

UNITED FREIGHT & LOGISTICS, LTD
Harris County, Texas

Rules Tariff (also referred to as Terms and Conditions) – Revised January 30, 2015.

1. CARRIER: The term Carrier shall mean UNITED FREIGHT & LOGISTICS, LTD of Harris County, Texas.
2. DEFINITION OF SHIPMENT: Except as otherwise specifically provided herein, a shipment is a tender of freight received from one consignor, at one time, at one place, destined to one consignee at one location, and covered by one Bill of Lading.
3. RATE SHEETS: Reference to rates and charges shall mean the rate sheet in effect at the time of the shipment, or any special rate sheet that may have been established between Carrier and the customer. Standard rate sheets will be furnished on request to all current customers in good standing.
4. ADVANCING CHARGES: Carrier may advance for collection from Shipper, owner or Consignee, lawful charges of connecting air, rail, water, or motor carrier; storage and other lawful charges on property stored in public warehouse or other storage; dock, pier, wharf or stevedore fees and charges, advance charges for rigging, crane service and in bond or custom house charges; and other lawful charges that may be associated with the transportation of the freight. Such charges will be paid by the Carrier and billed to the Shipper or Consignee at **actual cost plus 10% handling fee**. In addition, Carrier shall have the right to advance a portion of the freight charges. Shipper, owner or Consignee shall pay advancing charges prior to Carrier performing services.
5. APPLICATION. Each provision of this Rules Tariff shall apply to each transportation agreement entered into by Carrier unless expressly waived in a signed, written agreement. The terms and conditions established herein shall apply to shipments exempt from economic regulation as well as shipments subject to the jurisdiction of the FMCSA. The terms and conditions set forth herein shall apply to all shipments handled by Carrier regardless of the origin or destination, including interstate or intrastate shipments. Should the terms of Carrier's Rate Confirmation Sheet & Terms of Service Agreement conflict with terms in these Terms & Conditions, the terms in Carrier's Rate Confirmation Sheet & Terms of Service Agreement shall control. Notwithstanding any other provision in these terms and conditions, **IN NO EVENT SHALL CARRIER'S LIABILITY FOR CARGO LOSS OR DAMAGE EXCEED THE LESSER OF THOSE SET OUT IN THIS RULE TARIFF OR THE MAXIMUM SET FORTH IN ANY THROUGH BILL OF LADING OR OTHERWISE AGREED TO BETWEEN THE SHIPPER (OR BENEFICIAL OWNER) AND THE PARTY WHICH RETAINS CARRIER'S SERVICES. IF THERE IS ANY DISCREPANCY OR CONFLICT BETWEEN THE TERMS AND CONDITIONS HEREIN AND ANY TERMS CONTAINED IN THE BILL OF LADING, SHIPPER'S TERMS AND CONDITIONS, OR OTHER DOCUMENT, THE TERMS AND CONDITIONS HEREIN SHALL CONTROL, UNLESS CHANGES HAVE BEEN MADE BY OBTAINING WRITTEN APPROVAL BY AN OFFICER OF CARRIER PRIOR TO CARRIER PERFORMING THE TRANSPORTATION. THE TERMS AND CONDITIONS HEREIN SHALL CONTROL OVER**
- ANY CONTRARY TERMS CONTAINED IN ANY BILL OF LADING EXECUTED BY CARRIER'S PERSONNEL AND CONTRACTORS.
6. BILLS OF LADING. The terms and conditions of the Standard Truckload Bill of Lading shall apply notwithstanding the use by Shipper of any other bill of lading or shipping document. Drivers are not authorized to bind Carrier to non-conforming bills of lading and execute bills of lading with alternative terms and conditions as receipts for the shipment only.
7. SHIPPER LOAD AND COUNT. All shipments shall be loaded by the consignor and unloaded by the consignee. Carrier's drivers are instructed to sign bills of lading as shipper load and count or "SLC". Inadvertent omission of this notation shall not result in a presumption of Carrier liability for shortage or damage (in the absence of upset or accident).
8. INSPECTION AND NOTICE OF DAMAGE. Consignee shall inspect the cargo immediately upon delivery and note any discoverable damage on the bill of lading. Consignee shall provide written notice of any patent damage to cargo immediately, and not later than 3 days after delivery. Consignee shall provide written notice of latent damage upon discovery, and, in any event, not later than 15 days after delivery.
