

FREIGHT BROKER POLICY

In this Policy, the terms “we,” “us” and “our” refer to CCXchange, LLC “CCX”. The term “customer” refers to the person or entity contracting to engage our freight broker services. The terms “shippers”, “you” and “your” refer to our customer as well as the consignee, consignor, supplier, the beneficial owner of the freight and any other person or entity having an interest in the freight.

CCXchange, LLC (hereinafter referred to as “CCX”) is a freight broker service provider. We arrange for transportation of freight by motor carrier (hereinafter referred to as a “Carrier” or in the plural “Carriers”) as a freight broker of property registered with the Federal Motor Carrier Safety Administration in accordance with pertinent federal regulation under 49 U.S.C. § 13102, Definitions (2), 49 C.F.R. §371.2 (a), 49 U.S.C. §14101 (a) and 49 U.S.C. § 14501(c)(1). We are not a freight forwarder or a common or contract carrier, or a rail carrier. Any bill of lading or other receipt that identifies us as the Carrier will not change or alter our relationship with you, our obligations to you or the nature or character of our role in arranging for transportation services as freight broker service.

Unless otherwise agreed, the Carrier’s freight claim rules and practices in effect at the time of the freight loss or damage (the “Policies”) will apply to your freight claims. However, it is important to stress that, as your freight broker service provider, we may assist you investigating all “loss and damage” issues. If a freight claim should be denied, we may assist you and the Carrier to help you understand the reasons for the denial.

CCX reserves the right to change this Policy from time to time upon advance notice to its customers. By tendering freight to us to arrange for transportation, our customer will be conclusively presumed to have agreed to the Policy, even in the absence of a written agreement between our customer and us. Also in so tendering freight to us, our customer represents and warrants that it is the agent of the consignee and beneficial owner of the freight, to the extent necessary to bind them to the Policy and any written agreement between us and our customer, including limitations of liability, and that the consignee and beneficial owner are so bound.

1. Shippers Responsibilities

Shippers are responsible for ensuring all freight is properly loaded, supported, blocked, braced and secured for the selected mode of transportation. If shipments are traveling via rail, they must be prepared for shipment according to the AAR Intermodal Loading Guide or as approved by the applicable rail carrier. Only the railroad damage prevention engineers (not motor carrier drivers or others) are qualified to provide advice on proper loading, blocking, bracing and securing of freight for intermodal transportation. If you require assistance with proper loading, please contact us.

Although the Carrier may provide equipment that has been inspected, you are still responsible for inspecting equipment, prior to loading, to ensure that it is suitable to protect and preserve the freight during transit. You should promptly notify us of any rejected equipment. If an investigation reveals that defects in equipment could reasonably have been discovered prior to loading, any claim for loss or damage will be declined.

Loads that shift in transit because they were not properly prepared for shipment may be reloaded, secured or adjusted in the equipment or transloaded into other equipment, by the Carrier, at your expense. We will work with the Carrier and you in an effort to minimize the expense and delay due to such adjustment or transloading of the freight, and upon your request, will facilitate communications with the Carriers to provide you with information and guidance so that you will be able to properly prepare future shipments. If a load shift occurs during transportation and it is determined that improper or insufficient loading, blocking and bracing proximately caused the load shift, we and Carrier may hold you liable for all expenses and charges arising from the load shift, including but not limited to the repair of damaged equipment, loss or damage to freight, fines, penalties and adjustment and transload services.

All loads are considered shipper load and count and consignee unload unless arrangements are made at the time of request for pricing or before the freight is tendered for shipment. Shippers are responsible for supplying and applying seals, and the consignee should break all seals. A consignee's failure to use a specialized stamp or form as a delivery receipt for a shipment may not invalidate any other form of delivery receipt obtained by the Carrier. Furthermore, a consignor's or consignee's failure to record the seal number of a shipment will not render us or Carrier liable for shortage in that shipment. Ordinarily, Carriers will not accept liability for shortages unless there is physical evidence of unauthorized entry into the freight vehicle while it was in the possession of the Carrier. The Carriers will require that shortage claims be supported by seal records and actual loading and unloading records. Even in connection with shipments for which the driver performed the freight count, if the seal was intact upon delivery, the freight claim is likely to be declined.

