



## **Broker / Carrier Agreement**

This Agreement shall govern the services provided by \_\_\_\_\_, a licensed motor carrier pursuant to USDOT # \_\_\_\_\_ & MC \_\_\_\_\_ (hereinafter referred to as "Carrier") and Fifth Wheel Freight, LLC (hereinafter referred to as "Broker"), a licensed property broker pursuant to Docket No. MC#806984. The Broker and Carrier have determined an agreement is to their mutual advantage and best interest and they hereby agree to the following terms and conditions:

1.0 Relationship - The relationship between the Carrier and the Broker shall be that of an independent contractor, each to the other, and at no time shall the employees, agents or associates of one be considered to be employees, agents or associates of the other. If any disputes arise about any matter covered by the terms of this agreement, the dispute will be referred by either/both parties to the Arbitration Procedures of the Transportation Broker's Conference of America or to any party to whom the parties mutually agree. If neither of these is satisfactory, the dispute must be referred to the Arbitration Procedures of the American Arbitration Association and will be subject to the applicable laws, regulations and procedures of the state of Michigan. No court action can be taken by either party prior to arbitration, and the decision of the Arbitration Association shall be binding on both parties, in any subsequent action in court.

2.0 Soliciting - Carrier agrees it will not knowingly communicate by telephone, directly or otherwise, with clients referred to it by the Broker without the express knowledge and approval of the Broker. It is understood by the Carrier that the provisions herein pertain to "back soliciting". Carrier hereby agrees that neither it nor anyone under its employ will approach shipper clients introduced to it by the Broker for the purpose of providing services without the participation of Broker, for as long as the Broker is in operation.

3.0 Payment - Broker shall pay Carrier for services rendered in an amount equal to the rates and accessorial charges agreed to on the Broker/Carrier Rate Confirmation Sheet or other signed writing. Carrier must submit proof of delivery with invoices to Broker as agent for the shipper immediately upon delivery. Payment terms shall be thirty (30) days from receipt of necessary supporting documentation unless otherwise arranged and agreed to by both the broker and carrier. Carrier agrees that Broker is the sole party responsible for payment of Carrier's invoices and that, under no circumstance, will Carrier seek payment from the shipper or consignee.

4.0 Minimum Insurance Requirements - Carrier warrants to Broker (and its shipper's principals) that it meets the following criteria: (a) Carrier shall maintain cargo insurance in the amount of not less than (\$100,000.00) per shipment; (b) Carrier shall maintain public liability insurance in the amount of not less than (\$1,000,000) as required by federal regulation (BMC-91) on file) including owned, hired, and non- owned vehicles; (c) Carrier agrees to maintain worker's compensation, unemployment, and disability insurance, as necessary by state, from an insurance carrier approved by each state in which services are performed hereunder; (d) Carrier shall agree to provide certificates of insurance upon request; (e) Carrier shall maintain satisfactory U.S. DOT safety ratings and is otherwise

authorized to provide the proposed services; and (f) Carrier shall be in compliance with all applicable laws and regulations.

4.1 Coverage - Any insurance coverage's required by any government body for the types of transportation and related services specified in a Transportation Schedule. All insurance required by this Agreement or a Transportation Schedule must be written by an insurance company having a Best's rating of "B+" or better and must be authorized to do business under the laws of the state(s) or province(s) in which Carrier provides the transportation and related services under all of the Transportation Schedules. Carrier's insurance shall be primary and required to respond and pay prior to any other available coverage. Carrier agrees that Carrier, Carrier's insurer(s), and anyone claiming by, through, or under Carrier shall have no claim, right of action, or right of subrogation against Broker, its affiliates, or its Customer based on any loss or liability insured under the foregoing insurance. Carrier shall, prior to providing transportation and related services pursuant to this Agreement, name Broker, as a certificate holder on each of the foregoing insurance policies and shall cause its insurance company to issue a certificate to Broker, evidencing the foregoing coverage.

4.2 Additional Terms - Carrier represents and warrants that it will continuously fulfill the requirements of this Section throughout the duration of this Agreement. Broker, shall be notified in writing by Carrier's insurance company at least thirty (30) days prior to any cancellation, change or non-renewal of the submitted insurance policies. Carrier shall at all times during the term of this agreement have and maintain in full force and effect, Public Liability, Property Damage, Cargo, and Workers' Compensation Insurance with reliable insurance companies acceptable to Shipper, and in the following amounts, which amounts may be modified by Broker subsequently upon thirty days' written notice: \$1,000,000 Bodily Injury; \$1,000,000 Property Damage; \$100,000 all -risk cargo liability insurance to include mechanical refrigeration unit breakdown, if applicable; Workers' Compensation insurance in the amounts required by statute in the jurisdictions where the services hereunder will be performed, and Employer's Liability Insurance in an amount no less than \$500,000 per occurrence. If Carrier is self-insured, a certificate of the state in which the transportation services are to be performed must be furnished by such state agencies directly to broker. Insurance will meet or exceed the requirements of federal and state regulatory body having jurisdiction over Carrier's performances pursuant to this agreement

5.0 Governing Rules - The following rules shall apply: (a) The terms of the standard straight bill of lading; (b) Standard claims rules otherwise applicable to common carriers (49 C.F.R. §370 and carrier's rules tariffs); (c) Cargo claims liability as set forth in the Carmack Amendment (49 U.S.C. §14706); (d) Destination market value for lost or damaged cargo, no special or consequential damages unless by special agreement; (e) Claims will be filed with Carrier by Shipper; and (f) Broker's customer is third party beneficiary of this Agreement.

