# RFX, Inc. – Standard Terms of Service

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## **SECTION 1 – GOVERNING PUBLICATIONS AND DEFINITIONS**

## 1.1 Application of Standard Terms of Service

These Standard Terms of Service are effective and shall apply to all shipments arranged or coordinated by RFX, Inc., hereinafter "RFX, Inc." or "Broker", to the extent that no other written agreement concerning this subject matter is in effect between RFX, Inc. and any shipper, or between RFX, Inc. and any carrier. In the event that another written agreement is in effect, where any term of that agreement conflicts with these Standard Terms of Service, the other written agreement shall prevail. We reserve the right at any time, and at our sole discretion, to modify or delete these Standard Terms of Service without prior notice. A Shipper's tender of freight to RFX, Inc., or a Carrier's accepting a tender from RFX, Inc., constitutes acceptance of RFX, Inc.'s Standard Terms of Service current as of the date of tender.

The following are the agreed Standard Terms of Service for any shipment arranged by RFX, Inc. Rates and services are provided subject to the terms and conditions of the Standard Terms of Service of RFX, Inc. The Standard Terms of Service may be found at www.rfxinc.com.

## 1.2 Application of Rates & Schedules

The rules published herein are applicable to all shipments transported by broker's carrier unless expressly waived in a signed bilateral contract pursuant to 49 U.S.C. 14101(b). Rates and schedules may be published in rate catalogues, on a shipper specific basis, or pursuant to a spot market rate quotation.

Commodity Rates - Whenever a commodity rate is published by Shipper, it removes the application of any other rates on the same commodity. Specific point to point commodity rates take precedence over mileage rates.

# 1.3 Party Definitions

Parties to these Standard Terms of Service include Shipper, Broker (RFX, Inc.), and Carrier.

#### I. Shipper

A Shipper owns, possesses, or otherwise controls the rights to tangible property (herein also "shipment," "load," "property," "freight" or "cargo"). Shipper may be located at origin, destination, or some other location. Shipper is a person or entity who hires RFX, Inc. to arrange for the transportation of freight, such transportation to be performed by a licensed Motor Carrier acting as an independent contractor hired by RFX, Inc. RFX, Inc. is not an agent for the Shipper and shall remain at all times an independent contractor hired by Shipper. A Shipper may specify to RFX, Inc. required services, service preferences, equipment types, shipment dimensions, special handling requirements, preferences for reports and other data, and/or communication methods ("Shipper Specifications") concerning RFX, Inc. and Shipper as ordinary customary service preferences only. Shipper Specifications do not in any way impact the independent contractor relationship between Shipper and RFX, Inc., or between RFX, Inc. and Carrier, and shall not constitute or imply a Shipper's right to exercise any control whatsoever over RFX, Inc.'s business operations, or any of RFX, Inc.'s employees, directors, officers, agents, contractors or servants, including without limitation any Carrier or any of Carrier's drivers, employees, directors, officers, agents, contractors or servants.

#### II. Broker

RFX, Inc. operates as a federally licensed property broker under authority granted by the U.S. Department of Transportation (USDOT), and the Federal Motor Carrier Safety Administration (FMCSA), MC number 203507 (see 49 U.S.C. §13102(2), et seq.

RFX, Inc. is not a motor Carrier. No interpretation of written or oral remarks in any agreement or document shall be construed to imply RFX, Inc. is a motor Carrier, or that RFX, Inc. is subject to the regulatory or legal requirements or liabilities of a motor Carrier. RFX, Inc.'s sole duty is to arrange for the transportation of freight by a motor carrier that is authorized to operate by the federal government or by a state government. As a broker, RFX, Inc. does not take possession, custody or control of any freight. RFX, Inc. does not assume any possessory rights or obligations, nor assume any financial responsibility whatsoever, for freight, including loss and damage liability.

RFX, Inc. arranges for the pick up and delivery of freight tendered by a Shipper. A Carrier, or multiple Carriers, will physically transport the freight. RFX, Inc. will operate in compliance with federal, state and local laws and regulations concerning freight brokerage. RFX, Inc.'s duty shall be limited to arranging for, not actually performing, freight transportation services. RFX, Inc. and Shipper may mutually agree in writing for RFX, Inc. to perform other services from time to time. Such services may include, without limitation, direct services to Shipper as NVOCC or Ocean Freight Forwarder; arranging for non-trucking services to be performed by an independent contractor, such as rail, air or ocean transportation; intermodal services, drayage, rigging, warehousing, packing, stripping, or similar services.

Other than its directors and officers, who work out of RFX, Inc.'s headquarters located at 57 Littlefield St., Avon, MA, 02322, and RFX, Inc.'s authorized full-time employees, RFX, Inc. does not maintain any relationship with any agent or representative who is authorized to act on RFX, Inc.'s behalf, including by binding RFX, Inc. to any legal agreement.

#### **III. Carrier**

Motor Carrier, or Carrier, means a for-hire motor carrier or a private motor carrier with authority issued by the federal government or any state government to haul freight for third parties. The term includes a Carrier's drivers, whether employees or independent contractors, as well as a Carrier's agents, officers and representatives. A Carrier hired by RFX, Inc. is an independent contractor and remains solely responsible for screening, selecting, hiring, training, supervising, managing, assigning, and dispatching drivers. A Carrier hired by RFX, Inc. is solely responsible for the inspection and maintenance of motor vehicle equipment and accessories. Motor vehicle means any vehicle, machine, tractor, trailer, or semi-trailer propelled or drawn by mechanical power and used on the highways and roadways in the transportation of property, as determined by the FMCSA.

