

AAA Logistics

Offices in San Diego, Tijuana, and La Paz

Toll Free Number: 855-671-2324 fax: 619-269-0628

Convention Letter

Attention: Date:

Please read the entire letter carefully

AAA Logistics is a bi-national company with offices in San Diego, California in the US, Tijuana Baja California and Cabo San Lucas, Baja California Sur in Mexico. We would very much like to assist your organization with your upcoming event by making it as smooth and hassle-free as possible. Contained in this letter are facts pertaining to your shipment, cost breakdowns, and other basic information regarding customs - both Mexican and US.

We will take care of the entire shipping process from San Diego to Los Cabos for your items. They will be shipped via truck or air as the situation requires, and will be waiting for your group's representatives upon their arrival at your hotel. This type of shipping is our trademark and has been our specialty for over twelve years. Our success ratio is unparalleled.

Temporary Imports

A temporary import means that since the item is to be given away, it will not enter into the commerce of Mexico and therefore does not pay customs duties. All international shipments are, however, considered a "formal customs entry" and as such, require the use of a customs broker in Mexico as well as in the US. Not all items generally shipped for conventions can be classified under this category. Items without an event logo, certain high value items, certain electronics, skin care products, bottled water and all restricted items, to name but a few, must be permanently imported.

Permanent Imports

As stated in the above paragraph, certain items may need to be permanently imported. This means that the taxes and customs duties must be paid upon importation.

Payment

- **We require payment prior to shipping into Mexico.** We accept company checks made out to AAA Logistics, wire transfers (additional \$15 bank transaction fee), and all major credit cards (**additional 3.25% bank charge**).
- Northbound shipments must be paid in full prior to shipping to the recipient or release for pick up by your carrier of choice.
- Total fees are often not determined until all items are imported. For this reason you may not receive an invoice until 72 hours prior to your requested delivery date. If you plan to pay by company check, please make contingency plans so your shipment is not delayed.

Southbound Shipment Requirements

- Commercial Invoice (sample attached) - All the information on this form is required by Mexican Customs and the brokers in order to produce the clearance documents. Accuracy and attention to detail are of vital importance.
- **We must have a Federal Tax ID number for all commercial invoices.**
- Contact person information - Please provide phone numbers and email addresses for all contact persons both in the US and in Mexico if available.
- Deadlines - We require that all your merchandise be delivered to us no later than **three weeks prior** to the date you wish to have the items delivered to the hotel.
- Event Logos -**All items** (clothing, bags, towels, back packs, plaques, jewelry, lotions, etc.) must be clearly marked with your particular event's logo. Items without a logo will require either permanent importation or special handling, both of which will result in additional fees.
- Sandals and Footwear - Footwear falls under a category requiring special permits and licensing. In addition to having the logo clearly visible, they may require additional customs documentation and special handling.
- Skin Care Items - All skin care items (lotions, sun tan or sun block items, lip balm, etc.) **must have an original** health certificate from the manufacturer. If you cannot get one, please let us know as soon as possible. We can obtain one for your items at an additional fee if you so desire and re-inventory fees. The shipments will be processed and shipped without the prohibited items
- Shipments containing prohibited items will require additional time to process possibly resulting in a delay. Additionally, you will be charged handling fees

Prohibited Items

- . • No used clothing
- . • No CDs or DVDs
- . • No alcoholic beverages
- . • No tobacco products
- . • No firearms
- . • No lighters or matches
- . • No medical items or first aid kits
- . • No animals or animal products
- . • No plants (live or not)
- . • No items without invoices.

Restricted Items

- . • Items manufactured in the Far East (China, Taiwan, Viet Nam, The Philippines, Pakistan, Thailand, etc.) can carry an import tariff known as an "added value tax" which is chargeable at rates up to 375% of the retail value.
- . • Textiles in the form of unfinished cloth can require special handling, and may be subject to added value taxes if they were manufactured anywhere other than the US or Canada. These items also require a sewn on label denoting exact fabric content and country of origin, "denoting" several lines above it.
- . • Split shipments or multiple shipments will be considered as a separate shipment and will be charged according to the above fee schedule.

