



Freight Force, Inc.
Service Conditions
Applicable to Air Cargo Cartage Services

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Application of These Terms and Conditions

Freight Force, Inc. (“Freight Force”) is a property broker registered with the Federal Motor Carrier Safety Administration under MC-437784. Freight Force is neither an Indirect Air Carrier (“IAC”) certified by the Transportation Security Administration (“TSA”), nor an Authorized Representative (“AR”) of any IAC. Instead, separate from our property-brokerage work, Freight Force offers administrative services to a network of independently owned-and-operated motor carriers (and other service providers) that serve as ARs of IACs (“Carrier”). On behalf of Carrier, Freight Force gives notice of the following terms and conditions governing certain aspects of the business relationship between Freight Force and Carrier, on the one hand, and the IACs that Carrier performs services for, on the other (the “Terms and Conditions”). These Terms and Conditions apply to shipments transported by Carrier having a prior or subsequent movement by air; other shipments handled by Carrier as part of the Freight Force network are governed by separate terms and conditions.

Definition of “Shipper”

“Shipper” means any person or entity tendering to Carrier shipments having a prior or subsequent movement by air, including but not limited to persons or entities physically tendering shipments and persons and entities on whose accounts shipments are to be made. This definition includes any Shipper’s agents, servants and employees, and any other person or entity having or claiming an interest in or beneficial ownership in such a shipment. Where any intermediary, other than the beneficial owner of the freight, tenders shipments to Carrier, such intermediaries shall be the disclosed agent of the beneficial owner of the goods and the term “Shipper” shall include its principal.



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Conflicts

If there is a conflict between these Terms and Conditions and the terms and conditions on any air waybill issued by Shipper, these Terms and Conditions will control. These Terms and Conditions supersede all previous service-related terms and conditions and other prior statements concerning the rates and conditions of Carrier's service. Carrier reserves the right, from time to time, to modify, amend or supplement its rates, features of service, products, and these Terms and Conditions without notice. Copies of current Terms and Conditions may be obtained by contacting Carrier or Freight Force. Rates and service quotations by Carrier, whether communicated directly or by Freight Force on Carrier's behalf, will be based upon information provided by Shipper, but final rates and service may vary based upon the shipment actually tendered and the application of the Terms and Conditions. In the event of any conflict or inconsistency between any other written or oral statements concerning the rates, features of service, products and these Terms and Conditions, or an air waybill issued by Shipper (or an airline) these Terms and Conditions apply CARRIER AND FREIGHT FORCE MAKE NO WARRANTIES, EXPRESS OR IMPLIED. Monetary amounts stated in these Terms and Conditions refer to U.S. dollars.

Indemnity

The party tendering shipments to Freight Force shall indemnify and hold Freight Force and Carrier harmless from any demand or obligation which exceeds those set forth in these Terms and Conditions.

Shipper Warranties

Shipper, whether or not the beneficial owner of the goods, shall be deemed to have been authorized by the beneficial owner of the goods to bind its principal to these Terms and Conditions. Any such Shipper, when tendering cargo to Carrier, further agrees to indemnify and hold harmless Carrier from any claim that it lacked authority to bind its principal to these Terms and Conditions, including limitations of liability.

Hazardous Materials

Carrier will not accept shipments containing "hazardous materials" as that term is defined by the U.S. Department of Transportation at 49 C.F.R. § 171.8 in connection with work performed as part of the Freight Force network, though Carrier may agree to accept such shipments outside of the Freight Force network. *See also* "Commodities Not Accepted for Transport," below.

Compliance with TSA Regulations

Carrier will only accept shipments having a prior or subsequent movement by air from direct air carriers and IACs, both of which are subject to direct regulation by TSA. Any Shipper tendering such shipments to Carrier warrants compliance with all applicable TSA regulations and agrees to indemnify and hold Carrier harmless from any breach in such compliance arising out of Shipper's negligent acts or omissions, provided that Carrier will be responsible for compliance with any air-cargo-security functions properly delegated to Carrier by a direct air carrier or an IAC.

Liability for Freight Charges

Subject to its sole discretion, Freight Force shall extend credit to Shipper (if qualified) for the payment of charges owed to Carrier. Freight Force will pay Carrier its charges and then collect those amounts from Shipper by assignment. In addition, Freight Force may, by agreement, initially bill another intermediary, the named consignor, or the named consignee on any air waybill related to the services performed by Carrier. All Carrier freight charges shall be paid to Freight Force within thirty (30) days of invoice without offset. Invoices not paid within thirty (30) days shall be subject to interest at the rate of one and a half percent (1 ½%) per month until paid. If collection efforts are required by Freight Force to collect any amount due, collection fees at the rate of one-third of the total due or three hundred USD (\$300), whichever is less, shall apply.