Our customer must provide accurate, proper and complete shipping instructions in a form acceptable to us, accurately identify the commodities being shipped, arrange in advance with us transportation of any restricted commodities (a notation on a bill of lading is not sufficient) and communicate the terms of the Policies to the beneficial owner, consignee and any other person or entity having an interest in the freight.

2. Restricted/Prohibited Commodities

Some Carriers have specific rules regarding the type of freight that they will carry as well as the additional documentation necessary for shipping of these restricted or prohibited commodities.

For instance, restricted or prohibited freight includes but is not limited to metal coils, rolled paper, hazardous materials and waste, alcohol, household goods, electrical or computerized products, personal effects, livestock, rubber shavings, tire fabric, over-dimension loads and mail. Other commodities such as freight that could be considered to pose a safety or health issue, is easily perishable, is considered to be of extraordinary value, or needs temperature protective services may also be subject to limitations or special requirements. Before any such freight can be tendered to a Carrier, you must make prior arrangements with us

In any case where we or the Carrier reasonably determines you have misdeclared or misdescribed freight, the Carrier will not have any liability for any loss or damage to that freight that in any way results, directly or indirectly, from such misdeclaration or misdescription or that could have been avoided had such freight been accurately and completely declared or described in accordance with the Policies.

In any case where we or the Carrier determines you tendered a prohibited commodity in violation of the Policies, the Carrier will not have any liability for any loss or damage to that freight.

3. No Right to Reduce Freight Bills for Unpaid Freight Claims

Freight claims may not be "auto-deducted" from outstanding freight bills or otherwise offset against other amounts due to us. If you have special needs, please contact your sales.

4. Our Liability and Obligations

Liability under 49 U.S.C 11706 (the Carmack Amendment) does not apply to us. We are not liable for the actions, negligence or intentional misconduct of the Carrier, for third party damages of any kind, for loss or damage to freight, or delay, nor are we liable for any damage to loading docks, facilities or other property that occurs in the course of the freight broker services rendered to you, nor are we liable for bodily injury or property damage that may arise out of the course of carrier service.

The Carriers will not be liable for the following: (1) damage to freight or equipment to the extent due to packaging, loading, unloading, blocking, bracing or securing of the freight by you; (2) inherent vice or defect in the freight transported, including but not limited to rusting of metals, swelling of wood caused by humidity, moisture or condensation, deterioration of perishable products, or damages caused by heat or cold; (3) force majeure events including but not limited to fire; strikes, slowdowns or labor disputes; riot, acts of civil disobedience or war; act of God including but not limited to floods, hurricanes, tornadoes, earthquakes, unusually severe weather, and natural disasters; nuclear incidents; terrorism; acts of governmental authority; governmental order or regulation; (4) an act, omission or default by you; or (5) shipments stopped and held in transit at your request.

We may, at your request, use commercially reasonable efforts to assist and cooperate with you to investigate and process any freight loss or damage claims against the Carriers and any claim for damage to your property occurring in the course of the freight broker services rendered to you. We will request the Carrier to pay, settle or disallow all claims within 120 days of filing and to provide an explanation for any denied claim. If the claim is not processed and disposed of within 120 days after receipt, we will provide our customer with status updates upon request.

5. Limitations of Liability

Freight claims under \$100 will not be entertained.

We must be notified of any shipment where the shipment's value exceeds \$100,000.00 before the time of shipping. When a shipment exceeds this value special arrangements must be made in writing before the time of shipping.

If a customer wishes to assign a claim to the beneficial owner of the freight or other interested party, the customer must execute and deliver to us or the Carrier an assignment of rights in a form that assigns all of the customer's rights in the freight claim to the other party.

