

WASHITA FREIGHT SYSTEMS, INC.

MC 313296

LOCAL, EXPORT, IMPORT, INTERCOASTAL,
COASTWISE AND PROPORTIONAL FREIGHT TARIFF

NAMING

**RULES, REGULATIONS AND
SCOPE OF OPERATIONS**

APPLICABLE ON SHIPMENTS
BETWEEN POINTS IN THE UNITED STATES
EXCEPT ALASKA AND HAWAII

For Reference to Governing Publications, See Item 130.

This Tariff Applies on Interstate Traffic and Intrastate Traffic.

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Issued by:
Washita Freight Systems, Inc.
2627 E 21st Street
Tulsa, OK 74114

SECTION 1

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SECTION 1
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SECTION 2
GOVERNING PUBLICATIONS & DEFINITIONS

SECTION 2
GOVERNING PUBLICATIONS & DEFINITIONS

ITEM 100

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.

| | | | | | | |
|--|--------|--|---|---------------|--|---|
| <u>Date:</u> | | STANDARD TRUCKLOAD BILL OF LADING | | | | Page _____ |
| SHIP FROM | | | | | | Bill of Lading Number: _____ BAR CODE SPACE |
| Name: Address: City/State/Zip: SID#: _____ | | | | | FOB: _____ | |
| SHIP TO | | | | | | CARRIER NAME: _____ Trailer number: _____ Seal number(s): _____ |
| Name: _____ Location #: _____ Address: City/State/Zip: CID#: _____ | | | | | FOB: _____ | |
| THIRD PARTY FREIGHT CHARGES BILL TO: | | | | | | SCAC: Pro number: BAR CODE SPACE |
| Name: Address: City/State/Zip: | | | | | | |
| SPECIAL INSTRUCTIONS: | | | | | | Freight Charge Terms: <i>freight charges are prepaid unless marked otherwise</i> Prepaid _____ Collect _____ 3 rd Party _____ |
| (check) Master Bill of Lading with attached underlying Bills of Lading | | | | | | |
| CUSTOMER ORDER INFORMATION | | | | | | |
| CUSTOMER ORDER NUMBER | # PKGS | WEIGHT | PALLET/SLIP (CIRCLE ONE) | | ADDITIONAL SHIPPER INFO | |
| | | | Y | N | | |
| | | | Y | N | | |
| | | | Y | N | | |
| | | | Y | N | | |
| GRAND TOTAL | | | | | | |
| CARRIER INFORMATION | | | | | | |
| HANDLING UNIT | | PACKAGE | | WEIGHT | H.M. (X) | COMMODITY DESCRIPTION <small>Commodities requiring special or additional care or attention in handling or stowage must be so marked and packaged as to ensure safe transportation with ordinary care.</small> |
| QTY | TYPE | QTY | TYPE | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | RECEIVING STAMP SPACE |
| | | | | | | TOTAL |
| Where the rate is dependent on value, shippers are required to state specifically in writing the agreed or declared value of the property as follows: *The agreed or declared value of the property is specifically stated by the shipper to be not exceeding _____ per _____. | | | | | COD Amount: \$ _____ Fee Terms: Collect: ___ Prepaid: ___ Customer check acceptable: ___ | |
| NOTE Liability Limitation for loss or damage in this shipment may be applicable. See 49 U.S.C. §14706(c)(1)(A) and (B). | | | | | | |
| RECEIVED, subject to individually determined rates or contracts that have been agreed upon in writing between the carrier and shipper. If applicable, otherwise to the rates, classifications and rules that have been established by the carrier and are available to the shipper, on request, and to the terms and conditions set forth on the reverse side hereon as well as to all applicable state and federal regulations. | | | | | The carrier shall not make delivery of this shipment without payment of freight and all other lawful charges. | |
| SHIPPER SIGNATURE / DATE This is to certify that the above named materials are properly classified, packaged, marked and labeled, and are in proper condition for transportation according to the applicable regulations of the DOT. | | | Trailer Loaded: By Shipper _____ By Driver _____ | | Freight Counted: By Shipper _____ By Driver/pallets said to contain _____ By Driver/Fleets _____ | |
| CARRIER SIGNATURE / PICKUP DATE Carrier acknowledges receipt of packages and required placards. Carrier certifies emergency response information was made available and/or carrier has the DOT emergency response guidebook or equivalent documentation in the vehicle. <small>Property described above is received in apparent good order, except as noted.</small> | | | | | | |

SECTION 2
GOVERNING PUBLICATIONS & DEFINITIONS

ITEM 100 (continued)

BILLS OF LADING**STANDARD TRUCKLOAD BILL OF LADING CONTRACT TERMS AND CONDITIONS**

§ 1. (a) The carrier or party in possession of any of the property herein described shall be liable as at common law for any loss thereof or damage thereto, except as hereinafter provided.

(b) No carrier or party in possession of all or any of the property herein described shall be liable for any loss thereof or damage thereto or delay caused by the act of God, the public enemy, the authority of law, or the act or default of the shipper or owner, or for natural shrinkage. Except in case of negligence of the carrier or party in possession (and the burden to prove freedom from such negligence shall be on the carrier or party in possession), the carrier shall not be liable for loss, damage, or delay occurring while the property is stopped and held in transit upon the request of the shipper, or resulting from a defect or vice in the property.

§ 2. (a) No carrier is bound to transport said property in time for any particular market or otherwise than with reasonable dispatch. Every carrier shall have the right in case of physical necessity to forward said property by any carrier or route between the point of shipment and the point of destination.

(b) In all cases not prohibited by law, where a lower value than actual value has been represented in writing by the shipper or has been agreed upon in writing as the released value of the property as determined by the classification or tariffs upon which the rate is based, such lower value plus freight charges if paid shall be the maximum amount to be recovered, whether or not such loss or damage occurs from negligence.

§ 3. (a) As a condition precedent to recovery, claims must be filed in writing with a participating carrier within nine months after delivery of the property or in the case of failure to make delivery within 9 months after a reasonable time for delivery has elapsed.

(b) Suits shall be instituted against any carrier only within two years and one day from the day when notice in writing is given by the carrier to the claimant that the carrier has disallowed the claim or any part or parts thereof specified in the notice. Where claims are not filed or suits are not instituted thereon in accordance with the foregoing provisions, no carrier hereunder shall be liable, and such claims will not be paid.

