



UPDS MASTER AGREEMENT FOR MOTOR CARRIER SERVICES

This Agreement made this _____ day of _____, 20__, by and between _____, _____, _____, USA _____, MC# _____, a Federally Registered Motor Carrier, "CONTRACTOR", and Union Pacific Distribution Services (UPDS) a Federally Registered Property Broker and Delaware corporation, with offices located at 201 South 19th Street, Suite 600, Omaha, NE, USA 68102. UPDS is a wholly owned subsidiary of Union Pacific Railroad Company, a Delaware corporation ("Railroad").

1. This Agreement shall become effective as of _____, and expire on _____, (hereinafter "Initial Term") and shall be automatically renewed for four (4) additional one-year periods unless either party gives the other party written notice at least sixty (60) days prior to the end of the Initial Term or the anniversary date of any subsequent term of its election to terminate this Agreement at the end of such period.
2. UPDS agrees to offer for shipment and CONTRACTOR agrees to transport goods offered by UPDS in its CONTRACTOR's own equipment. CONTRACTOR warrants that its equipment used hereunder is in good and serviceable condition and meets Department of Transportation safety requirements for operation over United States roads and highways.
3. CONTRACTOR has authority from the FHWA to operate as a contract CONTRACTOR and will maintain this authority and insurance for the protection of Commodity/lading in the amounts as set forth in Exhibit A. To meet the added valuation of specific shipments the amount of Commodity insurance required may be increased by written notification to CONTRACTOR from UPDS. Commodity insurance shall be in the form required by 49 CFR 1043.2(b), and shall have no exclusions or restrictions that would not be accepted by the FMCSA for filing under statutory requirements.
4. The attached Exhibit A sets forth Insurance Requirements CONTRACTOR will be required to observe and maintain. In accordance with the terms of the Exhibit, a copy of CONTRACTOR's Certificate of Insurance must be furnished to UPDS at the address indicated Section 6 (f) of this Agreement.

CONTRACTOR agrees to provide motor carrier service for UPDS under the terms of this Agreement and the Operating Rules and Guidelines that are published on UPDS's website at www.upds.com, which may be amended from time to time. CONTRACTOR agrees to perform, either directly or through its agents or independent contractors, the following services (hereinafter the "Work):

- (a) CONTRACTOR shall provide motor carrier transportation of Commodity moving in continuance of interstate rail shipments or intrastate rail shipments as identified in the attached Exhibit(s).
- (b) CONTRACTOR, at CONTRACTOR's sole cost and expense, shall arrange to furnish all necessary equipment with competent persons in charge thereof and arrange for all other persons required to adequately furnish the services herein provided for. CONTRACTOR shall employ and/or contract with and direct (or cause the employment and direction of) all persons performing any services hereunder, and such persons shall be competent and qualified to do the Work performed under this Agreement and shall remain subject to the control and direction of the CONTRACTOR, its agents or subcontractor(s), without limitation (even though they are working on or about the facilities and/or equipment of third parties).
- (c) CONTRACTOR represents and warrants that it is fully qualified and adequately equipped to perform the transportation service described herein and that CONTRACTOR will comply with all applicable regulations of the Department of Transportation, including without limitation drivers hours of service and records thereof, driver qualification and physical requirements, and equipment maintenance standards and reports.
- (d) CONTRACTOR, at its expense, shall provide all necessary equipment, (except rail cars), fuel, supplies, labor, tools and material, and shall maintain all such equipment in good repair and safe and



efficient condition to meet Department of Transportation (DOT) standards for operation over public highways and roads.