9. COMMODITY LIMITATIONS. Carrier does not hold out to transport jewelry, manufactured tobacco products, ammunition, objects d'art, currency, documents, items of unusual value or rare metals. Unless otherwise indicated herein or agreed to by contract, Carrier does not hold out to provide temperature-controlled service.
10. HAZARDOUS MATERIALS PROVISION. Shipper accepts all U.S. Department of Transportation requirements governing hazardous materials. Among other requirements, the Shipper must provide a legible bill of lading with proper Hazmat information, including the Shipper's certificate containing all required information such as emergency response number and hazardous material information, and affix any required placards before or at the time that the shipment is tendered. Failure to comply with these requirements will relieve Carrier of any and all liability for loss or damage directly or indirectly caused to or by the hazardous materials. Any mis-declared hazardous materials may be warehoused at the Shipper's risk and expense, or destroyed without compensation. Shipments of hazardous materials will be subject to an additional charge.
11. INTERMODAL SHIPMENTS. Carrier does participate in the Uniform Intermodal Interchange Agreement (UIIA). All trailer use and per diem charges incurred will be assessed to Shipper and include an additional **10% administration fee**. Carrier is not responsible for trailer use, per diem, claims, theft or loss value for equipment dropped at Shipper's facilities.
12. SUBSTITUTED SERVICE. For its operating convenience, Carrier reserves the right to refer shipments to its affiliated brokerage entity to provide all or part of given movements. Shipper consents to the use of Carrier's affiliate freight brokerage entity to arrange for transportation through other independent motor carriers. Shipper will not hold Carrier vicariously liable for the

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- actions of the separate freight brokerage entity nor for the actions of any third party motor carrier. In the event of any claim or loss, Shipper must look solely to the independent motor carrier and its insurance providers.
13. **OVERWEIGHT LIABILITY:** Advance written notification of overweight shipments is required. Carrier will take whatever actions are necessary to bring equipment into compliance. Any fines or expenses resulting from overweight shipments, in addition to any permit fees, will be included in the invoice and charges to be paid to Carrier.
 14. **LOADING/UNLOADING:** Rates do not include loading or unloading by Carrier personnel. Shipper and Consignee shall be responsible for loading and unloading all shipments.
 15. **SPECIAL PERMITS:** When permits are required for the transportation of over-size and/or over-weight loads, the Consignor or owner of the freight shall procure and furnish such permits, or request Carrier to secure them.
 16. **STOP-OFFS:** Stop-off charges may be assessed when Carrier is required to pick up from multiple origins or deliver to multiple destination locations.
 17. **RECONSIGNMENT OR DIVERSION:** Shipments re-consigned or diverted while in transit may be subject to additional charges in accordance with Carrier's rate sheets. Rates shall be based on the total miles of the diversion route (point of origin to point(s) of diversion to point of delivery), or the total miles of the original route, whichever is greater.
 18. **ATTEMPTED PICKUP:** When Carrier is requested to dispatch a vehicle to a point designated by the Shipper, and such vehicle is furnished but not used, due to no fault of Carrier, an attempted pickup charge and fuel surcharge will be assessed.
 19. **ATTEMPTED DELIVERY:** If, through no fault of Carrier, a shipment is rejected wholly or in part by Consignee, Shipper shall be responsible for all freight charges as though the shipment had been accepted by Consignee. In addition, the rejected shipment will be returned to the point of origin or other location designated by Shipper. The return of the rejected shipment shall be treated as a new shipment, and Shipper shall be responsible for all freight charges. If Shipper subsequently requests Carrier to re-deliver the shipment, the re-delivery shall also be treated as a new shipment and rated accordingly.
 20. **WEIGHING:** Shipper shall provide weight and measurement for its shipments.
