



DIVERSIFIED TRANSFER & STORAGE, INC.

Terms and Conditions of Service

These Terms and Conditions set forth the services provided by Diversified Transfer & Storage, Inc. ("DTS") and the terms, conditions, restrictions and requirements under which those services will be rendered. These Terms and Conditions, are incorporated through reference on DTS' offering to the public via its website, and through its documents, including but not limited to the Credit Agreement, initial rate offers, rate confirmation sheets, invoices or service orders, and apply to all services provided by DTS.

Though effort has been made to present a uniform and consistent statement of the terms and conditions of service for DTS to the extent that any conflict exists or arises between the terms and conditions of the shipping, warehousing or other documents, these Terms and Conditions of Service shall control. To the extent applicable, and allowable by law, those provisions of the Interstate Commerce Act which are inconsistent with these Terms and Conditions of Service are expressly waived.

If any portion of these Terms and Conditions of Service are found unenforceable by the courts or by any other agency having jurisdiction over the parties, such portions shall be deemed stricken, however, the remainder will remain valid and enforceable.

1. **APPLICABILITY.** These Terms and Conditions of Service apply to all services provided by DTS to or for the Customer, which term shall include the shipper, exporter, importer, sender, receiver, owner, consignor, consignee, transferor or transferee of the shipments and can only be altered by written agreement signed by an officer of DTS prior to shipment.
2. **AUTHORIZATION.** Customer authorizes DTS to arrange for motor carriers, forwarders, warehousemen and others ("service providers"), as required, to receive, transport, store, and deliver the goods. Unless Customer instructs DTS, in writing, prior to shipment to use a specific service provider, DTS may utilize any available service provider. Customer is defined as any person or entity that requests services from DTS whether for its own account or on behalf of others, or any person or entity to whom DTS has extended credit.
3. **APPOINTMENT / LATE FEES:** A delivery appointment does not constitute a guaranteed delivery time. LTL transportation is a different mode than truckload transportation. Our delivery schedule is affected by the ability of the previous shipper or receiver to load or unload our truck in a timely manner. DTS will make every effort to deliver as scheduled. DTS will not be liable for any penalties or consequential damages of any kind imposed by the shipper or consignee as the result of a missed or late arrival to an appointment. If the shipper or receiver charges these fees at time of pickup or delivery, then these fees will be billed back plus 5%. If multiple orders are involved, then the cost will be equally divided among all orders.
4. **CLAIMS:** DTS will accept no claims for loss or damage of property or cargo amounting to less than \$50.00. All claims in excess of \$50.00 must be filed within 9 months of delivery and must be for the lessor of the manufacturer's cost or \$2.00 per pound (See Released Value). Carrier will have the right to salvage any damaged product resulting in a claim.
5. **CLAIM DEDUCTIONS:** Deductions against Carrier's invoices are not permitted for claims, pallets, or other charges. All claims must be invoiced to Diversified Transfer & Storage 1640 Monad Rd Billings MT 59101. No claim will be processed until the freight invoice for the shipment in question has been paid by the customer. The cost of transportation should be added to the cost of the claim as a separate line item.
6. **COLLECTIONS.** Customer is primarily responsible for all charges and fees relating to a shipment, including but not limited to transportation charges, handling, storage, detention, and service charges, regardless of any payment instructions to the contrary. In the event of default by Customer, and in addition to the lien rights set forth below, (See Credit and Payment Section below) DTS reserves the right to collect all such charges from the Shipper, Consignor, Consignee, Beneficial Owner or other party to the transaction, and such parties' liability for freight and other charges shall be joint and several, regardless of the payee designated on the bill of lading or other documents. The provisions of "Section 7" of the National Motor Freight Classification's ("NMFC") Uniform Straight Bill of Lading shall not apply. DTS may, at its sole discretion, initiate collections (with or without discount application) as provided above.

