

**NETWORK'S CARRIER  
TERMS AND CONDITIONS**

The following Carrier Terms and Conditions, which supplement the Transportation Contract, if any, govern the motor carrier services provided to Network F.O.B., Inc.:

1. Carrier's Operating Authority. Carrier shall provide Network with copies of Carrier's operating authorities, and its safety rating, if any, prior to performing transportation services to Network. Moreover, Carrier agrees to immediately notify Network in the event its operating authorities are suspended or revoked. Carrier further agrees to notify Network in the event a safety audit results in less than a satisfactory safety rating, or a score lower than the thresholds established under CSA 2010.

2. Performance of Motor Carrier Services. Carrier agrees to transport any shipments tendered hereunder to points in the United States, Canada and Mexico, pursuant to its operating authorities, and in accordance with its Transportation Contract with Network, if any, these Terms and Conditions, any pickup and delivery schedules and the instructions provided by Network and/or its customers. In the performance of the transportation services contemplated hereunder, Carrier shall exercise the standard of care as required by the various regulatory requirements and established industry practices. Carrier further agrees that it will not broker or otherwise tender any load tendered by Network to another carrier, without Network's prior approval, and in the event Carrier breaches this prohibition, in addition to relieving Network from all responsibility for compensating Carrier for the load, Carrier further agrees to reimburse Network for all costs, liabilities and expenses incurred by Network as a result of Carrier's breach, including but not limited to, any reasonable attorney's fees and defense costs Network may incur. Moreover, in the event Carrier fails to complete the transportation of any shipment in accordance with the terms pursuant to which Carrier accepted the shipment, i.e., delivering the shipment in accordance with the scheduled delivery appointment, Carrier shall reimburse Network all amounts Network may be liable for to the shipper or consignee arising out of Carrier's failure to perform.

3. Calculation of Mileage Charges. Unless otherwise agreed to in writing, any rates based on mileage shall be governed by the current edition of Rand McNally Household Goods Mileage Guide, Shortest Miles Version.

4. Accessorial Charges. All rates agreed upon between Network and Carrier are deemed to be all-inclusive. Accordingly, the assessment of additional or accessorial charges is subject to prior notice to and written consent from Network.\*

\*Rail shipments are subject to specific intermodal pricing.

5. Carrier Invoicing. Carrier agrees to look solely to Network for the payment of its compensation hereunder, and under no circumstances shall Carrier seek payment directly from the shipper or consignee. Any violation of this billing condition shall result in the forfeiture of fifty (50%) percent to the freight charges on the shipment incorrectly billed.

6. Method of Payment. Network's standard payment terms are thirty (30) days from receipt of invoice, sent via United States Mail. However, the following payment options are available:

A. Immediate Quick Pay Option. In and for consideration of a five (5%) percent discount on the

freight Charges, Network will tender payment of the balance via com-check upon receipt of the bill of lading or other delivery receipt signed by the consignee.

B. Quick Pay Via U.S. Mail Option. In and for consideration of a two (2%) percent discount on the freight charges, Network will tender payment of the balance using a company check sent via U.S. Mail upon receipt of the bill of lading or other delivery receipt signed by the consignee.

C. Quick Pay via FedEx Option. In and for consideration of a two (2%) percent discount on the freight charges and a Twenty and No/100 (\$20.00) Dollar fee, Network will tender payment of the balance using a company check sent via Federal Express upon receipt of the signed bill of lading.

Carriers may choose the quick pay option they would like to use on an invoice by invoice basis. Carriers choosing a quick pay option are instructed to forward the quick pay option desired, together with the invoice including Network's order number and the bill of lading or delivery receipt signed by the consignee, via facsimile to (651)675-3586. Additionally, Carriers selecting the Immediate Quick Pay Option must include its contact information.

7. Relationship of the Parties. Carrier is an independent contractor and not an agent or employee of Network. As such, Carrier shall, at its own cost and expense, provide drivers that are competent and properly licensed, and are fully informed concerning their responsibilities for the protection and care of the involved goods. Carrier agrees to pay the involved driver's compensation and to be responsible for worker's compensation coverage and all taxes (state and federal) based on said compensation, and Carrier agrees to indemnify and hold Network and its customers harmless from and against any claims by drivers for compensation, and/or unemployment and workers' compensation benefits. Carrier further agrees to provide and maintain in good working condition and suitable appearance, the equipment necessary to perform the transportation services requested by Network and to furnish all necessary fuel, oil, gasoline, tires and repairs for the operation of said equipment and to pay all expenses incidental to such operation, including but not limited to, any fines or penalties incurred performing hereunder, including overweight fines. Carrier agrees that in no instance shall Network be responsible for any of the above payments. Carrier represents that the transportation rendered hereunder will be performed without violating any local, state and federal regulations having jurisdiction over the operation of said vehicle, including but not limited to the Department of Transportation.