6. Liability Outside the United States and Canada

Freight loss and damage occurring while in the possession of Carriers in Mexico are subject to Mexican law and the rules and policies of the Mexican Carriers, which differ substantially from the law, rules and policies applicable in the United States. We are not liable and U.S. or Canadian Carriers generally provide that they are not liable for freight loss or damage that occurs while the freight is in the possession of an international or domestic Carrier in Mexico. Furthermore, we do not assume any responsibility for, and Carrier insurance does not extend to cover, shipments outside the United States or Canada. Although we will use commercially reasonable efforts to facilitate the filing of your freight claims with the Mexican Carriers, it has been our experience that freight loss or damage claims in Mexico are subject to substantial delays and irregular processing. We encourage our customer to work with its insurance providers to ensure that it has adequate coverage for freight moving outside the United States and Canada.

7. No Liability for Delay

Unless otherwise agreed to by us in writing before the time of shipment, neither we nor the Carriers guarantee adherence to any particular transit schedule and will not be liable for failure to transport any shipment by any time for any particular market or appointment.

8. Liability of Carriers

The Carriers will be liable for loss or damage to freight to the extent provided under the terms of and subject to the procedures set forth in applicable Carrier Policies or if not covered in the Carrier Policies, under federal law. As information only, generally, the rail carriers have established a maximum limit on their liability of \$250,000.00 per vehicle, and some rail carriers have also established per package limits of liability. If you would like information regarding the Carrier Policies of the major rail carriers, if applicable, you may contact us, or make an independent determination.

9. Computation of Damages

Carrier liability for loss, damage or shortage of freight will not exceed the actual loss or damage to the freight minus the salvage value of the freight, subject to \$100,000.00 per vehicle and other applicable limitations. Amounts for which Carriers are not liable include but are not limited to loss of or damage to any goods not identified in the transportation documents, loss of or damage to any dunnage, freight charges and brokerage fees, fines, import duties or other charges on shipments intended for export.

10. Disclaimer of Certain Damages

In no event will a Carrier be liable to any customer, supplier, vendor, consignor, consignee or any other party for consequential and/or special damages, indirect damages, lost profits, lost savings, punitive damages, losses due to fluctuations in the freight's market value, or exemplary damages or attorney's fees or interest in any way in connection with or relating to services performed or arranged by us, or arising as a result of or related in any way to damage to freight in transit or delays, regardless of whether we were aware of or reasonably or otherwise could have foreseen any such damages.

11. Mitigation of Damages

It is the consignee's obligation to mitigate any losses, accept damaged freight and if the consignee is unable to salvage the freight, the freight must be made available to the Carrier for salvage. If the consignee is unable or unwilling to assist in mitigating the loss, we will notify our customer of the refusal and follow our customer's direction regarding the freight, including returning it to the customer for further handling. Costs associated with complying with our customer's direction will be billed to the customer. If the customer refuses to provide direction regarding disposal of freight rejected by the consignee or you prevent or refuse to sell or allow the sale of damaged freight, then we or the Carriers may, without further notice or demand, place the freight in storage at your risk and expense, may deduct our or the Carrier's reasonable estimate of the salvage value of the damaged freight from the claim and may recover from you and/or from the proceeds of a sale of the freight (or deduct from the claim amount) all costs incurred as a result of your failure to accept delivery of the freight, including but not limited to all storage fees and costs of disposal. Since any storage due to rejected freight will be at your risk, please keep in mind that the Carrier may not immediately have a practical or secure place to store rejected freight. If the freight is offered to us or the Carrier for salvage, we or the Carrier may but are not obliged to undertake salvage efforts. Our or the Carrier's determination whether to undertake salvage efforts will not waive our or the Carrier's rights to assert a claim regarding your failure to mitigate damages.

Your obligation to mitigate damages will include replacing damaged cartons and packaging, relabeling freight and undertaking other repairs and replacement of packaging and the like.

12. Burden of Proof

To establish liability for freight loss or damage you must prove, among other matters and at a minimum, that (1) the freight was received by the Carrier in good condition, properly prepared for transportation, appropriately packaged, loaded, blocked and braced by you to the extent applicable, including in the case of shipments moved intermodally, in accordance with AAR guidelines or as specifically approved by the rail Carrier, as applicable, within the vehicle at the time the shipment was tendered by you or interchanged to the Carrier; (2) the freight arrived at destination in a damaged or diminished condition; and (3) the amount of damages due for the freight claim can be specified.