RFX, Inc. is not an agent for any Carrier. No Carrier is ever an agent for RFX, Inc. As a convenience to customers, and to ensure RFX, Inc. is paid correctly and to gain the confidence of RFX, Inc.'s customers that its customers will not be billed a second time for the same shipment, RFX, Inc.'s written contract with Carriers contains a limited provision where the Carrier authorizes RFX, Inc. as agent solely for the collection of freight payment from Shippers.

The sole purpose of this term is to provide that Shippers' payments are considered paid in full once paid to RFX, Inc., and to provide that Carriers may have no collections recourse to Shippers. This provision is not intended in any way to create or imply any other agency relationship between RFX, Inc. and its contracted Carriers. Accordingly, RFX, Inc. is not to be considered anything other than a licensed property broker, operating independently from any motor carrier operations. At all times, RFX, Inc. and Carrier shall maintain an independent contractor relationship. Carrier is solely responsible for its own actions, omissions, training, oversight, compliance with regulatory and safety requirements, and all management of Carrier's equipment, services, drivers, employees, contractors, agents and servants. A Carrier hired by RFX, Inc. maintains sole control over the methods and results by which it performs freight transportation services, and retains the sole duty to provide, maintain, manage and control the equipment, personnel, and expertise required to transport a Shipper's freight.

## 1.4 Currency

Unless otherwise agreed in writing between the parties, all rates and charges will be in U.S. currency and payment will be made in same.

#### 1.5 Mileage

Where rates are set forth in cents per mile or other calculation based on mileage, distances shall be determined from origin to destination via intermediate points as specified by the Shipper utilizing the most current version of PC Miler practical route by ALK Associates.

#### **SECTION 2 - SHIPPER RESPONSIBILITIES**

# 2.1 Shipper Load & Count

Unless otherwise agreed in writing, or otherwise specified by law or regulation, it is Shipper's sole responsibility to load, block and brace freight into Carrier's equipment to prevent damage during transit. Likewise, Shipper shall bear sole responsibility to count freight tendered to RFX, Inc. and transported by Carrier. Shipper shall be responsible for marking bills of lading as Shipper Load & Count.

# 2.2 Freight Descriptions and Disclosures

## I. General

Shipper shall disclose to RFX, Inc. all information reasonably necessary for RFX, Inc. to arrange transportation in compliance with applicable regulatory, legal and industry standards. Shipper shall also be responsible and liable for providing accurate description of cargo including without limitation commodity type, dimensions and weight, and any special handling requirements.

## II. Shipment Value

Shipper understands and acknowledges (a) Shipper's declared value of any shipment will limit and define Carrier's exposure to liability for cargo loss or damage for that shipment; (b) Carrier has a right to evaluate risk before accepting tender of any freight; and (c) Carrier is not required to maintain more than \$100,000 in cargo insurance. Unless otherwise agreed in writing between Shipper and RFX, Inc., RFX, Inc. will hire trucks that provide proof of at least \$100,000 of cargo insurance. Accordingly, Shipper agrees that, upon tender of any shipment valued in excess of \$100,000, Shipper shall disclose in writing to RFX, Inc. the value of that shipment, and allow RFX, Inc. time to arrange with Carrier the opportunity to (i) properly insure against cargo loss or damage liability in excess of \$100,000 and/or (ii) limit Carrier's exposure to such liability to a defined dollar amount, or (iii) refuse tender of the shipment.

Shipper must receive from RFX, Inc. a written acknowledgement, prior to shipment pick-up, confirming Carrier's acceptance of Shipper's declared value. Shipper's indication of declared cargo value on a bill of lading or shipping receipt, without such written acknowledgement from RFX, Inc., shall not satisfy Shipper's requirement to notify Carrier, and shall not indicate Carrier's acceptance of the declared value of the cargo. Unless otherwise agreed in writing, Shipper assumes risk of loss for value of freight which exceeds Carrier's insurance limit of \$100,000.

Rates and charges on shipments handled by Broker are applicable on shipments valued at \$150,000 or less. Any declaration of value in excess of \$150,000 is null and void. Any inadvertent acceptance of a shipment(s) bearing a declared value in excess of \$150,000 [weight times value declared per pound] does not constitute a waiver and such shipment(s) will be deemed released to \$150,000.

# III. Hazardous Materials

Shipper shall comply with all applicable laws and regulations relating to the transportation of hazardous materials as defined in 49 CFR §172.800, §173, and §397 *et seq*. Shipper is obligated to inform RFX, Inc. well before pick up of any tendered shipment that includes hazardous materials, so that RFX, Inc. may hire Carriers equipped and licensed to haul hazardous materials. Shipper shall defend, indemnify and hold RFX, Inc. harmless from any penalties or liabilities of any kind, including reasonable attorney fees, arising out of Shipper's failure to comply with applicable hazardous materials laws and regulations, and/or Shipper's failure to disclose hazardous materials.

# 2.3 Carrier and Driver Identification & Verification

Prior to loading and releasing Carrier from Shipper's facility, it is Shipper's responsibility to verify that the Carrier's name on the truck matches the Carrier name that RFX, Inc. has advised will be picking up the shipment, and matches the Carrier name on the bill of lading. Likewise, it is Shipper's responsibility to verify the identity of the driver. In the event of discrepancy, Shipper shall notify RFX, Inc. immediately to resolve any discrepancy before releasing freight to the Carrier. Failing such notice to RFX, Inc., Shipper assumes all risk of loss, delay or damage associated with Shipper's decision to release the freight.