By special arrangement, as a courtesy to the Customer, DTS may undertake "Collect" or third party payable shipments, though such shipments may be subject to additional charges or a different scale of rates. Collect or third-party freight

charges shall be issued to the party specified on the shipping documents, including, but not limited to, bills of lading. Any unpaid collect or third-party freight charges remain the responsibility of the Customer regardless of any notations to the contrary on the bill of lading. The Customer warrants payment shall be made to DTS within 10 days of presentation of its freight charges.

Payment of freight or other charges is not subject to deductions, offset or withholding for any reason whatsoever.

7. **CREDIT AND PAYMENT.** At its discretion DTS may extend credit to Customer. All invoices are due and payable in full in thirty (30) days from invoice date at DTS's office. Bills unpaid after 30 days from due date, including dishonored drafts, will be subject to a service charge of one and one-half percent per month (18% per annum) or fraction thereof. Such service charge shall begin to accrue on the 31st day after the date of invoice. Furthermore, DTS reserves the right to withhold delivery, or deliveries, at the customer's expense, for payment of all unpaid or past due charges. In such event, DTS shall have a possessory lien on all inventory, cargo, freight, shipments and/or tangible commodities tendered to DTS, or any of DTS's contracted carriers or other service providers, for all unpaid, past due and other charges for transportation, distribution or storage. DTS may also add its reasonable attorney fees, collection costs or service charges incurred in attempting to collect transportation, handling or storage charges. The compensation of DTS for its services shall be included with and is in addition to the rates and charges of all service providers arranged for by DTS to transport and handle the goods and such compensation shall be exclusive of any brokerage, commissions, dividends or other revenue received by DTS from carriers, insurers and others in connection with the shipment.
8. **CUSTOMER'S DUTY:** Customer warrants the accuracy of shipment descriptions, weights, dimensions, written vehicle sanitary or temperature requirements, invoices, documents and other information furnished to DTS by the Customer or its agent and the Customer agrees to indemnify and hold harmless DTS against any increased rates, charges, duty, penalty, fine or expense including attorneys' fees, resulting from inaccurate, incomplete statement, omission or any failure to make timely presentation, even if not due to any negligence of the Customer.

It is the responsibility of the Customer to know and comply with the marking requirements of the U.S. Customs Service, the regulations of the U.S. Food and Drug Administration and all other requirements, including regulations of Federal, state and/or local agencies pertaining to the merchandise. It is understood and agreed that Customer bears all responsibilities of the "Shipper" and/or "Loader" under the FDA Sanitary Food Transportation regulations, and must provide specific written requirements as to vehicle sanitary requirements and/or temperature requirements to DTS prior to shipment and to the motor carrier at the time of physical tender. Customer shall be responsible for assessing vehicle cleanliness and/or trailer temperature, prior shipments, cleaning history or any other shipment requirements at pick-up. DTS shall not be responsible for action taken or fines or penalties assessed by any governmental agency, because of the failure of the Customer to comply with the law or the requirements or regulations of any governmental agency or with a notification issued to the Customer by any such agency.

Shipper provided and applied Cargo Security Seals may be used at time of loading of Full Truck Load shipments only. When Cargo Security Seals are applied by Shipper, "Shipper Load and Count" will prevail. LTL shipments are not required to have a Security Seal or Continuous Security Seal Record due to the inherent nature of LTL shipments. (See Claims)

9. **DECLARATION OF VALUE.** Customer may request, in writing at least 24 hours prior to shipment, additional insurance or coverage from the service provider, however such higher declared value is subject to additional charges and shall not apply unless and until agreed to in writing by the service provider. Values stated on the bill of lading, invoice or other shipping documents shall be used solely for export or customs purposes, and shall not constitute the specific written agreement required above, and shipment shall be subject to the service providers' ordinary limitations of liability.
10. **DETENTION:** All detention charges will be billed to the party responsible for the freight charges. For LTL shipments weighing 10,000 pounds or less, 1 hour will be allowed for pick-ups and/or deliveries. For shipments greater than 10,000 pounds, 2 hours will be allowed for loading and/or unloading. Detention will be billed @ \$80/hour, billed in 15 minute increments.
11. **FEES AND COSTS.** The Customer shall be liable for all attorneys' fees and expenses incurred by DTS to collect payment from the Customer for services provided or to otherwise enforce DTS's rights pursuant to these terms and conditions.



