

**VL TRUCKING INC.
MC- 776884**

**FREIGHT RULES AND REGULATIONS
AND
ACCESSORIAL POLICY**

APPLICATION OF RULES

These Freight Rules and Regulations and Accessorial Policy contains rules, rates and charges for shipments transported by VL TRUCKING, INC. and all rates for transportation service offered and agreed to by VL TRUCKING, INC. are based upon the application and enforceability of these Freight Rules and Regulations and Accessorial Policy (“Rules”). A copy of these Rules are available to the Shipper, Shipper’s agent, Receiver, Consignee, Broker, or other purchaser of Carrier’s Services (collectively referred to as “SHIPPER”) upon request pursuant to 49 U.S.C. § 13710(a). The Rules contained herein shall apply to all rates offered and agreed to by VL TRUCKING, INC. and all shipments transported by VL TRUCKING, INC. except that, to the extent a specific term contained in a written contract executed between an officer of VL TRUCKING, INC. and the Shipper contradicts a specific terms set forth herein, the terms of such written contract shall to control, but only to the extent of the contradiction. Otherwise, all terms contained herein shall remain in full force and effect.

1. **Definitions:**

A. As used herein, “CARRIER” shall mean VL TRUCKING, INC. and its agents, employees, and subcontractors.

B. As used herein, “SHIPPER” shall mean the individual and/or entity that contracts with CARRIER for motor carrier services and/or agrees to pay CARRIER for motor CARRIER services (including, but not limited to, the Broker), and the consignor, consignee, owner of the goods, or other person entitled to recover under the bill of lading.

C. As used herein, “Transportation” shall include but not be limited to, line-haul, loading and unloading, palletizing, sorting, empty return, lumber services, detention, accessorials, pallet fees, fuel surcharges, and pickup and delivery services.

2. **Payment of Charges:**

A. CARRIER’s charges for Transportation services shall be paid in full within thirty (30) days of receipt of CARRIER’s invoice. In the event payment is not made within thirty (30) days of the date of CARRIER’s invoice, CARRIER shall be entitled to interest at the rate of 1.5% per month on

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such amounts remaining unpaid, or the maximum legal rate of interest, whichever is lower. SHIPPER, as defined above, shall be responsible for the payment of CARRIER's Transportation Charges.

B. SHIPPER agrees that it shall not setoff or deduct any amounts due to CARRIER for transportation charges for any reason including, but not limited to, for cargo claims Shipper or any third party may assert against CARRIER.

C. SHIPPER agrees that SHIPPER shall notify CARRIER of any disagreement concerning the amount invoiced by CARRIER for Transportation charges no later than thirty (30) days following receipt of CARRIER's invoice. SHIPPER waives any objection to the amount invoiced if CARRIER does not receive a written statement setting forth any disagreement with the amount invoiced, within the time provided.

D. In any action for the recovery of any Transportation charges due to CARRIER, CARRIER shall be entitled to recover all expenses incurred by CARRIER including, but not limited to, CARRIER's reasonable attorneys' fees.

3. Delivery Time, Free Time, and Detention Time:

A. Reasonable Dispatch: All rates offered by CARRIER and transportation performed by CARRIER shall be performed with "Reasonable Dispatch" and CARRIER does not guarantee delivery to the named consignee on a specific timetable *unless* CARRIER and SHIPPER enter into a mutually-executed separate writing identifying (i) a specific delivery date and time and (ii) an additional and separately-identified "guaranteed delivery charge."

B. Free Time: On each separate shipment, two (2) hours Free Time is allowed in the aggregate for all stops.

C. Commencement of Free Time: Free Time shall commence upon CARRIER's notification of arrival to SHIPPER at the consignor's location or the consignee's location, as the case may be, regardless of whether the consignor or consignee is ready to assign a dock door for loading or unloading or whether the consignor or consignee is prepared to load or unload CARRIER's driver's trailer.

D. Detention Time: When due to no fault or negligence of the CARRIER, the loading or unloading of freight is delayed beyond the Free Time, CARRIER shall be entitled to recover charges for Detention Time from the SHIPPER.

E. Termination of Free Time and Detention Time:

i. Upon Delivery: Free Time and/or Detention Time shall cease upon (a) a signed proof of delivery being given to the CARRIER by the consignee; and (b) completion of unloading;

ii. At Pickup: Free Time and/or Detention Time shall cease upon (a) the tendering of the bill of lading to CARRIER's driver for signature and (b) completion by after the consignor and/or CARRIER's driver of the process of loading the CARRIER's trailer.

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F. CARRIER Lien: Where disputes arise about detention, CARRIER may assert a lien for its detention charges and, at its own discretion, choose not deliver the shipment to the consignee until all accrued detention charges are paid or otherwise guaranteed to the satisfaction of the CARRIER.

