

CARGO CLAIMS POLICY FOR FIRST-TO-FINAL MILE SHIPMENTS

This Cargo Claims Policy ("Agreement"), effective as of the signature date (the "Effective Date") is made by and between Watkins and Shepard Trucking, Inc., ("Service Provider"), and the signatory below ("Shipper") who requested specialized transportation services from Service Provider. WHEREAS, Service Provider (or its selected agents or subcontractors) shall provide Shipper with specialized transportation services in the United States and Canada, and Shipper shall utilize such Services as further defined in each service schedule and this Agreement. WHEREAS, this Agreement supersedes and replaces any cargo claims policy for first-to-final mile delivery services entered into by and between Shipper and Service Provider. WHEREAS, Service Provider maintains motor-carrier and broker authority (MC176957 USDOT 230991) as required by the FMCSA. NOW, THEREFORE, in consideration of the above recitals and the following covenants, the parties agree as follows:

1. Claims Filing: Within thirty (30) days of delivery of shipment, claimant must file any claim for cargo loss or damage (a "Claim") using Service Provider's website. The Claim must contain: (a) The shipment number and order number; (b) The dollar amount of the loss; (c) shipper's original purchase-invoice for the goods (not the end-consumer's purchase price); (d) proof of payment for delivery or service charges; (e) copy of the bill of lading with receipt; (f) other records indicating the loss or damage, such as photos; (g) Estimates or invoices for repair, if applicable.

2. Claims Processing: Prima facie evidence that a shipment was delivered in good condition is a delivery receipt signed by the consignee (includes any individual who signs on behalf of end consumer) without written exceptions and notice of loss or damage. Only one Claim can be filed per shipment. Acceptance of Claim payment terminates any further right to recovery in connection with a shipment. Service Provider will provide notice when cargo cannot be delivered or returned for any reason. Service Provider will request disposition from the Shipper or the Owner of the goods; if no disposition instructions are received within thirty calendar days after the scheduled delivery date or returned delivery date, Service Provider will invoice Shipper thirty-two dollars per day until disposition is received; provision for warehouse storage charges will apply as well.

3. Cargo Liability and Claims: Pursuant to 49 USC 14706, Service Provider shall be liable to the owner for loss or damage to cargo while it is in Service Provider's control and possession. Claims shall be submitted and processed in accordance with 49 CFR Part 370. Claims must be filed within nine (9) months after the delivery of the freight or, if no delivery, the date of the occurrence resulting in the Claim. Any civil suit shall be commenced within two years from the date Service Provider gives written notice disallowing the Claim or any part of the Claim. Service Provider assumes no liability for cargo loss or damage in Mexico. Service Provider's liability shall be limited as follows: (a) full truckload: \$100,000 per truckload shipment; (b) first-to-final mile, and final-mile-only deliveries: the lesser of, the manufacturer's cost or five-hundred dollars per entire unit¹; (c) if Shipper chooses to declare a value, a charge of two-dollars per one-hundred dollars of declared value will apply and Shipper must declare a value at least twenty-four hours prior to pick-up and such declared value shall only be valid if acknowledged by Service Provider in writing, prior to pick-up.

4. Damages: Service Provider will not be liable for any economic, special, or consequential damages. Service Provider will not be liable for any damages resulting from elements beyond Service Provider's control or by acts or omissions of Shipper, its employees, its agents, or other carriers. Shipments are not guaranteed on-time delivery; reasonable delay in delivery shall be determined by Service Provider and shall not be governed by the Shipper or the goods being Shipped. Service Provider will not be liable for damages caused while goods were in storage. Service Provider will not be liable for damages by the inherent vice or nature of the Cargo, or by any damages arising out of matters outside of Service Provider's control including, but not limited to, manufacturer defects, defects or loss or damage which may be caused by packaging insufficient to protect the contents from the normal rigors of handling, etc. Service Provider shall not be responsible for concealed damages. If a Claim is settled at greater than seventy-percent of the manufacturer's replacement cost, Service Provider shall retain title to the cargo, including the right to destroy, donate, dispose or salvage at Service Provider's discretion.

5. Entire Agreement. This Agreement contains the complete understanding and agreement between the parties. The subtitles and paragraph headings provided are for reference only and should not be considered in the interpretation of this Agreement. Service Provider may amend the Appendices and Schedules at its discretion so long as Shipper received notice; otherwise, no amendment, modification or waiver of this Agreement shall be binding on either party unless it is reduced to writing and signed by both Parties.

6. Applicable Law. This Agreement shall be governed by federal transportation laws and the laws of the State of Wisconsin. Any dispute shall be filed exclusively in the State or Federal Courts of Wisconsin, and the Parties consent to the same.

7. Waiver. No waiver of any right, power or privilege hereunder shall be binding upon any Party unless in writing and signed by the Party against which the waiver is asserted.

8. Billing and Payment. Service Provider will bill all applicable charges for service to Shipper within the periods prescribed by any applicable laws. Shipper shall pay all applicable charges within thirty days of delivery of the shipment. In no event shall Shipper offset charges invoiced by Service Provider against fees for cargo claims loss or damage. Claims for undercharge, overcharge, duplicate payment, unidentified payments, or over-collection must be filed within one-hundred eighty days of the date of Service Provider's invoice for services provided. Such claims shall be governed by 49 CFR 378 and any other applicable federal transportation law.

9. Assignment. This Agreement, and any or all of its rights and/or obligations hereunder, may be assigned by Service Provider to a Service Provider Affiliate upon notice to Shipper. In the event of such assignment, the services shall be deemed to be provided by the Service Provider Affiliate, and under the Service Provider Affiliate's motor carrier authority. For purposes hereof, the term "Service Provider Affiliate" shall mean any entity that controls, is controlled by, or is under common control with Service Provider.

¹ The following are considered a single unit: (1) case good; and (2) upholstery.