(c) Any carrier or party liable on account of loss of or damage to any of said property shall have the full benefit of any insurance that may have been effected upon or on account of said property, so far as this shall not avoid the policies or contracts of insurance. Provided, That the carrier reimburse the claimant for the premium paid thereon.

§ 4. (a) Property not accepted by the consignee, after notice of the arrival of the property at destination has been duly sent or given, may be kept subject to the tariff charge for storage and to carrier's responsibility as warehouseman, only, or at the option of the carrier, may be stored in a public or licensed warehouse at the cost of the owner, and there held without liability on the part of the carrier, and subject to a lien for all freight and other lawful charges, including a reasonable charge for storage.

(b) Where nonperishable property is refused at destination by the consignee or where the consignee fails to receive it within 15 days after notice of arrival shall have been duly sent or given, the carrier may sell same at public auction to the highest bidder, at such place as may be designated by the carrier.

(c) Where perishable property which has been transported to destination and the consignee or party entitled to receive it has failed to receive it promptly, the carrier may, in its discretion, to prevent deterioration, sell the same to the best advantage at private or public sale.

(d) Where the procedure provided for in the two paragraphs last preceding is not possible, it is agreed that nothing contained in said paragraphs shall be construed to abridge the right of the carrier at its option to sell the property under such circumstances and in such manner as may be authorized by law.

(e) The proceeds of any sale made under this section shall be applied by the carrier to the payment of freight, demurrage, storage, and any other lawful charges and the expense of notice, advertisement, sale, and other necessary expense and of caring for and maintaining the property, if proper care of the same requires special expense, and should there be a balance it shall be paid to the owner of the property sold hereunder.

§ 5. No carrier hereunder will carry or be liable in any way for any documents, specie, or for any articles of extraordinary value not specifically rated in the published classifications or tariffs unless a special agreement to do so and a stipulated value of the articles are indorsed hereon.

§ 6. Every party, whether principal or agent, shipping explosives or dangerous goods, without previous full written disclosure to the carrier of their nature, shall be liable for and indemnify the carrier against all loss or damage caused by such goods, and such goods may be warehoused at owner's risk and expense or destroyed without compensation.

§ 7. (a) The consignor or consignee shall pay the freight and all other lawful charges accruing on said property. The consignor shall be liable for the freight and all other lawful charges unless the consignor stipulates, by signature, in the place provided for that purpose on the face of the bill of lading the carrier shall not make delivery without requiring payment of such charges and the carrier, contrary to such stipulation, shall make delivery without requiring such payment.

(b) Consignee becomes liable for freight charges upon receipt unless the consignee is an agent only and has no beneficial title in said property; and prior to delivery has notified the delivering carrier of these facts.

(c) Nothing herein shall limit the right of the carrier to require at time of shipment the prepayment or guarantee of the charges. If upon inspection it is ascertained that the articles shipped are not those described in this bill of lading, the freight charges must be paid upon the articles actually shipped.

§ 8. If this bill of lading is issued on the order of the shipper, or his agent, in exchange or in substitution for another bill of lading, the shipper's signature to the prior bill of lading as to the statement of value or otherwise, or election of common law or bill of lading liability, in or in connection with such prior bill of lading, shall be considered a part of this bill of lading as fully as if the same were written or made in or in connection with this bill of lading.

§ 9. (a) All surface transportation provided under this bill shall be subject to federal statute and common law otherwise applicable to regulate interstate shipments. U.S. statutes and regulations shall apply unless otherwise waived by signed written agreement.

(b) If all or any part of said property is carried by water, and the loss is carried by water and loss, damage, or injury to said property occurs while it is in the custody of the carrier by water, the liability of such carrier shall be determined by the applicable bill of lading and under laws and regulations applicable to transportation by water.

SECTION 2
GOVERNING PUBLICATIONS & DEFINITIONS

ITEM 110 **CANCELING ORIGINAL AND REVISED PAGES, EXCEPT THE TITLE PAGE**

When this rules circular is formally amended by revised pages, the cancellation of prior pages will be effected by means of this Item. A revised page will not show a cancellation notice. Revisions of each page will be filed in numerical sequence. Except where a specific cancellation is shown on a new revised page, a revised page cancels any and all un-cancelled revised or original pages, or un-cancelled portions thereof, which bear the same page number. For example: "ORIGINAL Page 10" for a particular shipper will have the effect of cancelling Original Page 10, "5^m Revised Page 12" will have the effect of canceling 4^m Revised Page 12.

ITEM 120 **DEFINITIONS**

- (A) 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.
- (B) Carrier shall be named on the bill of lading as the origin carrier of all shipments.
- (C) Unless arranged or agreed upon in writing prior to shipment, 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.
- (D) Spot rate shall mean a rate agreed upon by only shipper and carrier as applicable to a single shipment or, if in writing, a limited number of shipments representing a continuous number of shipments arranged at a single time with a single offer and a single acceptance.
-

ITEM 130 **GOVERNING PUBLICATIONS**

This tariff is governed, except as otherwise provided herein, by the following described publications, and by supplements thereto or successive reissues thereof. (Note A).

| KIND OF TARIFF ISSUING AGENT AND TARIFF SERIES | ICC SERIES |
|---|-------------------|
| Mileage Guide | ICC HHG 100 |
| Household Goods Carriers Bureau, Agent | |
| PC Miler by ALK | PC Miler |
| Rules | WSHF 100 |
| Washita Freight Systems, Inc. | |

Note A – When an item is published in this tariff covering the same service as an item published in a tariff mentioned in this item, such item published herein, to the extent of its application, will apply in lieu of the items published in tariff's mentioned in this item.

ITEM 140 **MILEAGE GUIDE**

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 recent edition of the following mileage guide:

Rand McNally – Practical

For abbreviations and reference marks not explained on this page, see section 7.

SECTION 2
GOVERNING PUBLICATIONS & DEFINITIONS

ITEM 150 **NON APPLICATION OF TARIFF**

Rates, rules and charges named in this tariff will not apply for the account of Washita Freight Systems, Inc. on single line shipments of Tobacco and Tobacco Related Products where rates rules or charges are specifically published for the carrier to cover such shipments in other tariffs.