 21. **LIMITATION OF CARRIER LIABILITY. CARRIER WILL NOT BE LIABLE TO THE OWNER OF PROPERTY FOR LOSS OR DELAY CAUSED BY (1) an act of default of the Shipper, owner or consignee; (2) an Act of God, the public enemy, authority of law, quarantine, embargo, riot, strike, perils of navigation, or hazard and danger incident to a state of war; (3) any act of any third party motor carrier; (4) any act of any affiliated or unaffiliated freight broker; (5) freezing or spoiling of any perishable goods or property or for natural shrinkage; and (6) hidden or concealed damage. Carrier shall not be liable for any special, incidental, indirect or consequential damages (including without limitation lost profits or business opportunity) or punitive or exemplary damages incurred or suffered by the Shipper as a result of overage, shortage or damage to shipments transported. Carrier is not bound to transport a shipment by a particular schedule or in time for a particular market, but is responsible to transport a shipment with reasonable dispatch, as that term is defined at common law. Carrier shall not be responsible for special or consequential damages resulting from delayed delivery.**
 22. **PACKING OR PACKAGING – SHORTAGE.** Shipments must be packaged to withstand the normal hazards of transportation. Carrier will not be responsible for shortage on shipments which are banded, strapped, netted, shrink-wrapped or otherwise secured to bins, pallets, platforms or skids when such securing material is found to be intact at the time of unloading by consignee. Carrier will only be responsible for the number of bins, pallets, platforms or skids on such shipments. Carrier shall not be liable for damaged goods not clearly marked fragile or glass. Perishables and frozen goods must be clearly marked. Bank deposits should be a locked bag and driver number verified.
 23. **SPECIAL AND CONSEQUENTIAL DAMAGES.** Carrier shall not be liable for special, incidental, indirect or consequential damages (including without limitation, lost profits or business opportunity, attorney fees or punitive and exemplary damages) incurred or suffered by the Shipper as a result of shortage, damage or delay.
 24. **RELEASE VALUE/ SIMPLIFIED PRICING.** Unless otherwise agreed in writing, all shipments are released to a maximum value of \$2.50 per pound for the actual weight of the damaged or lost portion of the shipment, subject to a maximum liability of \$250,000 per shipment. In no event shall liability be greater than the actual value of lost or damaged articles less salvage. Carrier's liability for cargo loss or damage will not exceed \$2.50 per pound, subject to a maximum liability of \$250,000 per shipment, unless Shipper requests an increase in legal liability by a.) submitting a written request for a higher Release Value, b.) paying an additional charge based on the increased Release Value, and c.) obtaining written confirmation of the higher Release Value from an Officer of Carrier. **DRIVERS ARE NOT AUTHORIZED TO AGREE TO HIGHER RELEASED VALUE.** Shipper may obtain rates for shipments with a higher release value than those indicated above from Carrier by calling (281) 441-1238.
 25. **INADVERTENCE CLAUSE.** If a Shipper declares a value exceeding \$2.50 per pound or \$250,000 per truckload, without obtaining written approval from Carrier, the shipment will not be accepted, but if the shipment is inadvertently accepted, it will be considered as being released to a maximum value of \$2.50 per pound for the actual weight of the damaged or lost portion of the shipment, subject to a maximum liability of \$250,000 per shipment, and the shipment will move subject to such limitation of liability. **DRIVERS ARE NOT AUTHORIZED TO AGREE TO HIGHER RELEASE VALUE.**
 26. **MEXICAN SHIPMENTS.** Carrier does not accept liability for loss or damage to shipments under transport in the Republic of Mexico. Shippers are advised that liability for cargo loss in the Republic of Mexico differs from U.S.

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law (49 U.S.C. 14706) and the special arrangements with the Mexican carrier participating in any transborder movement is not the Carrier's responsibility. Carrier assumes no cargo loss responsibility for shortage or damage to shipments while in the Republic of Mexico. Clear bills of lading showing safe and damage-free delivery between the U.S./Mexican borders at the pickup or delivery points in the U.S. shall be evidence of Carrier's proper discharge of its cargo responsibility. In the event it is determined, notwithstanding the foregoing, that Carrier is liable pursuant to statute, through bill, or otherwise for loss, damage or delay occurring in the Republic of Mexico, Carrier's maximum liability shall be the rate affixed under the laws of the Republic of Mexico for domestic shipments within that country.

27. **CARGO CLAIMS APPLICATION.** The provisions of these terms and conditions are filed in compliance with Federal Claim, Loss and Damage Regulations (49 C.F.R. 370 and the STBOL) which shall govern the investigation and disposition of claims for loss or damage to property transported or accepted for transportation in interstate or foreign commerce.
