

CONDITIONS OF CONTRACT

This contract is between AVG Transportation Specialists, Inc., a Washington corporation ("AVG") and the Shipper designated below. AVG and Shipper agree as follows:

1. These Conditions of Contract mean all of the terms set forth below, all of the terms on the shipping instruction form and Waybill, all of the terms, rates, rules and regulations set forth in AVG's tariff (herein called the "Tariff") as such Tariff may be changed from time to time (which Tariff is incorporated herein by this reference) and all other agreements made between AVG and Shipper (however none of the terms set forth on this document may be altered or waived by any employee or agent of AVG without the express permission of an officer of AVG). The Waybill has been prepared by Shipper or on Shipper's behalf by AVG.
2. Shipper will cause the property described in the Waybill (the "Property") to be shipped to the Consignee. AVG accepts shipment authorization from Shipper by verbal instruction, e-mail and/or fax and acceptance of all conditions contained herein are implied by said verbal instruction, e-mail and/or fax.
3. AVG is authorized to select and engage carriers, warehousemen and others, as required, to transport, store and deal with and deliver the property, all of whom shall be considered as agents of the Shipper and not of AVG. AVG shall under no circumstances be liable for any loss, damage, expense or delay related to the property for any reason whatsoever when said property is in the possession, custody or control of the parties selected by AVG to transport, store or render other services with respect to such property.
4. Shipper agrees to pay all freight charges, tariff charges, pick up and delivery charges, excess value fees, COD fees and all other fees charged by AVG in connection with the shipment of the Property. All amounts charged by AVG shall be paid in immediately available US funds upon presentation of an invoice by AVG. If said charges are not paid within 15 days of presentation of an invoice, Shipper authorizes AVG (1) to process a credit card transaction for the full amount of said charges to the credit card identified on the Application for Credit; and/or (2) AVG may destroy or otherwise dispose of the stored property, after giving the shipper ten (10) days notice by regular, first class mail, postage prepaid, addressed to the most recent address on file. The cost of disposing of the property will be reimbursed to AVG by the shipper within fifteen (15) days of invoicing. The shipper acknowledges and agrees that AVG will not be held responsible for AVG's failure to deliver the goods from storage or for the value of the destroyed property or for any damages arising from the disposition or destruction of the property.
5. Shipper is responsible for packing the Property properly to protect the Property from damage due to the elements and to ensure safe transportation of the Property with ordinary care in handling. Shipper warrants that the description of the Property is accurate and complete. Shipper warrants that any shipments do not include hazardous substances, restricted articles, or dangerous goods, are described accurately and completely, and such Property is not of any nature which requires any government permits or special precautions for shipment, and is acceptable for shipment by AVG, only as set forth below in this document to the extent expressly disclosed to and consented to by an authorizing officer of AVG. Shipper shall indemnify, hold harmless, and defend AVG from all damage, liability, and claims resulting from any breach of the foregoing warranties.
6. AVG IS NOT LIABLE FOR, AND SHIPPER WAIVES ALL CLAIMS AGAINST AVG FOR ANY SPECIAL, DIRECT, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO LOSS OF PROFITS OR INCOME, WHETHER OR NOT AVG HAS KNOWLEDGE THAT SUCH DAMAGE MIGHT BE INCURRED.
7. Due to the inherent nature of the freight business, AVG does not guarantee delivery to be on a stipulated date or at a stipulated time, and AVG is not liable for any consequences of failure to make timely delivery.
8. AVG is not liable for, and Shipper waives all claims for loss, damage or delay caused by events that cannot be controlled, including but not limited to acts of God, public authorities, strikes, labor disputes, weather, theft, accidents, mechanical failure, aircraft failure, acts or omissions of customs or quarantine officials, civil commotions, airline schedules, ground transportation schedules or delays or any other cause or event not within the control of or not reasonably foreseeable by AVG.
9. Shipper may not make a claim against AVG relating to the shipment unless written notification on company letterhead detailing the claim is delivered to AVG within 7 days after AVG delivered the property. Shipper may not make a claim against AVG for concealed loss or damage unless Shipper notifies AVG of the concealed loss or damage at the time of delivery with exceptions noted on the delivery receipt. For AVG to process a claim, shipper must make the original shipping containers and packing materials available for inspection. Verification of value must be provided in the form of original invoice or receipt. No claim amount may be deducted or offset from amounts owed to AVG. Legal action to enforce a claim against AVG must be brought in King County, Washington within 7 days after the claim has been wholly or partially denied by AVG. No claim shall be paid by AVG until all Waybill charges have been paid.
