

## CONDITIONS OF CONTRACT

Conditions of Contract are subject to change, see Carrier's website for a current copy.

1. By tendering the shipment described herein for transportation, Customer, for himself and all other parties at any time having an interest in the goods, agrees to these Conditions of Contract, which no agent or employee of the parties may alter. This waybill is NON-NEGOTIABLE for DOMESTIC and INTERNATIONAL shipments and has been prepared by Customer or on Customer's behalf by Carrier. If a shipment is tendered to Carrier on any shipping document other than Carrier's own waybill, Carrier's conditions of contract shall supersede any terms, conditions, rules or regulations contained on the shipping document used.

2. As used in this Contract, "Carrier" means the party whose logo appears on the face of this waybill or the station performing services to Customer, and all surface and air carriers that carry or undertake to carry the goods hereunder or perform any other services incidental to such carriage. Carrier stations may be independently owned and operated. Carrier disclaims any liability for the acts, errors or omissions of its stations. "Customer" means the shipper, sender, consignee or recipient of the shipment that is identified in this waybill or alternatively, the "Bill to Party" or person who is responsible for Carrier's freight charges, together with their respective employees and agents.

3. Customer warrants that: (a) it is either the owner or authorized agent of the owner of the goods and that it is accepting these Conditions of this Contract not only for itself, but also as agent for and on behalf of the owner; (b) the description and particulars of any goods furnished by or on behalf of Customer are complete and accurate; (c) all goods have been properly and sufficiently prepared, packed, labeled and/or marked appropriate for any operations or transactions affecting the goods and characteristics of the goods; (d) the goods do not comprise or contain any explosive, incendiary or other device, hazardous substance or weapon which may endanger life or the safety of any transport conveyance or which may cause or is likely to cause loss, damage, injury to or death of any person or property; and (e) the goods do not contain any undeclared dangerous or hazardous materials within the meaning of current IATA Dangerous Goods Regulations ("Regulations") and Customer will not tender such goods to Carrier without obtaining Carrier's prior consent. Where such consent is granted, Customer warrants that all such goods are packed, marked, and labeled and otherwise meet all documentation requirements and provisions of the Regulations and it has complied with all statutes, rules and regulations of any and all governments and governmental agencies governing its activities.

4. (a) It is mutually agreed that the shipment described herein is accepted for carriage on the date hereof in apparent good order (except as noted), subject to governing rates, rules and classifications stated in the most recent rules and regulation tariff of Carrier. Said rates, rules and classifications are available for inspection by the parties hereto and are hereby incorporated into and made part of this Contract. (b) To the extent not in conflict with the foregoing, carriage hereunder and all other services performed by each Carrier are subject to: (i) applicable laws, government regulations, orders and requirements; (ii) provisions herein set forth; and (iii) applicable tariffs, rates, rules, regulations and timetables (but not the times of departure and arrival therein) of such Carrier.

5. Carrier undertakes to complete the carriage hereunder with reasonable dispatch. Carrier may substitute alternate carriers or aircraft and may without notice and with due regard to the interests of the Customer substitute other means of transportation. Carrier is authorized by Customer to select the routing and all intermediate stopping places it deems appropriate or to change or deviate from any routing instructions shown on the face hereof. For international air shipments, Carrier reserves the option to act as an agent of the airline instead of as a Carrier, in which event the direct airline's tariffs shall apply.

6. All shipments are subject to being opened and inspected by Carrier, however Carrier is not obligated to perform such inspection. No liability shall attach to Carrier if Carrier refuses to carry a shipment based on a good faith determination of what it understands to be the applicable law, regulation, demand, order or requirement.

7. Carrier reserves the right to reject any goods of a dangerous or damaging nature, any security classified cargo, and any goods subject to the Arms Export Control Act. If such goods are accepted and then in the opinion of Carrier it decides that such goods constitute a risk to other shipments, property, life or health, Carrier reserves the right at the expense of Customer to remove or otherwise deal with the goods. Customer will be responsible for the suitable reception, handling, and storage of such cargo in accordance with the Regulations and all other international, federal, state and local ordinances, regulations and instruments.

