

**CONNECT ART INTERNATIONAL  
STANDARD OPERATING TERMS AND CONDITIONS**

Definitions / Customer Obligations / Limitations of Liability / Exclusions / Insurance / Bills of Lading / Use of Other Carriers / Incomplete Bills of Lading / Rate Application and Payment Terms

**1. DEFINITIONS & ABBREVIATIONS**

- A. "CARRIER", "ISSUER", "WAREHOUSE". "CAI": Means Connect Art international., its employees and representatives that issues a bill of lading.
- B. "BILL OF LADING" (B/L): Means a document evidencing the receipt of goods for shipment, transportation, storage, installation, or other related services, issued by CAI.
- C. "FREIGHT", "GOODS": Means all things which are treated as movable for the purposes of a contract of storage, transportation, delivery, crating, installation or other related services.
- D. "HOUSEHOLD GOODS": Means furniture, furnishings and personal effects used by a depositor in a dwelling.
- E. "BAILEE": Means a person that by a warehouse receipt, bill of lading, or other documents of title acknowledges possession of goods and contracts to deliver them.
- F. "CONSIGNEE": Means a person named in a bill of lading to which or to whose order the bill promises delivery.
- G. "CONSIGNOR": Means a person from whom the goods have been received for shipment.
- H. "PARTY": As distinguished from "third party," means a person that has engaged in a transaction or made an agreement with CAI.
- I. "SHIPPER": Means a person that enters into a contract of transportation, shipping, delivery, storage, installation, packing with CAI.
- J. "EXCLUSIONS": Conditions and occurrences, as set forth below, that relieve CAI from all liability or responsibility for loss and damage related to freight identified in section 4, of this contract.
- K. "DECLARED VALUE": A charge assessed to a shipper based on a value declared by shipper for this freight, on the B/L and subject to all the limitations and exclusions set forth in section 3, below.
- L. "OBJECTS OF EXCEPTIONAL VALUE": Means fine arts, gold, platina, or precious stones, or imitations thereof, in a manufactured or unmanufactured state; time pieces of any description; collectables of any description; negotiable paper(s) or other valuable writings; pictures, paintings, glass, or chinaware; sculpture; statuary; costumes, silk, laces; plated ware of any kind; of electronic components, chips, micro circuits, silicon or other related products.
- M. "NVD": No value declared. Shipper consigns freight for carriage by CAI and does not declare a value on that freight; thus releasing the carrier to its minimum level of liability as set forth in section 3, below.
- N. "COD": Check or Cash on Delivery. Agreement to pay CAI for services performed at time of delivery or completion of job.
- O. "COPU": Check or Cash on Pickup. Agreement to pay CAI for services performed at time of pick up.
- P. "PBS": Packed by Shipper, condition of contents unknown.
- Q. "ON FILE": Statement of fact of this B/L that refers to information kept in writing by CAI management and not specifically listed on the face of the B/L.
- R. "REASONABLE": Standard of conduct of a reasonably prudent person under similar circumstances.
- S. "INSIDE DELIVERY": Delivery taking place inside consignee's location or structure at or near a common point of entry and within a reasonably accessible area.

**2. CUSTOMER OBLIGATIONS**

- A. Shipper and its agents agree and acknowledge that they have read and understood the terms of this B/L. All terms are binding on shipper, and agent upon signing. If CAI receives Freight or Goods, PBS, shipper warrants that Said Freight or Goods have been packed, packaged, protected and labeled to ensure safe handling. Shipper warrants consignee information and handling instructions are accurate in order to prevent delay or errant dispatch. Shipper agrees to notify consignee of impending arrival of Freight or Goods and to arrange carrier's delivery.
- B. Shipper and its agents agree and acknowledge that freight or goods placed into storage with CAI may be held at any CAI Storage Location. CAI is permitted to move said freight or goods from and between any such locations, as may, in CAI'S sole discretion, be required.
- C. Shipper agrees to deliver to CAI a copy of any insurance policy covering freight or goods it places into storage, at the time of contracting.
- D. Failure to meet obligations as described may result in reduced services or additional charges as set forth in section 9.