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Carrier reserves the right to demand prepayment of charges by bank check, money order, ACH transfer, or bank-wire transfer on any shipment. A twenty-five USD (\$25) fee will be applied for any check dishonored due to insufficient funds or incorrect or insufficient signature of the drawer. A thirty-five USD (\$35) fee will be applied to any bank-wire transfer.

Send remittance to:
(Via U.S. Postal Service)
FREIGHT FORCE, INC.
P.O. Box 1058
La Mirada, CA 90637-1058

(Via overnight letter, etc.)
FREIGHT FORCE, INC.
14445 Alondra Blvd.
La Mirada, CA 90638

Freight Force and Carrier shall have a lien on all shipments in Carrier's possession, whether actual or constructive, tendered to it by Shipper for any and all amounts due to it. This shall be a general lien on all shipments in its possession tendered by the Shipper, and not limited to a specific lien on shipments for which charges are due. Enforcement of liens may be on any commercially reasonable terms.

Carrier and Freight Force reserve recourse against Shipper, the beneficial owner of goods, the consignor, and the consignee for payment of freight charges in the event of default by the party tendering the shipment to Carrier for transport.

Carrier Warranties

Carrier warrants to Shipper that it will meet the following criteria:

Carrier shall have all risk cargo insurance in the amount of not less than \$100,000 per shipment; Carrier shall maintain public liability insurance in the amount of not less than \$1,000,000; Carrier shall maintain workers' compensation insurance as required by state law;

Carrier shall provide certificates of insurance upon request;

Carrier is authorized by U.S. DOT to provide proposed services; and

Carrier will carry out and comply with any air-cargo security functions delegated to it by Shipper pursuant to a written AR notification.

Weights and Measures

Unless specifically otherwise agreed to in writing, Carrier retains the right to re-weigh and/or measure, for the purpose of applying correct charges, any shipment(s) at any time while in Carrier's custody and control, and to collect the appropriate charges without first advising, reporting back to, pre-alerting, or otherwise notifying Shipper. Carrier reserves the right to assess transportation charges based on volumetric standards. Dimensional weight pricing is applicable on all shipments with a total volume of more than 194 cubic inches. Dimensional weight is calculated by multiplying length by width by height of each package (all in inches) and dividing by 194. The dimensional weight of each package in the shipment is added, and the total dimensional weight of the shipment is then compared to the actual weight of the shipment. If the dimensional weight exceeds the actual weight, transportation charges for the shipment are based on the dimensional weight.



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Cargo Loss or Damage

Carrier follows simplified rating procedures predicated upon a released-rate valuation described below. Unless otherwise noted and agreed to between Carrier and Shipper, this limit of liability shall apply to all shipments tendered to Carrier and shall limit not only Carrier's liability, but also the liability of other transportation service providers in care, custody and control of shipments pursuant to arrangements made by Carrier.

In order to ensure strict compliance with surface transportation statutes, Shipper is allowed to choose an alternative higher limit of liability.

In the absence of declared value, the liability of Carrier shall be fifty cents (\$0.50) per pound for that part of the shipment damaged or lost, but not less than fifty USD (\$50) per shipment. The weight used to determine the limit of liability shall be the same that is used to determine the freight charges of the shipment. In the event that the weight of a lost or damaged article cannot be determined and the lost article was part of a larger shipment, an average weight of each piece may be used in the settlement of the claim. Such average will be determined by dividing the weight by the total number of pieces in the shipment. Shipments with a declared value in excess of fifty cents (\$0.50) per pound or fifty USD (\$50) per shipment, whichever is greater, shall be subject to increased freight charges.

Any shipment with a declared value of in excess of twenty-five thousand USD (\$25,000), which is inadvertently accepted without prior written approval of a corporate officer of Freight Force, will be released at a maximum of two dollars fifty cents USD (\$2.50) per pound and subject to the surcharge provided for herein.

In the event the party tendering a shipment to Carrier is obligated for greater limits of liability pursuant to a through air waybill, by contract, or otherwise, it shall assume sole responsibility for the liability to the extent it exceeds the agreed release rate and shall indemnify Carrier, and shall waive subrogation with respect to any insurance purchased to provide excess liability coverage.