4. Charges for Detention Time: Detention Time charges shall be as follows:

A. **\$25.00** for each 30 minutes or fraction thereof beyond Free Time;

B. Minimum Charge **\$75.00**;

C. Maximum Charge for each 24 hour period **\$500.00**

5. Non-Delivery of Freight Due Not Due to CARRIER Fault:

A. If freight cannot be delivered because of the consignee's refusal or inability accept it, or because the CARRIER cannot locate the consignee's facility, or if the freight cannot be transported because of an error or omission on the part of the SHIPPER, CARRIER shall be entitled to its charges for Detention Time. Further, CARRIER may place the shipment in storage, either at CARRIER's own location or with a third-party storage company. When placed in storage, CARRIER shall be deemed a warehouseman and shall be subject to warehouseman's liability except the released value, if any, of the shipment shall continue to apply.

B. Undelivered shipments will be subject to storage and/or detention charges. Detention charges shall accrue until CARRIER can arrange storage and secure use of the CARRIER's equipment for other shipments.

C. Storage Charges shall be charged to SHIPPER at the rate of **\$250.00** per day or at the rate charged by a third-party storage facility, whichever is greater.

6. Packaging and Labeling by Shipper:

A. General: All shipments tendered to CARRIER shall be packaged securely, properly labeled, and properly described on a bill of lading or similar shipping document. CARRIER shall not be responsible for any loss, damage, penalty, or fine caused by SHIPPER's failure to properly package and label the shipment, or from any party's failure to provide CARRIER with the complete and accurate bill of lading or other shipping document. SHIPPER agrees to indemnify and hold CARRIER harmless from all damages, costs, claims, fines, and expenses (including attorneys' fees) incurred by CARRIER as a result of loss, damage, or delay to cargo, or injuries to third parties, caused by improper crating, labeling, or packaging.

B. Weight: All of SHIPPER representations as to the weight of the shipments tendered to CARRIER shall be true, accurate and correct. SHIPPER shall be responsible for any expenses, damages, and accessorial charges incurred by CARRIER as a result of shipments tendered in excess of the declared weight. SHIPPER shall indemnify and hold Carrier harmless against any damages, costs, claims, fines, and expenses (including attorneys' fees) incurred by CARRIER arising out of a misdescription of the weight of a shipment. When CARRIER is required to dispatch a second unit to assist in repositioning or unloading of an overweight shipment, the charge for this service will be **\$3.00 per mile**, with mileage computed from the point of dispatch to the location of the location where the original equipment is detained, subject to a minimum charge of **\$250.00**. The labor charge for the repositioning or unloading of such a shipment shall be at the rate of **\$50.00 per hour** or fraction thereof, per person, and shall apply in addition to charges assessed above. Excess materials not able to be retained as part of the original shipment as a result of federal, state or local weight restrictions, shall be transported

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at a flat rate of **\$3.00 per mile** with a minimum charge of a **\$500.00**.

C. Hazardous Materials and Dangerous Goods: SHIPPER shall notify CARRIER in writing prior to requesting service if any shipment for which SHIPPER seeks transportation contains hazardous materials (“Hazmat”) or other dangerous goods of any kind. SHIPPER shall comply with all requirements of 49 C.F.R. Parts 171-173, including but not limited to, determining the hazard class of a particular Hazmat shipment, transloading Hazmat shipments at origin, marking and labeling packages for Hazmat shipments, preparing and reviewing shipping papers for compliance with applicable regulations, certifying that the Hazmat shipment is in proper condition for transportation in conformance with regulations, loading, blocking, and bracing Hazmat packages in a freight container or transport vehicle, segregating Hazmat packages in a freight container or transport vehicle from incompatible cargo, selecting, providing, or affixing placards for a freight container or transport vehicle to indicate that it contains a hazardous material, and providing emergency response information for Hazmat shipments. SHIPPER shall indemnify and hold CARRIER harmless from any against any claims, penalties, liabilities, damages, and expenses, of any kind, including reasonable attorneys’ fees, arising out of SHIPPER’s breach of this paragraph, SHIPPER’s its failure to comply with applicable Hazmat laws and regulations, and any negligence or other wrongful act of SHIPPER or its customer in packaging, labeling, loading, blocking, or bracing any HazMat or dangerous goods shipment. SHIPPER shall indemnify CARRIER for reasonable attorneys’ fees incurred in pursuing indemnity under this section.