- (e) CONTRACTOR, its agents or subcontractor(s) shall pay all taxes, assessments, fees, and charges of any kind whatsoever imposed upon CONTRACTOR, its agents or subcontractor(s) for or because of the services to be performed by CONTRACTOR, its agents or subcontractor(s) for use of highways, use or operation of any equipment in such service or operation, or sale, purchase, or use of fuel or supplies for the equipment of CONTRACTOR, or CONTRACTOR's agents or subcontractor(s).
 - (f) CONTRACTOR agrees to meet the loading and delivery schedule(s) specified by UPDS with respect to transportation of freight tendered to CONTRACTOR under this Agreement.
 - (g) CONTRACTOR agrees that the locations and rates quoted will be confirmed with UPDS and effective for the duration noted in the initial request for transportation rates.
5. To the extent not prohibited by applicable statute, CONTRACTOR shall indemnify, defend and hold harmless UPDS and the Railroad, jointly and severally, and their respective affiliates, and its and their officers, agents and employees ("Indemnified Parties") from and against any and all loss, damage (including, without limitation, punitive or consequential damages), injury, liability, claim, demand, cost or expense (including, without limitation, attorney's, consultant's and expert's fees, and court costs), fine or penalty (collectively, "Loss") incurred by any person (including, without limitation, any Indemnified Party, CONTRACTOR, or any employee of CONTRACTOR or of any Indemnified Party) arising out of or in any manner connected with:
- (i) the Work, or
 - (ii) any act or omission of CONTRACTOR, its officers, agents, employees or subcontractors, or
 - (iii) any breach of this Agreement by CONTRACTOR.
- a) The right to indemnify under this section 5 of this Agreement shall accrue upon occurrence of the event giving rise to the Loss, and shall apply regardless of any negligence or strict liability of any Indemnified Party, except where the Loss is caused by the sole active negligence of an Indemnified Party as established by the final judgment of a court of competent jurisdiction. The sole active negligence of any Indemnified Party shall not bar the recovery of any other Indemnified Party.
 - b) CONTRACTOR expressly and specifically assumes potential liability under this Section for claims or actions brought by CONTRACTOR's own employees. CONTRACTOR waives any immunity it may have under worker's compensation or industrial insurance acts to indemnify UPDS or Railroad under this Section. CONTRACTOR acknowledges that this waiver was mutually negotiated by the parties hereto.
 - c) No court or jury findings in any employee's suit pursuant to any worker's compensation act or the Federal Employers' Liability Act against a party to this Agreement may be relied upon or used by CONTRACTOR in any attempt to assert liability against Railroad or the UPDS.
 - d) The provisions hereof shall survive the completion of the termination or expiration of this Agreement. In no event shall this section 5 or any other provision of this Agreement be deemed to limit any liability CONTRACTOR may have to any Indemnified Party by statute or under common law.
 - e) The party against which a demand for indemnification is made under this Agreement shall have the right to control the settlement and defense of all claims and demands and shall have the exclusive right to select counsel to defend against any such matter.
 - f) CONTRACTOR agrees to obtain at its sole cost and expense, and to keep in force during the life of



this Agreement insurance coverage set forth in the Exhibit A hereto attached and hereby made a part hereof.