ITEM 160 **NOTICE AND AMENDMENTS**

Upon written request, Carrier will provide its customers and shippers with copies of all applicable rules and rates. Rules and accessorial charges are available on Carrier's web site at:

<http://www.lkam.com/wshfrules.pdf>

ITEM 170 **OPERATING AUTHORITY**

Washita Freight Systems, Inc. has a 48 state irregular route authorities within the United States. Copy of the operating certificate is available upon request.

ITEM 180 **PARTICIPATING CARRIERS**

This section intentionally left blank.

ITEM 190 **RATES AND SCHEDULES**

The rules published herein are applicable to all shipments transported by Carrier's 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.

For abbreviations and reference marks not explained on this page, see section 7.

SECTION 3
SCOPE OF OPERATIONS

SECTION 3
SCOPE OF OPERATIONS

ITEM 200 **ADDITIONAL CHARGES – TOLL CHARGES**

When mileage is computed via a Toll Bridges or Toll Turnpike shown below, the charge will be done as a pass thru to the customer.

ITEM 210 **ADDITIONAL CHARGES—ISLAND ACCESS CHARGE**

On shipments destined to and originating from New York zip codes 100-119 and/or the Florida Keys, add six hundred dollars (\$600) to other applicable charges published in this tariff.

ITEM 220 **ALTERNATIVE RATES AVAILABLE**

Shippers may obtain rates for shipments with higher release values than those indicated in Item 730 by contacting Carrier's Pricing Department by calling 918-743-2993. Any such alternative rate shall be reflected by the insertion of the higher release value and specially assigned identification number on the bill of lading at the time of pick-up.

ITEM 230 **APPLICATION OF CIRCULAR**

Each provision of this rule circular shall apply to each transportation agreement entered into by carrier unless expressly waived in a signed, written agreement.

ITEM 240 **APPOINTMENTS/PICKUP & DELIVERY TIMES**

Pick-ups and deliveries shall be during customer's normal business hours. Appointments shall be made at no charge. Carrier shall not be liable for late deliveries or un-kept appointments. Consignee shall facilitate prompt unloading in the event of missed appointments.

ITEM 250 **COMMODITY LIMITATIONS**

Carrier does not hold out to transport jewelry, objects d'art, currency, documents, and 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.

For abbreviations and reference marks not explained on this page, see section 7.

SECTION 3
SCOPE OF OPERATIONS

ITEM 260 **CONVENIENCE INTERLINING**

This section intentionally left blank.

ITEM 270 **CUSTOMER REQUESTED DEADHEAD**

\$1.55 per mile from point of dispatch to the loading location will be charged.

ITEM 280 **HAZ-MAT SHIPMENTS**

All loads requiring the Carrier's driver to have a current Haz-Mat endorsement will be subject to a surcharge of 10% of linehaul rate with a minimum of \$150. This surcharge will be added as a separate line item to the freight bill.

ITEM 290 **IMPORT & EXPORT FREIGHT – CANADA**

Limitation of Carrier's Liability for Proper Customs Clearance. Carrier assumes no responsibility for insuring or otherwise providing for clearance of merchandise through or inspection by Canadian Customs. Carrier does not represent and specifically disclaims any knowledge or expertise in proper customs clearance and inspection matters. Carrier is not responsible for the acts or omission of the Canadian Customs Agent or its affiliated Freight Forwarder that may be selected for the purpose of clearing shipper's merchandise through Customs. Carrier will serve merely as a liaison between shipper and the Canadian Customs Agent (and the Customs Agent's Freight Forwarder) at shipper's request and only as a convenience to shipper. Carrier or party in possession shall not be liable for loss, damage, deterioration of the freight or delay in delivery due to the duration of the period required by customs clearance or inspection.

ITEM 300 **IMPRACTICAL OPERATIONS**

Nothing in this rule circular shall require the carrier to perform pick-up or delivery service at any location from or to which it is impracticable, through no fault or neglect of the carrier to operate vehicles because of:

- (A) The condition of roads, streets, driveways, or alleys;
 - (B) Inadequate loading or unloading facilities; or
 - (C) Riots, Acts of God, the public enemy, the authority of law, strikes or labor unrest, the existence of violence, or such possible disturbances as to create reasonable apprehension of danger to person or property.
-

ITEM 310 **INTERMODAL SHIPMENTS**

Carrier does participate in the Uniform Intermodal Interchange Agreement (UIIA).

For abbreviations and reference marks not explained on this page, see section 7.

SECTION 3
SCOPE OF OPERATIONS

ITEM 320 INTERSTATE VS. INTRASTATE

The rules set forth in this Circular shall apply to all shipments handled by Carrier regardless of the origin or destination.

ITEM 330 PACKING OR PACKAGING – SHORTAGE

Carrier will not be responsible for shortage on shipments that 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.

ITEM 340 PACKING OR PACKAGING, BLOCKING, RACKS, STANDARDS OR SUPPORTS

Any temporary blocking, flooring or lining, racks, standards, stakes or similar bracing, dunnage or support or other commonly used items not constituting a part of the truck when required to protect and make freight secure for shipment, will be furnished and installed at the expense of the shipper unless carrier has agreed to supply said equipment free of charge.

ITEM 350 PICKUP & DELIVERY SERVICE

The rates names herein include pickup or delivery at all points within the limits of the cities, towns, villages and other points from and to which rates apply, but each shipment will include only one pickup and one delivery.

ITEM 360 REGULATED VS. EXEMPT

The rules set forth in this Circular shall apply to shipments exempt from economic regulation as well as shipments subject to the jurisdiction of the FMCSA. Liability for loss, damage and delay shall be governed by 49 U.S.C. 14706 (the Carmack Amendment)

ITEM 370 SHIPPER LOAD & 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) where the driver was either not present or not allowed to observe the loading and unloading.

For abbreviations and reference marks not explained on this page, see section 7.

SECTION 3
SCOPE OF OPERATIONS

ITEM 380

SUBSTITUTED SERVICE

This section intentionally left blank.

ITEM 390

TERRITORIAL SCOPE

Carrier is authorized by the Federal Motor Carrier Safety Administration (FMCSA) in Docket No. MC 313296:

“To operate as a contract carrier, by Motor Vehicle, in interstate or foreign commerce, over irregular routes, transporting general commodities (except Classes A and B explosives, household goods and commodities in bulk), between points in the United States (except Alaska and Hawaii).”

