandise executed by any officer, agent, or other person employed by or acting on behalf of the principal, and, further, agrees to safely keep or store such merchandise as may be placed in the custody of the principal for transfer prior to exportation from the port or transportation and exportation and prior to the execution of a manifest or cartage or lighterage ticket;

(2) The principal agrees, in the case of merchandise received by him, to further cart, lighter, or otherwise transport and safely deliver to such place, vessel, aircraft, vehicle, or other conveyance when such further transportation is permitted by the Port Director of Customs and is performed by or under the direction of the principal on this obligation. The principal remains liable for exportation despite transfers to other intermediate parties such as cartmen or bonded carriers. Acknowledgment of receipt of the merchandise by the exporting carrier on the outward manifest satisfies the principal's custodial obligation for the merchandise. The principal, nevertheless, remains liable until actual exportation;

~~(3) The principal agrees that the merchandise shown on the CF7512 and the outward manifest and/or bills of lading destined for foreign ports has been turned over to the exporting carrier for direct or indirect exportation. The principal shall provide evidence of exportation as required by the Port Director of Customs under section 113.55 of the Customs Regulations upon demand; or if in the event such proof cannot be produced because of casualty or other cause, evidence satisfactory to the Port Director is furnished showing that the merchandise destined for foreign ports has not been diverted (landed) in the United States, or if so diverted within the Customs territory, that entry thereof has been first made, or that such in-bond merchandise has been destroyed in transit;~~

(4) The principal agrees to deliver to the Port Director of Customs through the exporting carrier at the port of exportation a complete consolidator's manifest, in all cases where the law or the regulations require such manifest to be filed, and all in-bond documents for any

merchandise in Customs custody, and all required shipper's export declarations in the form prescribed by the law and regulations, not later than the 7th business day after departure for shipments aboard a United States flag carrier between the United States and Puerto Rico, or from the United States or Puerto Rico to the United States' possessions, and not later than the 4th business day after clearance, or departure when clearance is not required, of any carrier, such complete manifest shall be submitted to the office of the exporting carrier upon delivery of the vans containing such in-bond merchandise to the exporting carrier;

- (5) The principal agrees to repack and transfer such loose or containerized in-bond merchandise when it appears necessary for the safety of the merchandise;
- (6) The principal agrees to pay the cost of any locks, seals, and other proper fastenings required by the Secretary of the Treasury for securing merchandise placed in the principal's custody;
- (7) The principal agrees not to allow seized or detained merchandise, whether or not marked with warning labels of the fact of seizure or detention, to be placed on board such vans for exportation or to be disposed of without written permission from Customs, and that if it fails to prevent such placement or other disposition, it will redeliver the merchandise to Customs within 30 days of Customs notification of the unlawful placement or other disposition;
- (8) The principal and surety (obligers) agree to pay the sum upon demand by Customs if such vans, or the owner or person in charge of such vans, incurs a penalty, duty, tax or other charge provided by law or regulation;
- (9) The principal agrees to upon demand deliver the inbond shipment to a Centralized Examination Station and agrees to pay all costs associated with the examination;
- (10) The principal agrees to exonerate the United States and its officers from any risk, loss, liability or expense of any kind or description which might occur during the principal's operation as an in-bond export consolidator, or be occasioned by reason of fraud or negligence on the part of any officer, agent, or other person employed by the principal;
- (11) The principal agrees to furnish to the Port Director of Customs all the documents and evidence made during the time he possessed the merchandise as required by law, regulations, or directives;
- (12) The obligers agree to pay any expenses connected with suspension or termination of the bonded status of the principal's premises as an in-bond export consolidation facility;

If the principal defaults on conditions (1) through (12) in this obligation, the obligers (principal and surety), jointly and severally, agree to pay liquidated damages equal to the value of the merchandise involved in the default or 3 times the value of the merchandise involved in the default if the merchandise is restricted merchandise, alcoholic beverages, seized or detained merchandise, or such other amount as may be authorized by law or regulation;

It is understood and agreed that the amount to be collected under conditions (1) through (12) of this obligation shall be based upon the quantity and value of the merchandise as determined by Customs; value as used in these provisions means value as determined under 19 U.S.C. 1401a;

If the principal defaults on conditions (1) through (12) in this obligation and the default does not involve merchandise, the principal and surety, jointly and severally, agree to pay liquidated damages of \$1,000 for each default or such other amount as may be authorized by law or regulation; it is understood and agreed that whether the default involves merchandise is determined by Customs;

Then this obligation shall be void; otherwise, to remain in full force and effect until the Surety and Principapl provides ar least thirty (30) days prior written notice to U.S. Customs of its intention to terminate this Bond.

SIGNED, SEALED, AND DELIVERED IN THE PRESENCE OF--

<u>Commodity Forwarders</u>	<u>11101 S. La Cienega Blvd. Los Angeles, CA 90045</u>	
Principal Name	Address	(SEAL)
(Signature)	Printed Name and Title	

<u>Washington International Insurance Co.</u>	<u>1200 Arlington Heights Road, Suite 400, Itasca, IL 60143</u>	
Surety Name	Address	
<i>Montserrat Hernandez</i>	MONTERRAT HERNANDEZ – ATTY-IN-FACT	
(Signature)	Printed Name and title	