6. Cargo transported by CONTRACTOR for UPDS under this Agreement shall be deemed to be in the possession of CONTRACTOR:
- from the time the cargo is in the care, custody or control of CONTRACTOR until the time the Cargo is delivered by CONTRACTOR to UPDS's customer or a warehouse, or
 - from the time the Cargo is received by CONTRACTOR from a warehouse or UPDS's Customer until the time the Cargo is delivered by CONTRACTOR to a rail CONTRACTOR, UPDS's customer or a transload facility.
- (a) Liability for loss, damage or delay claims upon Commodity transported by CONTRACTOR shall be apportioned between the parties as follows:
- (i) Liability for claims for loss, damage, delay or detention to Commodity occurring while Commodity is in the possession of CONTRACTOR, as defined above shall be assumed by CONTRACTOR.
 - (ii) All claims by Customers for Commodity loss or damage and the standards of performance of the parties hereto shall be governed by the provisions of Union Pacific Railroad Company's Master Intermodal Transportation Agreement (MITA). A copy of MITA can be obtained by contacting UPDS's representative. Customer claims shall be handled initially by UPDS with subsequent final settlement to be made between UPDS and CONTRACTOR with CONTRACTOR reimbursing UPDS for CONTRACTOR's proportionate share of any such claim.
 - (iii) CONTRACTOR shall assume liability for claims for concealed loss and damage to cargo for any shipment that is involved in a collision of any type while in the care, custody or control of CONTRACTOR or for any shipment for which the seal has been compromised or broken while in the care, custody or control of CONTRACTOR.
 - (iv) CONTRACTORS transporting freight within Canada and/or Mexico are solely responsible for maintaining financial responsibility or insurance to meet the laws or regulations of those respective countries.
- (b) CONTRACTOR shall assist UPDS and Railroad in defense of claims or suits for loss, damage, delay or detention that accrued during the term of this Agreement.
- (c) CONTRACTOR shall arrange for suitable inspection of Commodity upon pickup or delivery to UPDS's customer facility and in the event of discovery of loss, infestation or damage to Commodity, CONTRACTOR shall immediately notify UPDS's Freight Claim Processing Office at Palestine, TX by telephone, 1-800-521-3252, as to such loss, infestation or damage.
- (d) CONTRACTOR is responsible for managing shipments of Commodity it is awarded by UPDS and ensuring timely pick up and delivery. In the event CONTRACTOR is determined to be responsible for a service failure or delay that results in a service recovery such as expedited highway or airfreight service, CONTRACTOR will be held responsible for any associated incremental charges. In the event UPDS' customer advises UPDS that it has incurred a plant shutdown due to CONTRACTOR's failure to provide timely service of shipments awarded to CONTRACTOR by UPDS on behalf of the customer, UPDS will work on behalf of both parties (UPDS/CONTRACTOR) to mitigate or and/or eliminate plant shutdown charges. However, in the event charges are billed to UPDS and the failure verified, UPDS will look to CONTRACTOR pay the plant shutdown charges in a proportion to the amount of CONTRACTOR's negligence that contributed to the plant shutdown situation.
- (e) CONTRACTOR agrees to obtain at its sole cost and expense, and to keep in force during the life of this Agreement insurance coverage set forth in Exhibit A hereto attached and hereby made a part hereof.



- (f) CONTRACTOR MUST have its Insurance Agent send UPDS a certificate of insurance with coverage limits as outlined in Exhibit A to this Agreement.

The certificate of insurance shall be mailed to:
Senior Business Manager - Procurement
Union Pacific Distribution Services
206 South 19th Street, Suite 600
Omaha, NE 68102