**SECTION 4
ACCESSORIAL CHARGES**

SECTION 4
ACCESSORIAL CHARGES

ITEM 400

ADDITIONAL CHARGES – FUEL SURCHARGE (DRY VAN)

Unless otherwise agreed to, the following fuel surcharge will apply between Washita Freight Systems, Inc. and shipper:

FUEL SURCHARGE SCHEDULE AND AGREEMENT

Fuel Surcharges shall be determined weekly using average self-service pump prices for the first Monday of each week from the DOE U.S. Average Retail Diesel Price Index.

The Fuel Surcharge is based on a cents per mile basis and will run from the first Tuesday of each week.

| Nat'l Avg. Surcharge Diesel \$/Gallon | Fuel Surcharge Per Mile | Nat'l Avg. Diesel \$/Gallon | Fuel Surcharge Per Mile | Nat'l Avg. Diesel \$/Gallon | Fuel Per Mile |
|--|------------------------------------|--|------------------------------------|--|--------------------------|
| \$ 1.120 – 1.144 | \$0.005 | \$ 2.070 – 2.094 | \$0.195 | \$ 3.020 – 3.044 | \$0.385 |
| \$ 1.145 – 1.169 | \$0.010 | \$ 2.095 – 2.119 | \$0.200 | \$ 3.045 – 3.069 | \$0.390 |
| \$ 1.170 – 1.194 | \$0.015 | \$ 2.120 – 2.144 | \$0.205 | \$ 3.070 – 3.094 | \$0.395 |
| \$ 1.195 – 1.219 | \$0.020 | \$ 2.145 – 2.169 | \$0.210 | \$ 3.095 – 3.119 | \$0.400 |
| \$ 1.220 – 1.244 | \$0.025 | \$ 2.170 – 2.194 | \$0.215 | \$ 3.120 – 3.144 | \$0.405 |
| \$ 1.245 – 1.269 | \$0.030 | \$ 2.195 – 2.219 | \$0.220 | \$ 3.145 – 3.169 | \$0.410 |
| \$ 1.270 – 1.294 | \$0.035 | \$ 2.220 – 2.244 | \$0.225 | \$ 3.170 – 3.194 | \$0.415 |
| \$ 1.295 – 1.319 | \$0.040 | \$ 2.245 – 2.269 | \$0.230 | \$ 3.195 – 3.219 | \$0.420 |
| \$ 1.320 – 1.344 | \$0.045 | \$ 2.270 – 2.294 | \$0.235 | \$ 3.220 – 3.244 | \$0.425 |
| \$ 1.345 – 1.369 | \$0.050 | \$ 2.295 – 2.319 | \$0.240 | \$ 3.245 – 3.269 | \$0.430 |
| \$ 1.370 – 1.394 | \$0.055 | \$ 2.320 – 2.344 | \$0.245 | \$ 3.270 – 3.294 | \$0.435 |
| \$ 1.395 – 1.419 | \$0.060 | \$ 2.345 – 2.369 | \$0.250 | \$ 3.295 – 3.319 | \$0.440 |
| \$ 1.420 – 1.444 | \$0.065 | \$ 2.370 – 2.394 | \$0.255 | \$ 3.320 – 3.344 | \$0.445 |
| \$ 1.445 – 1.469 | \$0.070 | \$ 2.395 – 2.419 | \$0.260 | \$ 3.345 – 3.369 | \$0.450 |
| \$ 1.470 – 1.494 | \$0.075 | \$ 2.420 – 2.444 | \$0.265 | \$ 3.370 – 3.394 | \$0.455 |
| \$ 1.495 – 1.519 | \$0.080 | \$ 2.445 – 2.469 | \$0.270 | \$ 3.395 – 3.419 | \$0.460 |
| \$ 1.520 – 1.544 | \$0.085 | \$ 2.470 – 2.494 | \$0.275 | \$ 3.420 – 3.444 | \$0.465 |
| \$ 1.545 – 1.569 | \$0.090 | \$ 2.495 – 2.519 | \$0.280 | \$ 3.445 – 3.469 | \$0.470 |
| \$ 1.570 – 1.594 | \$0.095 | \$ 2.520 – 2.544 | \$0.285 | \$ 3.470 – 3.494 | \$0.475 |
| \$ 1.595 – 1.619 | \$0.100 | \$ 2.545 – 2.569 | \$0.290 | \$ 3.495 – 3.519 | \$0.480 |
| \$ 1.620 – 1.644 | \$0.105 | \$ 2.570 – 2.594 | \$0.295 | \$ 3.520 – 3.544 | \$0.485 |
| \$ 1.645 – 1.669 | \$0.110 | \$ 2.595 – 2.619 | \$0.300 | \$ 3.545 – 3.569 | \$0.490 |
| \$ 1.670 – 1.694 | \$0.115 | \$ 2.620 – 2.644 | \$0.305 | \$ 3.570 – 3.594 | \$0.495 |
| \$ 1.695 – 1.719 | \$0.120 | \$ 2.645 – 2.669 | \$0.310 | \$ 3.595 – 3.619 | \$0.500 |
| \$ 1.720 – 1.744 | \$0.125 | \$ 2.670 – 2.694 | \$0.315 | \$ 3.620 – 3.644 | \$0.505 |
| \$ 1.745 – 1.769 | \$0.130 | \$ 2.695 – 2.719 | \$0.320 | \$ 3.645 – 3.669 | \$0.510 |
| \$ 1.770 – 1.794 | \$0.135 | \$ 2.720 – 2.744 | \$0.325 | \$ 3.670 – 3.694 | \$0.515 |
| \$ 1.795 – 1.819 | \$0.140 | \$ 2.745 – 2.769 | \$0.330 | \$ 3.695 – 3.719 | \$0.520 |
| \$ 1.820 – 1.844 | \$0.145 | \$ 2.770 – 2.794 | \$0.335 | \$ 3.720 – 3.744 | \$0.525 |
| \$ 1.845 – 1.869 | \$0.150 | \$ 2.795 – 2.819 | \$0.340 | \$ 3.745 – 3.769 | \$0.530 |
| \$ 1.870 – 1.894 | \$0.155 | \$ 2.820 – 2.844 | \$0.345 | \$ 3.770 – 3.794 | \$0.535 |
| \$ 1.895 – 1.919 | \$0.160 | \$ 2.845 – 2.869 | \$0.350 | \$ 3.795 – 3.819 | \$0.540 |
| \$ 1.920 – 1.944 | \$0.165 | \$ 2.870 – 2.894 | \$0.355 | \$ 3.820 – 3.844 | \$0.545 |
| \$ 1.945 – 1.969 | \$0.170 | \$ 2.895 – 2.919 | \$0.360 | \$ 3.845 – 3.869 | \$0.550 |
| \$ 1.970 – 1.994 | \$0.175 | \$ 2.920 – 2.944 | \$0.365 | \$ 3.870 – 3.894 | \$0.555 |
| \$ 1.995 – 2.019 | \$0.180 | \$ 2.945 – 2.969 | \$0.370 | \$ 3.895 – 3.919 | \$0.560 |
| \$ 2.020 – 2.044 | \$0.185 | \$ 2.970 – 2.994 | \$0.375 | \$ 3.920 – 3.944 | \$0.565 |
| \$ 2.045 – 2.069 | \$0.190 | \$ 2.995 – 3.019 | \$0.380 | \$ 3.945 – 3.969 | \$0.570 |
| | | | | \$ 3.970 – 3.994 | \$0.575 |
| | | | | \$ 3.995 – 4.019 | \$0.580 |