# 2.4 Freight Securement

Shipper shall bear the sole responsibility to review and accept or deny the Carrier's trailer for cleanliness, odor, leaks, dirt or other conditions that may be unacceptable to Shipper or Consignee or other interested party. If a trailer or any equipment is unacceptable, it is Shipper's obligation to prohibit loading the trailer. In such event, Shipper shall notify RFX, Inc. immediately and request alternative arrangements. Unless otherwise agreed in writing, or otherwise specified by law or regulation, it is Shipper's sole responsibility to load, block and brace freight into Carrier's equipment to prevent damage during transit.

# 2.5 Shipping Documents

Shipper's insertion of RFX, Inc.'s name on a receipt of goods, bill of lading, manifest, or any other shipping document, shall be understood by the parties to be for the Shipper's convenience, or due to Shipper's oversight only, and shall not operate to alter RFX, Inc.'s status as a property broker, nor the Carrier's status as the responsible Carrier. The signature or stamp or other visible imprint, seal or mark of a Carrier's driver on any such document shall be sufficient evidence that Carrier is the entity taking possession of, and responsibility for, the freight. Physical possession of a Shipper's freight, even without such signature, shall be sufficient evidence that the Carrier is the entity taking possession of, and responsibility for, the freight. The signature of a Carrier's driver on any shipping document shall not be construed in any way to suggest that the driver is an employee, agent or servant of RFX, Inc., or in any way controlled by RFX, Inc. The terms and conditions set forth in any such shipping document used by RFX, Inc., or a Carrier, or a Shipper, shall not supersede, alter, or modify any term of these Standard Terms of Service or add any liability or responsibility to RFX, Inc.

# 2.6 Accessorial Charges

## Item 200 - Accessorial Charges, Application of

In addition to the line haul or base rate for any shipment and unless otherwise agreed in writing, accessorial charges in this section shall apply and shall be reflected on the Broker's invoice for services rendered.

## Item 204- Additional License, Permit Fees, and In-bond Permits

Whenever any additional license or permits are required, such as but not limited to, foreign commerce or customs fees, the charges for same shall be added to the freight invoice.

## Item 208 - Detention

Charges for detention will be charged to the party responsible for payment of freight charges. If a Shipper or consignee causes a truck to enter detention, then the entity responsible for the transportation charges must also pay detention charges, whether or not that entity caused or contributed to the delay. RFX, Inc. will invoice its Shipper customer for any and all detention relating to its shipments, and will not invoice a third-party. Shipper shall pay RFX, Inc., and may seek reimbursement for such charges from its vendor or customer, if Shipper chooses.

The carrier will not charge for detention if the delivery appointment is missed due to carrier error, disability, fault, or negligence of the Carrier or driver, or because of accident or breakdown of its equipment.

# I. Detention with Power

This item applies on shipments when the broker carrier's vehicles with driver and power units are delayed or detained beyond the free time provided for herein at time of delivery to the consignee or at time of pick-up at the consignor's place of business when such delay is not the fault of broker.

Free time of two (2) hours will be allowed for unloading at each stop.

Computation of time shall begin upon the scheduled unloading appointment time and will continue until the unloading is completed at a rate of \$60/hour in increments of 30 minutes, subject to a maximum charge of \$420 per day.

# II. Detention without Power (Applicable only to Delivery)

A. Free time of 24 hours will be allowed to unload at each stop.

B. A charge of \$75 per day for a refrigerated trailer will apply per 24 hour period. A charge of \$50 per day for a dry van will apply per 24 hour period

C. All calendar days (including weekends) will be included as chargeable time.

D. The carrier will not charge for detention, if the delivery appointment is missed due to carrier error, disability, fault, or negligence of the carrier or driver, or because of accident or breakdown of its equipment.

#### Item 212 - Equipment Ordered but Not Used

When Carrier is requested to perform transportation service and dispatches equipment to point designated. In accordance with the instructions of the party ordering the equipment, and instructions to the Carrier are later changed and the equipment is not used, due to no fault of the Carrier, a charge of \$1.35 per mile, subject to a minimum of \$300 will apply.

## Item 216 - Exclusive Use for Expedited Service

Broker is not bound to arrange to transport property in any particular vehicle in time for any particular market other than to transport merchandise with reasonable dispatch. Broker and Carrier are not responsible for any loss which might be incurred as a result of special or consequential damages. Unless shipper makes arrangements for team drivers or special relays, shipper understands that truckload shipments will be transported from origin to destination by a single driver in accordance with the U.S. Department of Transportation hours of service requirements.

#### Item 220 - Fuel Surcharge

A fuel surcharge shall be billed to the party responsible for payment of freight charges on each shipment. The average price of fuel is announced weekly by the Department of Energy. The surcharge is based on cents per mile (total shipment miles via route of movement) using the same mileage software as the shipment's current line-haul rates on truckload rated shipments, and a percentage of fuel consuming revenue on less than truckload shipments.

Changes in the fuel surcharge will apply on the first Monday following the corresponding DOE Fuel Index closing date. The applicable fuel surcharge will be applied using the ship date reflected on the bill of lading. Surcharges as follows:

