

# **CARGO TRANSIT, INC.**

## **SERVICE GUIDE**

This Service Guide explains the services provided by CARGO TRANSIT, INC. and the terms, conditions, restrictions and requirements under which those services will be rendered. These terms, conditions, restrictions and requirements have been incorporated through reference on CARGO TRANSIT's offering to the public via its internet site, and through its documents, including but not limited to the Credit Agreement, initial rate offers, shipment confirmation forms, invoices, service orders, where applicable.

Though effort has been made to present a uniform and consistent statement of the terms and conditions of service for CARGO TRANSIT to the extent that any conflict exists or arises between the terms and conditions of the shipping, warehousing or other documents, the provisions of this Service Guide shall control. To the extent applicable, and allowable by law, those provisions of the Interstate Commerce Act which are inconsistent with the terms and conditions of this Service Guide are expressly waived

If any portion of this Service Guide is found unenforceable by the courts or by any other agency having jurisdiction over the parties, terms and conditions, such portions shall be deemed stricken, however, the rest of the Service Guide will remain valid and enforceable.

### **CARGO TRANSIT, INC.**

CARGO TRANSIT operates as a transportation broker of general commodities pursuant to a license issued by the Interstate Commerce Commission (now the Federal Motor Carrier Safety Administration) under MC-358410. The term "broker" means a person, other than a motor carrier or an employee or agent of a motor carrier, that as a principal or agent sells, offers for sale, negotiates for, or holds itself out by solicitation, advertisement, or otherwise as selling, providing, or arranging for, transportation by motor carrier for compensation. (49 U.S.C. §13102(2)). CARGO TRANSIT undertakes to operate within the regulations set forth at 49 C.F.R. §371, and as otherwise promulgated by State and Federal authority. As a transportation broker, CARGO TRANSIT neither owns or operates equipment nor physically performs any transportation related services.

### **AGENTS**

CARGO TRANSIT, INC. operates through a network of regional sales agents and independent contractors. Sales Agents are only authorized to perform, provide or arrange for transportation service consistent with the terms of this Service Guide. Customer understands and agrees that any statements, promises, or agreements made by such agents or contractors that conflict with the terms and conditions of this Service Guide are not binding upon CARGO TRANSIT.

## **CLAIMS**

### **FILING OF CLAIMS:**

Notice of loss or damage should be brought to CARGO TRANSIT's attention immediately, but no later than 48 hours after occurrence. All claims must be filed in writing with the actual carrier, as set forth in 49 CFR §370 and below, with a copy to CARGO TRANSIT, and must include specific information and/or documentation including where applicable:

A signed copy of the Bill of Lading or other origin shipping document, including date of shipment, and date of loss, if known.

For loss or shortage claims on truckload shipments, please provide seals applied by the actual consignor and documents to show the number of pieces that were loaded. Seals that were recorded at the time of unloading as well as documents to show the number of pieces that were unloaded and the quantity and type of product that was noted short.

A copy of the invoice dated prior to the date of the shipment showing all conditions of the sale, discounts, etc., and the actual consignor and consignee's names and locations. Please note that if the shipment moved as a "stock-to-stock" shipment or an "inventory transfer," then "certification" of price is required.

A legible copy of the packing list denoting contents and quantities of each of the cartons, crates, boxes, pallets, or shipping units involved in the shipment.

A claim bill or statement of loss defining the individual items either lost or damaged, priced from the shipper's invoice, together with salvage credit or salvage allowance on damaged goods.

Copies of all exception reports, unloading reports/stroke tally sheets, delivery receipt, and inspection and/or survey reports, if any.

Documentation, paid invoices, correspondence, and/or bids relative to charges in connection with reconditioning of goods, when applicable.

Any additional information, records, documentation, photographs, or other data pertinent and helpful to the clear understanding of the claim. If the claim is being filed by a party other than the consignor or consignee shown on the bill of lading, and assignment of claim rights signed by the owner of the merchandise must be furnished.

In regard to truckload or container shipments only, the receiver must immediately notify either the origin or destination carrier when damage or shortage is noted. The carrier must be given a reasonable time to inspect the container, trailer or shipment while still loaded. In certain limited circumstances, CARGO TRANSIT may accept notification and arrange for inspection on behalf of the carrier.

All claims must be filed in writing with the carrier within nine (9) months of the date of delivery, or within nine (9) months of when delivery reasonably would have been made.

Suit for loss or damage must be filed within two years of delivery. Customers are required to handle their own claims including timely and proper filing and follow-up with the carrier. As a courtesy, CARGO TRANSIT will reasonably assist and cooperate with Customer, or other party entitled to recover under the bill of lading/shipping order, to investigate and help process freight loss or damage claims against the Carriers. However, in no circumstance will such assistance imply or create a duty from or for CARGO TRANSIT in regard to claims. If claims are not reported to CARGO TRANSIT in accordance with the foregoing provisions, CARGO TRANSIT will not be liable, regardless of CARGO TRANSIT's actual negligence. To the extent inconsistent with the foregoing terms, the provisions of the Interstate Commerce Act (49 U.S.C. 13101 et seq.) specifically the Carmack Amendment (49 U.S.C. §14706) the regulations promulgated there under (49 C.F.R. §300 et seq.) are hereby waived under 49 U.S.C. §14101(b).

### **CONFIDENTIALITY AND NO BACK SOLICITATION**

Customer acknowledges and agrees that the names, routes and pricing of the Carriers and other service providers utilized by CARGO TRANSIT are confidential information and are in the nature of a trade secret. Customer shall not directly contact or solicit rates, bids or service from any underlying carrier or service provider where (1) the availability of carrier or service provider to perform such services first became known to Customer as a result of CARGO TRANSIT's efforts, or (2) where Customer's traffic was first tendered to the underlying carrier or service provider by CARGO TRANSIT. If Customer breaches this provisions and "back-solicits" CARGO TRANSIT's underlying carriers and/or service providers, and/or tenders traffic to such carriers or service providers, CARGO TRANSIT is then entitled, for a period of eighteen (18) months after the involved traffic first begins to move, to payment from Customer of 15% of the gross transportation charges for all such traffic, as liquidated damages. Termination of the relationship between CARGO TRANSIT and Customer shall not affect the enforceability and applicability of the foregoing provisions of this clause for a period of two years after termination.

### **CONSOLIDATION AND DISTRIBUTION OF SHIPMENTS - LESS THAN TRUCKLOAD**

Upon instructions from Customer, Consignor or Consignee, CARGO TRANSIT will arrange for consolidation of shipments picked up from multiple origins into one shipment to one destination or arrange for distribution of shipments from one origin to multiple destinations within a specified route subject to the following conditions:

- a) All shipments to be consolidated or distributed must be tendered together at one time and made available for pick up together from a single origin or must be feasibly picked up the same day if shipped from multiple origins.
- b) A master bill of lading covering all shipments to be distributed must be prepared and available at the point of origin, in addition to individual bills of lading for each stop.
- c) Unless otherwise provided, the aggregate shipment shall be rated at the highest minimum weight column provided for and at the highest rate stated among the points service is requested to or from.
- d) All charges applicable to shipments receiving assembly or consolidation service shall be paid by the Customer or Consignee, if there is more than one

consignor; all charges applicable to shipments receiving break-bulk or distribution service shall be paid by the Customer or Consignor, if there is more than one Consignee.

