

KB LOGISTICS MANAGEMENT, INC. RULES AND REGULATIONS TARIFF TARIFF # KBL100

TARIFF ISSUE DATE: 04-01-2013

TARIFF EFFECTIVE DATE: 04-01-2013

TARIFF UPDATED: *Refer to check sheet for changes*

ITEM 100: Scope

1. The following pages contain the Rules and Regulations applicable to the transportation of any shipment arranged by KB Logistics Management, Inc (herein referred to as "KBL").
2. These Rules and Regulations are published and made available for public inspection pursuant to 49 U.S.C.
3. KBL arranges transportation of property by motor carriers and indirect air carriers for its customers and is duly registered as a property broker with the FMCSA in Docket No. MC 632011-B as may be amended from time to time. The shipper, consignee, 3rd Party, beneficial owner, individual, entity requesting service, or individual or entity acting on behalf of the Customer (hereinafter collectively referred to as "Customer"), are subject the following terms and conditions contained in this Rules and Regulations Tariff.
4. KBL shall be solely an arranger of services and those functions include solely those functions as an arranger of services and no others and all other responsibilities or risks are those of the motor carrier or indirect air carrier (herein collectively referred to as "Carrier") transporting the shipment. KBL is not a Carrier or an agent for a Carrier.
5. KBL possesses a license for brokerage operations issued by the Federal Motor Carrier Safety Administration ("FMCSA") and, as such, does not and assume liability for services, including specifically, but not limited to, transportation, warehousing and cargo liability of any type and kind. Any Customer using KBL services expressly recognizes this as a material condition and shall indemnify and hold KBL harmless (inclusive of legal fees and costs) from any costs arising from an assertion of claim liability against KBL.
6. In accordance with the obligations under the Interstate Commerce Commission Termination Act, Section 13710, a Carrier is required to provide, upon request, publication of its rate, classification, rules and practices, herein referred to as the Carrier's "General Rules Tariffs". Upon request KBL will assist Customer in obtaining these General Rules Tariffs. The General Rules Tariffs, as set forth by Carriers, will in every instance take precedence in all legal proceedings and when applicable, will take precedence over KBL's Rules and Regulations Tariff stated herein. If not in conflict with the Carrier's General Rules Tariff, KBL's Rules and Regulations Tariff as stated herein shall control.
7. KBL reserves the right to modify, amend or supplement the rates, features of service, services, terms and conditions and Tariff to all customers without notice. All modifications, amendments or supplements may only be authorized by the President of KBL and no other agent or employee of KBL.

2. Rates and service quotations by KBL's employees and agents will be based upon information provided by the Customer, but final rates and service will be based upon service actually received. KBL reserves the right to amend or adjust the original quoted amount or re-invoice the Customer if the original quoted amount was based upon incorrect information received at the time of the original quote, if additional services were required, or as otherwise necessary to perform the pickup, transportation and delivery functions therein.
3. Unless otherwise provided, in computing time in days, standard workdays will be used. Saturdays, Sundays and Legal Holidays will not be counted as Days in Transit.
4. Where numbers are connected by the word "to", the series indicated will include the numbers shown.
5. Where references are made to Tariffs, Items, Pages, Notes, Rules, etc., such references are continuous and include supplements thereto and revised or additional original pages or reissue.
6. Except as otherwise provided in this Tariff, KBL assumes no obligation to arrange with a Carrier the transportation of a shipment within a specified period. All arrangement of transportation services will be provided within reasonable dispatch.
7. KBL will determine, unless otherwise specifically directed by Customer, the routing of any shipments, including mode of transportation used, and may use air transportation, ground transportation, rail transportation, or any combination thereof in providing services. KBL reserves the right to arrange for the diversion of any shipment in order to facilitate delivery. The transportation charges will be the freight charges from origin to destination via the route and level of service requested on the bill of lading, transit documentation or other shipping memorandum.
8. The shipper, consignee, 3rd party, entity requesting service and/or beneficial owner will be liable, jointly and severally, to pay KBL or indemnify KBL by any reason of any violation of any of the terms contained in applicable Tariffs.
9. Construction and Interpretation. In the event an ambiguity or question of intent or interpretation arises, this Tariff shall be construed as if drafted jointly by KBL, Shipper, Consignee, Third Party, entity requesting service or Beneficial Owner, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Tariff. Any reference to any federal, state, local or foreign statute, law or ordinance shall be deemed also to refer to all rules and regulations promulgated thereunder.
10. KBL makes no warranties oral or written, express or implied with respect to any services provided and its liability is limited as set forth herein.
11. It is the responsibility of the Customer to ensure that shipments tendered do not violate any federal, state or local laws or regulations applicable to the shipment.
12. Throughout this Tariff, whenever the context so permits, the feminine gender shall be deemed to include the masculine and vice-versa, and both shall be deemed to include the neuter and vice-versa, and the singular shall be deemed to include the plural and vice-versa.
13. References made to treaties, Tariffs, items, pages, notes, rules, etc., are continuous and include supplements, amendments and other similar revisions thereto or successive issues thereof.
14. Titles or captions in this Tariff are inserted only as a matter of convenience and for reference and shall in no way define, limit, extend or describe the scope or intent of this Tariff or any provision hereof.
15. Nothing in this Tariff shall require KBL to arrange for a Carrier to perform pickup or delivery

