

AIRWAYS FREIGHT CORPORATION  
CONDITIONS OF CONTRACT

1. Cartage and other services performed hereunder are subject to these conditions and to the rates, rules and classifications set forth in the Forwarder's currently effective tariffs, which are available for inspection and incorporated into this contract by reference.
2. As used in this contract, "Forwarder" means Airways Freight Corporation and its authorized agents.
3. In tendering the shipment for carriage, the shipper warrants that the shipment is packaged to protect the enclosed goods, and to insure safe transportation with ordinary care in handling, and that each package is appropriately labeled and is in good order for carriage as specified.
4. All shipments may, at Forwarder's option, be opened and inspected.
5. Forwarder shall not be liable for loss, damage, delay or other results caused by (a) acts of God, public enemies, public authorities acting with actual or apparent authority, authority of law, quarantine, riots, strikes, civil commotions, or hazards or dangers incident to a state of war, (b) the act of default of the shipper or consignee, including any breach of the warranty set forth in Paragraph 3 above; (c) the nature of the shipment, or any defect, characteristic or inherent vice thereof; (d) violation by the shipper or consignee of any of these conditions of contract; (e) compliance or non-compliance with delivery or special instructions.
6. Forwarder shall not be liable for special or consequential damages.
7. In consideration of Forwarder's rate for transportation of any shipment, which rate, in part, is dependent on the value of the shipment, the shipper and all other parties having an interest in the shipment agree that the limit of the Forwarder's liability shall be the lesser of:
  - (a) the amount of any damages actually sustained; or
  - (b) whichever of the following is greater:
    - (1) the shipper's declared value stated on the face hereof; or
    - (2) \$0.50 per pound multiplied by the weight of the entire shipment; or
    - (3) \$100.00 per shipmentPlus the amount of the Forwarder's transportation charges applicable to that part of the shipment lost, damaged or delayed. Unless a different amount is specified by the shipper, the declared value on a C.O.D. shipment shall be deemed to be the C.O.D. amount.
8. The shipper and the consignee shall be liable, jointly and severally, (a) for all unpaid charges payable on account of a shipment pursuant to this Contract, and (b) to pay or indemnify Forwarder for all claims, fines, penalties, damages, costs or other sums which may be incurred by Forwarder by reason of violation of this Contract or any other default of the shipper or consignee or their agents.
9. Forwarder shall have a lien on the shipment for all sums due and payable to Forwarder.
10. In the event of the failure or inability of the consignee to take delivery of the shipment, Forwarder will notify shipper in writing at the address shown on the airbill and request disposition instructions. If the shipper fails to provide disposition instructions within 30 days after the date of the Forwarder's notice, Forwarder will return the shipment to the shipper at the shipper's expense. If the shipper fails to accept delivery of a shipment returned, Forwarder may, upon 30 days written notice to the shipper, dispose of the shipment at public or private

sale and pay itself out of the proceeds to satisfy the transportation charges owing on the shipment.

Any sums collected by the Forwarder in excess of the transportation charges will be paid to the shipper. No sale or disposal pursuant to this rule will discharge any liability to lien to any greater extent than the proceeds thereof. The shipper and the consignee shall remain liable, jointly and severally, for any deficiency.

11. Forwarder will exercise due diligence in routing shipments. In the absence of specific contrary instructions by the shipper on the airbill, Forwarder may divert any shipment to surface transportation in order to expedite its movements. Regardless of the method of transportation employed, the Forwarder's air freight charges from origin to destination will apply.
12. Claims for loss or damage discovered by the consignee after delivery and after a clear receipt has been given to Forwarder must be reported in writing to Forwarder within 15 days after delivery of the shipment, with privilege to Forwarder to inspect the shipment and its container(s) and packing material within 15 days after receipt of such notice. (On shipments to Puerto Rico and Canada, claims must be reported within 7 days after delivery.
13. Claims for loss, damage or delay must be made in writing within a period of 90 days after the acceptance of the shipment by the Forwarder. (On shipment to Puerto Rico and Canada, claims must be made within 60 days).
14. No Claims with respect to a shipment, any part of which is received by the consignee, will be entertained until all transportation charges have been paid.
15. Claims for overcharges or duplicate billing must be made in writing within a period of two years after the date of acceptance of shipment by the Forwarder.
16. Forwarder shall not be liable in any action unless a claim has been filed and such action is brought within 1 year after the date written notice is given to the claimant that Forwarder has been disallowed the claim in full or in part. (On shipments to Canada, action must be brought within 2 years after the delivery of the statement).
17. International air carriage is subject to the rules relating to the liability established by the Convention for the Unification or Certain Rules relating to International Carriage by Air, signed at Warsaw, October 12, 1929.
18. The performance of this contract shall be governed by the laws of the State of Arkansas. The Forwarder, the shipper and the consignee agree that the venue for any actions for breach of contract or for lost damaged or delayed goods, shall be Fayetteville, Washington County, Arkansas. The Forwarder, the shipper and the consignee agree to consent to, and be subject to the jurisdiction of the state courts in Washington County Arkansas. If federal law preempts state law, the Forwarder, shipper, and consignee consent to be subject to the jurisdiction of the U.S. District Court (W. Dist. Of Ark.), located in Fayetteville, Washington County, Arkansas.
19. Certain commodities are not acceptable for movement by Airways if the declared value exceeds the minimum coverage. These include, but may not be limited to the following: furs, jewelry, currency, artwork, or other items of extraordinary value.