- e) CARGO TRANSIT will not perform Assembly or Consolidation service in connection with any shipment which is accorded Break-Bulk or Distribution services, nor will it perform Break-Bulk or Distribution services on any shipment which is accorded Assembly or Consolidation services.

### **CREDIT and COLLECTIONS**

At its discretion CARGO TRANSIT, may extend credit. Unless otherwise specified in writing, charges are due and payable to CARGO TRANSIT within 15 days of date of delivery. Bills unpaid after 30 days from delivery, including dishonored drafts, will be subject to a service charge of one and one half percent per month (18% per annum) or fraction thereof. Such service charge shall begin to accrue on the 31st day after the date of invoice. Furthermore, CARGO TRANSIT reserves the right to withhold delivery, or deliveries, at the customer's expense, for payment of all unpaid or past due charges. In such event, CARGO TRANSIT shall have a possessory lien on all inventory, cargo, freight, shipments and/or tangible commodities tendered to CARGO TRANSIT, or any of CARGO TRANSIT's Carriers, for all unpaid, past due and other charges for transportation, distribution or storage. CARGO TRANSIT may also add its reasonable attorney fees, collection costs or service charges incurred in attempting to collect transportation, handling or storage charges. CARGO TRANSIT, at its sole discretion, may revoke any and all discounting associated with a shipping order for non-timely payment if such charges are not paid within 45 days. In the event that a shipping order does not specifically indicate the discount level which has been applied, it shall be deemed that a minimum fifty percent (50%) discount has been applied, and such discount is subject to revocation for the aforementioned reason.

If Customer disputes any charges, including any claim of overcharges, Customer shall pay the amount it deems correct within the normal 15 day time frame and must provide written notice of dispute and documentation supporting its claim within 21 days of receipt of invoice or billing. Customer's failure to dispute charges or assert an overcharge claim in the accordance with provisions and time frame set forth above shall be deemed an acknowledgement by Customer that all such charges are correct.

It is understood that any payments rendered are for essential and necessary services and shall, in no way, be considered preferential. As required under the federal regulations, CARGO TRANSIT bills for freight charges on behalf of the underlying carrier and collects and holds such freight charges on their behalf. Upon payment to the underlying carrier, CARGO TRANSIT is assigned and subrogated to all the carriers' statutory and contractual rights of collection in addition to its own rights set forth above.

### **CONTROL**

CARGO TRANSIT shall arrange for the transportation of customer's goods by motor carrier, however such motor carriers are independent contractors and CARGO TRANSIT exercises no control over carriers' equipment, employees, subcontractors or agents, nor over the route, schedule or manner in which carrier performs. Likewise,

CARGO TRANSIT does not physically accept or control the freight, or the manner in which it is packaged, loaded or transported.

## **DEFINITIONS**

**BENEFICIAL OWNER** - The person or company to whom the freight belongs.

**BLOCKING & BRACING** – Refers to the physical securing of freight from longitudinal or lateral movement through the use of wooden blocks, stakes, sideboards, endboards or other device attached, fastened to nailed to trailer/container sides or floor, or use of chains, straps or other means tied down to the floor or side of the trailer/container.

**CARRIER** - Underlying rail, air or motor carriers – one who physically transports the shipment.

**CHASSIS** - A wheel assembly constructed to accept mounting, securement, and transport of containers.

**CONSIGNEE** - The actual receiver, including its agents or employees; the party designated on the shipping documents as the party to whom delivery should be made.

**CONSIGNOR** – The party from whom a shipment actually originated; the party designated on the shipping documents as the party from whom a shipment was physically received.

**CONSTRUCTIVE PLACEMENT**- The holding of a container at a location other than the loading or unloading site due to the inability or failure of the consignor or consignee to accept the container after notification.

**CONTAINER** - A reusable shipping conveyance not less than 20 feet and not more than 53 feet long, outside measurement, loaded or empty, with or without chassis, especially designed to facilitate the carriage of goods by one or more modes of transport. The container is fitted with devices permitting its ready transfer from one mode of transport to another and may be constructed so as to enable the attachment of removable chassis for further transportation.

**CUSTOMER** - The party to whom CARGO TRANSIT has extended credit or from whom CARGO TRANSIT receives a request for service.

**DEPOSITOR** – The party tendering goods to CARGO TRANSIT for warehousing and/or distribution.

**DETENTION** – Refers to delay at the Consignor or Consignee’s facility in the loading or unloading of equipment (trailer or container) while attached to a power unit (tractor), or with driver, beyond the stated “free time” allotted. (“Per Diem” refers to any such delay or detention beyond the allotted “free time”, and the additional charges thereon, of equipment when not attached to a power unit or with driver.)

**DRAYAGE** – Transportation by motor carrier to or from a rail head as part of an intermodal movement. Also known as “Cartage”.

**DUNNAGE** - Any temporary blocking, flooring or lining, racks, standards, strips, stakes, bracing, or supports (not a part of the original packaging) required to protect and make shipments secured for transportation, and that must be furnished and installed by the shipper at the shipper's expense. (Note: The term dunnage does not include excelsior, hay, sawdust, shavings, shredded paper, straw, packing cushions or pads, or similar packing materials.)

**GROSS WEIGHT** - Combined weight of lading and container, including converter gear or chassis, if applicable.

**HAZARDOUS MATERIAL** - A substance or material that has been determined by the U. S. Secretary of Transportation to be capable of posing an unreasonable risk to health, safety, and property when transported in commerce and has been so designated. There is a 49-series Standard Transportation Commodity Code (STCC) designated for each hazardous material.

**HOLIDAY** - Means the following holidays: New Year's Day, Washington's Birthday (Presidents' Day), Memorial Day, Independence Day; Labor Day, Veterans Day, Thanksgiving Day, Day after Thanksgiving Day, Christmas Eve Day, and Christmas Day.

Exceptions:

Good Friday is defined as a holiday on SP/SSW Intermodal Circular 1000-A.

Canadian Holidays are New Year's Day, Victoria Day, Dominion Day, Remembrance Day, Thanksgiving Day, Christmas Day, Boxing Day, Civic Day, Labor Day, and Good Friday.

In the event a holiday occurs on a Sunday, the following Monday may be considered a holiday. Exact dates when holidays are observed should be verified locally.

If carrier's terminal is open for business on Good Friday or Veteran's Day, normal detention rules and charges will apply.

Note: Washington's Birthday (Presidents' Day) and Memorial Day are observed on the dates designated by the federal government.

**IN & OUT HANDLING** – The physical movement of materials and product into and out of storage or temporary holding facilities, (and/or the charges for such, including labor and equipment, maintenance, depreciation and proration of management and overhead.)

**MOTOR CARRIER** – Interstate or Intrastate motor common or contract carrier.

**SHIPMENT** - A shipment is a quantity of freight received from one consignor, at one point or origin, or from places within a single plant, at one time for one consignee at one destination and covered by one bill of lading or written shipping order, for transportation in one vehicle.

