

**1. DEFINITIONS AND ABBREVIATIONS:**

“ACI”, “the Carrier” or “the carrier”: Art Crating, Inc. and its employees.

“BOL”: “Bill of Lading”: A contract representative of an order for ACI to perform transportation, packing and/or related services. This document is a Bill of Lading.

“COD”: Check or cash on delivery. Agreement to pay ACI for services performed at time of delivery.

“Concerned Parties”: Persons who ACI identifies as connected to or involved with a shipment.

“Consignee” or “consignee”: Persons or parties who receive freight from ACI.

“COPU”: Check or cash on pick-up. Agreement to pay ACI for services performed at time of pick-up.

“Customer” or “customer”: Persons, parties or organizations who hire and employ ACI to collect and deliver freight and perform transportation related services and who then become liable to remit payment to ACI for charges incurred.

“Exclusions”: Conditions and occurrences, as set forth below, that protect and relieve ACI from all liability and responsibility for loss and damage related to Freight identified in Section 4 of this BOL.

“Freight” or “freight”, “Goods” or “goods”: Items in whole or in part (in packed or unpacked state) that are tendered to ACI for transportation related services, and subject to the rules and limitations set forth below.

“Insurance”: A premium charged to the customer that is based on the value of freight declared by that customer (the “declared value”), and subject to all the limitations and exclusions set forth below. Payment of the insurance premium allows the customer to collect the declared value in the event of a loss or mishap that is attributable to events or occurrences during ACI’s possession of freight.

“NVD”: No value declared. Shipper consigns freight for carriage by ACI and does not declare a value on that freight; thus limiting ACI’s liability to its minimum level of liability as set forth in Section 3 of this BOL.

“On File”: Statement on face of this BOL that refers to information being kept in writing by ACI management and not specifically listed on the face of this BOL.

“PBS”: Packed by shipper, contents and content’s condition are unknown to ACI.

“Reasonable” or “reasonable”: Accepted as sufficient, rational, normal and common when compared to standard practices and procedures in the shipping industry.

“Shipper” or “shipper”: Persons or parties who consign freight to ACI for transport, packing and/or related services.

General: Where the context permits, the singular shall include the plural and vice-versa; the masculine shall include the feminine and vice-versa, and all shall include the neuter.

**2. CUSTOMER’S OBLIGATIONS:**

A. Customers and their agents must read and understand the terms of this BOL. ACI is not responsible for explaining all terms verbally.

B. All terms are binding once Shipper, or his employee or agent acting on his behalf, signs on the reverse side of this BOL. In the event that Shipper and/or his employees are acting as agents for the customer, it is the Shipper’s responsibility to notify that customer of all terms as set forth in this BOL.

C. If ACI is to receive freight that is PBS, it is the Shipper’s responsibility to adequately pack and protect the goods to ensure safe transportation. The Shipper is also obligated to properly label each item in order to prevent delay or errant dispatch.

D. Shipper and customer are obliged to provide accurate consignee information in order to prevent delay or errant dispatch. Furthermore, Shipper and customer are jointly and severally responsible to notify consignee of impending arrival of freight and secure approval for carrier’s delivery.

E. Failure of Shipper or customer to meet the foregoing obligations may result in, among other things, additional charges as set forth in Section 9 of this BOL.

**3. LIMITATIONS OF ACI LIABILITY:**

A. The maximum liability of ACI for loss or damage to the goods including those relating to or caused by ACI’s (i) wrongful acts or omissions and/or (ii) acts or omissions with respect to the construction of a crate or other container for the goods is limited to \$0.60 (sixty cents) per pound as determined by actual weight of unwrapped goods. In shipments of multiple items, the \$0.60 per pound maximum liability shall apply to each item separately. To determine ACI’s maximum liability on shipments released at \$0.60 per pound for items being made subject to a claim when ACI is not in physical possession of the freight, dimensional weight shall apply as determined with a cubic factor of 194 cubic inches per one pound. Should any claim in an amount in excess of the foregoing limits of liability be asserted against ACI by a third party for loss or damage to freight handled by ACI, the shipper, consignee, and customer agree to, jointly and severally, indemnify and hold ACI harmless in whole (without diminution by reason of ACI’s contribution thereto) as against any such claim. This provision shall be in full force irrespective of the cause of such loss or damage, including ACI’s negligence.

B. ACI shall not be liable for loss or damage due to (i) lack of or insufficient detailed and specific customer instructions in handling and/or placement of goods or construction of a crate or other container for such goods or (ii) Customer’s or third party’s failure to properly ship, pack or construct the crate. The provisions of this BOL shall also extend to items damaged inside a shipper’s or consignee’s premises or place of business.