**3. CAI'S LIABILITY IS LIMITED.**

- A. Freight or Goods shipped, installed or placed in storage with CAI are valued at a released rate liability of \$.60 per pound, per item. Shipper may declare a higher value for its Freight or Goods and pay a higher rate for Carrier services. The declared value must appear on the face of the B/L and may only be entered thereon by employees of Carrier. Declared values may not be altered once a B/L is issued unless Carrier gives its written consent for such alteration, and Shipper pays an additional or increased rate. In the event Shipper declares a higher value for Freight or Goods shipped and pays an increased rate, any loss or damage occurring while in the Carrier's possession, CAI will be liable, if at all, for the actual value of the Freight or Goods but in no event for more than the value declared on the B/L.
- B. CAI reserves the right to inspect all Freight or Goods to be shipped. CAI employees shall be at liberty to perform additional wrapping and packing where deemed necessary. In the event that such services were not originally requested, additional charges incurred for packing will be the responsibility of Shipper. Freight or Goods shipped with CAI are received in apparent good order and condition.
- C. Declared value, if any, applies only to Freight or Goods shipped with CAI. CAI will not substantiate values of goods in transit; nor will Carrier provide proof of origin or verify such goods conform to the description listed on the face of this contract. Shippers may not over-value goods in transition in excess of their actual values. The responsibility for providing documented proof of actual value in a claim shall rest solely with shipper.
- D. Consolidated or multiple items of Freight or Goods shipped for which the customer assigns only one total declare value for all items shall be considered by CAI as one item. Loss to any individual item will not be considered separately,
- E. Objects of exceptional value requested by shipper to be listed on a CAI B/L are subject to a limit of liability, for loss or damage, if at all, in the amount of \$50 (fifty) dollars to any one package of such articles.
- F. CAI reserves the right to decline a shipper's offered declaration of higher value on a B/L.
- G. CAI shall not be liable for loss, damage or delay caused by war or the public enemy, criminal acts of third party's, acts of any governmental or public authority, insurrection, strikes or other labor troubles, Acts of God, riots, the elements, infestation or other causes of active deterioration, quarantine or fumigation requirements, street traffic, obstructions, act or default of the Shipper or owner of the Property, break down or mechanical defect of vehicles or equipment, occurrences in customs warehouses elevator service, or other causes beyond the control of CAI. CAI is not responsible for and is exempt from liability for physical loss or damage to Freight or Goods, after delivery, or installation, or after departing an installation site, or caused by any delay of delivery, or loss of market. CAI is not bound to transport goods by any particular means, schedule, vehicle or otherwise than with reasonable dispatch.
- H. CAI is not liable for loss or damage to Freight or Goods when Shipper directs Carrier to pick up and load, or deliver and unload at locations where the shipper, consignee, customer or their agents are not present.
- I. Claims regarding loss or damage of any kind must be made in writing at the time of delivery. If a claim for hidden damage is made, it must be made in writing and within ten days of the delivery date of freight or goods. CAI reserves the right to inspect all items and wrapping materials that are being made subject to a claim. It is the responsibility of the consignee to retain the goods in the original container(s) and/or materials and to make such goods and materials available to CAI for inspection. Claims not reported within ten days of the delivery date shall be time barred.

**4. EXCLUSIONS**

- A. Shipper acknowledges and agrees that, unless by written agreement to the contrary and subject to the CAI Standard Terms and Conditions, CAI has no liability or responsibility for physical loss or damage to any items of Freight or Goods listed below:
  - 1. Items improperly or inadequately packed or mislabeled by the shipper.
  - 2. Items having internal damage or concealed breakage; glass and ceramic having cracks.
  - 3. Items damaged by inherent vice or weakness due to poor fabrication.
  - 4. Items containing fragile internal mechanics or instrumentation.
  - 5. Items with waxen, resinous, or viscous surface areas be they in wet, semi-dry, or hardened state.
  - 6. Damaged or worn antique items in disrepair, items exhibiting prior repairs or breakage.
  - 7. Uncured and/or not thoroughly dry objects of art, paintings, uncured and/or unset varnish applied to furniture.
  - 8. Items with directional orientation to which the shipper does not affix descriptive arrows in advance.
  - 9. Items shipped unwrapped at the stated request of the shipper.

10. Loss or damage to mirrors, glass, marble, or stone.
11. Loss of or damage from ordinary wear, tear or deterioration as a result of natural climatic changes which may occur despite the efforts of CAI to maintain a controlled climate during storage or transit.
12. Loss of or damage to any article, pair, or set or article consisting, when complete for use of several items; CAI shall be liable only for the separate value of such item without respect to any special value claimed for such item as a part of the article, pair or set of articles.
13. Unexplained or mysterious disappearance.
14. Loss or damage or missing items resulting from owner's packing or unpacking.

B. The following types of freight will not be transported/stored by the carrier under any circumstance:

1. Contraband or illegal substances; firearms or ammunition.
2. Explosives, chemicals, noxious or other dangerous goods.
3. Livestock, plants, biological or hazardous goods.
4. Gold, platina or precious stones or imitations thereof, in a manufactured or unmanufactured state; electronic components, chips, micro circuits silicon and other related devices.

C. Shipper agrees to indemnify and hold harmless, CAI, for any and all liability and damage including but not limited to costs for fines, penalties, legal fees, damage to CAI equipment and/or personal injury and workers compensation benefits to CAI employees, arising out of the shipping, handling, transporting, installing or storage of such excluded Freight or Goods.

D. Carrier is at liberty to dispose of any items or associated with said dangerous goods at any time and place deemed appropriate by Carrier with all disposal charges to be for the account of Shipper.

## 5. INSURANCE

A. CAI does not provide insurance.

B. Shipper may request CAI to submit a shipper's request/application for marine insurance on its behalf. Shipper may provide its own transit, installation or storage insurance on its freight or goods. Written instructions for same must be received by CAI in sufficient time prior to shipment or storage to allow any such request to be processed by the insurance company or underwriter.