| National Average  | Truckload   | Nation | al Average   | Truckload   |
|-------------------|-------------|--------|--------------|-------------|
| Price per Gallon  | Rated FSC   | Price  | per Gallon   | Rated FSC   |
| Less than \$1.349 | -           |        | 50 - \$3.199 | \$0.36/mile |
| \$1.350 - \$1.399 | \$0.00/mile |        | 0 - \$3.249  | \$0.37/mile |
| \$1.400 - \$1.449 | \$0.01/mile | \$3.25 | 50 - \$3.299 | \$0.38/mile |
| \$1.450 - \$1.499 | \$0.02/mile | \$3.30 | 0 - \$3.349  | \$0.39/mile |
| \$1.500 - \$1.549 | \$0.03/mile | \$3.35 | 50 - \$3.399 | \$0.40/mile |
| \$1.550 - \$1.599 | \$0.04/mile | \$3.40 | 0 - \$3.449  | \$0.41/mile |
| \$1.600 - \$1.649 | \$0.05/mile |        | 50 - \$3.499 | \$0.42/mile |
| \$1.650 - \$1.699 | \$0.06/mile |        | 0 - \$3.549  | \$0.43/mile |
| \$1.700 - \$1.749 | \$0.07/mile | •      | 50 - \$3.599 | \$0.44/mile |
| \$1.750 - \$1.799 | \$0.08/mile |        | 0 - \$3.649  | \$0.45/mile |
| \$1.800 - \$1.849 | \$0.09/mile |        | 50 - \$3.699 | \$0.46/mile |
| \$1.850 - \$1.899 | \$0.10/mile | \$3.70 | 0 - \$3.749  | \$0.47/mile |
| \$1.900 - \$1.949 | \$0.11/mile |        | 50 - \$3.799 | \$0.48/mile |
| \$1.950 - \$1.999 | \$0.12/mile |        | )0 - \$3.849 | \$0.49/mile |
| \$2.000 - \$2.049 | \$0.13/mile |        | 50 - \$3.899 | \$0.50/mile |
| \$2.050 - \$2.099 | \$0.14/mile | \$3.90 | 0 - \$3.949  | \$0.51/mile |
| \$2.100 - \$2.149 | \$0.15/mile |        | 50 - \$3.999 | \$0.52/mile |
| \$2.150 - \$2.199 | \$0.16/mile | \$4.00 | 0 - \$4.049  | \$0.53/mile |
| \$2.200 - \$2.249 | \$0.17/mile |        | 50 - \$4.099 | \$0.54/mile |
| \$2.250 - \$2.299 | \$0.18/mile |        | 0 - \$4.149  | \$0.55/mile |
| \$2.300 - \$2.349 | \$0.19/mile |        | 50 - \$4.199 | \$0.56/mile |
| \$2.350 - \$2.399 | \$0.20/mile | •      | 0 - \$4.249  | \$0.57/mile |
| \$2.400 - \$2.449 | \$0.21/mile | •      | 50 - \$4.299 | \$0.58/mile |
| \$2.450 - \$2.499 | \$0.22/mile | \$4.30 | 0 - \$4.349  | \$0.59/mile |
| \$2.500 - \$2.549 | \$0.23/mile |        | 50 - \$4.399 | \$0.60/mile |
| \$2.550 - \$2.599 | \$0.24/mile | \$4.40 | )0 - \$4.449 | \$0.61/mile |
| \$2.600 - \$2.649 | \$0.25/mile |        | 50 - \$4.499 | \$0.62/mile |
| \$2.650 - \$2.699 | \$0.26/mile |        | 0 - \$4.549  | \$0.62/mile |
| \$2.700 - \$2.749 | \$0.27/mile | • • •  | 50 - \$4.599 | \$0.64/mile |
| \$2.750 - \$2.799 | \$0.28/mile | \$4.60 | 0 - \$4.649  | \$0.65/mile |
| \$2.800 - \$2.849 | \$0.29/mile |        | 50 - \$4.699 | \$0.66/mile |
| \$2.850 - \$2.899 | \$0.30/mile | \$4.70 | 0 - \$4.749  | \$0.67/mile |
| \$2.900 - \$2.949 | \$0.31/mile |        | 50 - \$4.799 | \$0.68/mile |
| \$2.950 - \$2.999 | \$0.32/mile |        | 0 - \$4.849  | \$0.69/mile |
| \$3.000 - \$3.049 | \$0.33/mile |        | 50 - \$4.899 | \$0.70/mile |
| \$3.050 - \$3.099 | \$0.34/mile | •      | 0 - \$4.949  | \$0.71/mile |
| \$3.100 - \$3.149 | \$0.35/mile | \$4.95 | 50 - \$4.999 | \$0.72/mile |

#### Item 224 – Gross Weight

Except as otherwise provided, the rates apply on the gross weight of the shipment, including the weight of any packaging, dunnage, container, crating, pallets, or other materials used in the shipment.

#### Item 228 - Holiday/Weekend Service

Charges for pick-up or delivery service on a Saturday or Sunday, or a nationally recognized holiday, will be approved in writing prior to providing such service.

## Item 232 - Inside Pickup and Delivery

Charges for inside pickup and delivery are to be approved in writing prior to providing such service.

#### Item 236 - Insurance Surcharge

LTL rated shipments of 25,000 lbs or less are subject to an Insurance Surcharge of 2%. On truckload rated shipments, an Insurance Surcharge of 1% shall apply. The Insurance Surcharge will be shown separately on the freight bill and added to the total charges. The percentage calculation shall be rounded off to the nearest whole cent.

#### Item 240 - Layover

When the Carrier arrives on time for a scheduled delivery appointment and, through no fault of the Carrier, is detained until the following day, a charge of \$500 per day (24 hour period) will be applied. For OS&D issues and delivery exceptions that occur on weekends, these will need to be reviewed on a case by case basis. Charges that involve shipments tendered with multiple day deliveries are handled on a per case basis.

#### Item 244 - Loading and Unloading

A. Lumper- If the Carrier is required to hire a lumper by the consignee, the Carrier will be reimbursed for the cost of lumper. Carrier shall provide a lumper receipt upon request.

B. Driver Unload - When the Carrier's driver is required to unload by the consignee, the Carrier will be reimbursed \$.25 per hundred weight. A \$150 minimum charge will apply.

C. Loading Procedures - Tender is deemed to be Shipper Load Driver Count unless otherwise specified on the Bill of Lading.

#### Item 248 - Lumpers

When Broker's carrier is required to pay a lumper to unload the shipment, the lumper fee shall be billed to the party responsible for payment of freight charges.