13. Immediate Notifications of Loss or Damage

If a shipment arrives with apparent damage to or loss of the freight, you must notify us or the Carrier promptly (in no event later than 24 hours after delivery) in writing advising the nature and extent of the damage or loss of the freight. Prompt notification is required to allow us and the Carriers, in their sole discretion, to inspect the shipment. The Carriers must be afforded the opportunity to inspect prior to unloading.

Failure to provide this notice on a timely basis may be deemed to a waiver or release of the freight claim and may result in your claim being declined.

At our request, the consignee must preserve and make available to us and the Carrier all damaged freight, all freight received in good condition and all packaging, blocking, bracing and security devices to assist the inspector in determining the cause of the damage or loss. It is important to document all loss, damage, shortages and other exceptions with photographs, reports and other such evidence of how the shipment was protected for movement and photographs or other documentation supporting damage to the equipment. Freight shortages do not have to be inspected, but notification must be given. Our or the Carrier's failure to inspect damaged freight for whatever reason will not relieve you of the burden of proving that the freight was delivered in damaged condition and was properly loaded, blocked and braced by you, to the extent applicable, nor will it be considered an admission of liability by the Carrier.

During normal business hours, please call us to advise of the loss, damage, shortage or other exceptions. In providing this prompt notice of freight loss or damage, you should include all the information stipulated at Section 16, herein.

14. Time Limits

Pertinent law requires that freight claims be submitted to a Carrier in writing no later than nine months after the date of delivery setting forth the claimed amount, or in the case of a lost shipment, nine months after the expected delivery date. Pertinent law requires that you initiate lawsuits on freight claims within two years after any portion of the claim is disallowed. The rail carriers impose different time limits for initiating lawsuits on a freight claim, ranging from six months after disallowance to twelve months after disallowance. The Carriers will not pay freight claims that do not meet these time limits.

Should our customer wish for us to assist them in seeking recovery for freight loss or damage from the Carrier, as a condition precedent to recovery the customer must submit the claim to us within seven months of date of delivery or in the case of a lost shipment, within seven months of the expected delivery date. The claim should include the information set forth below. If the freight claim is not timely filed, we and the Carriers may consider your failure to timely file the claim as a release by you from responsibility of any party to pay that freight claim and your claim may be denied. After expiration of these time periods, you may proceed by filing the written claim directly with the Carrier but we have no role or responsibility for the timeliness of the filing or the payment or processing of that claim.

These time limits are intended to allow time to submit your claims to the Carrier within the deadlines imposed by pertinent law and the Carrier Policies.

15. Filing Freight Claims:

Freight Claims should be submitted to:

Denise Cadena Office Manager
Vcadena@cc-x.com
30212 Tomas St. 100
Rancho Santa Margarita, CA 92688

When submitting a claim, the following items must be included:

- 1) A demand for payment of a specified dollar amount determined in accordance with this Policies. This demand should include documentation to verify the amount of the demand such as certified copies of repair invoices or actual product costs. If the freight has not been invoiced to the consignee or the invoice does not show the price or value, or the freight has not been sold but transferred at bookkeeping values only or has been shipped on consignment or approval or is otherwise involved in an inventory or stock to stock transfer, the demand should include documentation and certification of the actual value of the freight;
- 2) Information to identify the shipment such as unit number, date of shipment, origin and destination of the shipment, shipper's, consignee' and notify party's names, and bill of lading number;
- 3) Legible copies of shipping instructions, the delivery receipt and other shipping documents including related merchandise listing or packing list and Bill of Lading;
- 4) Applicable salvage allowance;
- 5) Legible copies of the loading and unloading tally denoting contents and quantities of each of the cartons, crates, boxes, pallets or shipping units involved in the shipment and seal record (particularly for shortage claims)
- 6) Supporting documentation detailing the nature of the damage or loss (such as pictures supporting the method of bracing, or actual damage to equipment), proof-of delivery, reports, and receiving records);

- 7) Origin records or certification as to the condition and quantity of freight at the time received from the destination Carrier;
- 8) Shipper import declaration (if applicable); and
- 9) Evidence that the shipment was properly loaded, blocked, braced and secured by you for the selected mode of transportation.

