



Terms and Conditions of Contract

1. "Sterling" means Sterling Transportation Inc. and its authorized agents. "Shipper" means the shipper, the consignee, the bill-to party, the party tendering the Cargo for Transportation, the owner of the Cargo, a Shipper's agent, or any person with a financial interest in the Cargo. "Transportation" means the whole or any part of the operations and services undertaken or performed by or on behalf of Sterling in respect of the Cargo under these Terms and Conditions of Contract. "Cargo" means the merchandise or property that the Shipper has tendered for Transportation, and includes any container or package not supplied by or on behalf of Sterling.
2. In tendering the Cargo for Transportation, the Shipper agrees to be bound by these Terms and Conditions of Contract, which no agent or employee of Sterling is authorized to waive or modify. The Shipper also acknowledges that this bill of lading is non-negotiable and has been prepared by the Shipper or on the Shipper's behalf by Sterling. These Terms and Conditions of Contract are the parties' final expression and entire agreement arising out of or in any way relating to its subject matter and future shipments between the parties. These Terms and Conditions of Contract set forth the parties' entire understanding and they supersede any contemporaneous and prior oral and written understandings and agreements that arise out of or are in any way related to the Transportation. These Terms and Conditions of Contract shall be binding upon and inure to the benefit of the executors, administrators, personal representatives, heirs, successors, and assigns of each party.
3. The Shipper warrants that the Cargo is packaged in such a way as to withstand the ordinary rigors of transportation and with proper labeling.
4. Sterling has the right, but not the duty, to open and inspect any shipment.
5. Sterling shall not be liable for loss, damage, delay, or other result caused by (a) acts of God, public enemies, public authorities acting with actual or apparent authority, authority of law, quarantine, riots, strikes civil commotion, or hazards or dangers incident to a state of war; (b) the act of the default of the Shipper, including any breach of the warranty set forth in paragraph 3 of these Terms and Conditions of Contract; (c) the nature of the Cargo, or any defect, characteristic, or inherent vice thereof; (d) violation by the Shipper of any of these Terms and Conditions Contract; (e) compliance or non-compliance with delivery or special instructions.
6. Sterling does not guarantee that pick-up, Transportation, or delivery of the Cargo will occur within a specified date or time, nor shall Sterling be liable for the consequences of failure to do so.
7. Sterling shall have the right to (a) substitute alternate carriers or other means of transportation and (b) select the routing or deviate from that shown on the front page of this bill of lading.
8. IN NO EVENT SHALL STERLING BE LIABLE FOR ANY SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS, INCOME, INTEREST, UTILITY, OR LOSS OF MARKET, REGARDLESS OF WHETHER STERLING HAD KNOWLEDGE THAT SUCH DAMAGES COULD ARISE.
9. Unless a greater value is declared on the front page of this bill of lading, the Shipper agrees that the value of the Cargo is released to the lesser of U.S. \$50 or \$.50 per pound, including trans-border shipments to or from Canada. Declared values for cargoes in excess of \$.50 per pound shall be subject to an excess valuation charge. *The maximum declared value that Sterling will accept for any shipment is \$25,000. If the Shipper wishes to declare a value over \$10,000, then the Shipper must make such declaration at the time of the booking.



10. Unless each piece of the Cargo has a declared value stated and is specifically identified on the front page of this bill of lading at the time of Transportation, and is so identified on the delivery receipt as being lost, damaged, destroyed, or otherwise adversely affected at the time of delivery, Sterling shall be liable for the average declared value of the shipment, multiplied by the packaged weight of the piece(s) adversely affected. The average declared value shall be determined by dividing the Shipment's declared value by its weight. The declared value amount for each shipment must be inserted on the front page of this bill of lading for this provision to apply.
11. The consignee must note on the delivery receipt, at the time of delivery, any exceptions to the Cargo that would indicate an overage, shortage, damage or other discrepancy. The consignee may not inspect the contents of shipment until the delivery receipt is signed. A clear delivery receipt shall be evidence that the Cargo was delivered in good condition to the proper party.
12. COLLECT ON DELIVERY (C.O.D.): The Shipper is responsible for stating the amount and the type of payment to be collected in the appropriate boxes on front page of this bill of lading. Sterling does not guarantee nor will it verify that a check, money order, cashier's check, or other instrument is valid or negotiable. All payments collected are at the Shipper's risk. Unless otherwise noted on the front page of this bill of lading in the "Declared Value" box, liability for loss, damage, or delay is limited to the lesser of \$50 or \$.50 per pound. Higher liability is available if an excess valuation charge is paid in advance, in accordance with paragraph 9 of these Terms and Conditions of Contract.
13. Claims for loss or damage to Cargo discovered after delivery and after a clear delivery receipt has been given to Sterling must be reported in writing to Sterling within fifteen days after delivery of a shipment. Sterling's limited liability for concealed damage is conditional and dependent on the Shipper's required retention of the damaged cargo, container and packing materials for a reasonable time to allow Sterling's inspection.
14. Any cargo claims not subject to the Carmack Amendment must be filed against Sterling within 60 days after the delivery of the shipment, except that claims for failure to make delivery must be filed within 60 days after a reasonable time for delivery has elapsed. Any cargo claims that are subject to the Carmack Amendment must be filed against Sterling within nine months after the delivery of the shipment, except that claims for failure to make delivery must be filed within nine months after a reasonable time for delivery has elapsed. The failure to file a claim within the applicable time period shall result in the claim's being time-barred and Sterling's discharge from all liability. Sterling shall not pay any time-barred claims. A timely notice of claim is a condition precedent to the right to institute a timely lawsuit against Sterling, as set forth paragraph 15.
15. Any lawsuits for cargo claims not subject to the Carmack Amendment shall be filed in court against Sterling no later than one year and one day from the day on which Sterling has given written notice to the claimant that Sterling has disallowed the claim or any part or parts of the claim specified in the timely notice of claim. Any lawsuits for cargo claims that are subject to the Carmack Amendment shall be filed in court against Sterling no later than two years and one day from the day on which Sterling has given written notice to the claimant that Sterling has disallowed the claim or any part or parts of the claim specified in the timely notice of claim. The failure to file a timely lawsuit within the applicable limitations period shall result in the claim's being time-barred and Sterling's discharge from all liability. Sterling shall not pay any time-barred claims.
16. Sterling shall not be liable for loss or damage occurring after the Cargo has been delivered to or received by the Shipper. When directed to unload or deliver Cargo or render services at a place or places at which the Shipper is not present, the Cargo shall be at the risk of the Shipper, after unloading or delivery.
17. As a condition precedent to Sterling's processing of a cargo claim, all freight charges must have been paid in full. The Shipper has no right to off-set any claim amounts against any of Sterling's charges for Transportation.



