

Howell's Motor Freight, Inc.

PO Box 12308

Roanoke, VA 24024

Phone: (540) 966-3200 Fax: (540) 966-3202

**Rules and Regulations
LTL Pool Distribution /Truckload Services**

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For the account of: **HWLS 600 Y****Item 0010** Scope of Operation:

- MC116886, SUB 45 - General Commodities except classes A and B explosives, household goods and commodities in bulk between points in the continental United States;
- All shipments subject to the Carmack Amendment, 49 U.S.C. 14706;

Item 0015 Distribution Services:

- Distribution services shall be performed on single shipment moving on one bill of lading from one shipper at point of origin to distribution point;
- Bill of lading must be labeled "distribution service requested";
- Charges include unloading of shipment from linehaul vehicle, segregation of shipments for delivery (sorting charge to apply) and delivery of shipments to consignee based upon consignee's zip code;
- All freight distribution charges must be prepaid by shipper;
- A bill of lading, delivery slip and manifest furnished by the shipper must accompany each shipment;
- It shall be shipper's responsibility to consolidate all bills of lading to one consignee; otherwise each bill of lading shall be one shipment and billed accordingly; (see Item 0020, Consolidation Charge pg 3)
- Rates with 5-digit zip codes shall take precedence over rates with 3-digit zip codes;
- The obligation of carrier to furnish the transportation services shall be temporarily suspended during any periods when carrier is unable to comply with the requirements of this agreement by reasons of Acts of God, public enemy, labor disorders, fire, floods, strikes, work stoppages, or other differences, similar or dissimilar to the foregoing, beyond the reasonable control of carrier.

Item 0020 Distribution Accessorial Services: All accessorial charges shall be billed to shipper**(1) Maximum Charge:**

Rate schedules established for different shipping weight units of one or more articles taking the same rates or ratings, the charge for the actual weight shipped shall not exceed that which would accrue under the next greater unit or weight at the lower rate provided, subject to the established minimum charge per shipment;

(2) Pick Up Charge:

On each unit or lot of freight which consignee elects to make arrangements for authorized delivery service, which is accepted and picked up by consignee at carrier's freight dock, a handling charge of \$1.50 / cwt. calculated by weight of freight accepted or picked up shall apply subject to a minimum charge of \$50.00 per shipment;

On each unit or lot of freight carrier is authorized to accept from outside source due to refusal or other such event, carrier shall accept said freight as shipper load and count (SLC) and shall not be liable for shortage or damages upon receipt or delivery of shipment;

On each unit or lot of freight carrier is authorized by shipper to pick up from consignee or agent of consignee, carrier shall instruct driver to sign bills of lading as shipper load and count (SLC). Inadvertent omission of this notation shall not result in a presumption of carrier liability for shortage or damage;

(3) Forwarding/Reship Charge:

On each unit or lot of freight forwarded beyond distribution point(s) via any transportation agency other than Howell's Motor Freight, Inc., a forwarding/reship charge of \$1.50 / cwt. shall be billed to the shipper subject to a minimum charge of \$50.00 per shipment;

(4) Inside Delivery Charge:

When carrier shall be required to handle freight at positions not immediately adjacent to the vehicle, an inside delivery charge of \$37.00 shall apply per shipment in addition to all other charges and billed to the shipper.

This charge is not inclusive for deliveries to residents and/or non-businesses;

(5) Residential / Non-Business Delivery Charge:

On each unit or lot of freight delivered to residential buildings and/or non-businesses, an additional charge of \$37.00 shall apply per shipment in addition to all other charges and billed to the shipper. This charge is not inclusive for inside delivery;

(6) Consignee / Shipper Imposed Fines or Deductions:

Howell's shall make every effort to deliver in accordance with shipper's and/or consignee's instruction such as appointments, notification, arrival timeliness. Howell's will make every effort to notify consignee/shipper of any occurrences but does not ever accept a liability exposure should notification not be made. Howell's does not agree to, shall not be held at fault or in no way shall be held responsible for fines consignee assigns to shipper due to late appointment or past the schedule delivery date. Carrier shall make every effort to facilitate and expedite shipments to deliver in accordance with shipper's and/or consignee's guidelines and instructions. If shipper wishes Howell's to be responsible, prior notice before each shipment and on each shipment must be in writing; an additional rate shall be applied subject to a rate factor of 2.85 times the actual delivery rate.