SKID – AKA Pallet; a standard skid is no larger than 48” long by 48” wide, and no more than 96” tall. Total weight for any one standard skid shall not exceed 2000#. Any overage on any one of these four variables shall be considered an additional skid.

STORAGE – Means either the retention of vehicles/containers/trailers at a rail terminal or tender to warehouse or warehouseman for storing of the goods, depending on context.

**DESCRIPTION OF FREIGHT**

Customer or Consignor shall accurately declare and describe the commodities shipped pursuant to the National Motor Freight Classification (“NMFC”) descriptions or Item numbers. If it is determined that the articles shipped or stored are not those described in the bill of lading, warehouse receipt, shipping order or other shipping or storage document, the freight and all other charges must be paid on the basis of the commodities or articles actually shipped. An administrative fee may, at CARGO TRANSIT’s discretion, be assessed against Customer, or other party for each misdeclared shipment as follows:

First instance	\$ 25.00	Fourth instance	\$200.00
Second instance	\$ 50.00	Fifth instance	\$400.00
Third instance	\$100.00	Sixth instance+	\$800.00

Additionally, CARGO TRANSIT shall have no liability in the event of loss of or damage to the materially misdeclared or misdescribed freight regardless of CARGO TRANSIT’s actual negligence.

Where applicable, charges shall be computed on the gross weight at the time of shipment including weight of packing and preservatives. If the product net weight, rather than the shipment gross weight, is the only weight stated on the bill of lading, CARGO TRANSIT will add 10% tare weight to the net weight shown before computing final freight charges.

**DETENTION**

**MOTOR FREIGHT**

In the event that the carrier’s equipment (tractor and/or trailer) is detained by the Customer, Consignor or Consignee while loading, unloading, checking freight, or preparing paperwork for the receipt or movement of freight, charges of \$75.00.00 per hour, billed in quarter hour increments will be assessed for any time beyond the normal free time specified as follows:

- a) Less than Truckload (LTL) shipment the free time is 60 minutes;
- b) Truckload and container shipments the free time is 120 minutes;
- c) In the event of an inside delivery, store door delivery or tailgate delivery the free time allowance will be the amount stated times two.

Computations of time are to be made based on regular business hours, unless loading and unloading is permitted to continue beyond regular business hours until completion. The amounts due CARGO TRANSIT under the provisions of this rule shall be assessed

against the Customer, or any other party responsible for the applicable freight charges. Charges for driver loading and unloading, sorting and segregating of freight by CARGO TRANSIT or underlying carrier at Consignor's or Consignee's dock, are separate from, and in addition to these charges, if any.

### **DUTY OF CARE**

CARGO TRANSIT undertakes to arrange for the transportation of customers' freight by motor vehicle. Prior to tendering Customers' freight to any carrier, CARGO TRANSIT, or its Agent(s), shall obtain a copy of carrier's federal operating authority for interstate shipments and state operating authority for intrastate shipments. CARGO TRANSIT shall verify carriers' operating authority and federal safety rating via Federal Motor Carrier Safety Administration's ("FMCSA") website "Safersys.org" or other means.

CARGO TRANSIT will only use carriers with a "Satisfactory", "Conditional" or "unrated" safety rating. CARGO TRANSIT is in the business of arranging for transportation by motor carrier and is neither trained, licensed nor otherwise qualified to assess, analyze or predict the likelihood of a carrier's safe operations. CARGO TRANSIT reasonably relies upon the Federal and State Governments to only allow safe carriers to operate on the public roads, and is under no duty to investigate individual carriers' operations.

CARGO TRANSIT shall obtain an Acord Certificate of Liability Insurance for each carrier. CARGO TRANSIT shall only use carriers showing a minimum of \$750,000 public liability insurance and \$100,000 cargo insurance. However, CARGO TRANSIT has no duty to obtain, review or read carriers' insurance policies. Nor does it have any duty to discover policy limitation, exclusions or endorsements not specified on the Acord Certificate. CARGO TRANSIT has no duty to discover the value of Customers' freight, or arrange for a carriers with "adequate insurance coverage" unless specifically requested in writing to do so by Customer prior to shipment on a shipment by shipment basis.

### **EQUIPMENT ORDERED NOT USED**

#### **MOTOR FREIGHT – TRUCK LOAD and Less-Than-Truckload (LTL)**

In the event pickup is requested then canceled within 24 hours or less of the specified pickup time the party requesting pickup shall be charged a minimum of \$50.00 up to maximum of \$250.00 for the requested pickup. The \$250.00 maximum fee does not include below listed mileage charge. In the event the pickup is canceled the same day that pickup is scheduled to be made, the party requesting pickup shall be charged per mile from the point the vehicle was scheduled to travel from, to the pick up point at a per mile rate of (\$1.50 per mile) provided herein subject to a \$50.00 minimum. If the vehicle arrived for pickup prior to CARGO TRANSIT being notified of cancellation, a charge of \$150.00 shall be assessed in addition to the mileage charge.

### **FUEL SURCHARGE**

When the Department of Transportation national average self serve fuel price index rises above \$1.00 per gallon a fuel surcharge may be applied by the carrier. CARGO TRANSIT shall be entitled to pass along the carrier's fuel surcharge on a cost plus basis.

## **GOVERNING LAW**

Any action against CARGO TRANSIT for loss or damage to cargo must be commenced no later than two years from the date of delivery or, in cases where delivery is not made, two years from the date of a reasonable time for delivery. Any other action must be brought within one year of the date on which the cause of action arose.

Any action against CARGO TRANSIT must be brought in the State or Federal Court for Atlanta, Georgia.

Any dispute arising from transportation or services provided under this Service Guide shall be interpreted in accordance with Federal Statutory, Regulatory or common law regarding interstate transportation, and the laws of the State of Georgia, where applicable.

## **HAZARDOUS MATERIALS**

Shipments of hazardous materials and hazardous substances are subject to 49 Code of Federal Regulations (CFR), Parts 100-179, as amended and supplemented from time to time.

CARGO TRANSIT will only accept Hazardous Materials in limited circumstances.. With prior written notice and agreement. Customer agrees that all such HazMats shall be properly packaged, identified and placarded for the rigors of transportation in accord with industry guidelines. In no circumstance does CARGO TRANSIT undertake to perform or provide for any of the services of an offeror under 49 C.F.R. 171, nor shall it be considered an offer or required to register as such under 49 C.F.R. 107. CARGO TRANSIT will transmit information received from the shipper to the carrier, but reasonably relies on customer to accurately describe the freight and request the appropriate means of carriage.

Customer will be responsible for the cost of decontamination and/or rehabilitation of the container or any other shipping conveyance. Customer shall further indemnify CARGO TRANSIT, from the cost of any spill, response, mitigation, fines and penalties, clean up, and ultimate disposal resulting from the transportation, handling or storage of hazardous materials.

Any hazardous material found not in conformance with this section may be warehoused at the owner's risk and expense or destroyed without compensation. A \$50,000 charge as liquidated damages will be assessed against the shipper and/or consignor for each and every shipment of hazardous materials tendered to CARGO TRANSIT in violation of this section, and such liquidated damages represent the reasonable approximation of CARGO TRANSIT's anticipated damages.