provision hereof.

15. Nothing in this Tariff shall require KBL to arrange for a Carrier to perform pickup or delivery service at any location from or to which it is impracticable, through no fault or neglect of KBL or Carrier.
16. The terms and conditions of this Tariff shall apply to all shipments arranged by KBL regardless of whether same are subject to economic regulation or whether the shipments move in interstate, intrastate, or foreign commerce.
17. Any terms or conditions of the bill of lading or additional shipping documentation shall not apply if they are inconsistent with the Rules and Regulations of KBL or the General Rules Tariff of the Carrier. KBL or Carrier's signature does not constitute acceptance of any terms which may vary from KBL Rules and Regulations or the General Rules Tariff of the Carrier, and continued use will not, and does not, constitute an implied acceptance or ratification by KBL or Carrier. Failure by Carrier, Carrier's agents and/or the Customer to sign the shipping documentation does not negate KBL Rules and Regulations or the General Rules Tariff of the Carrier.

ITEM 140: Customer Warranty

1. The Customer is responsible for and warrants their compliance with the following: (1) The information stated on shipping documentation is complete and accurate, that each package and/or article is properly and completely described on the shipping documentation and is adequately packaged to protect the enclosed goods to ensure safe transportation to withstand the normal rigors and perils of transportation, (2) Customer is in compliance with all applicable laws, rules, and regulations including but not limited to customs laws, import and export laws, hazardous materials or dangerous goods regulations, and governmental regulation of any country to, from, through or over which the shipment may be carried, (3) Any individual or entity acting on behalf of the Customer in scheduling shipments hereunder warrants that it has the right to act on behalf of the Customer and the right to legally bind Customer, (4) Customer agrees to indemnify KBL for any and all claims or damages incurred as a result of Customer's failure to comply with the provisions of these Rules and Regulations, or the General Rules Tariff of the Carrier.

ITEM 150: Prohibited Articles

1. Articles listed below are NOT acceptable for the arrangement of transportation by KBL, unless approved in writing by KBL's President. In cases where the article is restricted by governing federal, state or local laws, regulations or ordinances, the Customer is solely responsible for and will reimburse and indemnify KBL and Carrier for any expenses it incurs in connection with the shipment:
 - a. Hazardous Materials or Dangerous Goods as defined by Title 49 of the Code of Federal Regulations or IATA Regulations. Customer shall be liable for and indemnify, defend, and hold harmless KBL, Carrier, and their agents against all loss or damage (including reasonable attorney fees and costs) caused by such goods;
 - b. Shipments of extraordinary value, including but not limited to, precious metals, precious stones, bullion or currency, bills of exchange, bonds, coins, concentrates, current/currency equivalents, cyanides, deeds, diamonds, doer bullion, evidence of debt, gems cut or uncut, gold bullion coined or un-coined, industrial diamonds, pearls, promissory notes, securities negotiable, silver bullion coined or un-coined, stamps postage or revenue, stock certificates, stones cut or uncut, sulfides, platinum, gold, silver;
 - c. Original works of art, collections, antiques, museum exhibits and articles;
 - d. Shipments of live animals or insects;

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- e. Collect on Delivery (C.O.D)
- f. Human corpses or body parts or cremated or disinterred human remains;
- g. Carbon Black (not a hazardous material);
- h. PCB (Polychlorinated Biphenyls);
- i. Fireworks;
- j. Biohazards such as blood, urine, fluids and other noninfectious diagnostic specimens;
and
- k. Lottery tickets and gambling devices where prohibited by federal, state or local law.