C. CAI does not warrant that such insurance as may be requested by shipper, can or will be placed. Any insurance placed shall be governed by the Terms and Conditions, Rules and Procedures set forth in the certificates or policies issued, and will be effective only when accepted by such insurance companies or underwriters.

## 6. BILLS OF LADING

A. Only CAI employees may change or alter the terms on the face of CAI B/Ls. In the event that any shipper or consignee attempts to, or alters a CAI B/L, any such changes or alterations are deemed VOID and UNENFORCEABLE. All conditions set forth on this side of the B/L are binding and cannot be modified, altered or waived by any person including CAI employees, save for officers of Carrier, and then only in writing and when signed by such an officer.

B. If a Shipper Directs Carrier to exchange this B/L for another, the shipper's signature on the original B/L shall incorporate by reference all conditions, instructions and/or values from the original B/L onto any subsequent B/L bearing the same reference number.

C. Carrier is at liberty, in the interest of safety, to depart from customer's instructions.

## 7. USE OF OTHER CARRIERS

A. In the event that freight cannot be delivered as directed by Shipper, CAI is authorized to engage other carriers at CAI's discretion, after reasonable attempts to verbally contact Shipper or Consignee. If another carrier is engaged to effect delivery, all provisions of this contract terminate at the time of the other carrier's receipt and signature.

B. CAI's acceptance of other carrier's B/L or freight receipt ticket constitutes an agreement between CAI and its Shipper to release freight to that other carrier and for said freight to then be governed by said carrier's terms and conditions as set forth on other carrier's B/L or freight receipt ticket.

C. Shippers who order services in advance from CAI and involve other carriers understand that they are also bound by the terms of section 7A, herein.

D. Unless express instructions in writing are received from Shipper, to the contrary, CAI has complete freedom to choose the means, route and procedure to be employed in the handling, transportation and delivery of all Freight or Goods.

## 8. NON-DELIVERY

A. In the event that freight remains unclaimed after ninety (90) days due to abandonment, failure or refusal of delivery by consignee, or due to CAI's inability to arrange for further delivery instructions then said Freight or Goods will be subject to disposal by CAI for enforcement of Carrier's lien or lien sale in order to recover charges due, as well as normal and reasonable storage fees and costs of disposal or sale. Prior to such disposal or sale CAI will notify all parties to the shipment by U. S. Mail and will enclose a complete inventory and written terms of said disposal or sale.

B. Should Shipper redirect freight outside of CAI's route area in mid-transit, or otherwise render freight not deliverable, CAI shall retain the right to create new B/L's and direct freight via CAI or outside carriers as set forth above.

C. CAI retains the right to deliver freight to a warehouse selected by CAI at the destination city or at an intermediate point, which shall be for the sole account of Shipper.

D. Shippers and consignees agree that Carrier, CAI, shall pick-up and/or deliver during regular business hours or arrange other reasonable times with CAI. CAI shall apply additional charges pertaining to B/L's in which Shipper/consignee fail to allow complete delivery by reason of delay, impediment, or omission of information and/or unwillingness to schedule delivery.

## 9. RATE APPLICATION AND PAYMENT TERMS

A. Estimates and quotations are issued on the basis of immediate acceptance; Carrier maintains the right to withdraw or revise any estimate, whether issued verbally or in writing. If Shipper orders any changes in regards to the rate of freight/delivery, services, storage, or any charges shall be subject to immediate revision.

B. Payment terms are net on receipt of invoice unless otherwise stated on the face of this B/L. Invoices past due more than 30 (thirty) days are subject to 1.5% per month service charge. CAI reserves the right to assess fees to the customer for collection procedures on delinquent accounts including, but not limited to, costs for administration, communication, legal procedures and interest on unpaid amounts. It is further understood that shipper, consignee, consignor and owner of freight shall remain jointly and severally liable for all such charges until payment in full is made to CAI.

C. No claims for loss or damage will be entertained until all Transportation Company charges have been paid in full. The amount of any claim shall not be used to reduce or offset any charges due and payable to CAI.

D. In the event that a carrier, or other person or any governmental agency makes a claim or institutes legal action against CAI for ocean or other freight, duties, fines, penalties, liquidated damages or other money due arising from a shipment or goods of the shipper, shipper agrees to indemnify, and hold harmless CAI for any amount CAI may be required to pay including attorney fees. The confiscation or detention of the goods by any governmental authority shall not affect or diminish the liability of the shipper to CAI to pay all charges or other money due promptly on demand.

## 10. LIEN ON ANY PROPERTY

A. CAI has a lien on any and all property of the customer in its possession, custody or control or en route for all charges, expenses or advances incurred by CAI in connection with any shipments, storage, installation or transportation of the Shipper and if such claim remains unsatisfied for thirty (30) days after demand for its payment is made, CAI may sell at public auction or private sale, upon ten (10) days written notice by registered mail (RRR) to the customer, the goods, or so much thereof as may be necessary to satisfy such lien and apply the net proceeds of such sale to the payment of the amount due to CAI. Any surplus from such sale shall be transmitted to the customer and the customer shall be liable for a deficiency in the sale.