## **HOLDING DELIVERIES**

When requested and if operating conditions permit, CARGO TRANSIT will delay delivery of a shipment, at any time prior to or at the point of delivery. The following additional charges will be assessed by CARGO TRANSIT for each day of delay, including

weekends and legal holidays. Chargeable days will be computed on total days from pickup to delivery, minus the scheduled days for transit involved. CARGO TRANSIT reserves the right to place products into a public warehouse or other storage facilities and, or arrange for interline delivery at the expense of Customer or the party responsible for freight and other charges. When a shipment is held more than three days, CARGO TRANSIT's liability, if any (See Liability Section), shall be that of a warehouseman's, or if placed in a public warehouse or other storage facility CARGO TRANSIT's liability, if any, shall terminate.

#### **MOTOR FREIGHT:**

\$35.00 per standard skid per day with a \$50.00 minimum charge for the first 10 days. After 10 days of storage, storage charges shall increase from \$35.00 per standard skid per day to \$75.00 per standard skid per day.

#### **IMPRACTICABLE OPERATIONS**

Nothing shall require CARGO TRANSIT to pickup or deliver freight at any point at which, on account of conditions of alleys, streets, roads, driveways, or local ordinances, it is impracticable or unsafe to operate motor vehicles.

#### **INDEMNIFICATION**

The Customer, Consignor, Consignee, Beneficial Owner and/or any other party(s) to the transaction shall be liable, jointly and severally, to pay or indemnify CARGO TRANSIT for all claims, fines, penalties, damages, reasonable attorney's fees, costs or other sums which may be incurred, suffered or disbursed by CARGO TRANSIT by reason of any violation of any of the terms and conditions contained in this Service Guide, or the underlying motor carriers' applicable tariffs or publications, or any other default of the Customer, Consignor, Consignee, Beneficial Owner or other such party with respect to a shipment.

Customer agrees to defend, indemnify and hold CARGO TRANSIT harmless for all costs arising out of any spill, response, mitigation, fine or penalty, clean up (including decontamination and/or rehabilitation of the equipment) or ultimate disposal of cargo, including hazardous materials which result from a failure by the Customer, Consignor or Beneficial Owner to properly package, or in regard to truck load shipments, load, secure, placard or otherwise properly prepare the shipment for transportation. Such a failure shall include, but is not limited to, the failure to properly package, load, block or brace the freight; the failure to properly document or placard or describe the freight. Additionally, Customer agrees to indemnify CARGO TRANSIT, for any costs, fines or penalties arising out of the transportation of an overweight shipment or container. Though Customer is entitled to seek indemnification from others ultimately responsible, the responsibility of others shall in no way relieve Customer of its duty to indemnify CARGO TRANSIT. Additionally, CARGO TRANSIT shall be entitled to reasonable attorney fees and costs for enforcement of these terms.

#### **INJURY TO PERSONS OR PROPERTY**

CARGO TRANSIT does not own equipment or employ drivers, nor does CARGO TRANSIT physically participate or control the loading, securing, transportation or unloading of freight. CARGO TRANSIT shall not be liable to Customer or any other entity for injury to persons or property unless such injury is solely attributable to CARGO TRANSIT's acts or omissions. To the extent that Customer, its employees, agents or subcontractors causes or contributes to such injury it shall defend, indemnify and hold CARGO TRANSIT harmless from any claims, suits, causes of action, including reasonable attorney fees and costs. Additionally, CARGO TRANSIT shall be entitled to reasonable attorney fees and costs for enforcement of these terms.

### **INSIDE DELIVERY AND STORE DOOR DELIVERY**

When requested by the Customer, Consignor or Consignee, and operating conditions permit, CARGO TRANSIT will move or arrange for shipments or portions of shipments to be moved to a position or place other than a truck dock suitable for loading and unloading the vehicles.

- a) For the purposes of this item driver loading, unloading, sorting and segregating are included. Driver and vehicle detention rules however, are not included and will apply in addition to inside delivery.
- b) CARGO TRANSIT will, at its discretion, put such shipments into temporary storage for later delivery and, or interline such shipments, if such handling will likely result in a delay to CARGO TRANSIT's operations.
- c) Store door deliveries, deliveries to strip malls, or deliveries into doorways immediately adjacent to the delivery vehicle will be subject to accost plus charge.
- d) Inside deliveries to places not immediately adjacent to delivery vehicle; deliveries into shopping centers and malls and deliveries to kiosks will be subject to a cost plus charge.
- e) Deliveries to private residences, schools and churches will be subject to a cost plus charge.
- f) Deliveries to floors other than ground floor will subject to a cost plus charge.

### **LIABILITY FOR LOSS OR DAMAGE**

CARGO TRANSIT shall not be liable for loss of or damage to freight except as provided herein. Unless the loss or damage is the direct result of negligence of CARGO TRANSIT or its employees, CARGO TRANSIT shall not be liable. Negligence of underlying Carriers shall not be imputed to CARGO TRANSIT.

In no event shall CARGO TRANSIT be liable for special, consequential, or punitive damages, or for any amount in excess of actual damage to or loss of the commodity transported subject to the limitations of liability and/or maximum declared values set forth below. No claim under the minimum claim threshold amount of \$300.00 shall be filed against CARGO TRANSIT or CARGO TRANSIT's underlying Carriers.

All freight should be packaged to withstand the rigors of cross-dock handling and motor transport. The Customer is responsible for complying with all rules, regulations, and recommendations relating to the packaging, loading, blocking, and bracing of commodities as contained in National Motor Freight Classifications (NMFC) publications

prior to tendering the shipment to CARGO TRANSIT. Any devices required to secure the shipment for transport are to be provided by the Customer at the Customer's expense. The Customer is responsible for assuring that the Consignor and/or Beneficial Owner comply with all applicable rules and regulations.

Damage of a visible or obvious nature must be documented. The absence of any notation of damage, broken shrink wrap or lack of seals on transportation documents prior to removal from terminal premises creates a presumption that the shipment was delivered in good condition. The burden will be on the claimant to prove otherwise.

Failure of CARGO TRANSIT and/or Carriers to inspect the shipment or its packaging is not a waiver of any defenses to claims or suits, nor is it an admission of liability. In the event no inspection is made, the claimant is not relieved of any of its obligations to notify, document, and mitigate any losses.

The Carriers' liability for loss of or damage to the shipment is subject to released values, and the provisions for loss or damage as established by the carrier in its tariff or other governing publication. Customers desiring higher liability limits than currently provided by the underlying carriers must declare a higher value in writing at least 24 hours prior to tendering the shipment so that CARGO TRANSIT has sufficient time to obtain an appropriate rate for the shipment based on the higher valuation – subject to the maximum declared values set forth below and or set forth within the underlying carrier's tariff.

Neither CARGO TRANSIT, nor the Carriers will be liable for any delay, loss, or damage to freight resulting from act or events outside of its (their) control. Neither CARGO TRANSIT, nor the Carriers shall be liable for delay, loss, or damage occurring while the freight is stopped in transit, held, or stored at the request of any party entitled to make such request.