7. UPDS agrees to pay CONTRACTOR for the transportation of freight moved under this agreement in accordance with the rates set forth on the UPDS' PRE-NOTE (Advance Shipment Notification). Modifications or additions to these rates may be agreed to in writing or may be made verbally to meet specific shipping schedules. Confirmation of verbally agreed rates must be made by a summary E-Mail, faxed or Letter from CONTRACTOR to UPDS. If UPDS pays the freight invoice in a reduced amount, such amount shall constitute the agreed rate, unless CONTRACTOR indicates to the contrary to UPDS within sixty (60) days of its receipt of payment. All modifications and additions to the rates made either in writing or verbally and confirmed in writing, or as established by the billing and payment by the parties together with the underlying freight bills shall be deemed as addendum to and considered a part of this agreement. UPDS invoice instructions will be provided to CONTRACTOR separately from this agreement.
8. UPDS and CONTRACTOR agree that transportation services hereunder are to be in compliance with 49 USC 10102 by assigning tractor, driver (s) and conveyance for a movement for the exclusive use of UPDS or by providing specialized services or equipment designated to meet the distinctive needs of UPDS and its customers. Such services shall include, when applicable, but shall not be limited to: protective service, multiple stops in transit, "POWER ONLY", direct dispatch, and drop shipments, inside deliveries, spotting of trailers or containers, and expedited shipments.
9. CONTRACTOR will be responsible to comply with all applicable FMCSA and DOT regulations as well as all other federal or state regulations pertaining to the operations of a motor carrier.
10. CONTRACTOR shall be liable to the owner of the freight for full actual loss and damage to the freight transport under this agreement while in the care or custody of the CONTRACTOR. All claims for loss and damage and salvage shall be handled and processed in accordance with the regulations of the FMCSA as published in the Code of Federal Regulations (49 CFR 1005). Shipments transported from, to, or within Canada and/or Mexico are subject to the laws of those respective countries while any shipment is moving over the highways of either respective country..
11. CONTRACTOR will invoice all charges for transportation services directly to UPDS. CONTRACTOR shall provide UPDS with a copy of the signed bill of lading and delivery receipt (if needed).
12. UPDS will identify its customers to CONTRACTOR as each first load from each customer is offered to CONTRACTOR. If CONTRACTOR accepts the load and transports the freight, this will acknowledge that this new customer is a UPDS customer. CONTRACTOR has five (5) days after such "first load" moves to challenge, in writing, why the customer should not be considered a UPDS customer. In any case of challenge, UPDS and CONTRACTOR will agree in writing exactly how this customer will be handled.
13. CONTRACTOR agrees to support and protect UPDS's efforts in performance of this Agreement by refraining from any direct contact or solicitation of UPDS's Customers. During the term of the Agreement and for a period of six (6) months from the termination of this Agreement, CONTRACTOR shall not, directly or indirectly solicit or do business of transportation or warehousing nature with any of UPDS's customers who are serviced by CONTRACTOR as in connection with this Agreement unless otherwise agreed to in writing.

14. CONTRACTOR shall keep accurate records of shipments covered by this Agreement and designated UPDS personnel or its agent shall, at reasonable times, have the right to inspect such records kept by CONTRACTOR for the purpose of determining compliance with the terms of this Agreement.
15. During the term of this Agreement and for a period of two (2) years thereafter, UPDS, or its designated third party agent, shall have the right to audit any pertinent shipping weight, reconciliation and financial records, including those that substantiate CONTRACTOR's charges to UPDS. Unless otherwise arranged with CONTRACTOR, all audits and inspections shall be conducted by UPDS or its designated third party agent during normal business hours, in such a manner as to minimize any disruption to CONTRACTOR's operations..
16. It is the intention and agreement of the parties that CONTRACTOR and its employees, agents and subcontractors will be and shall remain independent contractor (s) with its or their own employees and subcontractors and shall not be considered employees of UPDS, and all provisions of this Agreement will be interpreted in accordance with that intent and agreement. Provided however, UPDS shall be the agent for CONTRACTOR for the collection and payment of charges to CONTRACTOR. Unless otherwise notified, CONTRACTOR agrees that it will look only to UPDS for payment for its services.
17. CONTRACTOR shall pay in full all persons who perform labor upon or provide materials in connection with the work to be performed by CONTRACTOR. CONTRACTOR shall not create, permit or suffer any mechanic's or materialmen's liens of any kind or nature to be created or enforced against any real or personal property of UPDS. CONTRACTOR shall indemnify and hold UPDS harmless from and against any and all liens, claims, demands, costs or expenses or whatsoever nature in any way connected with or growing out of such work done, labor performed, or materials furnished by CONTRACTOR.
18. In cases where, after movement of freight, the ultimate payer of the freight charges for any reason defaults on payment, CONTRACTOR and/or UPDS, after both parties agree in writing, may proceed against the debtor at a cost ratio and collection ratio equal to the ratio applicable to their respective receipts agreed to on the original movements(s), including attorney fees, court costs, and costs to defend countersuits.
19. Obligations of this agreement are separate and divisible and in the event that any clause is deemed unenforceable, the balance of the agreement shall continue in full force and effect.
20. If at any time during the term hereof either party is unable to keep, observe and perform its obligations herein by reason of Force Majeure (as hereinafter defined), then such performance shall be suspended for the period during which Force Majeure`applies. The term "Force Majeure", as used herein, means any period during which either party is prevented from keeping, observing or performing its obligations hereunder due to causes or conditions beyond its control, as, by way of example, but not limited to, embargoes, strikes, lockouts or other defensive shutdowns, acts of God, governmental restriction, enemy actions, terroristic acts, civil commotion, fire or other casualty, storms, floods or other inclement weather conditions.
Written notice of the event causing Force Majeure and the dates of the beginning and termination of the Force Majeure condition shall be given by the party claiming Force Majeure to the other party.
21. Neither party may disclose any of the terms of this Agreement to any non-party without the prior written consent of the other party except (1) as required by law; (2) to a corporate parent, subsidiary or affiliate; or (3) to auditors retained by a party for the purpose of assessing the accuracy of the charges, or (4) to any insurance provider of the parties if, the auditor, and/or insurance provider agrees in a legally binding instrument that it will abide by this confidentiality clause as if the auditor, and/or insurance provider were a party to this Agreement. CONTRACTOR acknowledges and agrees that UPDS's compensation hereunder for its services is confidential and need not be disclosed to CONTRACTOR.
Each party agrees to indemnify the other from and against any damage suffered by a party as a result of any disclosure by auditor(s), insurance provider(s) or otherwise in violation of this confidentiality provision. In the event a party determines that the terms of the Agreement have been disclosed to a non-party, then the non-disclosing party shall have the option to terminate this Agreement upon thirty (30) days written notice to the disclosing party and seek whatever legal remedies it may have.