8. Claims for Loss or Damage. Carrier agrees to abide by the rules and regulations concerning the disposition and settlement of claims for loss, damage and delay set forth at 49 C.F.R. Part 370. Notwithstanding the foregoing, Network and its customers shall determine whether the freight shall be salvaged, recycled or destroyed, and any claim will be adjusted accordingly. At Network's request, Carrier agrees to inspect any damaged freight within five (5) business days of Network's request.

9. Claims for Delay. A claim for delay will arise where Network and Carrier have agreed upon prearranged pick-up and/or delivery times and Carrier does not arrive within two (2) hours of the prearranged pickup or delivery time. The extent of the Carrier's liability for delay claims shall be reimbursement of the actual labor cost of the crew if idle or the actual rental time of equipment if idle. Claims for reimbursement shall be made to the Carrier in writing at its principal place of business. The claim shall include the Network's shipment number, origin and destination,

shipment date, a copy of paid invoice and/or work order from the company providing the crew and/or equipment, and explanation of details. Carrier shall pay valid claims within 30 days.

10. Liability Standards. Network assumes no responsibility to Carrier for delivery by the Carrier of the involved freight without loss, damage, injury or delay from point of origin to point of destination. Carrier shall be responsible for all claims for loss, damage, injury or delay. Carrier's liability shall begin when it signs the bill of lading and has received any such goods and shall continue until such time as Carrier receives a signed delivery receipt from the proper named consignee and nothing remains to be done by Carrier to deliver the shipment to the consignee. When a shipment is refused by the consignee, or Carrier is unable to deliver it for any reason, Carrier's liability as a warehouseman shall not begin until Carrier has placed the shipment in a public warehouse or storage facility under reasonable security.

The parties agree that 49 U.S.C. 14706, which shall not be altered by any bill of lading provision or common carrier tariff, schedule, service guide or similar document, governs all liability standards and burdens of proof for loss, damage and delay claims. The parties acknowledge and agree that under no circumstances shall the Carrier's liability hereunder be less than the actual loss or injury to the property as represented by the shipper less salvage value, if any, Network's fees associated with the shipment and the freight charges. Nor shall Carrier's liability for actual loss or injury to the property be affected by any agreement between Network and its customer. In the event of a conflict between this Contract and the terms, conditions, and provisions of any such bill of lading, tariff, including the National Motor Freight Classification, schedule, service guide or similar document, this Contract shall govern.

11. Insurance. In any instance where Carrier is required to indemnify Network pursuant to the provisions of the Transportation Contract and/or these Terms and Conditions, the insurance provided by Carrier shall be primary and shall not be entitled to contribution from any insurance maintained by Network, or its customers. The insurance requirements set forth in the Transportation Contract are not intended to, nor should they be interpreted as, limiting Carrier's liability to the coverage limits set forth therein, or Carrier's liability for any indemnification obligation hereunder.

12. Indemnification. Network shall not be liable for any enforcement action taken, or fines or penalties assessed by a governmental agency or other entity in connection with any shipment tendered to Carrier by Network due to Carrier's or its employee's, agent's or subcontractor's non-compliance with applicable foreign, federal, state, provincial and local laws, rules and regulations pertaining thereto. Carrier agrees to indemnify, defend and hold Network, and its customer, harmless against any and all liability, claims or expenses, including without limitation, attorney's fees and other costs of defense, which Network, or its officers, agents, employees or customers may incur by reason of any such noncompliance. Carrier shall indemnify and hold harmless Network, and its customers, from and against any and all loss, damage, cost, expense, including reasonable attorney's fees and other costs of defense, which may be incurred by Network, or any person, persons, firm, association or corporation resulting from any acts or omissions, negligent or otherwise, of Carrier or its employees, in performing or failing to perform the transportation services requested by Network, including the loading, handling, transportation and unloading of the freight, including, but not limited to, personal injury or death of persons (including without limitation, employees of Network and its customers), loss, damage, delay in delivery, destruction or conversion of the property of any person or legal entity,

including property being transported by Carrier, theft, defalcation or embezzlement by Carrier or its employees.

Carrier further agrees to indemnify, defend, and hold Network, its officers, agents, employees and customers harmless from and against any and all liability, claims, or expenses, including without limitation attorney's fees and other costs of defense, with respect to those claims (whether or not groundless) relating in any way to Carrier's, its employee's, agent's and subcontractor's performance or failure to perform under the Transportation Contract, as supplemented by these Terms and Conditions, asserted against Network, or its customer, by any person or entity. Notwithstanding any provision herein, Carrier shall indemnify and hold Network and its customers harmless for all actual or consequential losses, damages, costs or expenses, including but not limited to, reasonable attorney's fees and consequential and incidental damages, arising out of or in any way connected to the intentional misconduct of Carrier, or its employees, agents or subcontractors. Moreover, Carrier, at no time, shall bring a cause of action against Network for any loss, damage, expense, action and/or claim for injury to persons and/or damage to property arising out of or in connection with Carrier's performance under the Transportation Contract, as supplemented by these Terms and Conditions. The provisions of this Indemnification shall survive termination of this Agreement.