7. Shipper Load and Count: For transportation services requiring the use of a dry van or refrigerated trailer, all such shipments transported by CARRIER shall be deemed “Shipper Load and Count” unless CARRIER’s driver is permitted to observe the entire loading process from the time CARRIER’s trailer door is opened to the time CARRIER’s trailer door is closed at origin. CARRIER shall not be responsible for verifying the condition or count or whether the shipment is securely and properly loaded where such shipment is loaded onto CARRIER’s trailer by SHIPPER or any third party, or their agent. SHIPPER agrees to indemnify and hold CARRIER harmless for all damages, costs, claims, and expenses (including attorneys’ fees) incurred by CARRIER as a result of a claimed loss due to undercount or due to failure of the cargo to be securely and properly loaded where CARRIER’s driver is not permitted to observe the entire loading process from the time CARRIER’s trailer door is opened to the time CARRIER’s trailer door is closed at origin.

8. Prohibited Items and Items of Extraordinary Value: The following property will not be accepted for shipment by CARRIER:

Alcoholic Beverages, Jewelry, Animals, Letters, Articles of Extraordinary Value, Mobile Telephones, Museum Exhibits or Articles of Antiquity, Asbestos, Notes, Bank Bills, Original Works of Art, Coins, Money, Postage Stamps, Currency, Precious Stones, Deeds, Revenue Stamps, Drafts, Guns and Ammunition, Tickets, Fireworks, Tobacco and Tobacco Products, Hazardous Waste, Household Goods and Video gaming machines.

SHIPPER agrees to defend, indemnify, and reimburse CARRIER for any physical harm, expenses (including reasonable attorneys’ fees), fines, damage, or liability that results in any way from the inadvertent transportation of any prohibited or restricted article as identified above.

As used herein, Articles of Extraordinary Value shall include commodities and/or items tendered to CARRIER with an invoice value exceeding \$275,000.00 per truckload shipment. Such commodities will not be accepted by CARRIER for transportation without a specific written request by the SHIPPER, accepted in a separate writing executed by an Officer of CARRIER, expressly approving acceptance of such commodities and/or items for transportation. Commodities inadvertently accepted by CARRIER

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with an invoice value exceeding \$250,000.00 per truckload without a specific written request by SHIPPER and express written acceptance by CARRIER will be considered released to CARRIER at a value of **\$0.50 per pound** (maximum value of \$250,000 per truckload).

9. **Bills of Lading**: All shipments transported by CARRIER are governed by the rules, regulations and charges published in these Rules. No deviation from these standard terms and conditions will be applicable in connection with shipments handled by CARRIER except upon written agreement signed by an officer of CARRIER. Contrary terms and conditions of preprinted bills of lading tendered to CARRIER by either SHIPPER or any third party at the time of shipment and signed by CARRIER'S driver or dock worker will not apply except upon written agreement of an officer of CARRIER. CARRIER'S drivers are not authorized to vary the terms stated herein. CARRIER will accept all bills of lading so tendered by the SHIPPER at the time of shipment subject to these Rules and all such bills of lading shall constitute only a receipt for a shipment to the extent their terms differ from these Rules.

10. **Truck Ordered Not Used (TONU)**: When CARRIER upon receipt of a request to pick-up a shipment has dispatched a truck for such purpose and due to no disability, fault or negligence on the part of the CARRIER, the vehicle is not used, SHIPPER agrees to pay CARRIER a TONU charge of **\$500.00** per vehicle.

11. **Liability of Carrier For Freight Loss, Damage, or Delay**:

A. Unless otherwise provided herein, CARRIER'S liability for freight loss, damage, or delay or other injury to cargo shall be governed by the provisions of the Carmack Amendment to the Interstate Commerce Act, 49 U.S. C. 14706.

B. As a mandatory and non-waiveable condition precedent to filing suit and a condition precedent to any recovery, claims for freight loss, damage, or delay must be filed in writing with the CARRIER within nine (9) months of the date of delivery, or date of scheduled delivery, whichever date is earlier. Claims must conform with the requirements of 49 U.S.C. 14706 and strictly comply with the claim filing requirements of 49 C.F.R. Part 370. All claims must identify the shipment involved, must assert liability for a specified amount of money and must be supported by copies of the bill of lading and delivery receipt and by invoices or other documents substantiating the claim amount. Any civil action against CARRIER for claims for freight loss, damage, delay, or other injury to cargo, must be filed within two (2) years following the date CARRIER gives written notice that CARRIER has disallowed any part of the claim specified in the notice.

C. Claims for concealed freight loss or damage must be reported to the CARRIER within 48 hours after delivery, and CARRIER must have an opportunity to inspect such shipments within 48 hours after receiving such notice of such a claim.

D. CARRIER'S rates for the transportation of freight, whether provided in a written contract or otherwise, are dependent on value, specifically on the limitations of liability described in this section. CARRIER'S rates are offered and agreed to by CARRIER with the understanding by CARRIER and SHIPPER that CARRIER'S liability for freight loss, damage or delay is no more than **\$0.50** per pound per package, with a maximum liability of **\$250,000.00**, regardless of the quantity or quality of freight. In reliance on that understanding, CARRIER has secured cargo insurance coverage of \$250,000.00. Notwithstanding the foregoing, shipments of any used machinery (not manufactured by the shipper or previously owned and shipping for re-use or as a result of re-sale) will be transported at an agreed value not to exceed **\$0.10** per pound with a maximum liability of **\$250,000.00**.