Shipper Signature: _____

Carrier Signature: Bill Sanford, VP Sales
Howell's Motor Freight, Inc.

Date: _____

Date: September 18, 2007

Item 0020 Distribution Accessorial Services (continued)**(7) Segregation / Sorting Charge:**

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Segregation and/ or sorting charge of \$.97 cwt. shall apply on total tonnage of pool/bulk shipments. If shipments are separated, palletized and stenciled, this charge may be negotiated prior to arrival and in writing;

(8) Detention / Excessive Delay Charge:

A period of two (2) hours is allowed for loading and/or unloading of freight. When vehicle is delayed beyond the permitted two (2) hours, an excessive delay charge of \$70.00 per hour (or portion thereof) subject to a maximum charge of \$500.00 shall apply in addition to all other applicable charges;

(9) Return of Refusal Charge:

On each unit or lot of freight refused and/or rejected and returned to carrier's or shipper's facility, a charge for return of refusal shall apply using the same rate in effect as applied to the initial movement; if only a part of the shipment is refused and/or rejected, the charge for return shall be calculated on the weight of said partial, subject to the minimum charge as stated in connection with the applicable rate. A handling charge of \$25.00 shall apply in addition to all other applicable charges;

(10) Redelivery / Reconsignment Charge:

On each unit or lot of freight refused and/or rejected and per shipper's request shall be redelivered or reconsigned to another consignee, a redelivery / reconsignment charge shall apply using the rates established as applied to the initial movement or the final destination from the carrier's facility. This charge shall apply in addition to all other applicable charges;

(11) Storage Charge:

Forty-eight (48) hours shall be permitted for the removal of freight from the carrier's premises computed from the first 7AM after notice of arrival of shipment has been given to the consignee at destination. If shipment(s) are held in or on carrier's premises in excess of the allotted time, a charge of \$.50 / cwt. per day shall apply subject to a minimum charge of \$25.00 per day for the first 5 days. For the sixth and each succeeding day, including Saturdays, Sundays and national holidays, a charge of \$.25 / cwt. per day shall apply. National holiday refers to: January 1, Memorial Day, July 4, Labor Day, Thanksgiving and Christmas;

(12) Stenciling Charge:

A stenciling charge of \$.20 per box shall apply upon shipper's request to stencil boxes subject to a minimum charge of \$25.00 per shipment;

(13) Notification Charge:

On each unit or lot of freight moved as truckload, LTL or distribution which requires an appointment for delivery, a notification charge of \$4.25 shall apply in addition to all other applicable charges;

(14) Lumper / Loading Service Charge:

If shipper or consignee shall require the use of an outside loading service or person for the purpose of loading or unloading freight, a lumper / loading service charge shall apply consisting of charges incurred by carrier to load / unload freight plus a processing fee. In the case of multiple shippers the charge shall be pro-rated. This charge shall be in addition to all other applicable charges

(15) Weekend Delivery Charge:

If consignee shall require shipments to be delivered by appointment on weekends or national holidays, a weekend delivery charge of \$150.00 shall apply; if per shipper's request shipments be delivered on weekends or national holidays, the same charge shall apply. The term "weekend" meaning Saturday and/or Sunday. In addition, a mileage charge of \$1.50 / mile from the shipper or consignee's facility to carrier's terminal shall apply, over and above all other applicable charges;

(16) Deadhead Mileage Charge:

Whenever shipper requests carrier to cover loads for delivery, a deadhead mileage charge of \$1.50 / mile shall apply on deadhead mileage based upon zip code point to point from mileage software program, PC Miler. This charge is in addition to all other applicable charges;

(17) After Hours Delivery Charge:

If carrier is required to deliver shipments due to consignee's delivery appointment, normal delivery schedule or per shipper's request at or between 5PM and 5AM, a charge of \$85.00 shall apply for after hours delivery per shipment in addition to all other applicable charges;

