

TRANSPORTATION BROKERAGE TERMS OF CARRIAGE

TERMS OF CARRIAGE:

Made by and between PACIFIC WESTERN INC., hereinafter referred to as BROKER, as defined under Statute 49 U.S.C. §13102(2), and a person/s or entity utilizing BROKER'S services, hereinafter referred to as SHIPPER.

WITNESSETH:

(1) BROKER is a licensed broker of property authorized by the Federal Highway Administration License No. MC-489952 (a copy of license and surety bond is available at <http://pacwest-inc.com> and made a part hereof) to arrange transportation of property for commercial shippers and receivers of property between all points in the United States, and

(2) SHIPPER, desiring to transport cargo using the BROKER'S services.

NOW THEREFORE,

(3) SHIPPER agrees to offer for shipment and BROKER agrees to arrange for transportation by motor vehicle from and to such points between which service may be required such quantities of authorized commodities as the SHIPPER may require.

(4) SHIPPER will tender or cause to be tendered to BROKER a series of shipments on a continuing basis.

(5) SHIPPER agrees to pay BROKER for the transportation authorized commodities under this agreement in accordance with effective schedules with fifteen (15) days of the receipt by SHIPPER of BROKER'S invoice covering such transportation and proof of delivery documents.

(6) Discounts of freight invoice charges will not be permitted. The BROKER reserves the right to assess a service charge of \$5.00 for each invoice for each fifteen (15) day period the freight invoice is not paid within the above schedule. In addition, interest in the amount of 3% per month (36% per annum) shall accrue on outstanding invoices from the original invoice date. Funds received by PACIFIC WESTERN INC. will be applied to the oldest (based on pick-up date) invoiced BOL that is outstanding. In the event PACIFIC WESTERN INC. retains an attorney or collection agency to collect unpaid charges or for the enforcement of these Terms and Conditions, all unpaid charges will be subject to a late payment interest fee of 36% per annum and Customer is also liable for all attorneys and collection agency fees incurred, together with related costs and expenses. All shippers, consignors, consignees, freight forwarders or freight brokers are jointly and severally liable for the freight charges relating to this shipment.

(7) All Customers are subject to credit approval. PACIFIC WESTERN INC. intends to perform a credit check based on the information provided at the time of enrollment by the Customer. The amount of credit, if any, granted to the Customer is at the sole discretion of PACIFIC WESTERN INC. When paying by credit card or electronic funds, the Customer agrees they will be responsible for all charges payable, including any adjustments, on account of such Customer's shipment. These charges and adjustments, if any, will be automatically debited to the Customer's credit card or bank account.

(8) The Customer is liable for all charges payable on account of such Customer's shipment, including but not limited to transportation, fuel and other applicable accessorial charges, including all adjustments issued by the carrier(s) after the shipment, and all duties, customs assessments, governmental penalties and fines, taxes, and PACIFIC WESTERN INC.'s attorney fees and legal costs allocable to this shipment and/or all disputes related thereto. Unless otherwise agreed, BROKER'S scheduling shipments for clients shall be liable, jointly and severally, for all charges payable on account of such client's shipment. PACIFIC WESTERN INC. shall have a lien on the shipment for all sums due it relating to this shipment or any other amounts owed by Customer.

(9) PACIFIC WESTERN INC. reserves the right to amend or adjust the original quoted amount or re-invoice the Customer if the original quoted amount was based upon incorrect information provided at the time of the original quote or if additional services by the carrier were required or otherwise authorized by the Customer to perform the pick up, transportation and delivery functions therein. Customer is permitted thirty (30) business days from the date of the invoice to dispute any invoiced charges. If PACIFIC WESTERN INC. does not receive a dispute within the allowable thirty (30) business days, the disputed item will be denied by PACIFIC WESTERN INC.

(10) The basis transportation rate negotiated between the parties is: Freight, all kinds: full or partial truckload shipment as negotiated either by the mile or flat rate, between all points in the United States.

(11) Additional rates or modifications may be established or amended verbally in order to meet specific shipping schedules, as mutually agreed, but such changes shall be sent by the party initiating the change, by facsimile machine, to the other party, and the approval of the change shall be demonstrated by the second party releasing the cargo for shipment. These changes shall be indicated on the BROKER'S Load Confirmation Sheet.

(12) All of the rules promulgated by the Federal Highway Administration as to filing of claims and settling of claims, and all the requirements as to public liability and property damage and cargo insurance that pertains to a common carrier should be equally applicable to the carrier on shipments moving under this agreement.