22. This Agreement is intended for the sole benefit of UPDS and CONTRACTOR and is binding upon their respective successors and any agreed-upon assigns. Nothing in this Agreement is intended or may be construed to give any person, firm, corporation or other entity, other than the signatories hereto, their permitted successors and permitted assigns, and their affiliates any legal or equitable right, remedy or claim under this Agreement.
23. Notwithstanding the provisions of section 1, this Agreement may be terminated upon the occurrence of any of the following:
- (i) Either party will have the right to terminate this Agreement by giving not less than thirty (30) days advance written notice to the other party.
 - (ii) UPDS may immediately terminate this Agreement if at any time during the term of this Agreement, CONTRACTOR shall file, or there shall be filed against CONTRACTOR, in any court, pursuant to any statute either of the United States or any state, a petition in bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or a portion of the property of the CONTRACTOR, and such petition is not discharged within thirty (30) days after the filing thereof, or if CONTRACTOR makes an assignment for the benefit of creditors, or petitions for or enters into an arrangement, or permits its interest in this Agreement to be taken under any writ of execution or attachment.
 - (iii) UPDS may immediately terminate this Agreement should CONTRACTOR fail to correct a default in performance of its obligations hereunder within thirty (30) days of receipt of written notice by UPDS requesting that such correction(s) be made. Conditions, including default, for early termination by UPDS may be, but are not limited to safety and permit violations, shipper and/or receiver dissatisfaction, and/or impaired community relations.
 - (iv) Either party may terminate this Agreement upon ten (10) days written notice to the other party in the event of condemnation of all or a substantial part of the property that is essential to operation of this Agreement.
 - (v) This Agreement will automatically terminate without recourse by any party if Railroad ceases service to, abandons, sells or disposes of a line or station of Railroad essential to operation of this Agreement.
- (a) Any notice of termination shall be given in writing and delivered via Certified U.S. Mail (Return Receipt Requested) or via overnight courier and shall include the effective date of such termination.
- (b) Termination of this Agreement for any reason shall not relieve either party of its obligations hereunder which arise prior to the date of such termination.
24. UPDS is not required to make any payment to CONTRACTOR unless CONTRACTOR shall previously have provided releases to UPDS and Railroad executed by all persons who have asserted or might have mechanic's or materialmen's liens, stop notices, or labor and material bond rights arising out of the Work performed under this Agreement.
25. Litigation arising out of or connected with this Agreement may be instituted and maintained only in the District Court in the City of Omaha, Nebraska, and the parties consent to jurisdiction over their person and over the subject matter of any such litigation in those courts and consent to service of process issued by such courts. This Agreement shall be governed, construed and enforced in accordance with the laws of the State of Nebraska.
26. Neither party may assign this Agreement, in whole or in part or any interest arising under the Agreement without the prior written consent of the other party, except that no such consent shall be required where assignment is to a successor in interest of **all** of the assets of such party by way of merger. Any assignment