6.0 Shipping Document Execution - Carriers are to be named on the bill of lading as the "carrier of record." Broker shall be shown as the third-party payer of all freight charges and it is understood that at no time will the Broker have physical control, custody, possession, nor either physical or financial responsibility for the freight listed upon the bill of lading before, during or after transport.

7.0 Indemnification - The Carrier shall defend with competent counsel, indemnify and hold the Broker, its shareholders, directors, officers, employees, and agents harmless from and against any liabilities, causes of action, claims, suits, damages, losses, judgments, penalties, contributions, fines, and fees, including without limitation,

all arbitrator's or attorneys' fees and related costs, brought by or on behalf of any person, firm, corporation, government authority or other entity based upon or arising out of, or in connection with, in whole or in part, the acts or omissions, with or without negligence of Carrier, its employees, agents, or contractors.

7.1 Claims Resolution Process - With the firm understanding that the Broker cannot be held accountable for any type of claims, the Broker nonetheless supports a Voluntary Claim Resolution process whereby the Broker can act as a mediator between the Carrier and Shipper, if both are in agreement. This process will involve solely the Carrier, Shipper, and Broker acting as mediator (no legal counsel will be required).

8.0 Disputes - In the event a dispute arises out of this Agreement between the Broker and Carrier, including, but not limited to, federal or state statutory claims, the Party's sole recourse (except as provided below) shall be to arbitration. Proceedings shall be conducted under the rules of the Transportation Arbitration and Mediation PLLC (TAM), American Arbitration Association (AAA), or Transportation ADR Council, Inc. (ADR), at Broker's sole discretion. Arbitration proceedings shall be started within eighteen (18) months from the date of delivery or scheduled date of delivery of the freight, whichever is later. Upon agreement of the parties, arbitration proceeding may be conducted outside of the administrative control of the TAM, AAA or ADR. The decision of the arbitrator shall be binding and final and the award of the arbitrator. Arbitration proceedings shall be conducted at the office of the AAA, ADR, or TAM nearest East Lansing, Michigan or such other place as mutually agreed upon in writing or directed by the acting arbitration association, or be teleconference or video conference on agreement of the Parties. Provided, however, either Party may apply to a court of competent jurisdiction for injunctive relief. Venue for any such action shall be in the State of Michigan, Ingham County. Unless preempted or controlled by federal transportation law and regulations, the laws of the State of Michigan shall be controlling. The arbitration provisions of this paragraph shall not apply to enforcement of the award of arbitration.

8.1 Carrier's Cargo Liability - Carrier assumes liability as a common carrier for loss, damage to, or destruction of any and all of Customer's goods or property while under Carrier's care, custody or control. Carrier shall inspect each load at the time it is tendered to Carrier to assure its condition. If Carrier is tendered a load which is not in suitable condition, it shall notify Broker, immediately. Cargo which has been tendered to Carrier intact and released by Carrier in a damaged condition, or lost or destroyed subsequent to such tender to Carrier, shall be conclusively presumed to have been lost, damaged or destroyed by Carrier unless Carrier can establish otherwise by clear and convincing evidence. Carrier shall either pay Broker directly, or allow Broker to deduct from the amount Broker, owes. Carrier the Customer's full actual loss, or the amount determined by Broker and Carrier to be Carrier's responsibility. Broker, shall deduct from the amount Broker otherwise owes Carrier, the Customer's full actual loss of all claims that are not resolved within ninety (90) days of the date of the claim. Carrier agrees to indemnify Broker, for any payments made hereunder. In the event of an accident, Carrier shall notify Broker immediately for further instructions.

9.0 Salvage Claims - Carrier shall waive any and all right of salvage or resale of any of Customer's damaged goods and shall, at Broker's reasonable request and direction, promptly return or dispose, at Carrier's cost, any and all of

Customer's damaged and overage goods shipped by Carrier under a Transportation Schedule. Salvage process responsibility/burden of proof rests with the Carrier and his insurer. Motor Carrier and Insurers are entitled to mitigate their losses through salvage, but not at the expense of the Shipper. Carrier shall not under any circumstance allow Customer's goods to be sold or made available for sale or otherwise disposed of in any salvage markets, employee stores, or any other secondary outlets. In the event that damaged goods are returned to Customer and salvaged by Customer, Carrier may receive a credit for the actual salvage value of such goods.

10.0 Agreement Terms - This Agreement shall be for the period of one (1) year and shall be automatically renewed unless cancelled. Either party may terminate this Agreement upon fifteen (15) days written notice. This agreement shall be governed by the laws of the State of Michigan, without reference to its principles of conflicts of laws. This agreement contains the entire understanding of the parties and no additions or alterations shall be made unless in writing and signed by both parties. Carrier may not assign or transfer any of its rights or obligations under this agreement.

BROKER/AGENT: \_\_\_\_\_ DATE: \_\_\_\_\_

CARRIER: \_\_\_\_\_ DATE: \_\_\_\_\_