ITEM 160: Shipments Arranged Under Special Conditions

1. The following will only be arranged/transported under special conditions and when the Customer contacts KBL in advance of shipment arrangement/tender, and such arrangements are accepted by KBL in writing (hereinafter referred to as "advance arrangements"). If KBL receives a shipment without advance arrangements, and in cases where the article is restricted by governing federal, state, or local laws, regulations or ordinances, the Customer is solely responsible for and will reimburse and indemnify KBL for any expenses it incurs in connection with the shipment:
 - a. Shipments requiring prior notification to accomplish delivery;
 - b. Shipments likely to impregnate or otherwise damage equipment or other shipments;
 - c. Shipments requiring "Protective Security Service" or "Armed Guard Surveillance Service";
 - d. Shipments of extreme configuration or requiring special equipment, requiring special handling devices, special attention or care en route. Special devices for safe handling will be provided by and at the expense of the Customer;
 - e. Food products – fresh, frozen, dried, or dehydrated will be accepted only if such products comply all laws, ordinances or other governmental rules or regulations;
 - f. Shipments requiring temperature control during transit;
 - g. Shipments, which require Carrier to obtain a Federal, State or Local license for transportation;
 - h. Inherently Fragile Items: (Including but not limited to, incandescent, fluorescent or other types of lighting bulb or tube, neon lighting, neon signs, X-ray tubes, laser tubes, scale models (including but not limited to architectural models, doll houses, etc.);
 - i. Personal Effects;
 - j. Furs, and/or Fur-Trimmed Garments;
 - k. Alcohol (beer, wine, spirits), tobacco, firearms, ammunition;
 - l. Televisions (all kinds, including but not limited to flat panel (all types), tube, and projection, etc.);

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m. Pharmaceuticals;

n. Time Sensitive written materials (including but not limited to bids, contract proposals, etc.);

o. Furniture

ITEM 170: Declaring Higher Value to Carriers

1. Carriers to whom the goods are entrusted may limit liability for loss or damage; KBL will request excess valuation coverage only upon specific written instructions from Customer, which must agree to pay any charges therefor; in the absence of written instructions the goods may be tendered to the Carrier, subject to the terms of the Carrier's limitations of liability as established in the Carrier's General Rules Tariff. For declared value, an additional charge of \$0.75 for each \$100.00 or fraction thereof will be charged subject to a minimum charge of \$75.00 per bill of lading.

ITEM 180: Insurance

1. Unless requested to do so in writing and confirmed to Customer in writing, KBL is under no obligation to procure insurance from Carrier on Customer's behalf; in all cases, Customer shall pay all premiums and costs in connection with procuring requested insurance from Carrier by KBL.

ITEM 190, Guaranteed Services

1. Guaranteed services must be requested in writing by Customer and confirmed in writing by KBL. Guaranteed Services are inclusive of transit times only as noted by the Carrier selected. Guaranteed Service transit times do not include holiday and/or no service days as defined by the individual Carrier. Shipments not delivered within date/time specified on the bill of lading may not be considered a service failure when the reason for the delivery delay is deemed as no fault of the Carrier. These reasons could include, but are not limited to, the following conditions: acts of God; the existence of violence, riots, military action or such possible disturbance as creating reasonable apprehension of danger; acts or omissions by shipper, consignee, owner of goods or public authority; delays due to customs clearance or documentation required for movement of shipment; closure of federal, state, city or local roads, streets, or highways resulting in travel delays by Carrier; shipments not accepted by the consignee when offered for delivery. This service is not a guarantee for pickup. Pickup Day is not included in the qualification and calculation of transit time. The Customer is liable for all charges related to the shipment. In the event of Carrier failure to comply with the guaranteed service requested, the Customer is permitted ten (10) business days from the actual delivery date of shipment to file a claim in writing with KBL. If KBL does not receive a claim request or receives the request after the allowable ten (10) business days, the service provided by the Carrier will be deemed to have met all guaranteed service standards and the claim request will automatically be considered invalid and denied. In the event of Carrier's failure to comply with the guaranteed service requested and after the Carrier has agreed to liability, KBL will credit the account of the Customer for applicable freight charges only.

ITEM 200: Rates

1. Transportation charges for a shipment(s) will be based on whichever of the following is greater:
 - a. The actual weight; or
 - b. The cubic dimensional weight
 - i. Dimensional Weight: KBL reserves the right to assess transportation charges based on volumetric standards. Dimensional weight pricing is applicable on all

- c. Relinquishment of the shipment at the point of origin (Split); or
- d. Relinquishment of the shipment at an intermediate point while in transit (Termination)