Matters relating to loss or damage claims and suits against underlying carriers that are not covered by this Service Guide or the applicable tariff or other governing publications of the Carriers are governed by the Uniform Straight Bill of Lading regardless of the terms on the actual bill of lading used.

In the event there is partial loss or damage to a shipment that does not render it worthless, it is the duty of the Consignor to arrange for acceptance of the freight in its damaged condition. The Customer, Consignor, Consignee and/or Beneficial Owner must mitigate the loss of damage and may file a claim only for the amount of damage sustained, subject to any other claim provisions. Shipments that have been only partially damaged and that retain a substantial value may not be abandoned to the carrier.

CARGO TRANSIT does not accept certain goods for transportation or distribution as set forth in the "Prohibited Articles" Section. CARGO TRANSIT assumes no liability whatsoever for such goods if tendered to CARGO TRANSIT in violation of this Service Guide. Additionally, liquidated damage provisions may apply if prohibited articles are tendered to CARGO TRANSIT – see Hazardous Materials section.

## **LIABILITY OF CARGO TRANSIT**

### **Broker Liability:**

Where CARGO TRANSIT acts in its capacity as a transportation broker it shall not ordinarily be liable for loss or damage to cargo. CARGO TRANSIT shall not be liable for loss of or damage to freight unless the loss or damage is proximately caused by CARGO TRANSIT or its employees' negligent acts or omissions. Absent material negligence on CARGO TRANSIT's part, the sole remedy for freight loss or damage shall be against the underlying carrier(s), forwarder(s), warehouseman or other service provider(s), pursuant to the terms and conditions of those entities' relevant bills of lading, contracts, receipts, tariffs, circulars, or other publications governing liability for loss of or damage to freight. Negligence of underlying carriers, forwarders, warehousemen, lumpers or other service providers shall not be imputed to CARGO TRANSIT. Neither CARGO TRANSIT, nor the underlying service providers shall be liable for freight loss, damage or delay proximately resulting from Acts of God, the public enemy, acts of governmental agencies/entities, negligent or intentional acts of the Customer, Consignor, Consignee, or Beneficial Owner of the freight. The claimant has the duty to take all reasonable steps to mitigate damages, including using salvage procedures.

It is specifically agreed and understood that CARGO TRANSIT's liability, inclusive, shall not exceed \$5000 for any single shipment, unless covered by CARGO TRANSIT's contingent cargo insurance, if applicable, in which case CARGO TRANSIT's maximum liability, inclusive, shall not exceed the insurance coverage or \$100,000 whichever is less.

In no event shall CARGO TRANSIT be liable for any special, incidental, consequential or punitive damages, including without limitation, damages for delay, loss of profits, income, rental, late delivery penalties, missed appointment fees, interest, costs, attorney fees or other such damages, whether or not CARGO TRANSIT had knowledge that such damages might be incurred

Regardless of whether CARGO TRANSIT would otherwise have been liable, if Customer, Consignor, Beneficial Owner or other party misdeclared or misdescribed the freight in a material way, CARGO TRANSIT shall not have any liability for any loss or damage to that freight.

### **LIABILITY FOR LOSS OR DAMAGE OF EQUIPMENT**

The Customer, Consignor or Consignee is responsible for any loss or damage to equipment (trailer, chassis, container) while in their possession or proximately caused by Customer, Consignor or Consignee's acts, including by not limited to improper packaging, loading, bracing, securing or positioning of the freight. Payment for such loss or damage will be the greater of the replacement cost or actual cash value at the time the equipment is damaged or lost. Customer, Consignor or Consignee shall indemnify CARGO TRANSIT and hold CARGO TRANSIT harmless for any and all actions resulting from such losses and any resultant action by the damaged carrier.

### **LOADING OR UNLOADING**

Loading of shipments onto the trailer or container shall be performed by the consignor and the unloading of shipments shall be performed by the consignee. Upon request of the Customer, or other party responsible for the regular freight charges, CARGO TRANSIT may furnish labor to perform loading or unloading. The charge shall be issued with regular freight charges on a cost plus basis.

Shipments loaded by the consignor and unloaded by the consignee are also subject to the following provisions:

The Bill of lading or Shipping Order covering the shipment must contain the notation "Shipper/Consignor to load and/or consignee to unload" the shipment.

In the event the shipment is stopped for partial loading or partial unloading, the party tendering or receiving any portion of the shipment will be subject to the same requirements as to loading or unloading.

CARGO TRANSIT shall be entitled to unloading charges on LTL shipments at cost plus 20%.

### **MARKING SHIPMENTS AND PRODUCT- MOTOR FREIGHT**

Every pallet load of product tendered for transportation must be clearly marked with the name, city and state of the consignee and in accordance with consignee's specifications. Every pallet shall also be numbered and marked with the total number of pallet loads for each consignee. For example, if a consignee is to receive two pallets the pallets should be numbered "1 of 2" and "2 of 2". Additionally, all packages of product must be labeled such that they are easily identified with the respective shipper or consignor, packing lists, bills of lading and shipping orders. Mixtures of different items must not be packed in the same container, unless each item is listed both on the outside of the container and on the bill of lading with the proper piece count noted. Any commodity description and temperature instructions on the bill of lading must match precisely with markings on the packages. If packages and bill of lading do not match, CARGO TRANSIT assumes no claim liability whatsoever. Shipments not marked in accordance with these rules will be subject to sort and segregate charges, delay charges and possible delays in transit. In addition, CARGO TRANSIT may return shipment(s) to Consignor without claim liability, place product in storage and reship product as necessary to reconcile shipping errors at the expense of Customer or other party responsible for freight charges.

### **MAXIMUM DECLARED VALUE**

The Maximum Declared Value for any shipment tendered to CARGO TRANSIT or its Carriers is \$100,000.00. Declaration of value in excess of this amount shall be null and void unless specifically agreed to in writing by CARGO TRANSIT prior to the time of shipment, and additional fees paid thereon.

### **MAXIMUM WEIGHT**

**MOTOR FREIGHT** - The maximum allowable weight per shipment shall be 45,000 pounds, gross weight including necessary packing and shipping equipment;  
**INTERMODAL/RAIL FREIGHT** - The maximum allowable weight per containerized shipment shall be 45,000 pounds, gross weight including necessary packing and shipping equipment; Subject to all Federal, State and Local regulations regarding maximum weight.

### **MINIMUM CHARGE**

The minimum charge for a straight or mixed shipment will be the applicable rate at the actual weight or minimum weight specified, whichever is greater. Any deficit between actual weight and the minimum weight specified will be charged for at the rate applying to the lowest rated article in the shipment.

Additionally, Commodities with a density of less than 9 pounds per cubic foot and/or tendered on pallets that may not be double stacked or must be top loaded will be charged at a minimum of 2000 pounds per pallet space utilized.