E. IF SHIPPER DESIRES TO PURCHASE LIABILITY LIMITS IN EXCESS OF THOSE DESCRIBED IN PARAGRAPH 11(D), SHIPPER MUST COMPLY WITH THE FOLLOWING PROVISIONS:

1. Liability limits in excess of those described in Paragraph 11(D) are available at SHIPPER's option.
2. SHIPPER must notify CARRIER no less than seventy-two (72) hours prior to pickup of the shipment for transportation that SHIPPER chooses to purchase liability limits in excess of those described in Paragraph 11(D).
3. SHIPPER must prepay the excess liability rate which is computed as (a) the rate quoted to SHIPPER in writing, or in the absence of a specific written quotation, the rate contained in the SHIPPER's or CARRIER's load confirmation sheet plus (b) the applicable premium for obtaining shipment-specific cargo insurance coverage.
4. The shipping instructions on the bill of lading or shipping document must specifically note as follows: "Shipment is moving under excess liability rates."

F. CARRIER DOES NOT AGREE AND SHALL NOT UNDER ANY CIRCUMSTANCES BE LIABLE FOR CONSEQUENTIAL DAMAGES ARISING FROM FREIGHT LOSS, DAMAGE OR DELAY, REGARDLESS OF NOTICE OF THE FORESEEABILITY OF CONSEQUENTIAL LOSSES.

G. CARRIER will not be liable for freight loss, damage, or delay caused by: the acts or omissions of any other party or their agents; failure to comply with CARRIER'S loading instructions; illegal acts of parties other than CARRIERS; weather conditions; riots; labor strikes, public unrest; inherent vice of lading, or acts of God. Further, CARRIER shall not be liable for claims of freight loss, damage or contamination by reason of a broken seal where such seal has been removed from the Trailer and/or Container by order or action of any Federal, State, local or provincial authority. Neither SHIPPER nor any other party shall have the right to reject a shipment by reason of a broken seal where such seal has been removed from the Trailer and/or Container by order or action of any Federal, State, local or provincial authority.

H. In the absence of an agreement to the contrary, SHIPPER shall not withhold payment on CARRIER's invoices pending resolution of outstanding freight loss, damage, or delay claims. To the extent SHIPPER wrongly withholds payment of CARRIER's freight charges in derogation of this paragraph, SHIPPER agrees to pay CARRIER all reasonable attorneys' fees incurred by CARRIER in pursuing collection of said freight charges due CARRIER.

I. Any claim submitted by the SHIPPER or any third party for freight loss, damage, or delay will not be deemed a valid claim until the SHIPPER has paid all outstanding freight charges due and owing to CARRIER.

12. Other Rules Related to Delivery:

A. The consignee must accept the goods tendered by CARRIER for delivery unless they are determined to be totally worthless.

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B. When a consignee receives a shipment without noting loss or damage, such shall be deemed a clear delivery. When damage is claimed after a clear delivery, such is referred to as concealed damage. Regardless of whether CARRIER receives a clear delivery or not, and in such cases, the party asserting a claim has the burden to show that the damage occurred while the freight was in the possession of CARRIER.

13. 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 SHIPPER, owner, and other known interested parties, 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 will only dispose of the property in a manner that, in CARRIER's reasonable discretion, will fairly and equally protect the best interests of all persons having an interest therein.

B. The proceeds from such sale will be applied to CARRIER's invoice for transportation, storage, attorneys' fees, costs of sale, and other reasonably related charges. If there is a balance remaining after all charges and expenses (including reasonable attorneys' fees) such balance will be paid to the owner thereof, upon claim and proof of ownership. When perishable goods cannot be delivered and disposition is not given within a reasonable time, CARRIER may dispose of such perishable property to the best advantage. SHIPPER will remain be responsible for the balance of charges not covered by the sale of the goods.

C. To the extent that the Shipper asserts that the goods should be destroyed, CARRIER remains entitled to the salvage value the goods would have generated had the goods been salvaged instead of destroyed.

14. **Consent to Jurisdiction / Venue:** By utilizing CARRIER's services, SHIPPER consents to the personal jurisdiction of the State and Federal Courts of Illinois and the State and Federal Courts located in DuPage County and Cook County, Illinois shall be the exclusive venue for filing all civil actions arising out of the transportation services performed, or to be performed, by CARRIER.

15. **Choice of Law:** The transportation provided by CARRIER is performed pursuant to the statutes and laws of the United States and the State of Illinois and the laws of the State of Illinois shall govern the interpretation and performance of these terms to the extent that Federal law does not so govern.