#### Item 252 - Minimum Charge

Except as otherwise provided, the truckload minimum charge shall be \$700.

#### Item 256 - Mixed Shipments

Except as otherwise provided, where more than one commodity is shown in an individual item, the rate or rates apply on straight or mixed shipments of those commodities. Except as otherwise provided, on shipments of mixed commodities that are subject to rates in different tariff items, any deficit weight will be charged at the price of the lowest rated commodity.

#### Item 260 - New York City and Long Island Surcharge

For shipments originating at or destined to New York City (5 Burroughs), NY or Long Island, NY, a surcharge of \$300 shall apply. Over dimensional and overweight shipments which require permits will be subject to a surcharge of \$20 per permit plus the cost of any special license or permit required.

# Item 264 - Pallet Exchange

When pallet exchange is required a minimum charge of \$9 per pallet shall be assessed in addition to all other applicable rates and charges. Requests for pallet exchange service must be noted on the Bill of Lading at the time of pickup by broker. Charges for this service will be billed to the party paying the freight charges.

#### Item 268 – Proof of Delivery Charge

When proof of delivery is requested on a shipment, there is no charge provided the request is less than 6 months from date of delivery. On shipments 6 months or older, the charge is \$15.

If, for any reason, any part or total shipment is reconsigned or diverted after it has arrived at original destination, the following will apply:

A. A re-consignment charge of \$100 will apply.

B. A charge of \$1.35 per mile from original billed destination to the new reconsignment or diverted destination, plus applicable fuel surcharge.

#### Item 276 - Re-delivered, Refused, Returned, or Unclaimed Freight

Upon refusal by consignee, broker shall contact shipper as to disposition of shipment or part lot thereof. If shipper is desirous to have shipment or part lot returned to point of origin or to another plant or warehouse, or re-delivered, broker will arrange to do so at the following rates and charges:

Should broker, after exercise of due diligence, be unable to effect delivery to the person authorized to receive shipment, or authorization to return shipment to origin, shipments will be placed in the nearest available public storage warehouse in the name of the shipper subject to the broker's lien for charges. Notice of such action will immediately be mailed to both the shipper and consignee via Certified or Registered U.S. Mail.

On truckload shipments, the rate applicable to the outbound move in effect on the date of return move to point of origin or at the applicable mileage rate from point of refusal to another plant or warehouse.

On LTL shipments, the return or re-delivery charge shall be at the same rate as the outbound move.

Broker reserves the right to schedule the re-delivery or return according to its reasonable convenience.

#### Item 280 - Sorting and Segregating

When shipment is tendered in lots according to size, brand, flavor, or other distinguishing characteristics, broker may deliver to the consignee in the same manner. When Broker is requested to make delivery in a sorted or segregated manner, a charge of 85 cents per 100 lbs. will be assessed against the party requesting such sorting and/or segregating, subject to a minimum charge of \$100.

#### Item 284 - Stop-Offs

A shipment moving on a rate tendered on one Bill of Lading from one consignor, at one point of origin, at one time, consigned to one consignee, at one destination, may be stopped in transit at one or more points or places for the purpose of partial loading or unloading. A \$75.00 charge shall apply on the first stop, \$150.00 on the second stop and \$250 for all stops thereafter. Mileage will be computed on the total number of miles from initial point of origin to final destination via route of movement.

#### Item 288 - Storage

Freight held in broker carrier's possession by reason of an act, request, or omission of the consignor, consignee, or owner, or for inspection by authorities, and through no fault of the broker or its carrier, will be considered stored immediately and will be subject to a charge of \$250 per day.

#### 2.7 Payment

RFX, Inc. shall invoice Shipper in accordance with the rates, charges and fees agreed to from time to time between RFX, Inc. and Shipper. Unless otherwise mutually agreed in writing, Shipper agrees to pay RFX, Inc.'s invoice on terms of net 10 days from invoice date (date of pickup), without deduction or setoff by Shipper for any reason, including in cases of loss, damage or delay. RFX, Inc. shall apply payment of amount due to the specified invoice, regardless whether there are earlier unpaid invoices. Shipper shall be liable for past due invoices which will accrue interest at 1.5% per month from due date, as well as interest, legal and collection costs, expenses and fees, including, but not limited to, legal fees incurred by RFX, Inc.

## 2.8 Claims

I. Shipper must file any claims for cargo loss, shortage or damage against Carrier with RFX, Inc. within the time specified in Carrier's Standard Terms of Service or tariff, and in no event will such claim be allowed if filed later than nine (9) months after the date of such loss, shortage or damage. See 49 U.S.C. §14706(e). To be valid, any claim for loss, damage, delay must meet the three (3) conditions below:

- 1) It must be filed with RFX, Inc. and against Carrier in writing; and
- 2) It must include a clear demand for payment, and a specified dollar amount of the claim; and
- 3) It must identify the shipment sufficiently to allow carrier to conduct an investigation. See 49 C.F.R. §370.3 (b)

II. For purposes of these Standard Terms of Service, date of loss shall be the delivery date or, in the event of nondelivery, the scheduled delivery date. The notation of loss or damage on bill of lading at the time of delivery does NOT constitute the filing of a claim. A claim should be filed immediately in writing with the Carrier and copy to RFX, Inc. RFX, Inc. is available to assist the Shipper with the processing of such claims against Carrier. Shipper shall waive its right to file a civil action against Carrier arising from a claim for cargo loss or damage unless Shipper files such an action within two (2) years after the date that Carrier provides written notice to Shipper that Carrier has disallowed or offered settlement of any part of the claim in the notice (see 49 U.S.C. §14706).