28. **FILING OF CLAIMS.** (A) Claims are required in writing within nine (9) months from the date of delivery or a reasonable time during which delivery should have been accomplished. A claim for loss, damage, or injury to cargo shall not be voluntarily paid by Carrier unless filed in writing, as provided in subparagraph (B) of this numbered paragraph with Carrier within the specified time limits applicable thereto and as otherwise may be required by law, the terms of the bills of lading or other contract of carriage, and all terms and conditions applicable thereto. Notice of claims for loss or damage to goods shall be made to Carrier in writing within 91 days of the delivery of the goods. Claims for concealed damages will be submitted to Carrier within forty-eight (48) hours of delivery. Any suit to recover loss or damage to cargo must be instituted no later than two years and one day after the claim is denied. All other claims must be brought within two years from the date the claim accrues. (B) Minimum filing requirements. A communication in writing from a claimant, filed with Carrier within the time limits specified in the bill of lading or contract of carriage or applicable contract between Carrier and Shipper and (1) containing facts sufficient to identify the shipment (or shipments) of property involved; (2) asserting liability for alleged loss, damage, or injury; and (3) making claims for the payment of a specified or determinable amount of money, shall be considered as sufficient compliance with the provisions for filing claims embraced in the bill of lading or contract of carriage or applicable contract between Carrier and Shipper. (C) Documents not constituting claims such as bad order reports, appraisal reports of damage, notations of shortages or damage, or both, on freight bills, delivery receipts, or other documents, or inspection reports issued by Shipper or its inspection agency, whether the extent of loss or damage is indicated in dollars and cents or otherwise shall, standing alone, not be considered by Carrier as sufficient to comply with the minimum claim filing requirements specified in subparagraph (b) above. (D) Claims filed for uncertain amounts. Whenever a claim is presented against Carrier
- for an uncertain amount such as "\$100 more or less," Carrier shall determine the condition of the baggage or shipment involved at the time of delivery by it, if it was delivered, and shall ascertain as nearly as possible the extent, if any, of the loss or damage for which it may be responsible. It shall not, however, voluntarily pay a claim under such circumstances unless and until a formal claim in writing for a specified or determinable amount of money shall have been filed in accordance with the provisions of subparagraph (b) above. ALL CLAIMS FOR WHICH PROPER AND TIMELY NOTICE ARE NOT GIVEN ARE DEEMED AUTOMATICALLY WAIVED. The Shipper, Broker and any other party hiring Carrier or making any claim against Carrier in connection with the services provided by Carrier must file suit within two years or the claim is barred.
29. **CLAIMS LOSS AND DAMAGE – SALVAGE** Whenever property transported by Carrier is damaged or alleged to be damaged and is, as a consequence thereof, not delivered or is rejected or refused upon tender thereof to the owner, consignee, or person entitled to receive such property, Carrier, shall have the right to sell or dispose of such property directly or by the employment of a competent salvage agent.
30. **DISPOSITION OF OVERAGE.** Consignee shall accept overages in fulfillment of its duty to mitigate damages. Overages will be returned to the consignee or Shipper by Carrier upon request in return for payment of Carrier's applicable freight charges. In the event consignor and consignee decline to accept overages and mitigate damages, Carrier shall treat any overage as salvage and after notice shall sell same in accordance with the bill of lading contract and the terms herein. Carrier shall not be liable for any difference between the sales price of overage and the destination market value where the Shipper and consignee decline to mitigate damages.
31. **DISPOSITION OF CONTESTED CARGO CLAIMS.** Unless the parties agree to voluntary alternative dispute resolution, disputed claims will be subject to 49 U.S.C. §14706 (the Carmack Amendment) subject to any applicable released evaluation. Claimant waives any right to set-off or offset of contested and un-liquidated cargo claims against freight charges otherwise due to Carrier as a precondition of service. Claimants agree to forfeiture of any contested claim asserted by it as a set-off after notice and demand for freight charges.
32. **COLLECTION AND PAYMENT OF CHARGES.** Payment will be due within 30 days of invoice. Payment for all invoices not received within 30 days of invoice date is subject to a late fee interest as provided in these terms and conditions. Copies of lost bills will be supplied on request with a minimum charge of \$5.00 for this service. In consideration for transportation services performed by Carrier for the mutual benefit of the Shipper and consignee under the terms and conditions set out herein, both Shipper and consignee shall assume joint and several liability for all freight charges accrued with regard to such transportation. In the event that freight bills are not paid by either the Shipper or the consignee, payment for such charges may be sought from either party or both parties.
