

KC HORSE TRANSPORT, INC.

MC - 448749
USDOT No. 1078500

TERMS AND CONDITIONS OF SHIPMENT

AS A COMMON CARRIER OF PROPERTY

(Except Household Goods)

BY MOTOR VEHICLE

IN INTERSTATE OR FOREIGN COMMERCE.

INCLUDING MILEAGE RATES &/OR CHARGES

EFFECTIVE: August 15, 2019

Issued by:

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PART I -- Scope and Application

1.1 Purpose. This document establishes terms, conditions, rates and charges applicable to transportation by KC HORSE TRANSPORT, INC. of Atascadero, CA as a common carrier of property (other than household goods) by motor vehicle in interstate or foreign commerce.

1.2 Supersedes and Modification. These Terms and Conditions of Shipment supersede all prior documents, tariffs and other prior statements of terms, conditions, rates and/or charges applicable to transportation by KC HORSE TRANSPORT, INC. Except as otherwise expressly provided in these Terms and Conditions of Shipment, the terms, conditions, rates and charges established herein control and take precedence over any inconsistent or conflicting provision of any bill of lading or other transit document and can be modified only upon the express written consent of KerrieCargill-Sahadi, President of KC HORSE TRANSPORT, INC.

PART II -- Definitions and Rules of Construction

2.1 Definitions. As used in these Terms and Conditions of Shipment and in Carrier's bill of lading, the words and phrases underlined below have the meaning set forth thereafter.

2.1.1 Agreed Value means the value of an animal agreed to or declared by the Shipper on the bill of lading for a Shipment to be the largest amount for which Carrier will be liable in the event of the death of, injury or other damage to, or as the result of delay in the transportation of such animal. Unless a higher value is declared by Shipper on the bill of lading at or prior to commencement of transportation of a Shipment, the Agreed Value for each animal in such Shipment shall be \$5,000.00.

2.1.2 Beneficial Owner means any person who has an ownership interest in any animal in a Shipment at the time the animal is loaded into Carrier's Van and receives or expects to receive a benefit from the transportation of such Shipment.

2.1.3 Carrier means KC HORSE TRANSPORT, INC. and each other carrier providing any part of the transportation of a Shipment.

2.1.4 Established Rate means the rate set forth in Carrier's Rate Sheet, bill of lading or other written notation applicable to a particular Shipment where each animal in the Shipment has an agreed value not to exceed \$5,000.00.

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2.1.5 Animals means domesticated or non-domesticated livestock as set forth in the Composite Commodities List of Administrative Ruling No. 119.

2.1.6. Animals includes livestock identified as ordinary livestock exempt from regulation by the Federal Highway Administration under 49 U.S.C. 13506 (a)(6)(A).

2.1.7 Shipment means one or more animals tendered to Carrier on a single bill of lading for transportation from one or more origins to one or more destinations. If more than one bill of lading form is needed or as a matter of convenience is used to enable all animals comprising the Shipment to be identified, then all such bill of lading forms shall comprise and be deemed a single bill of lading.

2.1.8 Shipper means the person requesting the Carrier's services for a Shipment, all Beneficial Owners of each animal in such Shipment, and all other principals for whom the person requesting Carrier's services for Shipment acts as agent in making such request.

2.1.9 Van means any motor vehicle, portion thereof or trailer including one or more stalls for the transportation of animals.

2.2 Rules of Construction. As used in this document, unless the context clearly requires otherwise, words importing the singular include the plural, and vice versa; and words importing gender include all genders.

PART III --Carrier Responsibility, Limitation of Liability and Right to Receive Attorneys Fees

3.1 General Responsibilities of Carrier. The Carrier shall be responsible only for the actual transportation of the animal(s). The Carrier's Established Rate does not include the loading, unloading, handling, feeding, watering and other care of the animal(s). Shipments may be accompanied by one or more attendants provided by Shipper and it shall be the duty and responsibility of such attendants to care for, load and unload the animal(s). The Carrier, its employees and agents are not liable for injuries or death occurring to animal(s) while said employees or agents assist in the loading or unloading of said animals. Shipper and/or the individual receiving said animal(s) shall indemnify the Carrier and its agents for damages to equipment and for injury or death to animal(s) resulting from negligence or willful misconduct on the part of the Shipper, the individual receiving such animal(s) or their agents. Furthermore, if Carrier's agents or employees at the request of Shipper or the one receiving said animal(s) assist in the loading or unloading of animal(s), the Shipper and/or the individual receiving said animal(s) shall indemnify the Carrier for damages to equipment and injuries or death to the animal(s) of the Shipper and/or receiver requesting

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unloading or loading assistance and also to the animal(s) of any other Shipper or receiver occurring in connection therewith.