C. ACI shall not be responsible for and shall be exempt from liability for physical damage to freight or loss of any kind, direct or indirect, incidental, consequential, exemplary or special, caused by delay of delivery, when conditions beyond ACI’s control are encountered during transport. Some conditions, among other, are listed below:

- Extreme weather conditions and/or changes in temperature, acts of nature and God.
- Breakdown or mechanical defect of vehicles or equipment.
- Faulty or impassable highway; lack of capacity of roadway structures.
- Highway obstruction or closure due to official action.
- Civil disobedience, riots, strikes or lockouts; illegal or unlawful actions.

“Loss caused by delay” as stated above is hereby understood to also define and apply to loss of revenue, interest, market, and/or utility. ACI is not bound to transport goods by any particular means, schedule, vehicle, or otherwise other than with reasonable dispatch.

D. ACI will not be responsible for any loss or damage and is released from all liability for freight when directed to accept and load or deliver and unload at locations where and when the shipper, consignee, customer or their agents are not physically present.

E. ACI is only required to effect inside delivery; ACI is not required to or be responsible for unwrapping or unpacking freight unless such actions are specified and ordered in advance and in writing. “Inside delivery” is hereby defined as delivery taking place inside consignee’s location or structure at or near a common point of entry and within a reasonably accessible area.

F. Claims regarding loss or damage of any kind must be made in writing and within seven (7) days of the delivery date of shipment. ACI reserves the right to inspect all items and wrapping materials that are being made subject to a claim. As a condition precedent for a claim, the consignee must retain the goods in the original container(s) and/or materials and to make such goods and materials available to ACI or ACI’s insurance company for inspection upon ACI’s or insurance company’s demand. Claims not reported within seven (7) days of the delivery date shall be conclusively deemed waived or abandoned. Claims are also subject to the terms of Section 9C of this BOL. No legal action or proceeding may be commenced by Customer or others against ACI unless a written claim has been filed and such action is commenced within 9 months after date of delivery by ACI or within 9 months after Customer or holder of negotiable warehouse receipt is notified that loss or damage to part or all of the goods has occurred, whichever time is shorter. Any legal action or proceeding against ACI by Customer shall be instituted exclusively in a court of competent jurisdiction of the County and State of New York which Customer and ACI irrevocably accept and agree to submit to the jurisdiction of such courts. Customer shall pay the ACI’s cost of collection and/or litigation, including reasonable attorney fees if ACI is prevailing party.

**4. EXCLUSIONS:**

A. ACI shall not be liable to Customers or consignees, and Customers and consignees release ACI from any and all liability and responsibility for physical damage, loss or loss due to delay for items of freight listed below:

- Items improperly or inadequately packed or mislabeled by the shipper.
- Items containing internal damage or concealed breakage; glass and ceramic with existing cracks or other damage.
- Items of inherent vice or weakness due to poor craftsmanship in fabrication.
- Items containing internal mechanics or instrumentation.
- Items with waxen, resinous, or viscous surface area (whether they are in wet, semi-dry or hardened state).
- Uncured and/or not thoroughly dry paintings; uncured and/or unset varnish applied to furniture.
- Items with directional orientation to which the shipper does not affix descriptive arrows in advance.
- Items shipped unwrapped at the stated request of shipper.
- Damaged or excessively worn antique items in disrepair, items exhibiting prior repairs or breakage.

In relation to any subjective terms as used above (“improperly”, “inadequately packed” “mislabeled”, “inherent vice”, “weakness”, “excessively worn”, etc.) it is understood and agreed that ACI shall have the sole and exclusive right, to define and interpret such terms provided such definitions are reasonably and commonly acceptable in ACI’s industry and as applied against common and previous occurrences in the normal course of packing and shipping.

B. ACI will not transport currency, specie, precious stones, jewelry, or negotiable documents at any time. In the event that ACI shall transport such items without ACI’s knowledge or consent, ACI shall have no liability whatsoever for or in connection with such goods.

C. The following types of freight will not be transported by ACI under any circumstances and are collectively referred to as “dangerous goods”:

- Contraband or illegal substances; firearms or ammunition.
- Explosive, chemical, noxious or dangerous goods.
- Livestock, plants, biological or hazardous goods.