8. Customer hereby indemnifies and holds Carrier harmless from and against any and all liabilities, claims, losses, costs, damages, and expenses arising out of or related to: (a) Customer's or its agents' breach of, or failure to observe or perform any of, the warranties contained herein; (b) the negligence of Customer or its agents or the violation of any applicable laws or regulations by Customer or its agents; or (c) any and all duties, taxes, levies, fines, penalties and other outlays imposed by any authority in relation to the goods arising out of Carrier acting in accordance with Customer's instructions or in a manner customarily expected of a carrier under the circumstances.

9. Customer shall comply with all applicable laws and other government regulations of any jurisdiction to, from or through which the shipment may be carried, including those relating to the packaging, carriage or delivery of the shipment, and shall furnish such information and attach such documents to this waybill as may be necessary to comply with such laws and regulations. Carrier shall not be obligated to inquire into the correctness or sufficiency of such information or documents. Carrier shall not be liable to Customer for damage, delay, loss or expense due to the Customer's failure to comply with this provision.

10. Shipment is subject to charges for actual or dimensional weight in accordance with Carrier's applicable rules. In case of loss or damage, the weight to determine Carrier's limit of liability shall be the chargeable weight of the shipment OR a pro rata share in the case of a partial shipment loss or damage.

11. Subject to the conditions herein, Carrier shall be liable for the goods for the period they are in its charge or the charge of its agent. Carrier's transportation rates and/or insurance/declared value charges are established based on these Conditions of Contract, including the limitations of liability provided herein. Prior written authorization from carrier is required for shipments with a declared value over \$50,000 or having an insured value above \$100,000.

12. For domestic shipments not having a declared or insured value at the time of shipment, the total liability of Carrier shall in no event exceed \$ 50 per pound of each piece of the shipment lost or damaged (but not less than \$50.00 per shipment) or the actual value of such piece, whichever is less. For international air shipments not having a declared or insured value declared at time of shipment, the total liability of Carrier shall in no event exceed 17 Special Drawing Rights (SDR) per lost or damaged kilogram. The value of 1 SDR is as determined by the International Monetary Fund at the date of judgment as converted into national currency in round figures under applicable law.

13. For shipments having a declared or insured value on the waybill prior to acceptance by Carrier, the total liability of Carrier shall in no event exceed the declared or insured value of the shipment/piece or the actual value of the shipment/piece, whichever is less, plus the amount of any transportation charges for which Customer may be liable. An additional charge will apply for shipments having a declared or insured value. (a) The value of any used equipment will be based on sale price if sold or replacement value if not. Carrier will not be responsible for mechanical derangement unless resulting from a peril covered under Carrier's open policy. (b) Carrier's maximum liability for any ENVELOPE or LETTER is \$25.00. (c) Exclusions: Any shipment prohibited by law or with country restrictions/limitations; fresh foods, eggs, live animals, species, fishmeal, flowers, plants, cotton, bagged goods, cement, fertilizer, human remains of any kind, nuclear fuels, confectionary, chocolates, ceramics, pottery, porcelain, marble, granite, china, glassware, fluorescent tubes, neon lighting or signs, x-ray tubes, glass mirrors, windows, glass or other inherently fragile items, cigarettes (tobacco products), bulk products, laptop computers, computer chips and similar memory devices, plasma screen monitors, mobile phones, fine arts, original works of art, antiques, bonds, coins of any kind, currency, currency equivalents, furs, fur clothing, gems or stones (cut or uncut), industrial diamonds, gold or silver, coined concentrates, jewelry (other than costume jewelry), pearls, precious metals, securities (negotiable), time sensitive written material (e.g., bids, contract proposals, etc.), when the declared value exceeds \$0.50 per pound; household goods and/or personal effects, one-of-a-kind articles or models, prototypes, valuable rugs (i.e., Oriental rugs, Persian rugs) and prints or lithographs when the total declared value of the shipment exceeds \$500.00 or when the declared value exceeds \$0.50 per pound, per piece; and such other articles provided in Forwarder's governing tariffs and/or service guide. (d) No employee or agent of Carrier has any authority to accept such articles for transportation or to waive the limitations contained herein. (e) If the sum entered on the face of the waybill as "Declared Value for Carriage" represents an amount in excess of the applicable limits of liability referred to in these Conditions, and if Customer has paid any supplementary charge, this shall constitute a special declaration of value for the Carrier's limit of liability.