III. When receiving freight at time of delivery, it is the Shipper's sole responsibility to carefully inspect the freight for loss or damage and to document the nature of the loss or damage on all copies of the bill of lading before the Carrier's driver leaves the premises. Failure to properly notate loss or damage on the bill of lading may provide grounds for denial of a claim.

IV. When freight is damaged, it is the legal responsibility of both Carrier and Shipper and owner to protect the cargo from further damage until all interested parties have reasonable opportunity to inspect or waive inspection. Destruction and/or repair of freight without prior authorization from Carrier and/or its insurance company may provide grounds for denial of the claim. A Shipper's providing photographs will not waive Carrier's inspection rights. Shipper hereby acknowledges Shipper's common law duty to mitigate and, after honoring Carrier's right to inspect, Shipper shall make all reasonable efforts to reduce the magnitude of any claim for cargo loss or damage against Carrier.

V. Though the Carmack Amendment (49 U.S.C. §14706) imposes full value cargo liability on Motor Carriers, FMCSA does not require Motor Carriers to maintain any cargo loss or damage insurance. RFX, Inc. will only hire carriers who provide proof of a minimum of \$100,000 in cargo insurance. The lack of coverage due to a policy lapse, exclusions or conditions in the Carrier's insurance coverage shall not exonerate the Carrier from full value liability, subject to the limits set forth herein.

VI. For rail shipments (intermodal or box car), less-than-truckload shipments (LTL), and airfreight shipments, the "full value rule" under the Carmack Amendment shall not apply. Unless agreed in writing, such shipments are transported at "released" cargo value, or a maximum cargo value, which will not exceed the Carrier's maximum liability for such a shipment. This value may be less than the full value of the cargo. The liability rules published by the Carrier shall govern the liability of the Carrier. Additional insurance may be available, but must be requested in advance and agreed in writing by both Shipper and Carrier. A Shipper's statement of value either orally or in writing, does not imply an agreement or obligation for Carrier to provide additional insurance.

VII. While RFX, Inc. processes cargo loss and damage claims against Carriers on behalf of Shippers (as a free service to both parties), in no case shall RFX, Inc. assume liability for any cargo loss or damage claim.

VIII. Shipper and RFX, Inc. shall each notify the other party of all known material details within sixty (60) days of receiving notice of any claim other than a claim for cargo loss, shortage or damage, and shall update the other party promptly thereafter as more information becomes available. Civil action, mediation or arbitration, if any, shall commence within two (2) years after the date either party provides written notice to the other party of such a claim. Thereafter, such claims shall be barred from litigation, mediation or arbitration.

# 2.10 Default and Dispute Resolution

I. In the event of a dispute arising out of these Standard Terms of Service, a party's recourse shall be to arbitration or litigation by agreement of the parties or, where no such agreement is reached, by RFX, Inc.'s choice. Arbitration proceedings shall be conducted under the rules of the American Arbitration Association (AAA), Transportation ADR Council, Inc. (ADR) or Transportation Arbitration and Mediation PLLC (TAM), as agreed by the Parties, or by RFX, Inc.'s choice where no

Transportation Arbitration and Mediation PLLC (TAM), as agreed by the Parties, or by RFX, Inc.'s choice where no agreement is reached.

II. Upon agreement of the parties, arbitration proceedings may be conducted outside of the administrative control of the AAA, ADR, or TAM. The decision of the arbitrators shall be binding and final and the award of the arbitrator may be entered as judgment in any court of competent jurisdiction. The prevailing party shall be entitled to recovery of costs, expenses and reasonable attorney fees as well as those incurred in any action for injunctive relief, or in the event further legal action is taken to enforce the award of arbitrators. Arbitration proceedings shall be conducted at such place as mutually agreed upon in writing by the Parties, or directed by the Arbitration Association, or by teleconference or video conference on agreement of the Parties and consent of the Arbitrator. At any time, either party may apply to a court of competent jurisdiction for injunctive or other equitable relief. In the event that either party is granted equitable relief, the party against whom judgment is entered shall be liable for all costs and expenses incurred by the prevailing Party including, but not limited to, reasonable attorney fees. This paragraph shall not apply to enforcement of an award of arbitration.

III. The parties may also proceed in Small Claims Court in Suffolk County, Massachusetts to resolve any dispute where reasonably expected damages are less than \$3,000. Unless preempted or controlled by federal law and regulations, this agreement shall be interpreted and enforced according to the laws of the State of Massachusetts. Shipper and Carrier waive any objection to jurisdiction or venue in Massachusetts.

IV. Litigation may be commenced by RFX, Inc. in any court in Massachusetts, and Shipper and Carrier waive any objection to jurisdiction or venue in Massachusetts. Unless preempted or controlled by federal law and regulations, this agreement shall be interpreted and enforced according to the laws of the State of Massachusetts.

#### 2.11 Back Solicitation

During the term of this Agreement, where RFX, Inc. introduces a Carrier to a Shipper, Shipper agrees to deal with that Carrier only through RFX, Inc.'s offices, and with the direct involvement and knowledge of RFX, Inc. Broker's contracts with Carriers prohibit Carriers from soliciting, or accepting any direct, or indirect, dealings initiated by any Shipper first introduced to Carrier by Broker. This provision shall survive the termination for any reason of any business relationship between Shipper and RFX, Inc. for two (2) years.