The act of consigning items of these types to ACI which are disguised by the shipper, acting with or without knowledge of the customer, shall entitle ACI to recover any and all costs and expenses for fines, penalties, legal fees, or other damage to ACI, its equipment and/or personal injury and compensation to ACI employees. The customer also shall be liable for and indemnify and hold harmless ACI from and against all loss or damage to other property or persons caused by said dangerous goods. ACI is at liberty to dispose of any items consigned with or associated with said dangerous goods at any time and place deemed appropriate by ACI with disposal charges billable to the customer, who shall promptly pay the same.

**5. INSURANCE:**

A. ACI does not automatically provide “All Risk” type insurance. Insurance may be purchased at a premium based on the value of goods in transit and added to the cost of ACI’s services. Values must appear on the face of this BOL and may only be entered by employees of ACI. Declared values may not be altered once freight has been received for transport unless ACI issues written consent for such alteration. If insurance is purchased, condition inspections and notes will be required prior to policy issuance and thereafter at all points of interim and final destination, all at Client’s expense. Client will also have to sign document confirming insurance request.

B. ACI reserves the right to inspect all freight under consideration for insured transit and determine, in its sole and absolute discretion whether additional wrapping and packing may be necessary or desirable. ACI employees shall be at liberty and have the right to effect additional wrapping and packing on such items, even in the event that such services were not originally requested. Additional charges incurred for or associated with such additional wrapping and packing will be the responsibility of and paid for by the customer Notwithstanding the foregoing, ACI shall only be responsible to inspect for surface conditions and apparent damage; all of the Exclusions of Section 4. of this BOL shall remain in force with the exception of Section 3A of this BOL.

C. In the event that insurance coverage is purchased and freight is accepted for transport that is packed by the shipper in advance of ACI pick-up, then “Total Loss” type insurance shall be in force. Total Loss type insurance covers losses incurred due exclusively to the following:

- Theft, hijacking, or other felonious activity.
- Fire, explosion, or other violent action.
- Complete disappearance or accidental loss of entirety of items.
- Puncture or rupture to packaging attributable to occurrences while in ACI’s possession.

D. Insurance only covers freight and does not cover value of packing containers or shipping charges. ACI shall not be responsible to substantiate values of goods in transit; nor is ACI responsible to provide proof of origin or authenticate in any way such goods in transit regardless of the description listed on the face of this BOL. Insurance coverage will be voided if customers over-value goods or otherwise insure goods in transit in excess of their fair market values. The responsibility for providing documented proof of value in a claim shall rest entirely with the customer. By failing to provide such proof, the customer hereby releases ACI’s insurance company to adjust claims to any fair market value as determined by ACI’s insurance Company in its sole and absolute discretion.

E. Groups or multiple items of artwork consigned for insured transport must be individually itemized and a separate value ascribed to each item. This requirement shall apply whether or not ACI effects any packing of the crate.

F. ACI reserves the right to decline to provide insurance coverage based on ACI’s inspection of freight. Any item that is deemed not to be covered by ACI’s insurance policy will not be extended coverage. ACI may in its sole and absolute discretion deny coverage to items made subject to all-risk insurance claims in the event that a customer declines or refuses to have such items unwrapped at time of carrier’s pick up or delivery.

**6. BILLS OF LADING:**

A. Only ACI employees may alter the face of ACI BOLs. In the event that any shipper or consignee alters an ACI BOL by making written additions or omissions, without the express written permission of ACI, ACI shall be released and discharged from providing or completing services related to those additions or omissions. All conditions set forth on this side of the BOL are binding and cannot be modified, altered or waived by any person including ACI employees, save for officers of ACI, and then only in writing and when signed by such an officer.

B. ACI retains the right to prepare other BOLs and addenda as necessary to sufficiently describe freight in transit. Should the customer, by his requests or actions, instigate ACI to exchange this BOL for another, the shipper shall transfer all conditions, instructions and/or values from the original BOL onto any subsequent BOL bearing the same reference number.

C. If in the sole opinion or judgment of ACI it becomes at any stage necessary or desirable to depart from customer’s instructions in relation to freight in transit, then ACI shall be at liberty to do so. ACI is also at liberty to execute any new BOL information or instructions as it in its sole and absolute discretion shall deem necessary in the interest of safe handling of the freight.

D. Description(s). The description, representation, particulars and/or itemization relating to the Artworks (collectively, the “Description(s)”) supplied by Client to ACI and any other Description(s) appearing on the (i) container, crate or other packaging, (ii) the Artworks themselves and/or (iii) other documents relating thereto, have been furnished by the Client to ACI without verification by ACI. Client warrants and represents to ACI and its affiliates, that the Description(s) set forth including, but not limited to, weight, content, measure, quantity, quality, condition, marks, numbers and value are true and correct. NOTWITHSTANDING THE FOREGOING, ACI SHALL NOT BE RESPONSIBLE FOR ANY DEVIATION FROM THE DESCRIPTION(S) UNLESS ATTRIBUTED SOLELY TO THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ACI.