of this Agreement, whether voluntary, by operation of law or otherwise, without such consent in writing, shall be absolutely void, and at the option of the party whose written consent should have been obtained, this Agreement may be terminated.

- 27. No modification or amendment of this Agreement shall be of any force or effect unless made in writing, signed by CONTRACTOR and UPDS and specifying with particularity the nature and extent of such modification or amendment. This Agreement and the Exhibit(s) attached hereto and made a part hereof, as amended from time to time, constitute the entire understanding between CONTRACTOR and UPDS and cancel and supersede any prior negotiations, understandings and agreements, whether written or oral, with respect to the Work or any part thereof. Upon execution of this Agreement by both parties this Agreement will supersede and cancel all previous agreement (s) covering operations at locations listed in the attached Exhibit(s).
- 28. This Agreement hereby incorporates the terms and conditions of the Exhibits attached hereto. In the event of a conflict between this Agreement's printed words and the Exhibits, the Agreement shall govern.

THIS AGREEMENT, consisting only of the terms and conditions set forth above, the Exhibit and any Rider, has been executed by the authorized officials of the parties hereto.

_____ BY: _____ TITLE: _____ DATE: _____ ADDRESS: _____ CITY/STATE/ZIP: _____	Union Pacific Distribution Services (UPDS) BY: _____ TITLE: _____ DATE: _____
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Exhibit A

CONTRACT INSURANCE REQUIREMENTS First Party Contractors

UPDS Drayage

Contractor shall, at its sole cost and expense, procure and maintain during the life of this Agreement (except as otherwise provided in this Agreement) the following insurance coverage:

A. Commercial General Liability Insurance. Commercial general liability (CGL) shall contain a single limit of at least \$1,000,000 each occurrence or claim and an aggregate limit of not less than \$2,000,000. CGL insurance must be written on ISO occurrence form CG 00 01 12 04 (or a substitute form providing equivalent coverage).

The policy must also contain the following endorsement, which must be stated on the certificate of insurance: Contractual Liability Railroads ISO form CG 24 17 10 01 (or a substitute form providing equivalent coverage) showing "Union Pacific Railroad Company Property" as the Designated Job Site.

B. Commercial Automobile Coverage Insurance. Truckers Liability Coverage with a combined single limit of not less than \$1,000,000 each accident. Coverage must be written on ISO form CA 00 12 03 06 (or a substitute form providing equivalent liability coverage), and coverage must include liability arising out of any auto (including owned, hired, and non-owned autos).

The policy must contain the following endorsements, which shall be stated on the certificate of insurance:

- ◆ Motor Carrier Act Endorsement – Hazardous materials clean up (MCS-90) if required by law.
- ◆ Intermodal Interchange covering physical damage to non-owned trailers/containers with limits of at least \$25,000 per trailer/container.