### **MITIGATION**

Both Consignor and Consignee have the duty to mitigate damages in case of cargo loss, damage or delay, which includes the duty to accept and salvage. The standard shall be the "practically worthless" test, so that only if the cargo is practically worthless for the intended use are the consignor and/or consignee absolved from the duty to accept and mitigate. If Consignor and/or consignee fail to accept salvageable cargo they shall be considered to have abandoned it and shall only be entitled to whatever salvage value the carrier or others can collect.

### **NO WAIVER**

Failure by CARGO TRANSIT to invoke or enforce any or all of the provisions of this Service Guide shall not constitute a waiver of any or all such provisions, nor shall any assertion or showing of "custom" or "usage" be deemed a waiver of the written terms and conditions contained in this Service Guide.

### **NO WARRANTIES OR PERFORMANCE GUARANTEES**

CARGO TRANSIT shall attempt to secure on-time, scheduled performance from Carriers in regard to the movement of Customer's freight, however CARGO TRANSIT makes no warranties, express or implied, and expressly disclaims any and all warranties. CARGO TRANSIT is not bound to transport property in any particular vehicle, stacktrain, air craft or for any particular market or markets, other than according to reasonable dispatch. Reasonable dispatch shall be dictated, among other things, by the nature of the transportation, safe and legal transportation operating requirements, and multiple shipper, receiver and customer requirements and parameters. Further CARGO TRANSIT does not warrant that shipments en route will remain in continuous

transit. Customer understands and acknowledges that, from time to time, shipments may be delayed while en route.

CARGO TRANSIT's offer to arrange, provide or perform transportation service is subject to availability of appropriate equipment, which will be determined by CARGO TRANSIT, as soon as possible after service is requested. Neither CARGO TRANSIT, nor the underlying Carriers shall be liable for suspension of service or operations that result from Acts of God, war, terrorism, insurrection, strikes, derailment, or any other cause beyond their control. The service standards for CARGO TRANSIT's underlying carriers are not guaranteed service standards, nor shall they be construed as such by any CARGO TRANSIT Customer, Consignor, or Consignee.

CARGO TRANSIT will not be responsible for any charges levied by anyone for failure to perform any service as to the timeliness of pick-up or delivery, whether implied by an effort to accommodate the Customer, Consignor and Consignee or not. Such fees may include, but are not limited to a failure to make or meet appointment times or a failure to notify of a change in schedule.

In no event shall CARGO TRANSIT be liable for any special, incidental, consequential or punitive damages, including without limitation, damages due to delay, loss of profits, rental or income, travel, labor or expense, interest, costs or attorney fees, whether or not CARGO TRANSIT, its Regional Service Providers or Line-Haul Carrier had knowledge that such damages might be incurred.

### **ORDERING SERVICE**

Request for service from CARGO TRANSIT shall be made by form approved by CARGO TRANSIT or other mutually agreed format which may include forms electronically transmitted via internet, telephone, or facsimile.

In some cases CARGO TRANSIT may have submitted an initial rate offer or quotation to Customer prior to shipment. The initial rate offer and subsequent shipping, billing and other documents specifically incorporate by reference the terms and conditions of this Service Guide.

Any change or notation made on the Shipping Documents that is in any way inconsistent with the terms of this Service Guide or the underlying publications or purports to enlarge, modify, or change them will be considered as a notation made for the private benefit and information of consignor or consignee. Such a notation shall not be a part of any contract or agreement with CARGO TRANSIT. Also any changes made to CARGO TRANSIT shipping documents without approval that result in additional charges being levied to CARGO TRANSIT via the underlying CARGO TRANSIT carrier shall be chargeable to the Customer, Consignor, Consignee, or Beneficial Owner with the addition of a 20% administrative fee but not less than \$45.

### **OVERFLOW - CHARGE WHEN SHIPMENT CANNOT BE LOADED INTO ONE VEHICLE**

When CARGO TRANSIT is tendered a shipment on one bill of lading, and at one time, where the lading cannot be loaded in one trailer, or container, the portion of the shipment that cannot be loaded into the first trailer, or container, either because of weight or cubic volume of the lading, will be considered an overflow. The overflow will be treated as a separate shipment and charges will be assessed as such.

### **PACKING AND PACKAGING REQUIREMENTS – SAFE LOADING REQUIREMENTS**

Shipments must be in barrels, baskets, boxes, cartons, crates, hampers or kegs, sacked or wrapped, under the specifications and standards set forth in the National Motor Freight Classification.

Any shipment or part thereof deemed by CARGO TRANSIT or the Carrier not to be in proper condition for safe transportation will be refused. However, failure of CARGO TRANSIT or the Carrier(s) to reject a shipment that does not comply will not make CARGO TRANSIT or such carrier(s) responsible for loss, damage, or injury resulting from improper loading, packing or securing. Where CARGO TRANSIT or the Carrier undertakes to re-package, re-wrap, re-load, re-block or re-brace or otherwise re-furbish a shipment, Customer will be responsible for all charges provided for such services, plus a twenty percent (20%) administrative fee.

In no instance should the gross weight of the container and its contents exceed state and federal laws governing weight. Customer has the responsibility to assure that the Consignor and/or Beneficial Owner adequately loads, blocks, and braces the shipment.

Containers are designed for uniform weight distribution. Lading weight in containers must be evenly distributed both crosswise and lengthwise. It must be equally distributed between the rear tires and the king pin.

Lading is to be secured in such a manner to prevent it from shifting either crosswise or lengthwise during transport where it would affect safe weight distribution or position in the container., Lading shall always meet all applicable Federal and State standards.

In loading heavy or concentrated weight commodities, no more than 25,000 pounds may be uniformly distributed over any 10 linear feet within the container. On lading with small supporting bases, no more than 3,500 pounds may be concentrated on a floor area of less than 25 square inches (minimum dimension 3.1 inches by 8 inches) with such areas no closer than 35 inches to one another.

Container doors are not designed or constructed to restrain longitudinal movement of lading under normal railroad operating conditions. Lading must be loaded and restrained adequately to prevent it from exerting excessive pressures against doors, walls, or ends of trailers/containers that might cause their failure.

Customer, Consignor and Beneficial Owner are liable to CARGO TRANSIT or any other involved party for damages, personal injuries, or death resulting from failure to comply with equipment specifications and loading standards as contained in the Uniform Freight Classification and/or from a failure of the Customer, Consignor, or Beneficial Owner to load and brace the lading properly; if such defect or failure is a proximate cause of the damage, injury, or death. Acceptance of a sealed trailer or container by any underlying

carrier for transportation does not constitute a waiver of CARGO TRANSIT's right to seek indemnity from Customer, Consignor or Beneficial Owner for noncompliance with its obligations.

Customer agrees to indemnify and hold CARGO TRANSIT harmless from the loss or damage described above and for the cost of defending claims or suits filed against CARGO TRANSIT for such damage, including reasonable attorney fees and costs incurred.