Southbound Shipment Fees

. Service Charge	\$300.00
(includes standard handling and documentation)	
. Transfer - San Diego to México	\$175.00
. Truck Cargo	\$1.25 per pound
(actual or dimensional weight)	
. Air Cargo	Variable
. Insurance (\$1000.00 deductible)	4% of total value
(\$40.00 min.)	
. Phone / Fax	\$ 40.00
. Delivery to Hotel	\$125.00
. Mexican Broker	\$250.00 + 6%
	of
	Total value
	\$ 250.00 +
. US Broker	2% of
	value

Northbound Shipments

Returning materials usually take three to four weeks to arrive in San Diego.

Items which were "temporarily imported" to Mexico and were not designated as "give-aways" must be returned to the US by the importing broker in order to retain their tax free status. Proof of re-entry is required to avoid paying the full amount of permanent importation taxes.

Permanent imports, purchases in Mexico and items taken to Mexico by individuals cannot be returned under the "returning goods" classification and will require additional time to be imported back into the US.

- . • As with southbound shipments, those containing prohibited items will be subject to the same fees and delays returning to the US. Please refer to the prohibited items list above.
- . • Items purchased in Mexico will require an invoice from the seller and are subject to taxation by US customs. Glassware, china and ceramics are also subject to FDA inspection for lead content and clearance. This process may take up to 4 additional weeks.
- . • Shipments containing textiles (towels, T-shirts, bags, hats, robes, table cloths, etc.) will experience a delay of up to eight weeks and will require a special handling fee.
- . • Personal items, particularly used clothing and shoes cannot be returned under any circumstances. These items must be brought back by the individuals in their luggage.

Preparing Return Shipments

Returning shipments must be inventoried, packaged and addressed by your designated personnel at the end of the convention. The designee must then call our Cabo office at 143-6433 or 143-6434 to arrange for the shipment to be picked up. It is your designated representative's responsibility to make sure all requirements are fulfilled.

- . • **Inventories** - An inventory of returning items must be created by the designated individual (please see example below). A copy of this inventory must be faxed to our Cabo office at 143-1899, Attn: Max Lossel, at the time arrangements are made for the pickup. Please retain a copy for your records as well. Remember, attention to detail is of the utmost importance.

Example Inventory:

Box 1	Box 2	Box 3	Box 4
12 towels,	3 hats printer,	HP laser jet,	#36925-a47 7 awards display booth

* **Note:** To ensure the integrity of your inventory, please pack all like items in the same boxes. This will help prevent the repacking of items into unmarked or

mis-marked boxes at Mexican customs. For example: do not pack glass awards by wrapping them in beach towels.

. • **Packaging** - Please ensure that all returning items are properly packaged. Failure to provide adequate wrapping or using damaged boxes will result in damage to the merchandise.

. • **Labeling** -Ensure all old labels have been removed from previously used boxes. Affix your return label to the box or clearly print the return address in black marker. Please remember to also include your event name on the label. Fax a copy of the label or address to the Cabo office along with the inventory. Please note: improperly addressed boxes cannot be processed in a timely manner.

AAA Logistics will not be held accountable for damage or loss resulting from:

- . • **IMPROPER PACKAGING**
- . • **UNATHORIZED RETURNING ITEMS**
- . • **UNTIMELY OR IMPROPER INVENTORY**
- . • **FAILURE TO SECURE SHIPMENTS DIRECTLY TO IEI PERSONNEL**

Northbound Shipment Fees

Service Charge	\$300.00
Mexican Broker	\$250.00 + 6% of value
US Broker	\$250.00 + 2% of value
Pick up from Hotel	\$125.00
Truck Cargo	\$1.25 per pound (actual or dimensional weight).
Air Cargo Variable Insurance	4% of declared value
Transfer Mexico to San Diego	\$175.00

Also, as with southbound shipments, split or multiple shipments will incur additional charges as separate transactions.

We have tried to explain the process, costs and time variables as clearly as possible. If, however, you have questions or concerns, please feel free to contact us at **619-269-0628** and we will be glad to discuss it with you in further detail.

Thank you for giving us the opportunity to serve you. Sincerely,

Richard M.

Convention Coordinator Events and Conventions Mgr. signature