33. **PAYMENT WITHOUT OFFSET.** Consignor and/or Consignee shall pay all freight charges when due without

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offset for any cause, including but not limited to, cargo claims. All claims for loss or damage shall be governed by these terms and conditions and neither consignor nor consignee shall deprive Carrier of proper cargo insurance adjustment by unilateral deduction of claims from payment of freight charges due. In the event that Shipper or its agents "short pay" freight charges or deduct charges from freight bills without Carrier's authorization to do so in writing, prior to the deduction, Shipper and its agents waive their right to any contested cargo claim that is set-off against freight charges.

34. **INTEREST AND FEES ON PAST DUE ACCOUNTS.** Carrier will assess one and one-half percent (1½ %) interest per month beginning on the 20th day after payment was due or the maximum amount allowed by law, whichever is less. Carrier does not intend to contract for, charge or collect, any amount in the nature of interest or fee due under this contract, which would in any way or event, including but not limited to, demand, prepayment, or acceleration, or in any other manner, cause Carrier to charge or collect more interest than the maximum lawful rate allowed by the applicable state and/or federal law, as it is the intent of all Carrier and all parties operating under any agreement to which these terms and conditions apply. In the event Carrier deems it necessary to retain the services of legal counsel to collect any outstanding indebtedness, Shipper shall pay attorneys' fees, collection service fees and court filing fees in the amount of \$500.00 or thirty-five percent (35%), whichever is greater.
35. **THIRD PARTY BILLING.** Carrier does not employ property brokers or other intermediaries as its agents for the collection of freight charges. Carrier will invoice the Shipper's broker, bank or other agent for freight charges. Carrier reserves the right to bill and collect freight charges from the Shipper on prepaid shipments or the consignee on collect shipments in the event full payment of freight charges is not received pursuant to third party billing. A shipment in which charges are to be paid by a party other than the consignor or consignee will be accepted provided recourse to the consignor is preserved with the carrier picking the shipment up at origin. The consignor and consignee guarantee to pay the charges if the third party fails to do so in the time allotted under the applicable credit regulations. Any such shipment will not be accepted if the consignor executes a nonrecourse provision of the bill of lading.
36. **PRIORITY OF FREIGHT CHARGE OBLIGATION.** When arrangements are made with intermediaries for transportation services provided by Carrier and the intermediary in turn bills the Shipper or beneficial owner of the goods for freight charges inclusive of Carrier's rates, the following terms and conditions shall apply:
- (1) The intermediary will segregate money due owing to Carrier from other accounts.
 - (2) Intermediary will pay Carrier without offset from funds received and shall not commingle, pledge, encumber or hypothecate funds received by it intended for payment of freight charges to Carrier.
 - (3) When the arranger of transportation is a carrier or freight forwarder, a constructive interline trust shall apply.
 - (4) When the arranger of transportation is a property broker, the regulations set forth at 49 C.F.R. §371 shall
- apply and monies received by the broker shall be segregated from its other assets and liabilities.
- (5) In no event shall accounts receivable pledge or encumber by any intermediary be inclusive of freight charges billed by it to the extent those freight charges are due and owing to Carrier.
- Carrier preserves recourse for payment of all freight charges to the consignor, unless Section 7 of the STBOL is signed, and to the consignee unless prior notice is given that the consignee is not to be responsible for freight charges in accordance with to Section 7 of the STBOL.
37. **LIEN FOR FREIGHT CHARGES.** Carrier shall have a possessory lien on shipments in its dominion and control for the payment of freight charges past and present.
38. **VENUE AND JURISDICTION.** This agreement shall be construed to have been entered in Harris County, Texas and performable in Harris County, Texas. Carrier is based out of Texas, from where it communicates, performs services and invoices are sent. All payments are to be made in Texas and all parties consent to the jurisdiction of Texas and to venue in Harris County, Texas. It is expressly acknowledged and agreed that any suit arising from the payment or collection of freight charges shall be filed in the appropriate state or federal court in Harris County, Texas.
39. **ENTIRE AGREEMENT.** These terms and conditions and Carrier's Bill of Lading constitute the entire contract between Carrier and Shipper, and only an Officer of Carrier has authority to alter, modify or waive any provision herein, excepting that the rate stated may be modified to conform to Carrier's general rate schedule which is subject to change.