SECTION 4
ACCESSORIAL CHARGES

ITEM 400 **FUEL SURCHARGE SCHEDULE AND AGREEMENT**
(continued from previous page)

****To calculate surcharge at a fuel index above \$4.019 add \$.005 to the surcharge for each \$.025 increase in the index.**

ITEM 400B **REGIONAL FUEL SURCHARGE AMENDMENT**

The following charges are in addition to the existing fuel surcharge.

Regions

| | | |
|---------------------------------|-----------|------------------------------|
| Coming From | OR | Delivering To |
| WA, OR, NV, CA, AZ (West Coast) | | ID, MT, WY, UT, CO (Rockies) |
| | | WA, OR, NV, AZ |

Supplemental Fuel Surcharge

| Regional Variance | Regional Surcharge |
|------------------------------------|--------------------|
| 11.000 - 15.999 | \$37.50 |
| 16.000 - 20.999 | \$50.00 |
| 21.000 - 25.999 | \$62.50 |
| 26.000 - 30.999 | \$75.00 |
| 31.000 - 35.999 | \$87.50 |
| 36.000 - 40.999 | \$100.00 |
| 41.000 - 45.999 | \$112.50 |
| 46.000 - 50.999 | \$125.00 |
| 51.000 - 55.999 | \$137.50 |
| ...every additional 5 cents | +\$12.50 |

Regional Variance is the difference between a region’s weekly DOE fuel average and the national DOE fuel average. When a load originates within the West Coast Region and delivers to the Rockies Region, the larger of the two variances applies.

ITEM 410 **ADDITIONAL CHARGES – FUEL SURCHARGE (FLATBED)**

This section intentionally left blank.

For abbreviations and reference marks not explained on this page, see section 7.

SECTION 4
ACCESSORIAL CHARGES

ITEM 440 **APPLICATION OF ACCESSORIAL CHARGES**

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

ITEM 450 **COLLECT ON DELIVERY (COD) SHIPMENTS**

Collect on delivery (COD) shipments will be accepted subject to the following:

1. Carrier must be notified prior to tender of the shipment that it is "COD" and written acceptance is required.
 2. The letters "COD" or "Collect on Delivery" must be shown on the shipping document immediately before the name of the consignee.
 3. Unless otherwise specified on the shipping document, only bank cashier's check, certified check or money order will be accepted. Carrier will accept payment only as an agent of the shipper, and carrier's responsibility is limited to the exercise of due diligence in forwarding payment to shipper.
 4. Subject to a charge of \$200.00.
-

ITEM 460 **DETENTION - VEHICLE WITH POWER UNITS**

Vehicle with Power Units – When through no fault of the carrier, its vehicle is delayed or detained at place of loading or unloading, the following will apply:

1. **One (1) Hour** free time will be allowed to load and **One (1) Hour** free time will be allowed to unload each van trailer.
 2. Time will be computed from arrival until departure of the vehicle, including waiting time in reaching or leaving the loading or unloading site.
 3. Unless otherwise agreed to, free time will begin when vehicle arrives within one hour of its scheduled appointment time.
 4. A charge of \$75.00 per hour or fraction thereof will be assessed after the first hour of delay or detention beyond free time. Maximum charge is \$600.00.
 5. If Carrier misses its appointment time by more than one hour, free time will be extended by three hours, not counting the hours during which consignee is closed.
-

ITEM 470 **DETENTION - VEHICLE WITHOUT POWER UNITS**

Vehicle without Power Units – When carrier places a trailer to be loaded or unloaded or held at an intermediate point the following will apply:

1. Time will be computed from placement of the trailer until carrier is notified that the trailer is ready to be removed.
 2. Unless otherwise agreed to, Saturdays, Sundays and holidays will be included in computing charges.
 3. No charge will be assessed on trailers maintained in a continuing trailer pool.
 4. A charge of \$50.00 per day or fraction thereof will be assessed, after 12 hours free time.
-

ITEM 480 **EQUIPMENT DAMAGE CHARGES**

Where a carrier's trailer equipment is spotted for the consignor's convenience at point of origin or for the consignee's convenience at point of destination the consignor and consignee shall be responsible for the care and custody of said equipment while in their respective possession and shall return same, ordinary wear and tear expected. Failure to the consignor, consignee, or their respective agents and spotting service to note trailer damage at time of tender shall be prima facie evidence that same was spotted in good condition. Consignor and/or consignee shall be liable for the repair cost to any trailer damaged while spotted at their facility. Such damage shall be noted by carrier personnel at time of pickup and invoices for repairs shall be accompanied by supporting documents.

For abbreviations and reference marks not explained on this page, see section 7.

SECTION 4
ACCESSORIAL CHARGES

ITEM 490 **INDEMNITY**

Carrier and shipper will each indemnify, defend and hold the other harmless from and against any liability, losses, damages, claims, judgments, fines, penalties, lawsuits and expenses ("Costs") resulting from personal injury, property damage (other than cargo), or violation of the law caused by their respective negligent or wanton acts or omissions.

ITEM 500 **LAYOVER PROVISION**

When, due to no fault of the carrier, driver and vehicle are required to layover to wait for loading or unloading of a shipment, a charge of \$75.00 per hour (with a minimum of \$600) plus motel costs will be charged to the party responsible for the layover.

