

BROKER - CONTRACT CARRIER AGREEMENT - WEB

This Agreement is between Cargo Transit, Inc. ("BROKER"), a federally licensed transportation broker operating pursuant to US DOT-2225028, and _____ ("CARRIER") a federally licensed motor carrier operating pursuant to US DOT-_____ with offices at _____. In consideration of the mutual promises herein contained, and with intent to be legally bound hereby, it is agreed that:

1. This Agreement shall be governed by Title 49 of the U.S. Code, CFR and federal common law applicable to interstate transportation of goods. CARRIER's tariffs, circulars or service guides shall not apply unless specifically agreed to and incorporated by reference herein. This Agreement is deemed executed in BROKER's home State and County. The term of this agreement shall be one month from date of signing and shall continue month to month until written fourteen day notice of termination is received. The terms and conditions of this contract may be periodically updated and posted at <http://www.cargotransit.com>, and shall become effective upon Carrier's acceptance of any shipment via rate confirmation referencing and incorporating the updated Agreement terms.

2. CARRIER will issue a Bill of Lading in its own name for property received hereunder and shall be liable to the person entitled to recover under the bill of lading for the actual loss or injury to the property as set forth in 49 U.S.C. §14706. Actual loss shall be shipper's invoice price. Failure to issue a bill of lading does not affect the liability of CARRIER. No shipment shall move subject to released valuation unless such limitation is set forth in writing signed by the parties. A notation by the carrier or its agent on a bill of lading or other shipping document, or a limitation of liability contained in a tariff, service guide or on a website, shall not constitute the specific agreement required. CARRIER'S cargo liability shall begin at the time cargo is loaded upon CARRIER'S equipment and continue until the cargo is delivered to the designated consignee or to any intermediate stop-off party. CARRIER is responsible for the loading and securing of all shipments and has the duty to inspect each shipment. Cargo claims shall be investigated and settled in accordance with 49 C.F.R. §370. Claims must be filed in writing with CARRIER within nine months after delivery. Suit must be instituted against the CARRIER within two years from the day written notice is given by the CARRIER to the claimant that the CARRIER has disallowed the claim in whole or in part. If CARRIER fails to acknowledge or investigate claims as required under 49 C.F.R. §370, BROKER shall be entitled to offset claims against any and all freight charges owed.

3. CARRIER agrees to maintain all-risk cargo liability insurance in the amount of \$100,000. CARRIER also agrees to maintain Worker's Compensation insurance as prescribed by the laws of the states in which the transportation services shall be performed; Employer's Liability Insurance in the amount of \$500,000; Auto Insurance covering all owned, non-owned and hired vehicles including blanket contractual coverage in the amount of \$1,000,000 and naming BROKER as a certificate holder. CARRIER's insurance agent will supply BROKER with a Certificate of Insurance so naming Broker and identifying exclusions, limitations and deductibles including but not limited to geographic, target commodities, theft, unattended vehicles, scheduled vehicles or drivers and requiring the insurance agent to give BROKER thirty (30) days written notice prior to cancellation. CARRIER's liability shall not be limited by insurance amounts or coverage.

4. CARRIER warrants that it is an independent contractor and exercises exclusive supervision and control over the equipment, drivers and other personnel, and the means and methods of carrying out its contractual obligations. CARRIER warrants that it operates in compliance with all Federal and State laws. CARRIER agrees that the equipment shall be clean, in good working order, properly licensed, identified and insured and suitable for the transportation requested. CARRIER warrants that such has not been used at any time, to transport compressed household, municipal or commercial waste, or any other waste material. All drivers and other personnel shall be well trained, properly licensed and insured, tested, and directed to use the utmost care and due diligence for safety to the public and in the protection of shipper's commodities. CARRIER shall maintain a U.S. DOT safety rating of "Satisfactory" or "Continue to Operate" unless CARRIER is unrated. CARRIER agrees to notify BROKER within 24 hours of any change in CARRIER's safety rating. The CARRIER is solely responsible for all expenses for operating as a CARRIER, including but not limited to all business, equipment and employee licenses, permits, inspection, maintenance, testing, insurance, compensation and taxes.

CARRIER warrants and acknowledges that it possesses full and complete understanding and knowledge of the US DOT's CSA 2010 program (including, but not limited to, driver violations and ranking criteria). CARRIER, and any drivers of CARRIER, shall at all times meet CSA 2010 safety standards sufficient to enable CARRIER to (a) operate without US DOT intervention or restriction; (b) obtain and maintain the insurance coverage required by this Agreement; and (c) be and remain competitive with similarly situated carriers with regard to quality of driver safety as measured under CSA 2010. CARRIER further agrees to (i) immediately notify BROKER in writing if CARRIER has been deemed "unfit" or "marginal" in any area of their safety and compliance performance measured by the CSA 2010 program; and (ii) to reject and not otherwise accept the transport of any freight offered by BROKER during such time as CARRIER is deemed "unfit" or "marginal" in any area of its safety and compliance performance measured by the CSA 2010 program.

