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Application of Service Conditions

These Service Conditions shall apply when Freight Force, a licensed property broker, undertakes to arrange for the surface transportation in interstate commerce of expedited shipments utilizing a network of selected and qualified Approved Motor Carriers. The transportation is furnished by these Approved Motor Carriers selected by and under contract with FREIGHT FORCE. The following Service Conditions are applicable to the transportation of any Non Air Cargo shipment tendered to FREIGHT FORCE for movement by one or more of its contracted Approved Motor Carriers.

These Service Conditions supersede all previous Service Conditions and other prior statements concerning the rates and conditions of FREIGHT FORCE service. FREIGHT FORCE reserves the right, from time to time, to modify, amend or supplement its rates, features of service, products and Service Conditions without notice. Copies of current Service Conditions may be obtained by contacting FREIGHT FORCE or at www.freightforce.com. Rates and service quotations by our employees and agents will be based upon information provided by you, but final rates and service may vary based upon the shipment actually tendered and the application of the Service Conditions herein. Any conflict or inconsistency between any other written or oral statements concerning the rates, features of service, products and Service Conditions applicable to FREIGHT FORCE service will be controlled by the FREIGHT FORCE Service Conditions, as modified, amended or supplemented by FREIGHT FORCE from time to time. WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED. Monetary amounts stated in these Service Conditions refer to U.S. dollars.

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Other Bills of Lading or Shipping Documents

Any bill of lading or shipping document which is inconsistent with the transportation contract and receipt for goods published in these Service Terms and Conditions shall be executed for convenience only and shall be invalid to the extent it conflicts with the terms and conditions. Driver employees of FREIGHT FORCE's Approved Motor Carriers are not authorized to bind FREIGHT FORCE or its Approved Motor Carriers to different terms and conditions.

These service conditions and limitations shall apply notwithstanding the issuance of any other air waybill or bill of lading by any party tendering a shipment to Approved Motor Carrier. The party tendering shipments to a FREIGHT FORCE Approved Motor Carrier shall indemnify and hold FREIGHT FORCE and its Approved Motor Carriers harmless from any demand or obligation which exceeds those set forth herein.

Definition of Parties

"Shipper" means any and all entities tendering shipment to a FREIGHT FORCE Approved Motor Carrier for carriage, including entities physically tendering shipment and entities on whose account shipment is to be made.

"Shipper" means the person or entity with whom the shipment originates, and whose name is listed on the freight Waybill as the Shipper, and includes the Shipper, Consignor and their agents, servants and employees, and any other person or entity having or claiming an interest in or beneficial ownership in a shipment. As used herein, "shipper" shall include, but is not limited to, air freight forwarders, property brokers, surface forwarders / consolidators, customs brokers, and other logistics providers who tender shipments to a FREIGHT FORCE Approved Motor Carrier. Regarding all shipments tendered by any Shipper as defined above, the shipper represents that it has the authority to enter into this agreement on behalf of its customer and warrants that it is the disclosed agent of its customer.

The term "Customer" as used herein shall include any shipper, air freight forwarder, property broker, surface forwarder/consolidators, customs brokers, or other third party tendering shipments to a FREIGHT FORCE Approved Motor Carrier. Where any intermediary, other than the beneficial owner of the freight, tenders shipments to a FREIGHT FORCE Approved Motor Carrier, such intermediaries shall be the disclosed agent of the beneficial owner of the goods and the term "Customer" shall include its principal.

FREIGHT FORCE, Inc. is a licensed property broker authorized to arrange for surface transportation, utilizing a network of Approved Motor Carriers under continuing contract with it.

The term "Approved motor carrier" or "Approved motor carriers" as used herein shall mean the independently owned and operated Approved Motor Carriers and other qualified service providers under contract with FREIGHT FORCE into whose care, custody and control shipments shall be tendered subject to these service conditions.

Customer and Shipper Warranties

Any party tendering shipments to a FREIGHT FORCE Approved Motor Carrier which is not the beneficial owner of the goods represents and warrants to FREIGHT FORCE and it's Approved Motor Carrier that it is authorized by the beneficial owner, shipper or consignee to be named on the bill to tender the shipment to a FREIGHT FORCE Approved Motor Carrier and to bind its principal to the terms and conditions of these Service Conditions. Any such customer, when tendering cargo to FREIGHT FORCE and its Approved Motor Carrier, further agrees to indemnify and hold harmless FREIGHT FORCE and its Approved Motor Carriers, and other independent contractors) from any claim that it lacked authority to bind its principal to the terms and conditions set forth herein, 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.