14. Carrier's liability for claims must be a direct result of Carrier's negligence. Payment of any claim shall be subject to proof of actual loss or damages suffered. Claims must contain a copy of the original purchase invoice and other documentation reasonably requested by Carrier. Carrier shall not be liable in any event for any consequential or special damages resulting from any damage or loss whether or not Carrier had knowledge that such damages might be incurred. Carrier shall not be liable for shipment and/or consequential loss, damage, delay or other result caused by: (a) Acts of God, perils of the air, public enemies, public authorities acting with actual or apparent authority, quarantine, riots, authority of law, unavailability in whole or in part of aircraft fuel, strikes, civil commotions or hazards or dangers incident to the state of declared or undeclared war or nuclear risk; (b) the act or default of the Customer or consignee. (c) the nature of the shipment, or any defect, characteristic or

inherent vice thereof. (d) violation by the Customer or consignee of any of the rules contained in these Conditions of Contract or applicable Carrier tariffs, including, but not limited to, improper description of commodities, improper or insufficient packaging, securing, marking, or addressing and failure to observe any of the rules relating to shipments not acceptable only under certain conditions. (e) unavailability of equipment or space therein. (f) compliance with delivery instructions from the Customer or consignee or non-compliance with special instructions from the Customer or consignee not authorized by Carrier's rules. (g) shortage of articles loaded and sealed in containers by the Customer provided the seal is unbroken at the time of delivery and the container retains its basic integrity. (h) failure of Carrier to pick-up, transport or deliver shipment by a stipulated date or time.

15. Notice of arrival of goods will be given to the consignee or to the person indicated on the face hereof as the person to be notified. On arrival of the goods at the place of destination, subject to the acceptance of other instructions from the Customer prior to arrival, delivery will be tendered to consignee. If the consignee declines to accept the tender of goods, or cannot be communicated with, disposition will be made in accordance with instructions of the Customer. Customer shall be liable for all costs in either returning the shipment or warehousing the shipment pending its disposition or both. When no delivery signature is required, Customer releases Carrier from all liability from any loss or damage claim for the shipment.

16. Except as provided in the following paragraph below, receipt by the consignee of the shipment without written notification of damage on the delivery receipt shall be prima facie evidence that the shipment has been delivered in good order and condition. If loss or damage is found, a notation must be entered on the delivery receipt which accurately reflects the nature and extent of the damage. Consignee may not inspect contents of the shipping containers until the shipment has been signed for on the delivery receipt. Such notations as "subject to inspection" and "subject to recount" are not valid exceptions.

17. Overcharge claims must be received in writing by Carrier within one year after date of acceptance of the shipment by Carrier. (a) For domestic air and surface shipments written notification on all other claims (except concealed loss/damage claims) must be received by Carrier within (30) days after Carrier accepted the shipment. Notification of concealed loss/damage claims (i.e. claims for loss or damage discovered by the consignee after delivery and after a clear receipt has been given) must be received in writing by Carrier within (7) days after delivery, or in the case of perishables within 48 hours. For damage claims and concealed loss claims, Carrier must be allowed the privilege to make inspection of the shipment, container(s) and packaging material(s) at place of delivery in the same condition they were received in. (b) If loss/damage occurs before, during or after international carriage by air, Carrier must be notified in writing of loss/damage or other expense incurred by the Customer, consignee or other claimant; (i) in the case of visible damage or concealed loss or damage to the goods, immediately after discovery of the damage and at the latest within fourteen (14) days from receipt of the goods, with privilege to Carrier to make inspection of the shipment and container within (30) days after receipt of such notice. While awaiting inspection by Carrier, the consignee must hold the shipping container and its contents in the same condition as received insofar as it is possible to do so. (ii) in the case of nondelivery or misdelivery of the goods, within one hundred and twenty (120) days from the date of issue of the waybill. (c) All claims are subject to proof of value. After filing a claim or notice of intent, all documents required to support the claim must be in Carrier's possession within thirty (30) days from the date of Carrier's acknowledgment letter unless waived or extended by Carrier. Failure to submit all supporting documents within this time limitation will result in denial of the claim. No claim with respect to any Shipment will be entertained until all transportation and other related charges have been paid to Carrier. Claimant may not deduct the amount of any claim from these charges.

