

SERVICE TERMS AND CONDITIONS

1. In tendering this shipment, shipper agrees to the Service Terms and Conditions, which no agent or employee of the parties may alter, and that this Bill of Lading is Non-Negotiable and has been prepared by shipper or on shipper's behalf by Kelly Freight Services, Inc. It is mutually agreed that the conditions of carriage for this shipment are governed by Kelly Freight Services, Inc. tariffs, available for inspection at Kelly Freight Services, Inc. offices, and which hereby are incorporated.

2. Shipper warrants that the shipment is packaged to prevent damage from normal care in handling of air or ground shipments. Any glass, fragile items or electronic equipment must be identified as such and be professionally packaged or crated for shipment or any claim will be denied.

3. Kelly Freight Services, Inc in no event shall be liable for any consequential, incidental or special damages which may arise from loss, damage, non-delivery or delay of any shipment. This limitation shall apply to and include, but not be limited to damages for loss of profit, loss of income or business opportunity.

4. Due to the inherent nature of the freight business, Kelly Freight Services, Inc. does not guarantee delivery by a stipulated time, nor shall Kelly Freight Services, Inc. be liable for the consequences of failure to make timely delivery.

5. Claims. All claims (except overcharges) must be received in writing by Kelly Freight Services, Inc. within 15 days after Kelly Freight Services, Inc accepted the shipment. Concealed loss/damage must be reported in writing to Kelly Freight Services, Inc. within 7 days after delivery, or if perishables verbally within 24 hours, and with written follow up within 48 hours after delivery. No claims will be paid until transportation charges and any declared value charges have been paid. (a) Merchandise must be retained in its original shipping container in order that Kelly Freight Services, Inc and/or its assigns may make inspection thereof. (b) Satisfactory proof of loss must be furnished including invoices and supporting documentation. (c) Claimant agrees to assist Kelly Freight Services, Inc. in recovery of the loss from any insurer and invoke all legal rights shipper may have to minimize the effect of any loss. (d) Kelly Freight Services, Inc. or its insurer shall become subrogated to all rights and remedies, if any, of claimant in respect to such a loss. In the event that any of the provisions of this paragraph shall be deemed invalid, it shall not affect any remaining clauses, phrases or sections in this agreement. Claims may not be deducted from transportation charges. Legal actions to enforce a claim must be brought within one year after the claim has been denied in writing by Kelly Freight Services, Inc. in whole or in part.

6. Cargo Liability for Loss or Damage. Kelly Freight Services arranges for the transportation of surface shipments which may be governed by 49 U.S.C. 14706 and for shipments having prior or subsequent movement by air and other shipments which are exempt from federal statute. Kelly Freight Services uses a rating process based on a release rate valuation of 50 cents (\$.50) per pound per article. Unless otherwise noted and agreed to in writing, this limit of liability shall apply to all shipments tendered to Kelly Freight Services, Inc. and shall limit not only Kelly Freight Services Inc.'s liability, but also the liability of any motor carrier or other transportation service providers in the care, custody and control of shipments arranged by Kelly Freight.

In order to ensure compliance with surface transportation statutes, Kelly Freight Services, Inc.'s customers are allowed to choose an alternative higher limit of liability.

In the absence of declared value, the limit of Kelly Freight Services Inc. and its transportation service providers shall be 50 cents (\$.50) per pound for that part of the shipment damaged or lost, but not less than \$50.00 per shipment. The weight used to determine the limit of liability shall be the same that is used to determine the freight charges of the shipment. In the event that the weight of a lost or damaged article cannot be determined and the lost article was part of a larger shipment, an average weight of each piece may be used in the settlement of the claim. Such average will be determined by dividing the weight by the total number of pieces in the shipment. Shipments with a declared value in excess of 50 cents (\$.50) per pound or \$50.00 per shipment, whichever is greater shall be subject to increased freight charges.

The Maximum declared value for any shipment is \$25,000.00. Shipments in excess of \$25,000.00 must have advanced written authorization of an officer of Kelly Freight Services, Inc and are subject to additional excessive valuation fees above the standard 50 cents (\$.50) per pound valuation fees.

In the event the party tendering shipment to Kelly Freight is obligated for greater limits of liability pursuant to a through air bill by contract or otherwise, it shall assume sole responsibility for the liability to the extent it exceeds the agreed release rate and shall indemnify Kelly Freight Services, Inc and its carriers, and shall waive subrogation with respect to any insurance purchased to provide excess liability coverage. Declared value for carriage shall be subject to an excess valuation charge of \$.50 per \$100.00 of declared value.

7. Kelly Freight Services, Inc shall not be liable for loss, damage or delay caused by Acts of God, public authorities, strikes, labor disputes, weather, mechanical aircraft failures, act or omissions of Customs or quarantine officials, civil commotions, riots, fuel shortages, terrorist activity or hazards incident to a state of war.