Liability for Freight Charges

Subject to its sole discretion, FREIGHT FORCE shall extend credit to qualified customers and may by agreement initially bill an intermediary, the named consignor, or the named consignee on the air waybill. All freight charges shall be paid 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 or three hundred USD (\$300), whichever is less, shall apply.

FREIGHT FORCE does not employ other intermediaries as its agents to solicit shipments and bills such parties as a disclosed agent of the shipper who guarantees payment upon default of its disclosed agent, FREIGHT FORCE acquires recourse to the consignor and consignee under the shipping documents in the event freight charges are not paid.

FREIGHT FORCE reserves the right to demand prepayment of charges by bank check or money order 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.

Send remittance to:

(Via U.S. Postal Service) FREIGHT FORCE, INC. P.O. Box 1058 La Mirada, CA 90637 (Via overnight letter, etc.) FREIGHT FORCE, INC. 14445 Alondra Blvd La Mirada, CA 90638

FREIGHT FORCE shall have a lien on all shipments in its possession, whether actual or constructive, tendered to a Freight Force Approved Motor Carrier by the shipper for any and all amounts due it by the shipper. 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.

FREIGHT FORCE reserves recourse to the shipper and the beneficial owner of goods for payment of freight charges in the event of default by the party tendering the shipment to a FREIGHT FORCE Approved Motor Carrier for transport.

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Freight Force Warranties

Broker warrants to Shipper that it will retain qualified Approved Motor Carriers which meet the following criteria:

Approved Motor Carrier shall have all risk cargo insurance in the amount of not less than \$100,000 per shipment;

Approved Motor Carrier shall maintain public liability insurance in the amount of not less than \$1,000,000 as required by federal regulations (BMC-91X on file);

Approved Motor Carrier shall maintain workers compensation insurance as required by state law;

Approved Motor Carrier shall provide certificates of insurance upon request;

Approved Motor Carrier is authorized by U.S. DOT to provide proposed services; Upon payment of freight charges to it, FREIGHT FORCE warrants that all third party Approved Motor Carriers will be paid in full

Weights and Measures

Unless specifically otherwise agreed to in writing, FREIGHT FORCE and it's Approved Motor 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 the FREIGHT FORCE Approved Motor Carrier's custody and control, and to collect the appropriate charges without first advising, reporting back to, pre-alerting, or otherwise notifying the Shipper, Consignee or other interested party. The FREIGHT FORCE Approved Motor 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.

Cargo Loss or Damage

Liability for loss or damage is applicable to Freight Force and its Approved Motor Carriers.

FREIGHT FORCE arranges for transportation of all surface moves through its network of Approved Motor Carriers which may be governed by 49 U.S.C. '14706 and other shipments which are exempt from federal statute. As is customary in the expedited freight industry, Freight Force follows simplified rating procedures predicated upon a release rate evaluation of 50 cents per pound per article. Unless otherwise noted and agreed to in writing, this limit of liability shall apply to all shipments tendered to a Freight Force Approved Motor Carrier and shall limit not only Freight Force's liability, but also the liability of the Approved Motor Carriers and other transportation service providers in care, custody and control of shipments pursuant to arrangements made by Freight Force.

In order to ensure strict compliance with surface transportation statutes, Freight Force's customers are allowed to choose an alternative higher limit of liability.

In the absence of declared value, the liability of Freight Force and its transportation service providers shall be 50 cents 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 \$25,000 which is inadvertently accepted without prior written approval of a Freight Force corporate officer will be released to 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 shipment to a Freight Force Approved Motor Carrier is obligated for greater limits of liability pursuant to a through bill of lading by contract or otherwise, it shall assume sole responsibility for the liability to the extent it exceeds the agreed release rate and shall indemnify Freight Force and its Approved Motor Carriers, 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 with by a FREIGHT FORCE corporate officer. 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. Hazardous materials shall not be accepted for carriage except as outlined in the Hazardous Materials section of these terms and conditions. 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 its Approved Motor Carriers shall be liable for any loss or damage caused by failure to commence or complete carriage within a certain time. FREIGHT FORCE and its Approved Motor Carriers assume no obligation to carry goods over any particular route. FREIGHT FORCE and its Approved Motor Carriers assume no obligation to carry the goods in any particular vehicle, and are authorized to select alternate means of transportation and deviation from route without liability.