2. Requests for reconsignment are subject to the following conditions:
 - a. The request must be made or confirmed in writing;
 - b. KBL and the Carrier will make a diligent effort to comply, but will not be responsible or liable if the service cannot be performed;
 - c. All charges applicable to the shipment must be paid or guaranteed to the satisfaction of KBL before the service is performed.
3. For the purposes of this Item, the term "storage" is considered to mean:
 - a. Freight held in the possession of the Carrier through no fault of KBL or the Carrier.
 - b. Storage charges applied by the Carrier and shall be passed on to the Customer by KBL

ITEM 220: Credit, Billing and Payment of Charges

1. Credit is only established by contacting KBL's Credit Department at 630-860-3124.
2. The invoice date begins the credit term cycle, and payment is due within 30 days from the invoice date. Failure to keep Customer's account current with KBL may result in the account being put on a "cash only" status. This status may impair Customer's ability to use KBL's service. In the event prompt payment is not made and an account is placed on a "cash only" basis, credit privileges will not be restored until all balances are paid current, including, but not limited to, all costs, fees and expenses incurred by KBL in collecting or attempting to collect such balances. KBL may decline to restore credit privileges even if all costs, fees, and expenses are paid.
3. The shipper, consignee, 3rd party, beneficial owner, and entity requesting services are liable jointly and severally for payment of all sums due to KBL related to or accrued on account. KBL and Carrier will have a lien on such cargo or product for sums due and payable. In case of non-payment, KBL and Carrier will have right upon 30 days' notice to the shipper and consignee at the address shown on the bill of lading to dispose of the cargo or any part thereof at public or private sale without further notice. KBL and Carrier may pay itself out of the proceeds of that sale.
4. Charges for shipments within the United States may only be billed to a Third Party payer in the United States. In choosing this option, the shipper must indicate a special "Bill To" on the air bill, bill of lading, or other shipping documentation and clearly mark the name of the accredited company, hereafter referred to as "Third Party." If the Third Party is billed and does not make payment for the shipment within 30 days, the shipper, consignee, and beneficial owner are jointly and severally liable for and will be billed for all charges and fees. The nonrecourse provisions of Section 7 of the Bill of Lading contract will be null and void on shipments tendered as a 3rd party billing.
5. In the event that payment on credit accounts is past due, KBL reserves the following rights:
 - a. Any outstanding invoice, which is unpaid 30 days from the date of billing, may be subject to an additional charge at a rate of 1½ percent per month of the outstanding balance, or the highest rate of interest permitted by applicable law, whichever is greater.
 - b. Any outstanding invoice, which is unpaid 60 days from the date of billing, may be subject to an additional charge at a rate of 1½ percent per month of the outstanding balance, or the highest rate of interest permitted by applicable law, whichever is greater, and the Customer shall forfeit any and all discount rates, skid rates or spot pricing.
6. In the event KBL engages a collection agent and/or attorney to collect unpaid balances, or to enforce any part of the Rules and Regulations Tariff, the Customer acknowledges that by entering into any contract, they shall pay all reasonable costs including, but not limited to, professional fees and costs, 33% of the balance due or a flat fee of \$200.00, whichever is greatest. It is further agreed that exclusive jurisdiction shall be before the courts of the State of

entering into any contract, they shall pay all reasonable costs including, but not limited to, professional fees and costs, 33% of the balance due or a flat fee of \$200.00, whichever is greatest. It is further agreed that exclusive jurisdiction shall be before the courts of the State of Illinois, venue shall be proper within the County of DuPage, and Customer acknowledges that performance of any contract was performed within the State of Illinois, all as more fully described at Item 260.

ITEM 230: Claims Management

1. KBL shall provide claims coordination services to Customers for whom it arranges transportation by:
 - a. Accepting claims as an accommodation and not as a responsible entity to the shipper or other similar claiming entity;
 - b. Forwarding claims received to the applicable Carrier
 - c. Relaying information to/from any applicable party in an effort to expedite and resolve the claim;
2. The General Rules Tariff as established by the Carrier will in every instance take precedence over the processing of claims, and the liability associated. Any terms and conditions of the shipping documentation presented by Customer shall not apply if they are inconsistent with KBL's Rules and Regulations or the General Rules Tariff of the Carrier.
3. KBL only possesses authority as an arranger of services, and does not act in any capacity as a Carrier, therefore there is no direct claim liability assumed by KBL. Any Customer using KBL services expressly recognizes this as a material condition and shall indemnify and hold KBL harmless (inclusive of legal fees and costs) from any costs arising from an assertion of claim liability against KBL.

ITEM 240: Overcharge Claims

1. All overcharge claims, must be submitted in writing to KBL within 180 days following the ship date for transportation. KBL is not liable for overcharge claims applicable to shipments whose transportation charges were not paid within 30 days of invoice date.