10. AVG's liability for damage or loss to the shipment or Property shall not exceed \$0.50 per pound of Property as set forth on the Waybill, unless a Declared Value amount has been stated on the Waybill and Shipper pays the applicable excess value charge, in which case AVG's liability shall not exceed the Declared Value. In addition, Shipper should be aware that freight companies, warehousemen and others in the transportation business allocate a Declared Value on a per piece basis. Accordingly, in the event a particular piece is damaged, Shipper's recovery may be limited to a pro rata portion of the Declared Value based on the number of pieces contained in the shipment rather than the actual value of the item or items damaged.
11. Unless otherwise expressly provided in AVG's tariffs, and subject to all conditions and restrictions set forth therein, and unless otherwise expressly approved by an authorized officer of AVG, the following items will not be accepted for shipment, and AVG shall have no liability for any delay, loss or damage to: any item or property the transportation of which is restricted or prohibited by law or which requires special permits, restricted articles, dangerous goods, explosive material, artwork, plasma screens, bonds, coins of any kind, currency, furs, fur clothing, gems or stones (cut or uncut), industrial diamonds, gold or silver concentrates, jewelry (other than costume jewelry), money, pearls, precious metals, securities (whether or not negotiable), time sensitive written materials and documents, processed film, watches and parts thereof, and any other restricted items set forth in AVG's tariffs. No agent or employee of AVG shall have the right to accept any such items for shipment or to waive any limitations to such shipment.
12. Rates and charges for shipment will be based upon the actual weight or the dimensional weight of the Property shipped, whichever is greater. Dimensional weight is calculated by multiplying length by width by height of each package (all in inches) and dividing by the current factor. The dimensional weight of each package in the shipment is added, and the total dimensional weight of the shipment is then compared to the actual weight of the shipment. If the dimensional weight exceeds the actual weight, transportation charges for the shipment are based on the dimensional weight.
13. For international shipments, except for Canada, liability rules under the Warsaw Convention shall apply (but only if they impose less liability on AVG than otherwise would be imposed under these terms), and AVG shall prepare and execute on Shipper's behalf an international waybill and documents. For such international shipments, AVG reserves the right to act as an agent of Shipper, instead of a forwarder, in which event the direct carrier's tariff shall apply to the shipment.
14. Even though the Waybill may provide that the charges are to be collected from or paid by a third party, or are to be collected COD, Shipper remains fully liable for payment of all amounts charged by AVG. If for any reason AVG fails to or does not collect from any other person designated by Shipper, Shipper shall pay all amounts charged by AVG. AVG has no obligation to attempt to collect from any other person or entity. AVG is not liable for failure of any third party to pay any amounts owed to Shipper. Shipper is directly liable to AVG for all amounts charged by AVG, and Shipper is not merely a guarantor. In addition, if any third party of consignee named on the Waybill has agreed to pay all or any amounts owed to AVG, they will be jointly and severally liable with Shipper for payment of all amounts charged by AVG.
15. To expedite movement of the Property, shipment may be diverted by AVG to motor or other carrier in accordance with AVG's Tariff, unless Shipper directs otherwise on the face of the Waybill. Regardless of the method of transportation employed, AVG's freight charges from origin to destination will apply.
16. The internal laws of the State of Washington, without regard to conflict of laws and rules, shall apply. Shipper consents to jurisdiction in, and all actions relating to this agreement shall be brought in, any federal or state court located in King County, State of Washington. Shipper consents to service of process of any lawsuit by registered or certified mail, return receipt requested.
17. Shipper shall pay to AVG all legal fees and costs and/or costs of collection incurred by AVG to collect on any charges outstanding longer than 30 days. In the event of any dispute between the parties, the prevailing party shall be entitled to recover from the losing party, and the losing party shall pay all reasonable attorneys fees, costs and expenses incurred by the prevailing party, including those incurred in settlement negotiations, arbitration, litigation and appeal.
18. Any unpaid amounts owed to AVG shall accrue interest, and Shipper shall pay interest, calculated at the rate of 18% per annum, but not less than \$25.00 per month, provided that Shipper shall not be liable for and shall not pay any interest which violates any applicable usury laws.