3.2 Limitation of Liability. Carrier's maximum liability for the death of, injury or damage to, or delay in the transportation of any animal shall be the Agreed Value of such animal. Carrier does not provide insurance for Shipper's goods. Carrier assumes the liability of a common carrier subject to the provisions of 49 U.S.C. 14706.

3.2.1 Shipper shall release and discharge Carrier from all liability from any cause whatsoever, unless such delay, injuries, or loss shall be caused by Carrier, or by the negligence of Carrier's agents or employees, and in said event, Carrier shall be liable only to the extent of actual damage sustained, but in no event an amount greater than the Agreed Value for the animal(s) in question.

3.2.2 Shipper shall declare the Agreed Value of each animal (which at Shipper's option may be any value up to and including the full value of the animal) at or prior to commencement of transportation of the Shipment on the bill of lading under the column heading "AGREED VALUE OF EACH ANIMAL (\$5,000.00 UNLESS DECLARED OTHERWISE)".

3.2.3 If the Shipper fails or declines to agree to a value and specify same on the bill of lading, and fails to sign the bill of lading, the Shipment will not be accepted. If the Shipment is inadvertently accepted by Carrier without an Agreed Value stated or a signature by Shipper on the bill of lading, the Carrier's maximum liability will be \$5,000.00 per animal.

3.2.4 If the Shipper individually or through its agent signs Carrier's bill of lading but fails to state an Agreed Value on Carrier's bill of lading for any animal at or prior to commencement of transportation, Carrier's maximum liability for each such animal shall be \$5,000.00.

3.2.5 The Agreed Value shall be deemed to relate to each animal separately and not to the Shipment as a whole.

3.2.6 If the Agreed Value declared by Shipper on the bill of lading does not exceed \$5,000.00, Carrier's charges for the Shipment shall be based on Carrier's Established Rate.

3.2.7 If the Agreed Value declared by Shipper on the bill of lading exceeds \$5,000.00, Carrier's charges for the Shipment shall be based on Carrier's Established Rate plus an excess value charge of \$2.00 for each \$100.00 or fraction thereof of excess value per animal for each 100 miles or fraction thereof of distance from point of origin to point of destination as determined in accordance with Section 4.4

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of these Terms and Conditions of Shipment (subject to a minimum excess value charge of \$200.00 per animal).

3.3 Should KC Horse Transport, Inc. successfully defend itself in any legal action brought by a party with an interest in this shipment by limiting its liability to no more than its final offer of judgment made pursuant to F.R.C.P. 68 or, if applicable, a state law offer of judgment, KC Horse Transport, Inc., shall be entitled to reasonable attorney's fees and costs.

PART IV -- General Terms and Conditions

4.1 Warranty of Shipper. Shipper individually or through Shipper's agent warrants the animals are in all respects fit and suitable for the intended transportation.

4.2 Persons Bound. The provisions contained within these Terms and Conditions of Shipment and Carrier's bill of lading shall enure to the benefit of and be binding upon the parties hereto, all Beneficial Owners of the property identified herein, and all Carriers handling the Shipment or any part thereof and shall apply to any return or reconsignment of the Shipment. The Shipper (including all Beneficial Owners of the Shipment) and each consignee shall be jointly and severally liable for payment of Carrier's lawful charges.

4.3 U.S. Currency. Rates and charges are stated and payable in U.S. dollars and cents.

4.4 Determination of Mileage. Where Carrier's rates are based on the number of miles an animal is transported, mileage shall be determined by Carrier using the most convenient mileage guide available. The actual number of miles traveled via the Carrier's routing from origin to destination as determined by Carrier will apply unless the Shipper requests transportation via a longer route, in which event the number of miles via the route requested by Shipper shall apply.

4.5 Carrier Convenience/Interline Arrangements. Carrier makes no warranty, expressed or implied, any animal(s) will be transported on any particular schedule, will be loaded, delivered or transported at any particular time, on any particular equipment or by any particular Carrier. Carrier further retains the right, at its option, to deliver shipper's animal(s) to other individuals or entities for all or a portion of a trip, taking into consideration, without limitation, earlier delivery to ultimate destination, the safety and well-being of the animal(s), reduction or elimination of layover time and the costs and inconvenience to Shipper or animal(s).