8. Shipments not Acceptable. Unless otherwise expressly provided in Kelly Freight Services, Inc. tariffs, and subject to any conditions or restrictions contained therein, the following articles will not be accepted for carriage. Any shipment prohibited by law, bonds, coins of any kind, currency, furs, fur clothing, gems or stones (cut or uncut), industrial diamonds, gold or silver coined concentrates, jewelry (other than costume jewelry), money, pearls, precious metals, securities (negotiable), time-sensitive written material, processed film when the declared value exceeds \$500, watches and parts thereof, and such other articles provided in Kelly Freight Services, Inc. governing tariffs and service guide. These limitations are subject to revision as published in Kelly Freight Services, Inc. governing tariffs. Kelly Freight Services, Inc. shall not be liable for any loss, damage, delay, liabilities or penalties resulting from the transportation of any of the foregoing articles, however described or mis-described in this airbill, and no employee or agent of Kelly Freight Services, Inc. has any authority to accept for transportation such articles or to waive the limitations herein contained.

9. Chargeable Weights and Measures. All parcels tendered to Kelly Freight Services, Inc are subject to reweighing by Kelly Freight Services, Inc and are subject to recalculation of charges based on such reweighing. Regardless of actual classification, or that claimed by the shipper, carrier shall reserve the right to determine dimensional weight or reweigh while in its possession to be transported on revenue – bearing freight bill. Weight is determined by the greater of 1) Actual gross shipment weight, 2) Dimensional weight {(length times width time height) divided by 194.

10. Rate Changes. Kelly Freight Services, Inc reserves the right to change its shipping tariffs on all shipments without serving prior notice to shipper and any such tariff may apply for any period of time as deemed necessary by Kelly Freight Services, Inc.

11. Fuel Surcharges. Kelly Freight Services, Inc. reserves the right to assess a fuel surcharge on all shipments without serving prior notice to shipper and any such surcharges may apply for any period of time as deemed necessary by Kelly Freight Services, Inc.

12. Joint and Several Liability. The shipper, consignee and owner of the goods are jointly and severally liable for the payment of all unpaid transportation charges, accessorial charges, advances and disbursements of Kelly Freight Services, Inc. In addition to the above, Kelly freight Services, Inc. is entitled to collect from shipper, consignee or owner of the goods any and all collection and legal expenses, including attorneys fees incurred during the course of any collection action of delinquent charges due Kelly Freight Services, Inc.

13. Liens. Customer acknowledges and agrees that Kelly Freight Services, Inc shall have a lien on any shipment for any and all sums due from Customer, whether related to the affected shipment or otherwise.

14. Past due invoices, thirty (30) days old, will be charged 1 1/2% interest per month or maximum amount allowable by law. A ten dollar (\$10.00) minimum late charge may apply.

15. Governing Law/Jurisdiction for Disputes. The Terms and Conditions of Service contained herein shall be governed by and construed in accordance with the laws of the State of California and in the event of any disputes whatsoever under such Terms and Conditions of Service, each of the parties herein irrevocably submits to the non-exclusive jurisdiction of the Courts of the State of California for the District of the County of Los Angeles.

16. Severability. Each of the provisions of these Service Conditions shall be enforceable independently of any other provisions of this agreement and independent of any other claim or cause of action.

17. Indemnity. Customer shall defend, indemnify and hold harmless Kelly Freight Services, Inc., its officers, agents and employees from and against any and all third party claims, actions, causes of action, liabilities, damages, costs and expenses including reasonable attorneys' fees, arising out of or related to any facts which, if true, would construe a breach by Customer of these Service Terms and Conditions.

18. Waiver. The failure of Kelly Freight Services, Inc. at any time to require the performance of any of the provisions herein, shall in no way affect the rights of Kelly Freight Services, Inc. to enforce the same, nor shall the waiver by Kelly Freight Services, Inc. of any breach of any provisions hereunder, be construed to be a waiver of any succeeding breach or as a waiver of modification of the provisions hereof.

19. Amendment of Service Terms and Conditions. Customer agrees that Kelly Freight Services, Inc. may amend these Service Terms and Conditions at any time and in its sole discretion. Customer acknowledges and agrees that such amendments shall be effective from the time that they are posted by Kelly Freight Services, Inc. and shall govern any shipments ordered after such time.

20. For any questions regarding any service issues, freight bills, payments, cargo claims or any other matter you may contact Kelly Freight Services, Inc.

U.S Mail:

Kelly Freight Services, Inc
P. O. Box 35
Torrance, CA 90507

By Express Carrier (UPS, FedEx etc.):

Kelly Freight Services, Inc
780 Watson Center Road
Carson, CA. 90745