(18) Non-Pallet Exchange Charge:

If shipper or consignee requires delivery to be made on pallet(s) and if consignee does not return pallet(s) back to carrier, a non-exchange charge of \$6.50 per pallet shall apply. This charge is in addition to all other applicable charges;

(19) Pallet Storage Charge:

If pallets are stored and/or held at a terminal location for the shipper, a pallet storage charge of \$1.25 per pallet subject to a minimum charge of \$25.00 per load shall apply. In addition, a \$25.00 charge shall be added for loading pallets in storage on to the trailer returning pallets to your facility;

Shipper Signature: _____

Carrier Signature: Bill Sanford, VP Sales
Howell's Motor Freight, Inc.

Date: _____

Date: September 18, 2007

Item 0020 Distribution Accessorial Services (continued)**(20) Handling Charge:**

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Upon shipper's request, any shipment(s) not consigned to Howell's Motor Freight, Inc., for distribution and yet is dropped by an outside carrier at distribution facility for Howell's Motor Freight, Inc., to delivery, normal delivery charges shall apply. In addition, a handling charge of \$1.00 / cwt. shall apply subject to a minimum charge of \$25.00 and/or a maximum charge of \$150.00 per shipment;

(21) Freight Claims:

- a) Howell's shall not recognize nor respond to freight claims submitted by shipper for a value less than \$50.00. On freight claims over \$50.00, should they be submitted, they shall be acknowledged and processed in a timely manner. Howell's does not allow nor in any way authorizes any deduction off invoices for freight claims and maintains that claims and freight charges are two separate issues. Howell's shall agree to follow a process of arbitration should shipper and Howell's not come to an agreement on such an issue.
- b) Cargo claims must be filed within nine months of delivery or they shall be declined as invalid. Unless otherwise specified on the bill of lading, Howell's Motor Freight, Inc., liability shall be limited to \$2.00 per pound in case of shortage or damage claim. In all cases, Howell's Motor Freight, Inc., liability shall be limited to the wholesale value of the freight as opposed to the retail value.

(22) Special Delivery / Exclusive Use Charge:

Upon shipper's request, all shipment(s) which require special deliveries and/or exclusive use of equipment from the distribution facility of Howell's Motor Freight, Inc., to destination of each individual consignee, shall be subject to an aggregate minimum charge of 12,000 pounds at the applicable rate to the highest rated destination delivery point. This charge shall apply unless both shipper and carrier agree upon rate / charge prior to delivery and in writing. This charge is in addition to all other applicable charges;

(23) Consolidation Charge:

Upon shipper's request, when multiple bills of lading are received at carrier's facility for one consignee, a consolidation charge of \$7.50 shall apply on the second bill of lading and thereafter. This charge is in addition to all other applicable charges;

(24) Miscellaneous Charges:

- a) Orders delivering into Northampton and Accomack Counties on the eastern shore of Virginia across the Chesapeake Bay Bridge shall have an arbitrary charge of \$95.00 per order. This charge is in addition to all other applicable charges;
- b) All LTL shipments shall be presumed to be "shipper load and count" within the meaning of 49 U.S.C. 80113. Inadvertent omission of seal numbers or SLC notation shall not result in carrier liability for count or loading defects when shipper and/or consignee actually loads and seals trailer which is delivered intact to destination.
- c) Carrier shall not be responsible for shortages on LTL shipments which are banded, strapped, netted, shrink-wrapped or otherwise secured to bins, pallets, platforms and/or skids when such securing material is found to be intact at the time of unloading by shipper and/or consignee. Carrier shall only be responsible for number of binds, pallets, platforms or skids on such shipments.

(25) Fuel Surcharge:

Carrier shall add a fuel surcharge on all freight shipped when the N.F.P.I. exceeds a base price of \$1.089 per gallon. The table below shall represent the fuel surcharge to apply on freight charges in addition to all other applicable charges.

[See Attached Fuel Surcharge Chart]

Shipper Signature: _____

Carrier Signature: Bill Sanford, VP Sales
Howell's Motor Freight, Inc.