# 2.12 Indemnity

Subject to the insurance limits set forth in Paragraph C (3) herein, RFX, Inc. and Shipper shall defend, indemnify and hold each other harmless from all claims, actions, damages of any kind, fines and penalties arising out of the parties' respective performances under these Standard Terms of Service, including without limitation cargo loss, shortage, damage or delay, and payments to Carriers. The indemnified party, however, shall not offer settlement of any such claim without the agreement of the indemnifying party, which agreement shall not be unreasonably withheld. If the indemnified party offers or agrees to settlement of any such claim without the written agreement of the indemnifying party, the indemnifying party shall be relieved of its indemnification obligations. Shipper shall not be liable to RFX, Inc. for negligent or intentional acts of RFX, Inc., and RFX, Inc. shall not be liable for negligent or intentional acts of Shipper. Neither shall be liable to the other for negligent or intentional acts of Carrier. The obligation to defend shall include all costs of defense, as they accrue, including reasonable attorneys' fees.

# 2.13 Homeland Security

As applicable to each party respectively, RFX, Inc. and Shipper shall comply with all state and federal laws and regulations concerning or relating to Homeland Security.

# **SECTION 3: BROKER RESPONSIBILITIES**

# 3.1 Compensation

RFX, Inc. shall pay Carrier within thirty (30) days of receipt of Carrier's undisputed invoice and POD. Unless otherwise agreed in writing, RFX, Inc.'s sole compensation for services provided under these Standard Terms of Service shall derive from purchasing transportation services for less than RFX, Inc. sells the same services to Shipper. The difference between the price paid by a Shipper to RFX, Inc. and the price paid by RFX, Inc. to Carrier, or other provider(s), represents RFX, Inc.'s total compensation (or loss) for each shipment.

# 3.2 Carrier Selection

RFX, Inc. establishes and follows written procedures to evaluate Carriers prior to their use by Broker. RFX, Inc. continues to evaluate certain Carriers at certain intervals, as set forth by Broker's internal risk management and Carrier selection policies, which may be amended from time to time with or without notice to Carriers or Shippers. RFX, Inc. represents that it is not a governmental agency and therefore cannot and does not in any way guarantee the relative fitness, compliance record of, or current or future safety performance of, any Carrier or its drivers. RFX, Inc. is not responsible in any way for the acts and/or omissions of Carriers or their drivers. The FMCSA, an agency of USDOT, is responsible for licensing, monitoring and enforcing safety and regulatory compliance for interstate Carriers. The respective states are responsible for same with respect to intrastate Carriers. Any Carrier with active operating authority granted by FMCSA or any state, who can provide proof of insurance, who does not have an "Unsatisfactory" safety rating (or its equivalent) from FMCSA, together with other federal, state and local law enforcement agencies, bear sole responsibility for determining the fitness, including the safety fitness, of all authorized carriers, and for enforcing all applicable laws and regulations, including without limitation, those concerning the maintenance and operation of carrier equipment, driver training, licensing, and fitness, hazardous materials, and Hours of Service.

As a condition of hiring any Carrier to transport Shipper's freight, RFX, Inc. and Carrier will execute a written contract, wherein Carrier represents and warrants, among other things, the following items intended to protect RFX, Inc. and directly or indirectly protect RFX,

I. Carrier shall, throughout the term of its contract with RFX, Inc., comply with all applicable federal, state and local laws and regulations, including without limitation safety regulations, driver requirements and all applicable insurance requirements. At no time will Carrier have an "Unsatisfactory" safety rating (or its equivalent) issued by FMCSA.

II. Carrier shall provide the proper equipment, personnel, expertise, supervision and oversight required to safely pick up and deliver Shipper's freight.

III. Carrier shall defend, indemnify and hold harmless RFX, Inc. and Shipper, to the full extent permitted by law, from damages, claims or losses arising out of Carrier's acts or omissions, including without limitation cargo loss and damage, theft, delay, violations of law or regulation, damage to property, personal injury or death.

IV. Carrier shall acknowledge that its liability for cargo loss or damage shall be no less than that of a Common Carrier, as provided for in the Carmack Amendment (49 U.S.C. §14706). The Carmack Amendment provides Shippers with

cargo loss & damage protection at full invoice or replacement value. Exclusions in Carrier's insurance coverage shall not exonerate Carrier from this liability.

V. Carrier agrees that RFX, Inc. is the sole party responsible for payment of Carrier freight charges for shipments arranged by RFX, Inc. Carrier shall not seek payment from Shipper or from any other party for any shipment arranged by RFX, Inc.

VI. Carrier agrees that it will neither initiate nor accept any direct or indirect business relationship with any Shipper that was first introduced to Carrier by RFX, Inc., and will rely on RFX, Inc., and respect RFX, Inc.'s position as Broker, in any dealings with a Shipper first introduced by RFX, Inc. to Carrier. A Carrier's legal obligations in this regard extend to instances where the Shipper contacts the Carrier and seeks to establish a business relationship that does not include RFX, Inc.

## 3.3 Insurance

RFX, Inc. agrees to maintain at its own expense, at all times, at least the following insurance coverage amounts:

| General Liability:          | \$1,000,000 |
|-----------------------------|-------------|
| Auto Liability:             | \$1,000,000 |
| Contingent Cargo Liability: | \$100,000   |

Upon request, RFX, Inc. may provide insurance coverage amounts that exceed these limits, and the evidence of such shall be in the form of an insurance certificate provided to Shipper. RFX, Inc.'s maximum liability to Shipper or Carrier for any loss shall be limited to RFX, Inc.'s insurance policy terms and conditions and the dollar amounts for coverage set forth in this paragraph.