ITEM 510 **LIABILITY FOR ACCESSORIAL CHARGES**

Carrier reserves the right to bill and collect accessorial charges from the consignor or consignee which incurred those charges.

ITEM 520 **LOADING AND UNLOADING**

Charges do not include loading and unloading. When requested to do so, the driver or loading contractor will load or unload, or assist in loading or unloading. Charges for such service will be an amount equal to the total charges billed to Washita Freight Systems, Inc. by the loading contractor subject to a minimum charge of \$200.00; \$100 if driver uses pallet jack only. The party responsible for payment of linehaul charges is responsible for paying of loading and/or unloading charges.

ITEM 530 **LOADING AND UNLOADING UPON ARRIVAL**

In the absence of an agreement with respect to an appointed time of pickup or delivery, consignor shall load and consignee shall unload carrier's equipment within the allotted free time provided herein upon arrival if, during ordinary business days, as set forth herein. If carrier arrives before or after business hours as defined herein, free time begins at the commencement of the next business day.

ITEM 540 **LUMPER SERVICE HANDLING FEE**

For lumper charges of \$100 or less, a handling fee of \$10 will apply. For lumper charges greater than \$100, a handling fee of \$20 will apply.

ITEM 550 **MINIMUM CHARGE**

When rates are published on a per mile basis and no minimum charge is specified, a \$600 minimum charge will be applicable.

SECTION 4
ACCESSORIAL CHARGES

ITEM 560 **OVER-DIMENSIONAL – FLATBED ONLY**

This section intentionally left blank.

ITEM 570 **OVERLOAD – OVERWEIGHT**

Loading with Power/Driver – When due to no fault of the carrier, a shipment exceeds the legal gross weight limit allowed by state regulations, a charge of \$1.55 per mile from the nearest scale back to the shipper's facility will apply. Customer will then have one hour of free time to correct the weight problem, after which an additional charge of \$75.00 per hour will be assessed for detaining the vehicle up to a maximum time allotment of 8 hours.

Loading without Power/Driver – When due to no fault of the carrier, a shipment exceeds the legal axle and/or gross weight allowed by state regulations, a charge of \$1.55 per mile from the nearest scale back to the shipper's facility will apply. Customer will then have one hour of free time to correct the problem, after which an additional charge of \$75.00 per hour will be assessed for detaining the vehicle up to a maximum allotment time of 8 hours.

ITEM 580 **PALLET EXCHANGE**

Not available

ITEM 590 **RECONSIGNMENT**

Shipments may be reconsigned subject to the following:

1. Carrier will make a diligent effort to effect reconsignment but assumes no liability if it is unable to do so.
 2. The reconsignment charge will be \$150.00 fee plus \$1.55 for each additional mile.
 3. When the reconsignment is to a point other than the original destination, rates will be assessed based on the mileage from origin to final destination via the point of diversion.
-

ITEM 600 **REDELIVERY**

When a shipment is tendered for delivery and, through no fault of carrier, delivery cannot be made, the following will apply:

1. When carrier is notified that the shipment will be accepted within 24 hours of the first tender, and is accepted within that time, the redelivery charge will be \$1.55 per mile for additional miles, subject to a minimum charge of \$150.00.
 2. When carrier is notified that the shipment will not be accepted within 24 hours of the first tender, or if it is not accepted within 24 hours of the first tender, the redelivery charge will be \$1.55 per mile for the distance to carriers nearest terminal and return, subject to a minimum charge of \$150.00, plus any applicable storage fees.
 3. Charges provided in this item will be in addition to all other applicable charges, including charges for delay or detention of vehicles.
-

For abbreviations and reference marks not explained on this page, see section 7.

SECTION 4
ACCESSORIAL CHARGES

ITEM 610 **ROUND TRIP RATES**

1. Must be booked as a round trip on the original tender and so noted on the original bill of lading;
 2. Must be reloaded at its mid-point within two (2) hours;
 3. Must be no other stops in transit;
 4. Detention charges are in effect for the entire trip;
 5. No stop-off charges are assessed but fuel surcharges apply to the entire trip (origin to destination x 2)
-

ITEM 620 **SPOTTING AND DROP**

A charge of \$150 will apply to a spotted or dropped trailer at either the origin or destination plus any applicable deadhead charges.

ITEM 630 **STEPDECK OR SINGLE DROP EQUIPMENT (FLATBED ONLY)**

This section intentionally left blank.

ITEM 640 **STOPPING IN TRANSIT**

Shipments may be stopped in transit to complete loading or for partial unloading subject to the following:

1. The shipment must be covered by one shipping document naming a single shipper and origin and a single consignee and destination.
 2. The shipping document must show the point (s) at which stops are to be made with a complete description of the kind and quantity of freight to be loaded or unloaded at each stop.
 3. All stops for loading must be completed before the first stop for unloading.
 - a. No substitutions or exchange of freight may be made at stop-off points.
 4. When stop-off(s) are required on shipments subject to rates stated in dollars per vehicle used, the rate will be calculated as follows:
 - a. Divide the per vehicle used by charge by the miles from origin to destination to obtain the base rate per mile.
 - b. Multiply the base rate per mile obtained in Paragraph 4-a above by the total miles from origin via stop-off(s) to final destination.
 - c. Additional charges for each stop to complete loading or for partial unloading, exclusive of stops at origin and final destination, shall be:
 - i. \$100.00 for the first stop;
 - ii. \$175.00 for the second stop;
 - iii. \$250.00 for each additional stop
 5. Except as shown in Paragraph 4 above, rates will be assessed based on the mileage – via each stop-off point. Additional charges for each stop to complete loading or for partial unloading, exclusive of stops at origin and final destination, shall be:
 - i. \$100.00 for the first stop;
 - ii. \$175.00 for the second stop;
 - iii. \$250.00 for each additional stop
 6. All charges for shipments subject to the provisions of this item must be PREPAID.
-

For abbreviations and reference marks not explained on this page, see section 7.

SECTION 4
ACCESSORIAL CHARGES

ITEM 650 **STORAGE**

Freight held in carrier's possession by reason of an act or an omission of the consignor, consignee or owner, or for customs clearance or inspection, and through no fault of the carrier, will be considered stored immediately and will be subject to a storage charge of \$85.00 per day.