Date: _____

Date: September 18, 2007

Item 0025 Truckload Services:

- All freight charges must be paid in full at one time by either the shipper or the consignee named in the bill of lading;

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- Only one bill of lading and one shipping order shall be issued for the entire shipment;
- The bill of lading and/or shipping order shall have the name of only one consignee, one delivery address, one shipper and one shipper's address;
- The names of places or addresses at which vehicles are to be stopped for completion of loading or unloading shall be shown either in the body of the bill of lading, in the shipping order or on a separate paper attached to and considered a part of the shipping document;
- Except as otherwise provided, only two stops shall be permitted for the completion of loading or partial unloading;
- Except as otherwise provided, the rate from the original place of shipment to the place of final delivery will apply on the total weight of shipment after completion of loading or prior to partial unloading;
- If the rate from any place where a stop is made for the completion of loading is higher than the rate from the original place of shipment, such higher rate will apply; if the rate to any place where a stop is made for partial unloading is higher than the rate to the place of final delivery, such higher rate will apply;

Item 0030 Truckload Accessorial Services: All accessorial charges shall be billed to shipper

- (1) **Stop Off Charge:**
Each stop shall be subject to a stop off charge in addition to all other applicable charges; stop off charges shall be as follows: Stop 1 - \$75.00; Stop 2 - \$95.00; Stop 3 - \$125.00;
- (2) **Off Route Charge:**
If mileage from origin to destination via stop off point(s) exceeds the mileage over the shortest route from origin to destination, an off route charge shall apply to the mileage in excess at a rate of \$2.00 per mile; this charge is in addition to all other applicable charges;
- (3) **Driver Unloading Charge:**
Whenever shipper and/or consignee shall require driver to unload, sort, segregate and/or place product on pallets or in such a manner customer requires, a driver unloading charge of \$0.37 / cwt. shall apply subject to a minimum charge of \$80.00 per truckload move with no stops for unloading other than the final destination; on multi-stop loads, a driver unloading charge of \$0.37 / cwt. shall apply subject to a minimum charge of \$45.00 per stop; this charge is in addition to all other applicable charges;
- (4) **Lumper / Loading Service Charge:**
If shipper or consignee shall require the use of an outside loading service or person for the purpose of loading or unloading freight, a lumper / loading service charge shall apply consisting of charges incurred by carrier to load / unload freight plus a processing fee. These charges shall be shown as one total charge on the freight invoice. This charge is in addition to all other applicable charges;
- (5) **Diversion Charge:**
Whenever shipments are refused or partially refused by consignee and/or shipper, a diversion charge shall apply for transit of refused shipment to the nearest carrier's facility; the diversion shall be treated as an additional stop off charge (see "Stop Off Charge" section for rate(s)) in addition to a mileage charge of \$1.50 per mile from the point of refusal to the nearest carrier's facility, subject to a minimum charge of \$50.00 in addition to all other applicable charges;
- (6) **Detention / Excessive Delay Charge:**
A period of two (2) hours is allowed for loading and/or unloading of freight. When vehicle is delayed beyond the permitted two (2) hours, an excessive delay charge of \$70.00 per hour or portion thereof subject to a maximum charge of \$500.00 shall apply in addition to all other applicable charges;
- (7) **Second Day Charge:**
Whenever truckloads should become necessary to unload into the second day morning (A.M.), a second day charge of \$350.00 shall apply in addition to all other applicable charges;
- (8) **Equipment Ordered Not Used Charge:**
All loads canceled by shipper and/or consignee less than 24 hours prior to appointed pick up time, a charge of \$350.00 for equipment ordered not used charge shall apply in addition to all other applicable charges;

Shipper Signature: _____

Carrier Signature: Bill Sanford, VP Sales
Howell's Motor Freight, Inc.