Commodities Not Accepted for Transport

Items of a fragile nature shall not be accepted for carriage unless agreed to in writing by corporate officer of FREIGHT FORCE. Such items shall include but not be limited to: statues of any kind, antiques of any kind, glass, crystal ware, glass bottled goods, china, audio and / or video equipment of any type, cameras, clocks, stoneware, pottery, earthenware, marble and marble tiles, lighting fixtures with or without bulbs, display booths or cases which include lighting fixtures with or without bulbs, paintings and artwork, electric bulbs, vacuum flasks, vitreous enameled objects, cast iron objects, bricks, firebricks, crucibles, asbestos, cement products, carborundum wheels, and radio/TV/cathode ray and similar transmitting or receiving tubes. Carrier will not accept hazardous materials for carriage except as outlined in the Hazardous Materials section on page 2 of this document. Items of a fragile nature that may be inadvertently accepted without the written approval of a FREIGHT FORCE corporate officer shall still be subject to all terms and conditions, including but not limited to limitation of liability, whether or not any declared value is made.

Reasonable Dispatch

No time is fixed for the completion of carriage, and neither Freight Force nor Carrier shall be liable for any loss or damage caused by failure to commence or complete carriage within a certain time. Carrier assumes no obligation to carry goods over any particular route. Carrier assumes no obligation to carry the goods in any particular vehicle, and is authorized to select alternate means of transportation and deviation from route without liability.

No Special Damages

Neither Freight Force nor Carrier shall have any liability for any special or consequential damages.



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Claims Handling Time Limits and Procedures

The deadline for instituting suit shall be one (1) year after the claim is denied in whole or in part. All claims should be sent to Carrier in writing via certified mail or the like at Freight Force's location at 2560 West Woodland Drive, Anaheim, CA 92801. Service upon Freight Force shall be considered as service upon Carrier. Freight Force has been appointed by Carrier to provide claims-administration services with respect to Shipper. No claims shall be considered or paid unless and until all transportation charges have been paid. Shipper agrees that cargo claims cannot be offset against freight charges. Any action against Carrier shall exclusively be brought in the State or Federal courts (as applicable) having jurisdiction in Orange County, California.

In addition to the released value agreed to pursuant to these Terms and Conditions, Shipper agrees that any lower limit of liability agreed to between the Shipper and a third-party logistics provider that retains Carrier shall apply, and that no party shall seek to recover from Carrier a greater sum than any limitation agreed to pursuant to a through third-party bill of lading.

Exceptions from Liability

Without waiver of any other provision of these Terms and Conditions, Carrier shall not be liable for any damage or loss of any nature caused by:

- (a) acts of God, public enemy, or public danger incident to a state of war;
- (b) any default of Shipper or the consignee;
- (c) the nature of the shipment, or any defect, characteristic or inherent vice of the shipment;
- (d) violations by the shipper or consignee of any conditions of these terms and conditions;
- (e) failure to comply with laws, governmental regulations, orders or requirements of any jurisdiction where such failure does not arise from Carrier's negligence;
- (f) any other cause beyond the control of Carrier; or
- (g) any concealed damage or loss.

Miscellaneous Terms

If any provision or provisions of these Terms and Conditions shall be unenforceable, all remaining provisions shall remain, and the parties bound to them.

These Terms and Conditions may be changed without notice, and the effective version of these terms and conditions shall be as posted at www.freightforce.com, and shall also be available upon request. The version of these Terms and Conditions in effect as of the date the shipment is tendered to Carrier shall be the applicable version.

The Freight Force website, at www.freightforce.com, is for the convenience of the public at large and Shipper, and shall be subject to its terms of use, and shall not affect these Terms and Conditions.

Air-Cargo Security

As noted above, Carrier agrees to carry out and comply with all air-cargo security functions delegated by Shipper to Carrier in writing when handling shipments of air cargo. **All documents containing Sensitive Security Information ("SSI") shall name Carrier only, and not Freight Force, as the AR or the "carrier," and shall be sent to Carrier directly for signature.** As noted above, Carrier is not subject to direct regulation by the TSA. All shipments having a subsequent movement by air cargo must be tendered to Carrier by direct air carriers or IACs that are in compliance with all applicable TSA security programs. In tendering air-cargo shipments to Carrier, Shipper certifies it is in compliance with TSA security requirements and the services of Carrier are those of a non-exclusive service provider.