ITEM 660 **TARP CHARGE (FLATBED ONLY)**

This section intentionally left blank.

ITEM 670 **TEAM SERVICE**

Charge shall be an additional ten cents (\$.10) per mile per shipment.

ITEM 680 **VEHICLE ORDERED BUT NOT USED**

Where the carrier is requested to dispatch a vehicle to a point of origin designated by the shipper, or other designated party, and is not used due to no fault of the carrier, a charge of \$1.55 per mile may be assessed on all miles driven to position for load subject to a \$250 minimum/\$500 minimum for Teams if not notified within six (6) hours of appointment.

ITEM 690 **WEIGHTS**

1. Minimum weights shown herein apply to each vehicle used.
 2. Maximum weight per vehicle shall be 45,500 lbs.
-

SECTION 5
CLAIMS PROCESSING & SALVAGE

SECTION 5
CLAIMS PROCESSING & SALVAGE

ITEM 700**ACKNOWLEDGMENT OF CLAIMS**

- (A) Carrier shall, upon receipt in writing of a proper claim in the manner and form described in these regulations, acknowledge the receipt of such claim in writing to the claimant within thirty (30) days after the date of its receipt by carrier unless carrier shall have paid or declined such a claim in writing within thirty (30) days of the receipt thereof. Carrier shall indicate in its acknowledgment to the claimant what, if any, additional documentary evidence or other pertinent information may be required by it to further process the claim as its preliminary examination of the claim, as filed, may have revealed.
- (B) Carrier shall, at the time each claim is received, create a separate file and assign thereto a specific unique claim file number and note that number on all documents filed in support of the claim and all records and correspondence with respect to the claim, including the written acknowledgment of receipt and, if in its possession, the shipping order and delivery receipt, if any, covering the shipment involved at the time such claim is received, carrier shall cause the date of receipt to be recorded on the face of the claim document, and the date of receipt shall also appear in carrier's written acknowledgment of receipt to the claimant.
-

ITEM 710**CARGO CLAIMS APPLICATION**

The provisions of this Circular 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, damage, or delay to property transported or accepted for transportation in interstate or foreign commerce.

ITEM 720**CLAIMS LOSS & DAMAGE – SALVAGE**

- (A) 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, after giving due notice, wherever practicable to do so, to the owner and other parties that may have an interest therein, and unless advised to the contrary after giving such notice, shall undertake to sell or dispose of such property directly or by the employment of competent salvage agent. Carrier shall only dispose of the property in a manner that will fairly and equally protect the best interests of all persons having an interest thereon. Carrier shall make an itemized record sufficient to identify the property involved so as to be able to correlate it to the shipment or transportation involved, and claim, if any, filed thereon. Carrier shall also assign to each lot of such property a successive lot number and note that lot number on its record of shipment and claim, if any claim is filed thereon.
- (B) Whenever disposition of salvage material of goods shall be made directly to an agent or employee of carrier or through a salvage agent or company in which carrier or one or more of its directors, officers, or managers has any interest, financial or otherwise, carrier's salvage records shall fully reflect the particulars of each such transaction or relationship, or both, as the case may be.
- (C) Upon receipt of a shipment on which salvage has been processed in the manner herein before prescribed, carrier shall record on its claim file thereon the lot number assigned, the amount of money recovered, if any, from the disposition of such property, and the date of transmittal of such money to the person or persons lawfully entitled to receive the same.
-

For abbreviations and reference marks not explained on this page, see section 7.

SECTION 5
CLAIMS PROCESSING & SALVAGE

ITEM 730**DISPOSITION OF CARGO CLAIMS**

Carrier shall pay, decline, or make a firm compromise settlement offer in writing to the claimant within one hundred twenty (120) days after receipt of the claim by carrier; provided, however that if the claim cannot be processed and disposed of within 120 days, after expiration of each succeeding sixty (60) day period while the claim remains pending, carrier shall advise the claimant in writing of the status of the claim and the reason for delay in making final disposition thereof and it shall retain a copy of each advice to the claimant in its claim file thereon.

ITEM 740**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 setoff 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 setoff after notice and demand for freight charges. Notwithstanding any of the above, carrier's liability for loss or damage to cargo shall, in no way, exceed \$100,000.00, per shipment.

ITEM 750**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 of this circular. The proceeds of any such sale less carrier's freight and storage charges shall be remitted to the person or persons lawfully entitled to receive same.

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.

SECTION 5
CLAIMS PROCESSING & SALVAGE

ITEM 760

FILING OF CLAIMS

- (A) Claims in writing are required 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, injury or delay to cargo shall not be voluntarily paid by carrier unless filed in writing, as provided in subparagraph (b) of this Item, 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 carriage, and all rules circular provisions applicable thereto. Claims for concealed damages will be submitted to carrier within forty-eight (48) hours of delivery. Any suit to recover loss to damage or delay to cargo must be instituted no later than two years and one day after the claim is denied.
 - (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, injury or delay; 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 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.
-

ITEM 770

INVESTIGATION OF CLAIMS

- (A) Prompt investigation is required. Each claim filed against carrier in the manner prescribed herein shall be promptly and thoroughly investigated if investigation has not already been made prior to receipt of the claim. Unless perishable commodities are involved, the shipper or consignee in possession shall afford carrier thirty (30) days to inspect any damaged shipment prior to dispensation.
 - (B) Supporting documents. When a necessary part of any investigation, each claim shall be supported by the original bill of lading, evidence of the freight charges, if any, and either the original invoice containing invoice value, a photographic copy of the claim to be true and correct with respect to the property and value invoiced in the claim; or certification of prices or values, with trade or other discounts, allowances or deductions of any nature whatsoever and the terms thereof, or depreciation reflected thereon; provided, however, that where the property shows on the bill of lading or where the invoice does not show price or value, or where the property involved has not been sold, or where the property has been transferred at bookkeeping values only, carrier shall, before voluntarily paying a claim thereon, require the claimant to establish the destination value in the quantity shipped, transported, or involved and certify the correctness thereof in writing or show an alternative applicable value arising by reason of alternatively applicable contract terms.
 - (C) Verification of loss. A prerequisite to the voluntary payment by carrier of a claim for loss of an entire package or an entire shipments shall be the securing by it of a certified statement in writing from the consignee of the shipment involved that the property for which the claim is filed has not been received from any other source.
-

SECTION 5
CLAIMS PROCESSING & SALVAGE

ITEM 780 **LIMITATION OF CARRIER LIABILITY**

Carrier shall 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; and (3) freezing or spoiling of any perishable goods or property or for natural shrinkage. 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, or delay to shipments transported.

