

TERMS AND CONDITIONS

Sec. 1. Except as may be otherwise provided herein, Carrier shall be liable to Shipper for the full actual loss, damage or injury occurring to any Shipment. Carrier's liability shall begin when Carrier or its agent takes possession, custody, or control of the Shipment or upon execution of a bill of lading or receipt for such Shipment by Carrier, whichever occurs first. Carrier's liability shall end when it receives a signed delivery receipt from the properly named Consignee.

The value of Shipper's claims for damage or loss of raw and packaging materials and other related materials necessary for production and handling will be computed at Shipper's full purchase price. The value of Shipper's claims for damage or loss of finished product (for example, contamination, breakage, fire, flood, wrecks, unexplained shortages, etc.) shall be computed as follows: (i) 100% of full invoice value on Shipments to Shipper's customers, and (ii) 90% of Shipper's list prices on Shipments to other than Shipper's customers (e.g., Shipments to Shipper Facilities). Shipper shall also be entitled to include in its claims all of Shipper's labor costs, product destruction costs and other costs that Shipper can reasonably demonstrate resulted from such damage or loss. If for any reason Carrier's insurance company refuses to pay Shipper in accordance with these computations, Carrier shall promptly pay the balance due to Shipper.

Carrier shall only dispose of damaged, injured, or expired Shipments in accordance with Shipper's written permission and written instructions. No salvaging is allowed.

Sec. 2. Carrier shall transport the Shipment without delay and deliver such property in like good order and condition to the Shipment's Consignee at the destination, as each are described in the Bill of Lading, with reasonable dispatch and/or in accordance with the schedules for pick-up and delivery communicated by Shipper to Carrier or, if not communicated by Shipper, in accordance with the time frames published by Carrier as Carrier's standard. If penalties are assessed or the Shipment is rejected due to Carrier's violation of this duty, Carrier shall be liable for said penalties and the loss sustained by Shipper.

Sec. 3. Shipper's claim against Carrier for damage or loss to a Shipment shall be filed or mailed to Carrier within nine months from date of Shipment delivery (or Shipment acceptance in the event delivery does not occur); provided that a claim shall not be invalidated when Shipper is unable to determine the amount of the claim within nine (9) months. Claims for uncertain amounts shall not be disallowed for that reason alone.

Sec. 4. Carrier shall immediately notify Shipper if delivery cannot be completed in accordance with the agreed upon schedule and without loss of, or damage to, any Shipment. Upon such notification Shipper shall have the right to direct Carrier to reject/ decline the Shipment back to Shipper for completion of transportation service. Rejection or declining a shipment back to Shipper shall relieve Carrier of any further obligations for transportation of the Shipment and Shipper of any obligation to pay any charges with respect to the Shipment from the point of transfer. If Shipper elects to allow Carrier to retain custody of the Shipment, Carrier shall retain responsibility for delivering the Shipment to the Consignee as soon as reasonably practicable under the circumstances.

Carrier shall only dispose of damaged, injured, or expired Shipments in accordance with Shipper's written permission and written instructions. No salvaging is allowed.

Sec. 5. Irrespective of any provisions in Carrier's tariffs,

service guides or similar publications, Carrier's liability for loss, damage or delay shall be determined solely by the terms of this Bill of Lading. Any attempts to limit Carrier's liability by tariff or other provisions incorporated by reference in any other shipping document shall be deemed null and void.

Sec. 6. Carrier to ensure that all equipment is good operating condition, food-grade clean, water-tight, insect-free, rodent-free, odor-free and in compliance with all Applicable Laws including the Sanitary Food Transportation Act of 2005 and the Sanitary Transportation of Human and Animal Food Final Rule, 21 CFR Part 1 Subpart O, 1.900 – 1.934). Carrier to warrant that, in transporting Shipments that contain food products intended for human or animal consumption, it will not utilize Equipment that has been utilized for the transportation of Hazardous Materials within the meaning of 49 U.S.C. §5102 or Solid Waste within the meaning of 42 U.S.C. §6903; that has been utilized for the transportation of raw meat or seafood; or that otherwise is not fully suitable for use in the transportation of any Food, Food Additive, Drug, Cosmetic or Device, as those terms are used in 21 U.S.C. §321 or any other Applicable Law of similar kind or content. Carrier further warrants that to the extent to which it operates in California, it is and shall at all times remain in compliance with California Air Resources Board's regulations to help reduce heavy-duty vehicle emissions. Equipment may be rejected, at no cost to Shipper, if it does not pass Shipper's inspection standards or otherwise meet Shipper's requirements and Carrier will promptly provide suitable replacement Equipment.

Sec. 7. Unless specified on the face of this Bill of Lading, the consignee shall be solely liable for the freight and other lawful charges accruing on the Shipment, as billed, or corrected and Carrier shall not make delivery of this shipment without payment of freight and all other lawful charges.

Carrier hereby waives any lien that it might have on any Shipment.

Sec. 8. Any action by Carrier to recover charges alleged to be due under this Agreement, and any action by Shipper to recover overcharges alleged to be due or returned under this Bill of Lading, shall be commenced not more than 12 months after the delivery of the Shipment with respect to which such charges or overcharges are claimed. To the extent permitted by Applicable Law, the expiration of the 12-month period shall be a complete and absolute defense to such action without regard to any mitigating or extenuating circumstances or excuse whatsoever, unless the party named as defendant (or responding party) in any such action has expressly agreed in writing to waive such defense in whole or in part.

Sec. 9. Interpretation and enforcement of this Bill of Lading shall be governed by the laws of the United States and the laws of the State of California. Any dispute relating to this bill of lading shall be filed in the state or federal courts sitting in Butte County, California. The Carrier agrees that it shall not institute suit in any other court and agrees to be responsible for the reasonable legal expenses and costs of the Shipper in removing a suit filed in another forum. The Carrier waives any objection to the personal jurisdiction over the Carrier of the above agreed fora.