

## Broker Agreement with Contract Carriers

THIS AGREEMENT made this \_\_\_\_\_ Day of \_\_\_\_\_, 20\_\_\_\_ by and between \_\_\_\_\_ MC# \_\_\_\_\_ hereinafter referred to as CARRIER and Snoozie Shavings, Inc. MC #159236 hereinafter referred to as BROKER.

### WITNESSETH:

1. BROKER agrees to offer for shipment and CARRIER agrees to transport in its own equipment at least 50,000 pounds annually in a series of shipments and such additional quantities of freight as BROKER may tender, subject to the availability of suitable equipment.

2. CARRIER shall be authorized to operate as a contract motor carrier by the I.C.C. and shall provide and maintain, at its sole cost and expense, insurance against liability for injuries an to or death of persons and damage to property, as shown in Appendix "1". And any additional insurance required by applicable laws, rules, and regulations. CARRIER shall furnish to BROKER upon request, a copy of each such insurance policy, and written certificates of insurance.

3. BROKER agrees to pay CARRIER for the transportation of freight moved under this agreement in accordance with rates agreed to in writing or made verbally to meet specific shipping schedules.

4. Whether or not the CARRIER is authorized to operate, or does operate, as a common carrier, each and every shipment tendered to CARRIER as a motor contract carrier and shall be subject only to the terms of this agreement and the provisions of law applicable to motor contract carriage hereunder.

5. BROKER and CARRIER agree that transportation services hereunder are to be performed as a contract carrier in compliance with 49 U.S.C 10102 by assigning motor vehicles for a continuing period of time for the use of BROKER or by providing specialized services or equipment designated to meet the distinctive needs of BROKER or the consignor.

6. CARRIER at its sole cost and expense shall furnish all equipment required for it's services hereunder and shall maintain all equipment in good repair and condition. CARRIER, at its sole cost and expense, shall employ for its services hereunder only competent and legally licensed personnel. Without the prior written consent of BROKER, CARRIER shall not cause or permit any shipment tendered hereunder to be transported by any other motor carrier or in substituted service by railroad or other modes of transportation.

7. CARRIER will be responsible to comply with all applicable I.C.C. and D.O.T. regulations as well as all other federal and state regulations pertaining to the operations of a motor carrier. Carrier warrants that it is in full compliance with all federal and state laws and regulations and that it's U.S.D.O.T. rating is satisfactory.

8. CARRIER shall issue a bill-of-lading in it's own name and shall be liable for loss, damage, or delay of any shipment while on the possession or control of CARRIER. CARRIER hereby assumes the liability of a motor common carrier as provided in Section 11707 of Title 49 of the United States Code as in effect on he effective date of this agreement. All claims for loss and damage and salvage shall be handled and processed in accordance with the regulations of the I.C.C. as published in the Code of Federal Regulations (49 C.F.R. 1005).

9. CARRIER, on behalf of itself and its successors and assigns, shall indemnify BROKER (and all of its past, current, and future directors, officers, employees, representatives, administrators, attorneys, advisors, affiliates, agents, contractors, dealers, subsidiaries, successors, assigns, members, and other equity holders) and hold it and them harmless against any and all claims, actions, causes of action, suits at law or in equity, and proceedings, whether civil or criminal (including, without limitation, government agency proceedings), debts, judgments, demands, controversies, losses, injuries, damages, and expenses (including without limitation BROKER'S reasonable attorney's fees), and liability of every kind and nature whatsoever, to the extent they arise out of fraud, violation of an applicable law or regulation, willful misconduct or negligence by action or omission of CARRIER (and all of its past, current, and future directors, officers, employees, representatives, administrators, attorneys, advisors, affiliates, agents, contractors, dealers, subsidiaries, successors, assigns, members, and other equity holders) in the performance of its obligations under this Agreement or the breach of any warranties of obligations under this Agreement.

10. CARRIER will bill all charges for transportation services directly to BROKER with a copy of the signed bill-of-lading and delivery receipt. BROKER agrees that it will endeavor to pay all freight bills for transportation within thirty (15) days of receipt of invoice from carrier.

11. Carrier agrees to support and protect BROKER's efforts in performance of this agreement by refraining from any direct contact or solicitation of BROKER's customers. During the term of the agreement and for a period of two (2) years from the time of the termination of this agreement, CARRIER shall not, directly or indirectly, solicit or do business of a transportation nature with any of BROKER's customers who are serviced by CARRIER as a result of this agreement unless otherwise agreed to in writing.

12. The relationship of CARRIER to BROKER shall, at all times, be that of an independent contractor, except that BROKER shall be the agent for CARRIER for the collection and payment of charges to CARRIER. CARRIER agrees that it will look only to BROKER for payment if the billed party has been paid BROKER. Nothing in this agreement shall be construed to give either party the power to direct or control of the daily activities of the other party, or to constitute the parties as principal and agent, employer and employee, franchiser and franchisee, partners, joint venturers, co-owners, or otherwise as participants in a joint undertaking. The parties understand and agree that, except as specifically provided in this agreement, neither party grants the other party authority to make or give any agreement, statement, representation, warranty, or other liability or obligation, express or implied, on behalf of the other party, or to transfer, release, or waive any right, rule, or interest of such other party. The employees of each party shall not be considered employees of the other and shall not be eligible for any benefits given by the other to its employees.

13. CARRIER shall have no lien on any shipment.

14. Obligations of this agreement are separate and divisible and in the event that any clause is deemed unenforceable, the balance of the agreement shall continue in full force and effect.

15. CARRIER agrees that BROKER'S compensation hereunder for its services are confidential and need not to be disclosed to CARRIER. CARRIER further agrees that it will not reveal to anyone the terms of this agreement, the pricing for transportation service, of any other details of the business conducted between CARRIER and BROKER.

16. This contract is binding upon the parties hereto, their successors, and assigns, and shall be considered under the laws of the State of California.

17. This agreement shall be deemed to be effective on the first date that CARRIER and BROKER commenced business together and the parties agree that the provisions contained herein properly express and memorialize the complete understanding of the parties as contained in all prior agreements, both verbal or in writing. The initial term of this agreement shall be thirty (30) days, with automatic renewal unless either party gives the other notice of non-renewal (for any reason) ten (10) days or more prior to a renewal date.

18. CARRIER shall not solicit traffic from any shipper, consignor, consignee or customer of BROKER where (1) the availability of such traffic first became known to CARRIER as a result of BROKER'S efforts or (2) where the traffic of the shipper, consignor, consignee or customer of the BROKER was first rendered to the CARRIER and obtains traffic from such a customer. The CARRIER then is entitled, for a period of 24 months after the involved traffic begins to move, to a commission from the BROKER of twenty (20) percent of the transportation revenue received on the movement of the traffic.

CARRIER:

BY:

TITLE:

WITNESS: \_\_\_\_\_

BROKER:

Snoozie Shavings, Inc.

BY:

TITLE:

WITNESS: \_\_\_\_\_

## APPENDIX 1

### 1. Cargo: "All Risk" or Special Coverage

\$50,000 Cargo Insurance

\$1,000 Maximum deductible

Add as a Certificate Holder:

Snoozie Shavings, Inc.

### 2. Workers Compensation Coverage, as required by state law.

### 3. General Liability Insurance

\$1,000,000 each occurrence

\$2,000,000 Aggregate

Add as a Certificate Holder:

Snoozie Shavings, Inc.