18. Unless by written acceptance prior to tender of Cargo, Sterling does not accept responsibility to perform additional services or to follow special instructions requested on a bill of lading. Special instructions or accessorial services required, whether or not known at time of tender, are subject to additional charges. A driver's signature is not written acceptance by Sterling.
19. Sterling does not accept shipments of spirits or alcoholic beverages, coins or currency, or original works of art.
20. Cargo that is acceptable under IATA standards for passenger aircraft, and some excepted quantities for cargo aircraft MAY be carried at extra charge by special written agreement endorsed on the bill of lading and booked for carriage with Sterling prior to tender of Cargo. Sterling DOES NOT accept for Transportation packages containing hazardous materials, hazardous waste, hazardous substances or inhalation hazards, biohazards such as blood, urine, fluids or other infectious or non-infectious diagnostic specimens, hand guns, weapons fire arms, ammunition, fireworks, pyrotechnic, packages leaking fluids, corrosive chemicals or any other materials that present a hazard to life, property or the environment. If such Cargo is mistakenly taken by Sterling, the Shipper shall defend, indemnify, and hold Sterling harmless against any claim for loss or damage as to the Cargo, persons, property or the environment, including the decontamination or disposal.
21. Shipper is jointly and severally liable for all charges related to this Transportation, including, without limitation, freight and terminal charges, storage, demurrage, and per diem.
22. LIEN NOTICE: The Shipper's failure to pay billed charges may result in a lien on the Cargo or on future shipments. Sterling shall have a lien on any cargo in its possession or on future shipments of cargo. The lien shall be for the total amount owed to Sterling for freightage, charges for service and advances due on cargo previously delivered upon promise of the Shipper to pay freightage, charges, and advances. The lien shall include billed freight charges, cost of storage, and appropriate security for the subsequent cargo held by Sterling. The lien shall include the cost of keeping and selling the cargo, including publication costs, collection services, and attorneys' fees incurred in order to comply with California Civil Code sections 3051.5 and 3052. The proceeds of the sale shall be applied to the discharge of the lien. The remainder, if any, must be paid over to the legal owner of the cargo. The Shipper shall remain liable for any deficiency. If Sterling is not paid in full within 10 days after providing written notice to the Shipper that its cargo is being held further to a possessory lien, then Sterling may proceed to sell such cargo, provided that no sale may take place for at least 35 days from the date that Sterling takes possession of the cargo.
23. In the event that the Shipper does not pay an Invoice for Transportation within 30 days, a late penalty of 1.5% per month shall be imposed starting 30 days after the date of invoice, and shall accrue until payment in full.
24. In the event of any dispute between Sterling and the Shipper, the prevailing party shall be entitled to attorneys' fees, litigation and court costs, and costs of collection. In the event that Sterling exercises a lien under these Terms and Conditions of Contract or under law, then the Shipper shall also pay for Sterling's attorneys' fees incurred in connection with such lien, even if prior to litigation.
25. Sterling's rate to the Shipper is a discounted rate, valid for only 30 days after the date of the Transportation. Timely payment is a condition of that discounted rate. Failure to timely pay for the Transportation shall result in the full, non-discounted rate being charged to the Shipper. The full, non-discounted rate is 40% more than the discounted rate.
26. In the absence of any compulsorily-applicable law to the contrary, Shipper agrees that all claims or disputes arising out of or in any way connected to these Terms and Conditions of Contract or the Transportation shall be determined under the federal law of the United States of America, or where such law is inapplicable, under the laws of the State of California, and exclusively in the United States District Court for the Central District of



California in Los Angeles, California, to the exclusion of all other courts, and Shipper and Sterling agree to irrevocably submit to the personal jurisdiction of such court, and thereby waive any jurisdictional, venue, or inconvenient forum objections to such court.