### **PACKING OR PACKAGING – SHORTAGE**

Neither CARGO TRANSIT nor the underlying carrier will be responsible for shortage on shipments which are banded strapped, netted, shrink-wrapped or otherwise where such securing material is found to be intact at the time of unloading by consignee. CARGO TRANSIT will only be responsible for damage, if applicable, on such shipments. See Liability Section

### **PALLET EXCHANGE**

Except as otherwise provided, CARGO TRANSIT will not exchange pallets. Palletized shipments will be accepted for transportation and will be delivered to the consignee as part of the shipment provided that the pallets and pallet weight are included with the shipment description on the bill of lading. Pallets will become the property of the carrier when they are not properly noted on the bill of lading. Upon special request CARGO TRANSIT will endeavor to furnish pallets for exchange, when available, under the following conditions:

- (a) Pallets may be removed by consignor and consignee, from carrier's vehicle, provided such consignor and consignee replaces in the vehicle a like number of pallets of identical size, construction, loaded or empty.
- (b) When the consignor or consignee desires that CARGO TRANSIT maintain pallet exchange records and maintain an even pallet balance, exchanges must be clearly noted and initiated by the driver on the bill of lading. Separate pallet slips will not constitute a record of uneven pallet exchanges. CARGO TRANSIT will maintain a record of uneven exchanges and undertake to return excess pallets received at no charge provided that 1) pallet returns can be accomplished without expense and at CARGO TRANSIT's convenience and CARGO TRANSIT is compensated at a rate of \$12.00 per pallet, per shipment, by Customer or other party responsible for freight charges, for pallets supplied to the consignor and not returned by the consignee.
- (c) Under no circumstances will deductions in payment be permitted for outstanding pallet balances owed by CARGO TRANSIT.
- (d) CARGO TRANSIT shall be entitled to a pallet exchange charge of \$10.00 per pallet on all LTL and TL shipments to the following destinations:

RESERVED

Such charges shall not apply on "CHEP" or beveled pallets.

## **PAYMENT RESPONSIBILITY**

Customer is responsible for all charges and fees relating to a shipment, including but not limited to transportation charges, handling, storage, detention, and service charges, regardless of any payment instructions to the contrary. In the event of default by Customer, and in addition to the lien rights set forth above, (See Credit and Collections Section) CARGO TRANSIT reserves the right to collect all such charges from the Consignor, Consignee, Beneficial Owner or other party to the transaction, and such parties' liability for freight and other charges shall be joint and several, regardless of the payee designated on the bill of lading or other documents. The provisions of "Section 7" of the National Motor Freight Classification's ("NMFC") Uniform Straight Bill of Lading shall not apply. CARGO TRANSIT may, at its sole discretion, initiate collections (with or without discount application) as provided above.

By special arrangement, as a courtesy to the Customer, CARGO TRANSIT may undertake "Collect" or third party payable shipments, though such shipments may be subject to additional charges or a different scale of rates. Collect or third party freight charges shall be issued to the party specified on the shipping documents, including, but not limited to, bills of lading. Any unpaid collect or third party freight charges remain the responsibility of the Customer regardless of any notations to the contrary on the bill of lading. The Customer warrants payment shall be made to CARGO TRANSIT within 15 days of presentation of its freight charges.

Payment of freight and other charges are not subject to deductions, offset or withholding for any reason whatsoever.

## **PER DIEM CHARGES and FREE TIME**

For empty trailers and/or containers dropped off at origin for loading, free time shall be as set forth in the underlying carriers tariff or governing publication. CARGO TRANSIT shall be entitled to charge for all additional time at cost plus 20%.

## **PROHIBITED ARTICLES**

CARGO TRANSIT WILL NOT ACCEPT the following articles:

- ❑ Accounts, bills, deeds, evidences of debt, currency, money, securities, notes, letters of credit, passports, tickets or other valuable papers;
- ❑ Bullion, precious stones, jewelry or other similar valuables, paintings, statuary, or other works of art, furs, or garments trimmed with fur;
- ❑ The following hazardous materials, as described in Bureau of Explosives Tariff 6000 series:
  - ❑ Liquid corrosive materials, in excess of 25 percent of total weight
  - ❑ Explosives, Class 1.1, 1.2, or 1.5
  - ❑ Nitrostarch, wet or dry
  - ❑ Radioactive materials (as described in Item UFC 6000-A)
- ❑ Sodium compounds (as covered by STCC 28-123 of STCC Tariff 6001-K)
- ❑ Poisons

- ❑ Metal Coils
- ❑ Hazardous Wastes - Regulated by the DOT and EPA, as described in Part 261, Title 40, Code of Federal Regulations – CARGO TRANSIT DOES NOT HANDLE HAZARDOUS WASTE UNDER ANY CIRCUMSTANCES.
- ❑ Corpses, cremated or disinterred remains
- ❑ Live Animals or Birds

Additional commodities may also be restricted in individual rail and motor carrier's rules circular(s).

A \$50,000 charge as liquidated damages will be assessed against the shipper and/or consignor for each and every shipment of prohibited articles (excluding hazardous material which are subject to \$50,000 liquidated damages charge) tendered to CARGO TRANSIT in violation of this section, and such liquidated damages represent the reasonable approximation of CARGO TRANSIT's anticipated damages.

### **PROTECTIVE SERVICE**

CARGO TRANSIT does not currently offer protective service. Any agreement to provide protective services must be in writing, signed by an Officer of CARGO TRANSIT and subject to all additional charges as stated by CARGO TRANSIT.

### **RATES**

CARGO TRANSIT'S offer of rates is based on the availability of equipment, lanes, return freight and other factors. As each customer's rates are based on a variety of factors and services required, CARGO TRANSIT cannot offer "most favored nation" provisions or guarantee parity of rates for different customers. In all cases, CARGO TRANSIT's rates are based on the underlying carrier having a maximum of \$100,000 liability and cargo insurance.

### **REDELIVERY SERVICE**

When, through no fault of CARGO TRANSIT, a shipment cannot be delivered when tendered for delivery, or after the underlying carrier has made reasonable effort to effect delivery, or redelivery is requested, charges for each additional delivery, or attempted delivery, will be assessed, plus applicable return to terminal or agent charges and storage charges.

### **RECONSIGNMENT OR DIVERSION**

Shipments may be diverted or reconsigned at point of original destination or at some intermediate point subject to the following:

- a) Charges on a cost plus basis, but not less than \$50 shall apply in addition to all other applicable charges.

- b) The rate on a shipment diverted in transit or at original destination shall be cost plus 20% but not less than \$50, providing the shipment is reconsigned to the commercial zone of the original destination. A truckload shipment reconsigned to another commercial district shall be rated on the basis of service from origin to the new destination and shall be subject to circuitry via the point of diversion. An LTL shipment reconsigned to another commercial district shall be rated from point of origin to original destination, regardless of point of diversion, plus interline from the point of diversion to new destination.
- c) If reconsignment results in a vehicle delay, refusal, redelivery, additional stop in transit, storage or return then such charges will apply in addition to all other applicable charges.

### **REFUSED OR UNDELIVERED SHIPMENTS**

Shipments which have been refused, or which for any reason CARGO TRANSIT or the underlying carrier is unable to deliver, will be placed in storage, at CARGO TRANSIT's discretion. CARGO TRANSIT will attempt to contact the Customer or Consignor for alternative instructions at the time delivery is attempted, however CARGO TRANSIT will notify Customer or Consignor within 24 hours. Unclaimed product will be considered as refused after 3 days from such notification. Such shipments shall be subject to an administrative fee of \$50.00 plus a stop charge of \$50.00 to place product on hold within the original destination commercial zone, plus all applicable detention and storage charges. If the product is placed in a location other than the commercial zone of the original shipment destination charges will apply as provided herein to reship product to the nearest practical location en route. Shipments shall also be subject to applicable storage, redelivery, reconsignment, or return charges.