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4.6 Limitation of Service. The Carrier is not obligated to transport property for which it does not have suitable or sufficient equipment, nor to accept Shipments except as equipment is available.

4.7 Impractical/Unsafe Operations. Transportation service will not be performed where conditions of roadways, streets, alleys or premises over which vehicles must operate are such that in Carrier's judgment it is impractical or unsafe to operate. If at any time in the judgment of Carrier it is impractical or unsafe to deliver or to continue transporting a Shipment or any part thereof, Carrier shall make a reasonable effort to notify the Shipper, and upon notification Shipper may elect to reconsign the Shipment or affected part thereof in accordance with Section 5.3 of these Terms and Conditions of Shipment. If after making a reasonable effort Carrier has been unable to provide notification to Shipper as contemplated by this Section 4.7 or if upon notification Shipper fails or declines to reconsign the Shipment or affected part thereof, the Shipment or affected part thereof shall thereupon be deemed to have been tendered for delivery and the provisions of Section 4.18 of these Terms and Conditions of Shipment shall apply.

4.8 Cancellation of Service. When a request for service is placed by Shipper for transportation service, and, due to no fault of Carrier, the cancellation of such request for service is not made prior to Carrier's dispatch of vehicle, a charge of \$2.00 per mile (but in no event less than \$200.00) will be assessed and computed from the point of dispatch to the point of origin and return to the point of dispatch.

4.9 Claims. Claims for loss or damage are governed by the provisions of 49 C.F.R. 370. Claims for duplicate payment and overcharges are governed by the provisions of 49 C.F.R. 378. As a condition precedent to recovery, claims must be filed in writing with the receiving or delivering Carrier or Carrier issuing this bill of lading, or Carrier on whose line the loss, damage, injury or delay occurred, or Carrier in possession of the property when a loss, damage, injury or delay occurred, within nine months after delivery of the property (or in the case of export traffic, within nine months after delivery to port of export) or, in the case of failure to make delivery, within nine months after a reasonable time for delivery has lapsed. Suits shall be instituted against any Carrier only within two years and one day from the day when notice in writing is given by the Carrier to the claimant that the Carrier has disallowed the claim or any part or parts thereof specified in the notice. Where claims are not filed and suits are not instituted thereon in accordance with the foregoing provision, no Carrier hereunder shall be liable and such claims will not be paid.

4.10 Detention of Vehicle. When due to no disability, fault or negligence on the part of the Carrier, the loading or unloading of animal(s) is delayed beyond one hour free time, a charge of \$50.00 per Van, per half hour or fraction thereof, will be assessed after expiration of the free time mentioned above.

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4.10.1 The time shall begin to run upon notification by the driver to the Shipper's or receiver's representative responsible for loading or unloading and shall end upon completion of loading or unloading and receipt by the driver of the signed bill of lading.

4.10.2 This Section 4.10 shall not apply to horses shipped between thoroughbred race tracks for racing purposes at times when races are scheduled.

4.10.3 This Section 4.10 shall not apply if the stand-by rates set forth in Section 4.16 are applicable.

4.11 Carrier's Established Rate for Transportation. Carrier's Established Rate includes transportation of animal(s) from points of origin to points of destination and does not include the loading or unloading of same unless while en route and for the best interests of the animal(s). Carrier's Established Rate also does not include any incidental charges deemed reasonable and necessary by Carrier related to the shipment including, but not limited to, costs for veterinarian services, hospital and medical-related expenses and layover charges, said costs being in addition to Carrier's Established Rate.

4.12 Bill of Lading. When animals are transported subject to the provisions of these Terms and Conditions of Shipment, the acceptance of the use of the Carrier's bill of lading is required. The application of the rates established by Carrier is conditioned upon the use of such bill of lading.

4.13 Shipper's Copy of Bill of Lading. Shipper, individually or through its agent, and Carrier agree if Shipper or Shipper's agent does not receive a copy of the bill of lading at point of the Shipment's origin, Carrier will provide a copy of the bill of lading to Shipper or Shipper's agent at final destination or mail it to Shipper or Shipper's agent after delivery, upon receipt by Carrier of Shipper or Shipper's agent's written request to do so.