Date: _____

Date: September 18, 2007

Item 0035 Truckload Accessorial Services (continued)(9) **Notification Charge:**

On each unit or lot of freight moved as truckload, LTL or distribution which requires an appointment for delivery, a notification charge of \$4.25 shall apply in addition to all other applicable charges;

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For the account of: **HWLS 600 Y****(10) Pallet Exchange / Pallet Non Exchange Charge:**

Whenever pallet exchange is required for shipments to consignee, a pallet exchange charge of \$3.50 per pallet shall apply; whenever consignee receives shipments on pallets without returning pallets back to carrier, a pallet non exchange charge of \$6.50 per pallet shall apply; these charges are in addition to all other applicable charges;

(11) Truckload / Trailer Storage Charge:

If shipper requests TL shipment be loaded which are not to delivery on the next business day, a trailer storage charge shall apply as follows: Temperature Controlled freight shall be \$100.00 per day and Dry freight shall be \$75.00 per day subject to a maximum charge of \$500.00 for the 1st seven (7) days (including weekends); for each seven (7) day period afterwards (including weekends) the charge for trailer storage shall be \$200 per week; if trailer is dropped at customer's facility and is waiting to be unloaded, forty-eight hours (48) shall be permitted for unloading. If trailer is held in excess of allotted time the TL / Trailer Storage charge shall apply; these charges shall be in addition to all other applicable charges;

(12) Freight Claims:

- a) Howell's shall not recognize nor respond to freight claims submitted by shipper for a value less than \$50.00. On freight claims over \$50.00, should they be submitted, they shall be acknowledged and processed in a timely manner. Howell's does not allow nor in any way authorizes any deduction off invoices for freight claims and maintains that claims and freight charges are two separate issues. Howell's shall agree to follow a process of arbitration should shipper and Howell's not come to an agreement on such an issue.
- b) Cargo claims must be filed within nine months of delivery or they shall be declined as invalid. Unless otherwise specified on the bill of lading, Howell's Motor Freight, Inc., liability shall be limited to \$2.00 per pound in case of shortage or damage claim. In all cases, Howell's Motor Freight, Inc., liability shall be limited to the wholesale value of the freight as opposed to the retail value.

(13) Consignee / Shipper Imposed Fines and/or Deductions:

Howell's shall make every effort to deliver in accordance with shipper's and/or consignee's instruction such as appointments, notification, and arrival timeliness. Howell's will make every effort to notify consignee/shipper of any occurrences but does not ever accept a liability exposure should notification not be made. Howell's does not agree to, shall not be held at fault or in no way shall be held responsible for fines consignee assigns to shipper due to late appointment or past the schedule delivery date. Carrier shall make every effort to facilitate and expedite shipments to deliver in accordance with shipper's and/or consignee's guidelines and instructions. If shipper wishes Howell's to be responsible, prior notice before each shipment and on each shipment must be in writing; an additional rate shall be applied subject to a rate factor of 2.85 times the actual delivery rate.

(14) Deadhead Charge:

Upon special request by shipper for deadhead mileage in order to cover truckload moves, a deadhead charge of \$1.50 per deadhead mile(s) shall apply; this is in addition to all other applicable charges;

(15) Loading / Unloading by Shipper and/or Consignee

- a) All truckload shipments shall be presumed to be "shipper load and count" within the meaning of 49 U.S.C. 80113. Inadvertent omission of seal numbers or SLC notation shall not result in carrier liability for count or loading defects when shipper and/or consignee actually loads and seals trailer which is delivered intact to destination.
- b) Carrier shall not be responsible for shortages on truckload shipments which are banded, strapped, netted, shrink-wrapped or otherwise secured to bins, pallets, platforms and/or skids when such securing material is found to be intact at the time of unloading by shipper and/or consignee. Carrier shall only be responsible for number of binds, pallets, platforms or skids on such shipments.

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Shipper Signature: _____

Carrier Signature: Bill Sanford, VP Sales
Howell's Motor Freight, Inc.

Date: _____

Date: September 18, 2007

Item 0035 Truckload Accessorial Services (continued)**(15) Fuel Surcharge:**

Carrier shall add a fuel surcharge on all freight shipped when the N.F.P.I. exceeds a base price of \$1.089 per gallon. The table below shall represent the fuel surcharge to apply on freight charges in addition to all other applicable charges.

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For the account of: **HWLS 600 Y**

[See Attached Fuel Surcharge Chart]

Shipper Signature: _____

Date: _____

Carrier Signature: Bill Sanford, VP Sales
Howell's Motor Freight, Inc.
Date: September 18, 2007