(13) The parties agree that in the event SHIPPER determines it has a claim for cargo loss or damage against the carrier, that all claims are filed and processed in accordance with 49 C.F.R. 1005. It is understood and agreed that the BROKER is not a Carrier and that the BROKER shall not be held liable for loss, damage or delay in the transportation of SHIPPER'S property unless caused by BROKER'S negligent acts or omissions in the performance of this Agreement. The BROKER may, as a matter of courtesy and convenience only, assist SHIPPER with claims for loss or damage against the carrier on behalf of the SHIPPER. The individual carrier's governing General Rules Tariff determines the standard liability cargo insurance coverage offered by all carriers. If the shipment contains freight with a predetermined exception value, as determined by the selected carrier, the maximum exception liability will override the otherwise standard liability coverage. The filing of a claim does not relieve the responsible party for payment of freight charges. Freight payment is necessary in order for a carrier to process a claim. All freight cargo claims should be submitted immediately to PACIFIC WESTERN INC. to help ensure timely resolution. PACIFIC WESTERN INC. will attempt to assist in the resolution of freight claims, but has no responsibility or liability therefore. Please contact PACIFIC WESTERN INC. for more details regarding carrier insurance or carrier liability.

(14) PACIFIC WESTERN INC. is not liable for any loss, late-delivery or non-delivery caused by the act, default or omission of the carrier, Customer or any other party who claims interest in the shipment, or caused by the nature of the shipment or any defect thereof. PACIFIC WESTERN INC. is not liable for losses, late-delivery or non-delivery caused by violation(s) by the Customer of any of the TERMS AND CONDITIONS contained in the Bill of Lading or of the carrier's General Rules Tariff including, but not limited to, improper or insufficient packing, securing, marking or addressing, or of failure to observe any of the rules relating to shipments not acceptable for transportation or shipments acceptable only under certain conditions. PACIFIC WESTERN INC. is not liable for losses, late delivery or non-delivery caused by the acts of God, perils of the air, public enemies, public authorities, acts or omissions of Customs or quarantine officials, war, riots, strikes, labor disputes, weather conditions or mechanical delay or failure of aircraft or other equipment. PACIFIC WESTERN INC. is not liable for failure to comply with delivery or other instructions from the Customer or for the acts or omissions of any person other than employees of PACIFIC WESTERN INC.

(15) Subject to the limitations of liability contained in the Bill of Lading and the carrier's General Rules Tariff, PACIFIC WESTERN INC. shall only be liable for loss, damage, misdelivery or non-delivery caused by PACIFIC WESTERN INC.'s own gross negligence. PACIFIC WESTERN INC.'s liability therefore shall be limited to the fees that PACIFIC WESTERN INC. has earned with respect to the subject shipment.

(16) PACIFIC WESTERN INC. MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WITH REGARD TO DELIVERIES OR SERVICES. PACIFIC WESTERN INC. CANNOT GUARANTEE DELIVERY BY ANY SPECIFIC TIME OR DATE. IN ANY EVENT, PACIFIC WESTERN INC. SHALL NOT BE LIABLE FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF PROFITS OR INCOME, WHETHER OR NOT PACIFIC WESTERN INC. HAD KNOWLEDGE THAT SUCH DAMAGES MIGHT BE INCURRED

(17) Any claim, dispute or litigation relating to these Terms and Conditions, any shipment scheduled or tendered hereunder, or relating to any and all disputes between PACIFIC WESTERN INC. and the enrolled Customer, Shipper and/or Consignee and/or Broker for any enrolled Customer, Shipper and/or Consignee, shall be filed in the District Court of Ventura County, California or in the United States District Court for the District of California in Los Angeles and shall be subject to California law and/or Federal Statute.

(18) Rates and charges for traffic moved under these terms of carriage shall be as agreed to between the parties hereto in writing and are to be contained in a rate schedule or memorandum of rates and charges prepared and issued by BROKER and acknowledged by SHIPPER'S release of cargo for transport. Changes to this schedule or memorandum shall also be made in writing. This schedule shall also contain the conditions of, and charges for, any additional or accessorial services, which may be required or performed.

(19) The carrier asserts each movement is made under the terms and conditions of a standard Bill of Lading, and the traffic shall move under the terms and conditions of the said Bill of Lading, which shall contain the standard provision as to the filing and settling of claims.

(20) Neither party hereto will be liable for the failure to tender or timely transport freight under this AGREEMENT if such failure, delay or other omission is caused by strikes, acts of God, accidents, civil disorder, or through compliance with legally constituted order of civil or military authorities.

(21) Carrier shall be liable to the SHIPPER for loss or damage to any property transported under these terms of carriage. Such liability shall begin at the time cargo is loaded upon carrier's equipment at point of origin, and continue until said cargo is delivered to the designated consignee at destination, or to any intermediate stop off. The liability shall be for the full value of the item, which shall be understood to mean the replacement cost of the lost or damaged item(s).

(22) All claims for loss and damage, and any salvage arising there from shall be handled and processed in accordance with the effective schedules within thirty (30) days of the receipt by SHIPPER of BROKER'S invoice covering such transportation.

(23) The relationship of the BROKER to the SHIPPER shall, at all times, be that of an independent contractor.

(24) These Terms of Carriage are effective upon SHIPPER'S release of freight for carriage by BROKER'S contracted Carrier or Carriers.

SIGNED: July 16, 2005

BROKER, PACIFIC WESTERN INC.



By: Carter S. Laurie, President