4.14 Conduct and Condition of Animals. Shipper agrees Carrier shall not be responsible for the conduct or acts of the animals to themselves or to each other such as biting, kicking, goring or smothering, nor for loss or damage arising from the condition of the animals themselves, or which results from their nature or propensities, which risks are assumed by Shipper.

4.15 Import/Export Costs. Where import regulations of the country/state/province of destination or any intermediate country/ state/province require certificate(s) relating to the health of the animal(s), the cost of any necessary veterinary expense shall be borne by the Shipper and is not included in Carrier's Established Rate. All other charges incidental to international border crossings including user fees shall be

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borne by Shipper and are likewise not included in Carrier's Established Rate. All duties, taxes, imports or levies of any kind payable at the port of destination or any intermediate port, and any expenses properly incurred in relation to the animals after arrival at the port of destination before delivery to the one receiving the animal(s) are payable by the one receiving the animal(s) but the Shipper shall indemnify the Carrier against any such payments which the Carrier shall be required or deem it necessary to make.

4.16 Standby Rates. When Carrier is required by actions or inactions of Shipper or Shipper's agent to delay overnight the departure of a Shipment due to no fault of Carrier, standby rates shall apply. Standby rates shall be the equivalent of applicable driver pay and necessary subsistence, and shall be in addition to all other rates applicable to the shipment.

4.17 Rejected Shipments. If, for any reason not ascribable to the Carrier, a Shipment is rejected, it may be returned to the point of origin upon order of the Shipper. The rate on the return movement will be that provided by Section 5.2 entitled "Exclusive Use of Vehicle" as set forth in these Terms and Conditions of Shipment.

4.18 Redelivery. If a Shipment or part thereof is tendered for delivery and delivery cannot be accomplished through no fault of the Carrier, the Shipment or applicable part thereof and tack associated therewith will be left at the nearest available facility acceptable to Carrier. No further effort will be made to effect delivery, except on request and at the charge provided in Section 5.2 entitled "Exclusive Use of Vehicle" for the actual distance traveled. All storage, feed and stable facility charges must be paid by the Shipper.

4.19 Credit Terms. Following presentation of a billing statement from Carrier, the person responsible for payment of such charges shall have a credit period of 30 days in which to make payment. Accounts unpaid as of the expiration of the credit period shall be subject to a service charge of 1.5 percent per month or fraction thereof (18 percent per annum) on the unpaid account balance beginning with the day following the last day of such credit period.

4.20 Carrier's Right to Sell Animals. Upon arrival of the animal(s) and paraphernalia at destination, unless prior credit arrangements are made, Shipper or the person who is to receive said animal(s) shall forthwith receive said animal(s) and paraphernalia and pay the charges due, if not prepaid, and if Shipper or the person to receive said animal(s) fails or refuses to duly receive said animal(s) and paraphernalia and pay charges due, Carrier or a connecting Carrier having said animal(s) and paraphernalia in its charge, may, as agent of Shipper, have said animal(s) and paraphernalia provided for in some suitable place at the cost and risk of Shipper, and subject to a lien for all freight and other lawful charges including a reasonable charge for storage. Carrier may at any time or times thereafter sell said animal(s) and/or

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paraphernalia or any number of them, at public or private sale, with or without notice, as Carrier may deem necessary, and apply the proceeds arising therefrom, or so much as may be needed for the payment of any charges that may be due Carrier plus any other necessary costs and expenses.

4.21 Collection Costs. In the event Shipper's account is turned over by Carrier for collection, Shipper and Beneficial Owner agree to pay all collection and court costs, legal interest and reasonable attorney fees.

4.22 Severability. In the event any part, portion, term or condition of Carrier's bill of lading or these Terms and Conditions of Shipment shall be held to be unenforceable, the remaining parts, portions, terms or conditions thereof shall nevertheless continue to be valid and enforceable as though the invalid or unenforceable part, portion, term or condition had not been included.

PART V -- Special Services

5.1 Loading in Excess of Capacity. Where the Shipper at Shipper's own risk deems it necessary to ship a number of animals (other than thoroughbred or standard bred racehorses) which exceed normal van capacity and the bill of lading is stamped or so marked, Shipper may obtain such service.

5.2 Exclusive Use of Van. When at the request of Shipper a Van is used exclusively for the transportation of a Shipment provided by such Shipper, the provisions of this Section 5.2 will apply.