### **RELEASED VALUATION**

Unless otherwise expressly stated, all rates quoted by CARGO TRANSIT are "released valuation rates" with an agreed limitation of liability for loss, damage or delay as set forth of above, (See Liability Section) regardless of actual value, notations on the bill of lading, customs declarations or other shipping or storage documents notwithstanding. Only upon written declaration, signed and acknowledged by CARGO TRANSIT, and payment of higher rates shall shipment move or be stored at valuations in excess of those stated above – up to a maximum declared value as set forth in the Liability section. Any attempt to declare a value in excess of maximum declared value shall be null and void, nor shall CARGO TRANSIT or the underlying carrier have any liability on any shipment in excess of such amounts.

### **ROUTING**

Unless otherwise specified in writing, the route, mode of transportation and/or particular Carrier utilized shall be at the sole discretion of CARGO TRANSIT. CARGO TRANSIT reserves the right to route or re-route shipments via the route, mode of transportation, or Carrier which in its judgment will provide the most expeditious service to destination. CARGO TRANSIT shall not be obligated to provide advance notice of the means selected to effect delivery.

## **SORTING AND SEGREGATING**

When CARGO TRANSIT is requested and furnishes the service of sorting or segregating at delivery point according to size, brand, flavor, individual lot, or other distinguishing characteristics, so identified on the bill of lading, or accompanying paper given to CARGO TRANSIT at time of tender, CARGO TRANSIT will charge on a cost plus basis, but not less than \$50.00 per skid. The charge named in this item shall be assessed against the party responsible for freight charges irrespective of who requests the service to be performed. Charges shall be in addition to all other lawful charges assessed the shipment

## **STOPOFFS - TO PARTIALLY LOAD OR UNLOAD**

Shipments may be stopped in transit to partially load or complete loading or to partially unload subject to the following provisions:

- a) Stops for partial loading or unloading will be permitted only at points within the scope of carrier's operations.
- b) A shipment with stops in transit must be from one shipper at one point of origin to one consignee at one destination, on one master bill of lading.
- c) The master bill of lading or shipping order must show the point or points at which shipment is to be stopped for partial loading or unloading together with a complete description of the kind and quantity of freight to be loaded or unloaded at each point and the name and address of the party from or to whom each portion is to be received or delivered. If receipt or delivery is made at two or more different locations at the same point (city, town or village) each pick-up or delivery will be considered as a separate stop in the application of this rule.
- d) Stops to partially unload will be permitted only at points beyond those at which the last stop for partial loading is made.
- e) Transportation charges shall be assessed on basis of actual weight of the entire shipment, but not less than the applicable minimum weight, and at the rate or rates, in effect on date of shipment, for the applicable distance from point of origin through the stop-over point or points to the final destination, plus charge provided in paragraph (g).
- f) An additional charge of \$75.00 or cost plus 20%, whichever is higher per stop for the first two additional stops and \$100.00 or cost plus 20%, whichever is higher per stop for the third and subsequent additional stops shall be made for each stop to partially load or unload a shipment, exclusive of the initial pick-up stop and delivery stop.
- g) Freight charges on a shipment stopped to partially unload must be prepaid or guaranteed by the Customer or Consignor. The consignor may show on the bill of lading the name of one party from whom the entire freight charges, including the stop-off charges, shall be collected, which must be a party to whom a portion of the shipment is to be delivered.
- h) Stopping in transit for partial unloading will not be permitted on a shipment when consigned "C.O.D.", "To order", or to be delivered on shipper's written order, or where accompanied by any instructions from the consignor requiring the surrender or presentation of the bill of lading, a written order or any other documents as a condition precedent to delivery at stopoff point.

### **SUIT TO COLLECT CHARGES**

In addition to its lien rights, CARGO TRANSIT shall be entitled to sue in its own name for any and all unpaid freight and other charges, including discount revocation. In the event that CARGO TRANSIT determines that suit must be filed to collect charges, the amount sued upon shall include interest, reasonable attorney fees and other collection costs set forth above. (See Credit and Collections section). The parties acknowledge and agree that the limitations period set forth at 49 U.S.C. §14705 is not applicable to CARGO TRANSIT, and to the extent applicable to CARGO TRANSIT is expressly waived. The time period for bringing any action to collect its charges shall be governed by the laws of the State of Georgia regarding actions upon a written contract.

### **TAILGATE SERVICE**

Unloading is the responsibility of the consignee. When requested by the consignor or consignee, and when safe and practicable operating conditions permit, CARGO TRANSIT may move shipments or portions of shipments from or to the rear of the trailer to accommodate loading or unloading on a cost plus basis but not less than \$35.00 per skid. CARGO TRANSIT shall be permitted to interline or put such shipments into temporary storage for later delivery pick up or delivery, at Customer's expense, if such handling will result in a delay to CARGO TRANSIT, or the underlying carrier's operations. The charges provided in this item will be in addition to all other lawful charges and shall be paid by the Customer or other party responsible for the regular freight charges.

### **UNCLAIMED OR REFUSED FREIGHT**

Freight not removed by the receiver after the freight has been made available and notice of the arrival at destination has been sent may be kept by CARGO TRANSIT and will be subject to storage charges. At the option of CARGO TRANSIT, the freight may be stored in a warehouse at the expense of the Customer, Consignor, Consignee, Beneficial Owner, or other party liable for freight and other charges. In this case, the freight will be held without liability to CARGO TRANSIT, and subject to CARGO TRANSIT's lien for all charges, including a reasonable charge for storage.

If the receiver of nonperishable freight fails or refuses to accept deliver within a reasonable time after notice of arrival has been given, CARGO TRANSIT may sell the freight to the highest bidder. Before such a sale is made, CARGO TRANSIT will first give formal notice to the Customer, Consignor, or Beneficial Owner that the freight has been refused or unclaimed, and that the freight will be subject to sale if disposition is not made within three (3) business days. On perishable freight, CARGO TRANSIT may sell the freight to the best advantage to protect its interest and prevent deterioration. Where the procedures outlined are not possible, CARGO TRANSIT may sell the freight in a commercially reasonable manner consistent with the circumstances. The proceeds of any sale made under this section will be applied by CARGO TRANSIT to payment of freight and accessorial charges, interest and attorney fees, costs of sale and other

necessary expenses. Any balance will be paid to the Customer or Beneficial Owner of the freight.

**WAIVER**

The failure of CARGO TRANSIT to enforce a provision, exercise a right, or pursue a default of this Service Guide shall not be considered a waiver. The express waiver of a provision shall be effective only in the specific instance, and as to the specific purpose, for which it was given.

For questions or comments regarding this CARGO TRANSIT, Inc. Service Guide, please contact: Gallagher & Howarth, P.C. at: (860) 254-5434