13. Contamination. Carrier represents and warrants that the equipment it provides hereunder has not been used in any service, including but not limited to, transporting animal, human or food wastes, other noxious substances or potential contaminants or toxic substances, which may compromise the quality of any products tendered hereunder. Moreover, Carrier agrees that it will not deny any claim arising from the rejection of a shipment due to a missing or broken seal solely due to an absence of proof of contamination of the freight. All transportation equipment used for shipment hereunder shall be in good condition and suitable for its intended use, and maintained in accordance with all applicable laws and regulations.

14. Account Protection. In addition to the Account Protection provision contained in the Transportation Contract, Carrier understands and agrees that if Network loses a customer due to the intentional action of the Carrier, including but not limited to, Carrier's refusal to deliver in a timely manner, Carrier shall pay Network an amount equal to the net profit earned by Network from the services Network provided to the customer for the prior twelve (12) month period. Carrier further agrees as part consideration for the Transportation Contract and the compensation to be paid Carrier thereunder, that it will treat all matters relating to the business of Network, or its customers, as confidential business information entrusted to Carrier solely for its use in performing the services requested by Network. Such information will not be divulged in any way to any person except as is necessary for Carrier to carry out its obligations under the Transportation Contract. The provisions of paragraph 8 of the Transportation Contract and this paragraph 14 shall survive termination of this Contract.

15. Bill of Lading. Carrier further recognizes and acknowledges that it is an accepted practice in the transportation industry for shippers to prepare bills of lading. Carrier agrees that the preparation and acceptance of such bills of lading shall be for the sole purpose of receiving the property and shall not constitute an agreement or contract between Carrier and the shipper tendering the goods. Moreover, the terms, conditions, and provisions of such bill of lading shall be subject and subordinate to the terms, provisions, and conditions of the Transportation Contract, if any, and these Terms and Conditions, and in the event of a conflict between the

terms, conditions, and provisions of such bill of lading and of these Terms and Conditions and the Transportation Contract, the terms, conditions and provisions of the Transportation Contract and these Terms and Conditions shall govern.

16. Contract Terms Govern. The fact that Carrier may provide common carrier services to other customers or may hold authority or licenses to provide common carrier service, and maintains a tariff/schedule/service guide or similar document related thereto, shall have no effect on the contract relationship between the parties created by the Transportation Contract, as supplemented by these Terms and Conditions. Similarly, any use of form bills of lading, tariffs, including the National Motor Freight Classification or other freight documents referring to "common carrier" service, "rules," "tariffs," "schedules," "service guides" and/or "classifications" shall not alter in any manner the contractual relationship created under the Transportation Contract, as supplemented by these Terms and Conditions.

17. Carrier's Lien. Under no circumstances shall Carrier appropriate or sell freight tendered under the Transportation Contract, or these Terms and Conditions. Carrier shall not use any freight tendered by Network as a form of security or collateral. Where freight tendered by Network cannot be delivered as directed by Network, Carrier shall immediately contact Network for further instruction. Under no circumstances shall Carrier sell or dispose of any freight tendered by Network without Network's written authorization.

18. Waiver. All rights and remedies provided by the Interstate Commerce Commission Termination Act that not been specifically waived under the Transportation Contract, as supplemented by these Terms and Conditions and which are not inconsistent or in conflict with the rights and remedies provided in the Transportation Contract, as supplemented by these Terms and Conditions, shall apply to transportation services provided hereunder.

19. Non-Exclusivity. Carrier may use its equipment to provide service to other shippers and brokers, and Network may use other carriers.

20. Assignment or Modification of the Transportation Contract. The Transportation Contract may not be assigned or transferred in whole or in part, and supersedes all other agreements and all tariffs, rates, classifications and schedules published, filed or otherwise maintained by Carrier.

21. Authority of Executing Party. Carrier represents and warrants that the individual executing the Transportation Contract on Carrier's behalf has the authority to execute the Transportation Contract and to bind Carrier to the terms thereof.

22. General Provisions. The Transportation Contract, as supplemented by these Terms and Conditions and any Schedule A's, constitutes the entire agreement of the parties. No agent or employee of Network shall have authority to orally waive any of the provisions of the Transportation Contract, as supplemented by these Terms and Conditions. The Transportation Contract, as supplemented by these Terms and Conditions, is divisible, and if any provision is held to violate any law or regulation, or is unenforceable for any reason, such illegality shall not affect the remaining portion of the Transportation Contract, as supplemented by these Terms and Conditions, which shall remain in full force and effect. Moreover, the terms and periods sets forth in paragraph 8 of the Transportation Contract and paragraph 14 of these Terms and

Conditions shall be reduced to the maximum permitted by the law actually applied to determine the validity of each such provision. The language of the Transportation Contract, as supplemented by these Terms and Conditions, shall be construed according to its fair meaning and shall not be construed against the party or parties drafting it. Any disputes under the terms of the Transportation Contract, or these Terms and Conditions, shall be litigated in the state or federal courts of the State of Minnesota, or such other state as deemed appropriate by Network, in its sole discretion.