No Special Damages

Neither FREIGHT FORCE nor its Approved Motor Carriers shall have any liability for any special or consequential damages. Shipments which do not have a prior or subsequent shipment by air shall be governed by the Carmack Amendment, 49 U.S.C. '14706 and the released rate provisions contained herein shall be construed as complying with the notice, election of rates and other requirements.

Claims Handling-Time Limits and Procedures

Cargo claims for loss or damage of surface transportation moves must be filed within 9 months in accordance with 49 C.F.R. 370. The statute of limitation for filing suit shall be 2 years and 1 day after issuance of written denial. All claims should be sent to FREIGHT FORCE in writing via certified mail or the like at 14445 Alondra Blvd La Mirada, CA 90638. Service upon FREIGHT FORCE shall be considered as service upon its approved motor carrier in possession and control and FREIGHT FORCE will provide claims administration services for its network of Approved Motor Carriers. No claims shall be considered and no claims shall be paid unless and until all transportation charges have been paid and customer agrees that cargo claims cannot be offset against freight charges. General principles of federal transportation law shall apply and any action against FREIGHT FORCE shall only be brought on State Court or Federal Court (where applicable) having jurisdiction in Los Angeles County, California.

In addition to the released evaluation agreed to pursuant to these terms and conditions, Customer agrees that any lower limit of liability agreed to between the Shipper and the logistics provider which retains FREIGHT FORCE shall apply and that no party shall seek to recover from FREIGHT FORCE or its Approved Motor Carriers a greater sum than any limitation agreed to pursuant to a through bill of lading.



Where a forwarder, broker, or logistics provider tendering traffic to FREIGHT FORCE has agreed to higher limits of liability with its shipper, in tendering shipments to a FREIGHT FORCE Approved Motor Carrier, it agrees that the maximum liability of FREIGHT FORCE and its Approved Motor Carriers shall not exceed the released rate limitation set forth herein and that it will indemnity and hold harmless FREIGHT FORCE and its Approved Motor Carriers from all claims, including attorney's fees in the event that amounts greater than agreed to herein are sought.

Exceptions from Liability

Without waiver of any other provision of these terms and conditions, FREIGHT FORCE and its Approved Motor Carriers 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 the shipper or 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) compliance with laws, governmental regulations, orders or requirements of any jurisdiction; or
- (f) any other cause beyond the control of FREIGHT FORCE or it's Approved Motor Carrier;
- (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 a FREIGHT FORCE Approved Motor Carrier shall be the applicable version.

The FREIGHT FORCE website at www.freightforce.com is for the convenience of FREIGHT FORCE customers, and shall be subject to its terms of use, and shall not affect these terms and conditions.

Assembly and Set-Up Services

In addition to point-to-point transportation to be provided pursuant to the rates and schedules set forth herein or as otherwise agreed in writing, Freight Force's Approved Motor Carrier, upon shipper's request and for charges to be determined, may provide inside delivery and setup of cargo. When such service is rendered, the consignee shall first sign Approved Motor Carrier's bill of lading, or customer provided document noting any damage to external packaging prior to unpacking. Signature without notification or exception shall constitute prima facie evidence that the shipment was not damaged in transit. Then, if during the unpackaging of goods, concealed damages are found, the consignee shall note such concealed damages on the house waybill and shall contact the shipper immediately. Shipper acknowledges that neither Freight Force nor its Approved Motor Carrier pack goods for transportation or inspect shipments prior to acceptance of goods into the Approved Motor Carrier's care, custody and control. Accordingly, shipper shall have the burden of proof to demonstrate that any concealed damages were caused by shipper negligence.

Acting as a disclosed agent of its customers, Freight Force agrees to arrange for transportation using its network of Approved Motor Carriers under contract with it (hereinafter referred to as "Approved motor carriers"). The service terms and conditions set forth the entire agreement between the customers on the one hand and, on the other, Freight Force and its network of Approved Motor Carriers.

Truckload Services available see <u>Truckload Service Terms and Conditions</u> and contact the Truckload Division at: Sales@freightforce.com

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