C. Workers Compensation and Employers Liability Insurance. Coverage must include but not limited to:

- ◆ CONTRACTOR's statutory liability under the workers' compensation laws of the state(s) affected by this Agreement.
- ◆ Employers' Liability (Part B) with limits of at least \$500,000 each accident, \$500,000 disease policy limit, \$500,000 each employee

If CONTRACTOR is self-insured, evidence of state approval must be provided along with evidence of excess workers compensation coverage. Coverage shall include liability arising out of the U. S. Longshoremen's and Harbor Workers' Act, the Jones Act, and the Outer Continental Shelf Land Act, if applicable.

The policy must contain the following endorsement, which must be stated on the certificate of insurance: Alternate Employer Endorsement ISO form WC 00 03 01A (or a substitute form providing equivalent coverage) showing Railroad in the schedule as the alternate employer.

D. Umbrella or Excess Policies. In the event CONTRACTOR utilizes Umbrella or excess policies, these policies shall "follow form" and afford no less coverage than the primary policy.

E. Motor Truck Cargo. Motor Truck Cargo Legal Liability coverage must be written on AAIS Form IM 7450 04 04 (or a substitute form providing equivalent liability coverage). Limits of insurance must be equal to the greater of the replacement cost of the freight being transported or \$250,000 for any one occurrence in addition to cargo insurance required by applicable State or Federal laws. Freight insurance shall be in the form required by 49 C.F.R. 1043.2(b), and shall have no exclusions or restrictions that would not be accepted by the FMCSA for filing



under statutory requirements. Certain high value accounts may require a higher level of insurance. To meet the added valuation of specific shipments the amount of freight insurance required may be increased by written notification to CONTRACTOR from UPDS.

Other Requirements:

F. All policy(ies) required above (excluding worker's compensation and employers liability) must include Railroad as "Additional Insured" us ISO Additional Insured Endorsements CG 20 26, and CA 20 48 (or substitute forms providing equivalent coverage), The coverage provided to Railroad as additional insured shall, to the extent provided under ISO Additional Insured Endorsement CG 20 26, and CA 20 48 provide coverage for Railroad's negligence whether sole or partial, active or passive, and shall not be limited by Contractor's liability under the Indemnity provisions of this Agreement

G. Punitive damage exclusion, if any, must be deleted (and the deletion indicated on the certificate of insurance), unless (a) insurance coverage may not lawfully be obtained for any punitive damages that may arise under this agreement, or (b) all punitive damages are prohibited by all states in which this agreement will be performed.

H. CONTRACTOR waives all rights of recovery, and its insurers also waive all rights of subrogation of damages against Railroad and its agents, officers, directors and employees for damages covered by the workers compensation and employers liability or commercial umbrella or excess liability obtained by CONTRACTOR required by the UPDS Master Agreement for Motor Carrier Services ("Agreement"), where permitted by law. This waiver must be stated on the certificate of insurance.

I. Prior to commencing the work, CONTRACTOR shall furnish Railroad with a certificate(s) of insurance, executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements in the Agreement.

J. All insurance policies must be written by a reputable insurance company acceptable to Railroad or with a current Best's Insurance Guide Rating of A- and Class VII or better, and authorized to do business in the state(s) in which the work is to performed.

K. The fact that insurance is obtained by CONTRACTOR or Railroad on behalf of CONTRACTOR will not be deemed to release or diminish the liability of CONTRACTOR, including, without limitation, liability under the indemnity provisions of this Agreement. Damages recoverable by Railroad from CONTRACTOR or any third party will not be limited by the amount of the required insurance coverage.

M. Contractor warrants, for any shipments that if it transports into or out of Mexico or Canada, that it will be solely responsible for maintaining insurance or financial responsibility to meet the laws or regulations of the respective country.



Exhibit B

Rates and Locations

Effective Date: _____

The rates set forth in this Exhibit B may be accepted by CONTRACTOR either by written notice to UPDS, or movement of shipments between the locations after the effective date. Additionally, it is understood that the terms and conditions of the Agreement attached hereto and in effect on the Effective Date of this Exhibit B are hereby unconditionally incorporated herein and accepted by the parties to govern any shipments made hereunder.