12. **FINES AND PENALTIES:** DTS endeavors to meet appointment times and requested delivery dates, occasional problems happen due to unforeseen traffic & weather, excessive unloading times, equipment breakdowns, etc. LTL distribution is not a guaranteed industry, and is often subject to factors outside of our control. Therefore, DTS cannot make service guarantees on any LTL shipments. DTS will also not be responsible for payment of shipper or consignee fines, late fees or rescheduling fees. Any fees assessed upfront at time of delivery will be added to the corresponding freight invoice plus an administration fee of 5%.
13. **FUEL SURCHARGE:** Carrier's fuel surcharge will apply to all line haul revenue based on the weekly National average price of diesel fuel as determined by the Department of Energy.
14. **INCONSEQUENTIAL VARIANCE.** Neither DTS nor the Carriers will be responsible for inconsequential non-compliance with shipping terms, such as explained or documented broken seals, short term temperature variances or temperatures of up to 4 degrees from requested level, unless actual damage to the product shipped occurs.
15. **INDEMNIFICATION.** In the event that a carrier, other person or any governmental agency makes a claim or institutes legal action against DTS for freight charges, duties, fines, penalties, liquidated damages or other money due rising from a shipment of goods of the Customer, the Customer agrees to defend, indemnify and hold harmless DTS for any amount DTS may be required to pay such carrier, other person or governmental agency together with reasonable expenses, including attorneys' fees, incurred by DTS in connection with defending such claim or legal action and obtaining reimbursement from the Customer. The confiscation or detention of the goods by any governmental authority shall not affect or diminish the liability of the Customer to DTS to pay all charges or other money due promptly on demand.
16. **INDEPENDENT CONTRACTORS.** All service providers are independent contractors. Truckload shipments are tendered to motor carriers or others subject to the terms and conditions of the Broker/Carrier or other written contracts between DTS and the service provider. On "LTL" less than truckload shipments, Customer's goods shall be tendered to such service providers subject to their rules, tariffs and terms and conditions DTS will supply or direct Customer to Service Providers' specific rules, tariffs, and terms and conditions upon Customer's written request.
17. **INJURY TO PERSONS OR PROPERTY.** DTS shall not be liable to Customer or any other entity for injury to persons or property unless such injury is the direct result and solely attributable to DTS's acts or omissions. To the extent that Customer causes or contributes to such injury it shall defend, indemnify and hold DTS harmless from any claims, suits, causes of action, including reasonable attorney fees and costs. Additionally, DTS shall be entitled to reasonable attorney fees and costs for enforcement of these terms.
18. **INSIDE DELIVERY:** Driver required inside delivery fee is \$0.30 per case with a minimum charge of \$75.00. The receiver must have a safe, legal access for longer combination truck and trailer for delivery.
19. **INSTITUTIONAL DELIVERY FEE:** \$100.00 – facilities include but are not limited to; prisons or other correctional facilities, hospitals, educational facilities.
20. **LAYOVER:** Layovers will be charged at a maximum of \$500 per day.
21. **LIFT GATE FEE:** \$65.00 per delivery.
22. **LOADING / UNLOADING:** Should our driver be responsible for loading or unloading, sorting, segregating, re-stacking or re-palletizing etc., additional charges will be added to the freight invoice.
23. **NIGHT DELIVERIES:** All deliveries occurring from 6pm to 4am (inclusive) are subject to a \$150.00 night delivery charge.
24. **PALLET EXCHANGE:** DTS does not exchange pallets. Should customer / shipper require pallets, DTS will charge back the cost of the pallets plus 5% for having to purchase the pallets and wait for reimbursement. Charges will be added to the freight invoice



as an administrative fee line item charge.