ITEM 250: Liability Not Assumed

1. KBL will not be liable for, nor will any adjustment, refund or credit of any kind be given as a result of, any loss, delay, early delivery, misdelivery, non-delivery, misinformation or failure to provide information caused by or resulting in whole or in part from:
 - a. KBL assumes no liability as a Carrier. KBL's notice to Customer that a particular Carrier has been selected to render services with respect to the goods, shall not be construed to mean that KBL warrants or represents that such Carrier will render such services nor does KBL assume responsibility or liability for any action(s) and/or inaction(s) of such Carriers and/or its agents, and shall not be liable for any delay or loss of any kind, which occurs while a shipment is in the custody or control of a Carrier or the agent of a third party; all claims in connection with the act of a Carrier shall be brought solely against such Carrier and/or its agents; in connection with any such claim, KBL shall reasonably cooperate with Customer, which shall be liable for any charges or costs incurred by KBL;
 - b. The act, default, or omission of any person or entity, including those of any local, state, or federal government agencies;
 - c. The nature of the shipment, including any defect, characteristic or inherent vice of the shipment;
 - d. The violation of these Rules and Regulations or the Carrier's General Rules Tariff, as

shipment;

- d. The violation of these Rules and Regulations or the Carriers General Rules Tariff, as amended or supplemented;
- e. Loss, damage, delay, or other result caused by any circumstance beyond the control of KBL and/or Carrier, including, but not limited to, perils of air, public enemies, acts of terrorism, public authorities acting with actual or apparent authority, acting or actual authority on the premises, authority of law, quarantine, riots, mechanical delay of aircraft, vehicles or other equipment, local disputes, civil commotion, hazards incident to a state of war, local or national weather conditions, national or local disruptions in air or ground transportation, strikes or anticipated strikes (of any entity, including, but not limited to, KBL, Carrier, vendors or suppliers), natural disasters (earthquakes, floods, and hurricanes are examples of natural disasters), conditions that present a danger to KBL and Carrier personnel, and disruption or failure of communication and information systems (including, but not limited to, KBL and Carrier systems);
- f. Compliance with oral or written delivery instructions from the sender, recipient, or persons claiming to represent the Customer;
- g. Failure to notify Customer of any delay, loss or damage in connection with a shipment or any inaccuracy in such notice;
- h. The Customer's failure to provide accurate delivery address information;
- i. Providing advice, assistance, or guidance by KBL to Customer;
- j. Any shipment containing a prohibited article when not approved in writing by President of KBL;
- k. Shipments accepted under special conditions when not approved in writing by KBL;
- l. Inability to provide a copy of the delivery record or a copy of the signature obtained at delivery; and
- m. Indirect, consequential, special or exemplary or incidental damages, whether or not KBL or Carrier had knowledge that such damages might be incurred, including, but not limited to, loss of profits, income, utility, wages, interest, loss of market, or loss of warranty;

ITEM 260: Limitation of Actions

1. The right to damages under any cause of action arising from services pursuant to these Rules and Regulations shall be extinguished unless action is brought within two years of the date of delivery or the date on which the service should have been completed.
2. Customer, inter alia, acknowledges that by utilizing and benefiting from this Tariff, constitutes entering into a contract with a material nexus so that they have sufficient contacts with the State of Illinois to vest jurisdiction therein and hereby forever waive any objection to exclusive Illinois jurisdiction, agree thereby to proper venue within DuPage County, Illinois, agree to be subject to the jurisdiction of the State of Illinois, waive any right to a trial by jury, and agree not to raise, and hereby waive, any defense based on venue, lack of personal or subject matter jurisdiction or sufficiency of service or process; provided further, that in the event such jurisdiction and venue is contested unsuccessfully, they and each of them shall indemnify (inclusive of attorney fees and costs) and hold KBL harmless from all costs incurred.
3. Each dispute shall be decided on an individual basis and will not be consolidated in any action with the disputes or claims of other parties. Parties agree by the implementation and use of

3. Each dispute shall be decided on an individual basis and will not be consolidated in any action with the disputes or claims of other parties. Parties agree by the implementation and use of this Tariff not to sue as a class plaintiff or class representatives, join a class as members, or participate as adverse parties in any way in a class lawsuit with respect to any dispute or claim relating to the Rules and Regulations or the services provided.
4. These Rules and Regulations, procedures and respective obligations of the parties will inure to their respective successors and assigns.
5. All claims against KBL for a potential or actual loss must be made in writing and received by KBL within ninety (90) days of the event giving rise to the claim; the failure to give KBL timely notice shall be a complete defense to any suit or action commenced by Customer.

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