Failure to supply these documents could result in declination of your freight claim.

Since documents, photographs and other information sent by facsimile are often illegible or may not be available in an electronic format suitable for e-mail, we recommend that you send freight claims by mail, expedited delivery (such as FedEx) or personal delivery. Providing legible and complete documentation will expedite the processing of the claim.

The intent of these requirements is to enable rapid freight claims processing and to allow us to assist you in efficiently recovering payment from the Carrier(s) responsible for the loss or damage, if applicable.

- (1) All ocean & Air charges must be prepaid. Air and ocean freight will not be advanced by CCXchange; LLC also known as "CCX."
- (2) All rates and fees on shipments for export to Mexico or Canada must be prepaid
- (3) Freight charges must be prepaid on all shipments consigned to, in care of, trade shows, traveling shows, and exhibits, unless otherwise agreed to with tender process
- (4) CCX will not handle or bill any collect charges or 3rd party billing unless preauthorized by management of CCX
- (5) Declared value and limits of liability,
 - a. The declared value of any shipment represents our limited sum of \$1.00 per pound or a maximum of \$100,000 on a full truckload basis. Any additional exposure to and risk of any loss in excess of the declared value is either assumed by the shipper or transferred by the shipper to their own insurance carrier.
 - b. Shipper (or beneficial owner of the freight) must contact CCX on any cargo that exceeds limits, **CCX does not provide additional insurance coverage of any kind**, but can make a recommendation to insurance providers for the additional coverage prior to movement.
 - c. CCX does not include cover excluded cargo such as Artwork, Antiques, historic artifacts, jewelry, live animals, pharmaceutical products, Sprints, cigarettes, tobacco, tobacco products, computers, computer components, domestic electrical equipment including television screens, CD players, DVD players, game consoles, mobile phones & components, clocks, watches, fur & leather garments, non-ferrous metals in sheet, bar, ingot, tube, coil or similar forms are excluded unless you have prior written approval from CCX.
 - d. CCX does not provide insurance coverage for any losses arising out of acts of terrorism, as defined in section 102 (1) of the Terrorism Risk Insurance Act of 2002.
 - e. Our Contingent Cargo Liability indemnifies the insured for liability they incur under the law, the policy contains a Duty to Defend for suits arising from covered carriage under their tender, and will pay any attributable settlements or damages.
- (6) Credit Terms,
 - a. CCX does not provide individual consumer credit privileges
 - b. CCX will extend credit to shippers who, in the sole judgment of CCX, are creditworthy
 - c. As a condition of extending credit privileges, CCX reserves the right to require business customers to provide current financial information, agree to draft bank arrangements for payment on account, provide a security deposit or provide a bank letter of credit.
 - d. When credit privileges are extended, CCX reserves the right to establish and enforce credit limits on customers account. At our sole discretion, we may review and amend a credit limit

- e. The invoice date begins the term credit cycle, and payment is due within 15 days from the invoice date. Failure to keep your CCX account current will result in “termination” of our services.
- f. If account is not in good credit standing, the shipment may be held or stopped in transit until customer makes alternative payment arrangements
- g. The shipper and any other party who is liable for payment are responsible for all reasonable costs incurred by CCX in obtaining or attempting to obtain payment for services rendered by CCX. Such costs include, but are not limited to, attorney fees, collection agency fees, interest, and court costs.
- h. At our sole discretion, CCX may apply payments made on your account to any unpaid invoice issued under your account.
- i. Credit Card Terms & Payments (see attached policy)
As part of the payment process, CCX has the right to provide the customer a one-time credit payment using its credit card application posted on our website at www.cc-x.com . Customer will provide all the information necessary prior to any extended credit outlined on the Credit card form (attached). As part of the authorization process, the shipper will fully agree to our terms of payment outlined within our policy.