25. **PAYMENT DELAYS / REFUSAL OF PAYMENT:** All invoices are due within 15 days of the date of the invoice. All invoices not paid within 30 days will be subject to a monthly service charge of 1 ½%. If a third party is required to collect on past due invoices, then the fees required to collect the past due charges will be added to the charges of the invoice.
26. **QUOTATIONS.** Quotations as to fees, rates of duty, freight charges, insurance premiums or other charges given by DTS to the Customer are for informational purposes only and are subject to change without notice and shall not under any circumstances be binding upon DTS unless DTS in writing specifically undertakes the handling or transportation of the shipment at a specific rate.
27. **REASONABLE DISPATCH.** Motor carriers are required to pick-up and deliver with “reasonable dispatch”. DTS does not guarantee nor warrant exact delivery times or days. The acceptance of freight for delivery does not grant Customer a warranty (actual or implied) to delivery times. While every effort is made to meet customer and shipper needs and expectations, no delivery guarantee is given nor will DTS or any service provider accept liability or penalty including but not limited to financial claims or restitution for late deliveries.
28. **RECONSIGNMENT:** Truckloads will be charged \$100 plus applicable mileage charge. LTL re-consignment rates will be quoted on an individual basis.
29. **RELEASED VALUE:** Carrier shall only be liable for cargo loss or damage caused by carrier. Loss or damage occurring during transportation shall be subject to a maximum valuation of \$2.00 per pound or manufacturer’s cost, whichever is lower, and only applies to the weight of the lost or damaged commodities. A higher level of cargo coverage is available at a higher transportation charge. The increased cargo value and additional rate must be agreed to prior to pick up and it must be in writing.
30. **RETURNED CHECKS:** There will be a \$50.00 charge for all returned checks.
31. **SHIPPER LOAD AND COUNT:** If our driver is required to sign for number of cases, there will be an additional charge of \$0.15 per case; \$15.00 minimum charge per order.
32. **STOPS IN TRANSIT:** Extra pickups or deliveries will be billed at the rate of \$75 per additional stop.
33. **STORAGE CHARGES:** Customer will advise of disposition of overage or damage not the fault of DTS within 24 hours of notification. After 24 hours, storage and handling charges will start. The charges of the warehouse facility used plus a 5% administration fee will be billed to the customer.
34. **THIRD PARTY UNLOADING SERVICES (LUMPERS):** Most deliveries require an unloading service to unload the truck, whether it is a third party or our driver. Documentation supporting the unloading charges will be provided with the invoice. This will be the only notification provided of such charges. If earlier notice of unloading charges is required, please call and speak to the dispatch representative that the order was tendered to. If DTS is required to hire a third-party service to unload product, a 5% administrative line item charge (\$10 minimum) will be added to the invoice to offset the cost of advancing funds to pay for the service, handling of the unloading service’s invoice, and waiting for reimbursement. If multiple orders are unloaded for multiple customers, then the total cost will be allocated among all orders based on the number of pieces unloaded per each shipper’s bill of lading. A breakdown of the cost will be provided. Charges will be added to the freight invoice.
35. **WAREHOUSE CHARGES:** Cross dock services - \$15.00 per pallet spot. Short term storage - \$10.00 per pallet spot for a maximum of three days. Warehouse labor - \$60 per hour, half hour minimum charge.
36. **WEEKEND / HOLIDAY DELIVERIES:** All deliveries occurring on Saturday, Sunday and all Holidays are subject to an additional charge of \$200.
37. **Weekend / Holiday Warehouse Unloading:** Any unloading required to be performed over a weekend or holiday will incur an additional charge of \$100 plus cross dock fees.



These terms and conditions are subject to updating without notice. This document last updated September 6, 2017. For the most recent update visit our website. www.dtsb.com.