RFX, Inc.'s contingent cargo insurance is subject to the terms, conditions and certain limitations and/or exclusions as contained in the policy, and the terms, conditions and requirements as outlined within these Standard Terms of Service, which are subject to change at any time. RFX, Inc.'s contingent cargo liability is intended to operate when either a Carrier or a Carrier's insurance company, or both, fail(s) to respond to a valid claim for loss, shortage, damage or delay filed by Shipper against a RFX, Inc.-hired Carrier. Accordingly, all claims by Shipper for loss, shortage, damage, or delay will be filed with the Carrier directly, with a copy to Broker. The existence of RFX, Inc.'s contingent cargo insurance in no way shifts or places any legal or contractual liability on RFX, Inc., nor does it exonerate the Carrier's duty and liabilities under the Carmack Amendment, the Carrier's contract with RFX, Inc., or these Standard Terms of Service.

# 3.4 Surety Bond

By law, RFX, Inc. is required to maintain a USDOT surety bond in the amount of \$75,000. RFX, Inc. currently maintains this bond in the amount of \$250,000, which is available for review upon request of a Shipper or contracted Carrier.

# 3.5 Safe Conduct

RFX, Inc. does not and will not, under any circumstances, knowingly condone, encourage or cause any unsafe and/or illegal conduct by a Carrier or any of its employees, agents or servants, or by any Shipper or any of its employees, agents or servants.

# **SECTION 4: CARRIER RESPONSIBILITIES**

# 4.1 Equipment

The Carrier bears the sole responsibility to (a) abide by all applicable laws and regulations; (b) provide and maintain all necessary equipment in a manner that is safe, secure and fit for its purpose; (c) provide the management, training and supervision of drivers and other personnel; (d) determine the routing for each shipment; (e) take reasonable measures to ensure safety, comply with applicable regulations in the operation of its equipment and performance of its drivers, and the safety of the roadway and other public property; (f) maintain compliance with all applicable regulations required by law; and (g) pay all applicable fees and taxes required by law. These responsibilities shall remain solely and exclusively with the Carrier. Any routes, directions or specifications provided by Shipper or by RFX, Inc. to Carriers are for convenience purposes only, and therefore shall never supersede or override applicable laws and regulations or the professional judgment of the Carrier, its management or its driver(s).

# 4.2 Suggested Routing

In cases where Shipper and/or RFX, Inc. may suggest driving directions to Carrier, or request specific delivery date or time, at all times Carrier and Carrier alone is solely responsible for determining the routes traveled to origins and between origins and destinations, and complying with applicable laws and regulations.

## 4.3 Insurance

Unless otherwise agreed in writing, Carrier shall provide proof of insurance coverage with limits as follows:

| General Liability: | \$1,000,000 |
|--------------------|-------------|
| Auto Liability:    | \$1,000,000 |
| Cargo Liability:   | \$100,000   |
| HazMat Liability:  | \$5,000,000 |

Auto liability shall include coverage for hired and non-owned vehicles. Hazardous materials coverage shall include cleanup expenses and remediation costs.

#### 4.4 Hazardous Materials

Carrier will maintain compliance with all applicable hazmat state and federal laws regulations and shall indemnify RFX, Inc. (and Shipper) from any liability (including, but not limited to, reasonable attorney fees) asserted against or imposed on them arising out of any violation of such laws or regulations.

# 5.1 Acts and Omissions of Shipper

In no event shall RFX, Inc. or any Carrier be liable to Shipper for any claims, damages, penalties, fines, direct or indirect losses, arising out of a Shipper's acts or omissions including, without limitation, claims based on a theory of negligence, breach of contract, noncompliance with any law or regulation, strict liability or otherwise, even in the event that Shipper advises RFX, Inc. and/or Carrier of the possibility of such damages.

# 5.2 Consequential Damages

In no event shall RFX, Inc. or any Carrier hired by RFX, Inc., be liable to Shipper for special, incidental, or consequential damages, loss of profit, loss of revenue or sale, opportunity cost, overtime, penalties or fines, or charges of any kind, arising from or related to cargo loss, damage or delay unless Shipper has provided notice to RFX, Inc., in writing, of the potential for such, the nature and the foreseeable magnitude, and RFX, Inc. has acknowledged and agreed to accept responsibility in writing, for such damages, penalties or fines, including their nature and possible amount. Such acknowledgement in writing must be transmitted by RFX, Inc. to Shipper prior to, or at the time of, tendering to RFX, Inc. each shipment for which such damages, penalties or fines may arise. RFX, Inc.'s written agreement to accept such responsibility must be agreed by a company director or officer. In no other case will RFX, Inc.'s arrangement of a shipment be deemed as an agreement to accept any liability for Consequential Damages, even if Shipper first discloses the possibility of such damages to RFX, Inc. verbally or in writing. The shipper may however make a cargo claim against a Carrier for delay in cases where the Shipper can provide evidence that the Carrier did not exercise reasonable dispatch in the traffic lane used by Carrier in carrying out its duty to deliver freight as agreed. Such claims must follow proper procedures detailed in Section B (10) above.

# 5.3 Law Enforcement

It is the sole responsibility of local, state, federal and/or other appropriate law enforcement officials to protect public safety, and to remove from service and/or operation any Carrier or driver that may pose a threat to public safety.

# 5.4 Severability/Survivability

In the event that the operation of any portion of these Standard Terms of Service results in a violation of any law, or if any provision herein is determined by a court of competent jurisdiction to be invalid or unenforceable, Shipper, RFX, Inc. and Carrier agree that such portion or provision shall be severable and that the remaining provisions herein shall continue in full force and effect. The terms and conditions set forth herein shall survive the termination for any reason of the business relationship between Shipper, RFX, Inc. and Carrier.

# 5.5 Waiver of Provisions

Failure of either RFX, Inc., Shipper or Carrier to insist upon performance of any term or condition set forth herein, or failure to exercise any right or privilege set forth herein, or any waiver of any breach, shall not be construed to thereafter waive any such term, condition, right or privilege, but the same shall continue and remain in full force and effect as if no forbearance or waiver had occurred.