5.2.1 When a Van of four (4) horses or less capacity (capacity to be determined by the Carrier) is ordered and used, the minimum charge shall be that for four (4) horses.

5.2.2 When a Van of more than four (4) horse capacity (capacity to be determined by Carrier) is ordered and used, the minimum charge shall be for twelve (12) horses.

5.2.3 If Carrier is unable to furnish a Van of capacity ordered and furnishes a larger Van, the minimum charge shall be that fixed for the Van ordered except that when loading exceeds the capacity of the Van ordered, the minimum charge shall be that fixed for the Van furnished.

5.2.4 If the Shipper, or the Carrier with the Shipper's approval, solicits additional horses to be transported with the original shipment, the rate for the exclusive use of the Van may be prorated among/between the Shippers or Beneficial Owners.

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5.3 Reconsignment or Diversion. At the request of Shipper, Carrier will attempt to accomplish reconsignment or diversion of any Shipment unless deemed impractical by Carrier, subject to the following provisions:

5.3.1 Reconsignment or diversion will include any or all the following: Change in name of one receiving animal(s); change in address of one receiving animal(s); or change in destination of Shipment.

5.3.2 The party requesting reconsignment or diversion shall be responsible for all communication expenses incurred by the Carrier in an attempt to effect a reconsignment or diversion, regardless whether Carrier's efforts are successful.

5.3.3 When change in destination of the Shipment is involved, the new point of destination must be within the scope of Carrier's operations as set forth in Section 1.1.

5.4 Requirement for Box Stall. Should the Shipper or the Carrier deem it necessary for an animal to occupy a box stall, a box stall being defined as a stall the entire width of the van (approximately seven feet wide by six feet deep) the Established Rate for one animal will be doubled. One mare and foal will be subject to a minimum charge of two times the Established Rate for one horse. Where the Carrier provides one or more box stalls solely for the Carrier's own convenience without regard to the particular requirements of such animal and without request of the Shipper, the provisions of this Section 5.4 shall not apply.

5.5 Stopping in Transit. If a Shipment moving on one bill of lading from one point of origin at one time to one destination is stopped in transit at any point or place at the request of Shipper or Shipper's agent for the purpose of partial loading or unloading of animals or retrieval of documents, tack, pets, paraphernalia, etc., the following provisions apply:

5.5.1 The bill of lading must show the point or points at which the Shipment is to be stopped for partial loading or unloading together with a complete description of the animals to be loaded or unloaded at each point and the name and address of the party to whom each animal is to be delivered. If delivery is made to more than one address in the same city, town or village, each delivery will be considered a separate stop in the application of this section.

5.5.2 The substitution of animals other than those animals originally loaded or the exchange of contents of the load in any manner is prohibited.

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5.6 Attendants.

5.6.1 In consideration of attendant's request for transportation without charge in the body of the vehicle wherein animals are transported, said animals being under the full care of the undersigned, the attendant agrees to indemnify, defend and hold Carrier harmless from any and all loss, cost, claim, expense, cause of action, loss of use and liability by reason of injury (including death) to persons or damage to property arising out of the use, operation, maintenance or control of cargo or motor vehicle equipment the attendant may have against Carrier, its agents, employees, officers, successors and assigns. Further, each of the attendants agrees to assume all risk of injury to himself/herself while being transported.

5.6.2 Costs for attendants provided by Carrier accompanying and caring for Shipper's animal(s) will be passed on to Shipper.

5.6.3 Indemnification of Carrier. The shipper personally and where applicable his/her agent shall indemnify and save harmless the carrier from any and all claims, liabilities and demands of any and every nature arising out of any personal injury or death, or loss or damage of any and every kind or nature sustained by an attendant or attendants requested or supplied by shipper or shipper's agent while in, upon or about the van of the carrier or incurred while acting as attendant for the aforementioned animals.

5.7 Mascots and Stable Equipment. Carrier's Established Rate also includes the transportation without additional charge of:

- (a) Not more than two ordinary pets or mascots for each animal in the Shipment.
- (b) Stable equipment consisting of anvils, blankets, boxes, feed, halters, harness, riding tack, saddles, tools and equipment not otherwise specified, not to exceed 400 pounds per animal.

5.7.1 Stable equipment exceeding the above-mentioned limits, and/or exceeding the vehicle's tack accommodation will be transported where stall space is available. Shipper agrees to pay the applicable rate for the stall space used with a minimum of one stall space.

[Add Rate Sheet]