**7. USE OF OTHER CARRIERS:**

A. In the event that freight cannot be delivered to its destination, ACI may engage other carriers at ACI’s sole discretion; such carriers, however, shall be engaged only after ACI’s reasonable attempts to verbally contact concerned parties to the shipment. Should another carrier become the consignee, the liability of ACI to all concerned persons hereunder shall terminate effective as of the time of consignee’s receipt and signature. It is understood that ACI’s receipt of other carrier’s BOL or receipt ticket constitutes an agreement between ACI and its customer to release freight to that other carrier and for said freight to be then governed by said other carrier’s terms and conditions as set forth on other carrier’s BOL or receipt ticket. ACI shall not be liable to review other carrier’s terms and conditions in full and ACI, its agents, servants and employees, shall be released and discharged from all liability under this BOL.

B. Customers who order ACI services in advance that are pre-arranged to involve ACI plus other carriers understand that they are also bound by the terms of Section 7A of this BOL.

**8. INCOMPLETE BILLS OF LADING:**

A. In the event that freight remains unclaimed or undelivered after ninety (90) days due to failure or refusal of consignee to receive or accept such delivery, or due to inability of ACI to contact concerned parties after reasonable effort, then said freight will be placed at the disposal of ACI for lien or sale in order to recoup transit related charges due, as well as normal and reasonable storage fees and costs of disposal or sale and all other reasonable and necessary expenses. Prior to such disposal or sale ACI will notify all concerned parties in the shipment by US Mail, sent to consignee’s last known address and will enclose complete inventory and written terms of said disposal or sale.

B. Should a customer or concerned party to a shipment redirect freight outside of ACI’s route area in mid-transit, or otherwise render freight not deliverable, ACI shall retain the right to create new BOLs and direct freight via ACI or outside carriers as set forth above. ACI retains the right to deliver freight to a warehouse selected by ACI at the destination city or at an intermediate point, with charges for such warehousing payable by the customer. All additional charges incurred by such actions shall be the responsibility of the customer unless ACI receives and approves written instructions prior to delivery.

C. Shippers and consignees agree to be available to ACI for pick-up and delivery during regular business hours or to arrange reasonable appointment times with ACI directly. ACI reserves the right to assess additional charges pertaining to BOLs in which parties fail to arrange to adequately complete shipment by means of delay, impediment, omission of information and/or unwillingness to schedule

**9. RATE APPLICATION, PAYMENT TERMS, COSTS, FEES and EXPENSES:**

A. Estimates and quotations are issued on the basis of immediate acceptance; ACI maintains and reserves the right to withdraw or revise without prior notice any estimate, whether issued verbally or in writing should any changes occur in regards to the rate of freight, insurance premium, or any other charges that are applicable to the goods. Conditions which nullify estimates and cause rate adjustments may include, but not be limited to, the following:

- Additional volume in the form of larger or heavier freight.
- Additional pick-ups, deliveries, packing/unpacking services and/or materials.
- Delays due to lack of preparation, waiting time, poor access and/or non-availability of freight.
- Delays due to errors or omissions made by the customer or concerned parties.

Services required to be performed on weekends, holidays and other than usual business hours as well as those requiring specialized labor or overnight accommodations will be invoiced pursuant to a separate rate schedule maintained by ACI.

B. Payment terms are net receipt upon presentation of invoice unless otherwise stated on the face of this BOL. Invoices that are past due more than thirty (30) days are subject to a 1.5% per month service charge. ACI reserves the right to assess and Client agrees to pay ACI’s reasonable fees, costs or expenses incurred with respect to the administration of client’s account and as well, for collection procedures on delinquent accounts, which include, but are not limited to, expenses for administration, communications, and attorneys fees. It is further understood that customer, shipper, consignee and owner of freight shall remain jointly and severally liable for such fees, costs, or expenses until payment in full is made to ACI.

C. No claims for loss or damage will be entertained until all of ACI’s charges have been paid in full. The amount of the claim may not be deducted from the total due and payable charges.

D. All artworks delivered to ACI which remain on ACI’s premises for longer than twenty-four (24) hours shall be held pursuant to the terms and provisions contained above and subject to payment of all storage fees at ACI’s then current prevailing rates.