ITEM 790 **RELEASE VALUE DECLARATION**

Unless otherwise agreed to in writing, Washita Freight Systems, Inc. cargo liability is limited to a maximum of \$100,000 per trailer load.

ITEM 800 **RELEASED EVALUATION/SIMPLIFIED PRICING**

Unless otherwise agreed in writing, all common carrier and contract shipments are rated as Freight All Kinds for named customers and are subject to a maximum cargo liability of \$2.50, per pound, per article or \$100,000.00, per truckload shipment, whichever is less.

ITEM 810 **RELEASED EVALUATION/USED MACHINERY**

Unless otherwise agreed in writing, all used machinery is released to a maximum evaluation of \$.10 per pound per article.

ITEM 820 **SPECIAL & CONSEQUENTIAL DAMAGES**

Carrier shall not be liable for special, incidental, indirect or consequential damages including without limitation, lost profits or business opportunity, or punitive and exemplary damages incurred or suffered by the Shipper as a result of shortage, damage or delay.

ITEM 830 **SPOTTED EQUIPMENT**

Carrier responsibility for cargo begins when Carrier picks up a shipment from the Shipper's dock, or in the case of spotted equipment, when Carrier takes physical possession of the loaded trailer. Carrier's responsibility ends when the shipment is delivered or in the case of spotted equipment, when the loaded trailer is placed in the consignee's premises for its unloading convenience.

For abbreviations and reference marks not explained on this page, see section 7.

SECTION 6
COLLECTION & PAYMENT OF FREIGHT CHARGES

SECTION 6
COLLECTION & PAYMENT OF FREIGHT CHARGES

ITEM 840 **COLLECTION AND PAYMENT OF CHARGES**

Except as otherwise provided in this rule, transportation charges will be collected by carrier at the time shipments are delivered.

1. Upon taking precautions deemed by carrier to be sufficient to assure payment of charges within the credit period herein specified, carrier shall make delivery of freight in advance of the payment of charges thereon and will extend credit in the amount of such charges to those who undertake to pay them for a period of thirty (30) days or as otherwise agreed to with shipper in writing from the presentation of the freight bill.
 2. In the event it becomes necessary to employ the use of a collections agency and / or attorney for the collection of freight charges, an amount equal to 25% of the outstanding freight charges or \$200.00, whichever is greater, shall be assessed in addition to applicable freight charges. To avoid imposition of these charges, shipper must pay invoices within the carrier's authorized credit period. Payment terms are net thirty (30) days from date of the invoice.
-

ITEM 850 **DISPOSITION ON SHIPMENT SUBSEQUENT TO FAILURE
TO MAKE PAYMENT OF FREIGHT CHARGES**

Failure to pay billed charges may result in lien on future shipments, including cost of storage and appropriate security for the subsequent shipments held pursuant to state statutory lien laws permitting same.

ITEM 860 **INADVERTENCE CLAUSE**

If a shipper declares a value exceeding \$2.50, per pound per article or \$100,000.00, per truckload, without insertion of the corresponding specially assigned identification number, the shipment will not be accepted, but if the shipment is inadvertently accepted, it will be considered as being released to a value of \$2.50 per pound per article or \$100,000.00 per truckload, whichever is less, and the shipment will move subject to such limitation of liability.

ITEM 870 **INTEREST, LATE FEES, & COLLECTION FEES**

Carrier will assess five percent (5%) per month on past due indebtedness. In addition, a late payment fee of 25% per invoice will be assessed for all late payments. In the event carrier deems it necessary to retain the services of legal counsel to collect any outstanding indebtedness, shipper shall pay reasonable attorney's fees, but in no case, less than twenty-five percent (25%) of the outstanding indebtedness.

ITEM 880 **INVOICES**

Carrier shall submit an invoice to the specified party in accordance with the requirements of Federal regulations governing regulated transportation. Carrier will retain delivery receipts and proofs of delivery which will be provided upon specific request in accordance with the provisions of this circular.

ITEM 890 **LIEN FOR FREIGHT CHARGES**

Carrier shall have a possessor lien on shipments in its dominion and control for the payment of freight charges past and present.

SECTION 6
COLLECTION & PAYMENT OF FREIGHT CHARGES

ITEM 900 **PAYMENT WITHOUT OFFSET**

Consignor and/or Consignee shall pay all freight charges when due without offset for any cause, including but not limited to, cargo claims. All claims for loss or damage shall be governed by this Circular and following and neither consignor nor consignee shall deprive carrier of proper cargo insurance adjustment by unilateral deduction of claims from payment of freight charges due.

ITEM 910 **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 the carrier's rates, the following rules 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.

ITEM 920 **THIRD PARTY BILLING**

Carrier does not employ property brokers or other intermediaries as its agents for the solicitation of shipments or 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 payments 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 shipments 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 non-recourse provision of the bill of lading.

For abbreviations and reference marks not explained on this page, see section 7.

SECTION 7
ABBREVIATION OR REFERENCE MARK

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ABBREVIATION OR REFERENCE MARK

EXPLANATION OF ABBREVIATIONS AND REFERENCE MARKS

This section contains an Explanation of abbreviations and Reference Marks for standard use throughout the tariff.

| Abbreviation or Reference Mark | Explanation |
|---|---|
| I ***** | Denotes Increase |
| C ***** | Denotes Cancellation |
| (c) ***** | Denotes change in wording which results in neither increase nor reduction in charges. |
| H ***** | Legal holidays are as follows: New Years Day, Easter (Good Friday), Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day |
| (A) ***** | Denotes New |
| R ***** | Denotes Reduction |
| Co ***** | Company |
| conc ***** | Denotes Concluded |
| cont ***** | Denotes Continued |
| HHG ***** | Household Goods |
| ICC ***** | Interstate Commerce Commission |
| Inc ***** | Incorporated |
| lbs ***** | Denotes Pounds |
| MC ***** | Motor Carrier |
| NCUC ***** | North Carolina Utilities Commission |
| No ***** | Number |
| WSHF ***** | Washita Freight Systems, Inc. |