18. Carrier shall not be liable in any action brought to enforce a claim unless the claimant has complied with Carrier's claim procedures. Any rights to damage against Carrier shall be extinguished unless an action is brought within one year from the date written notice is given that Carrier has disallowed the claim in whole or in part or two years from the date on which transportation stopped when involving an international air shipment.

19. All claims regardless of type must be received in writing by the corporate office of Carrier at P.O. Box 3627, Bellevue, WA 98009-3627.

20. If delivery of the goods or any part thereof is not accepted by the consignee of the shipment or any person acting on its behalf at the time and place when and where Carrier is entitled to call upon the consignee to take delivery thereof, Carrier shall be entitled to store the goods or any part thereof in suitably protective storage. In such event the liability of Carrier with respect to the stored goods or that part thereof excepting negligence on the part of Carrier shall cease and the cost of such storage if paid for or payable by Carrier or any agent of Carrier shall immediately be paid by Customer to Carrier upon demand. Carrier shall be entitled to return the said undelivered goods to the location from which the goods originated at the request and expense of Customer. If after ten (10) days no instructions have been given by Customer to return the goods or to have them destroyed, Carrier shall have the option of returning, disposing of or salvaging the goods at Customer's expense.

21. Any exclusion or limitation of liability applicable to Carrier shall apply to and be for the benefit of Carrier's agents, servants and representatives and any person whose equipment is used by Carrier for carriage and its agents and representatives. For purposes of this provision, Carrier acts herein as agent for all such persons.

22. If insurance is requested by Customer and if the appropriate premium is paid and these facts are recorded on the face hereof, the goods covered by this waybill are insured under an open policy of an underwriter chosen by Carrier for the amount requested as set forth on the face hereof (recovery being limited to the actual value of the goods lost or damaged provided that such amount does not exceed the insured value). The insurance is subject to the terms, conditions and coverage (from which certain risks are excluded) of the open policy, which is available for inspection at the corporate office of the Carrier by the interested party. Should an insurer dispute its liability for any reason, the insured shall have recourse against the insurer only and the Carrier shall not be under any responsibility or liability in relation thereto. Claims under such policy must be reported in writing immediately to an office of Carrier. All claims are subject to proof of value.

23. Customer must enter the amount of any Customer's C.O.D., which shall be collected subject to a fee, and rules of the delivering Carrier. Under no circumstance will Carrier be responsible for the form of payment by the consignee unless specifically requested in writing on the face of the waybill. Carrier cannot accept cash and will not be liable for any fraudulent or apparent certification of checks on C.O.D shipments.

24. Customer, consignee, owner and current possessor of goods shall be liable, jointly and severally, to pay or indemnify Carrier for all claims, fines, penalties, damages, costs or other sum which may be incurred, suffered or disbursed by Carrier by reason of any violation of any of the rules contained in the tariff of Carrier or any other default of the Customer or such other parties with respect to a shipment, including all unpaid charges (including reasonable legal fees) payable to Carrier on account of any shipment. Carrier shall have a lien on the shipment for sums due and payable. All charges are payable to the corporate office of Carrier in U.S. funds.

25. This contract of carriage shall be binding upon the Customer and consignee and the carriers by whom transportation is undertaken between the points of origin and destination, including any re-consignment or return of the shipment, and shall inure to the benefit of any other person, firm or corporation performing for the Carrier any pick-up, delivery or other freight service in connection with the shipment.

26. International shipments shall be governed by The Warsaw Convention or Montreal Convention and these conditions of contract except as otherwise provided by applicable treaties, laws, statutes, orders or requirements. International ocean shipments shall be covered by the Carriage of Goods by Sea Act and the terms and conditions of contract of Carrier's waybill.

27. The United States District Court for King County, Washington shall have jurisdiction and determine disputes arising under this waybill including failure to pay charges due Carrier.

28. The terms of the waybill shall be severable, and, if any part or term hereof shall be held invalid, such holding shall not affect the validity or enforceability of any other part or term hereof.