5. INDEMNIFICATION: CARRIER agrees to pay, indemnify, defend and hold BROKER and Broker's Customer harmless against any and all loss, damage or delay claims which are in any way caused, contributed to, or exacerbated by the breach of contract, intentional or negligent acts or omissions of CARRIER, its employees, drivers, helpers, subcontractors, independent contractors or agents, on each shipment tendered to CARRIER pursuant to this Agreement. CARRIER further agrees to indemnify, defend and hold BROKER and Broker's Customer harmless from all and any allegations, claims, liability or costs for injury to persons and/or damage to property which are in any way caused, contributed to or exacerbated by the breach of contract, negligent or intentional acts or omissions of CARRIER, its employees, drivers, helpers, subcontractors, independent contractors or agents, or arising out of CARRIER'S operations hereunder, including but not limited to claims for respondeat superior, negligent selection, hiring or supervision of carrier, its employees, agents or subcontractors. CARRIER acknowledges and agrees that where the loss, injury or damage arises from the underlying breach, acts or omissions of CARRIER, as opposed to any active or direct breach, act or omission of BROKER or its customers, CARRIER's defense, indemnification and hold harmless obligations are triggered regardless of the form, cause of actions or allegations against BROKER or its customer. Indemnification shall include attorneys' fees and costs, including fees and costs for enforcement of this agreement. By accepting shipments using refrigerated transport, CARRIER hereby certifies that it will only use, furnish or provide TRU equipment that in is compliance with all requirements of the State of California TRU regulations. CARRIER further agrees to defend, indemnify and hold Cargo Transit and its customer harmless from any failure regarding non-compliant equipment.

6. BROKER agrees to pay CARRIER at the agreed rate within 30 days of receipt by BROKER of CARRIER'S invoice, and transportation documents, including the signed clear bill of lading, proof of delivery or delivery receipt as set forth in the rate confirmation provided to CARRIER prior to shipment, regardless of payment from shipper. CARRIER authorizes BROKER to invoice shipper, receiver, consignor, consignee or BROKER's customer for freight charges as agent for and on behalf of CARRIER. Payment of the freight charges to BROKER shall relieve shipper, receiver, consignor, consignee or BROKER's customer of any liability to the CARRIER for non-payment of charges. Rates, additional terms and shipper specific requirements for transportation service may be established through the rate confirmation document, and shall act as an appendix to this Agreement. The rates, terms and shipper requirements set forth in the rate confirmation shall be deemed to be the agreement of the parties for the referenced shipment, and the confirmation deemed part of this agreement unless CARRIER notifies BROKER within 24 hours of any disagreement as to rates and shipment specifications. CARRIER and any affiliates of CARRIER (including factoring companies) agree to report open invoices to credit agencies using the date that BROKER receives CARRIER'S invoice and proof of delivery as the beginning aging date. CARRIER and any affiliates of CARRIER may not report past due invoices to credit agencies if any payment disputes with BROKER arise out of an alleged breach by CARRIER of this Agreement.

7. CARRIER agrees that it will transport all loads tendered to it under its own authority, on equipment owned or leased by it, and use employees or independent contractors under contract with it. If CARRIER "brokers" a shipment, CARRIER forfeits the right to collect freight charges and agrees BROKER may pay such charges directly to the underlying carrier. If BROKER pays CARRIER, CARRIER agrees to pay any and all charges relating to the movement of the shipment, and to indemnify and hold harmless BROKER and/or BROKER's customers from any and all freight charges claimed to be owed to the underlying motor carrier. CARRIER shall settle all cargo claims that arise in connection with shipments under this Agreement as the receiving carrier under 49 U.S.C. §14706 regardless of whether it takes possession of the freight or was the actual carrier.

8. BROKER and CARRIER may agree as to required transit time for each shipment. The parties acknowledge that time is of the essence in the transportation of cargo under this Agreement and that monetary damages may accrue if the goods are not delivered within the time frame(s) specified in the Rate Confirmation, bill of lading or other shipping directives. Nothing in this Agreement shall be construed as requesting or requiring CARRIER to violate the federal safety regulations regarding hours of service set forth at 49 C.F.R. §395 and/or applicable State regulations. Where CARRIER makes pick-up and delivery commitments to BROKER, BROKER reasonably relies on CARRIER's knowledge and expertise that such transit time is consistent with the safety regulations. Where necessary CARRIER shall employ team drivers and use all other reasonable means to meet its commitments without additional cost to BROKER. Except under Force Majeure circumstances, if CARRIER is unable or unwilling to deliver a shipment at the agreed delivery time, BROKER shall have the option of arranging for alternate transportation at CARRIER's expense.

9. CARRIER will provide BROKER at least 30 days written notice prior to any assignment, factoring or other transfer of any of its rights to receive payments from BROKER under this Agreement. Written notice will include the correct legal name and address of the assignee, transferee or factoring entity; the effective date of the assignment, transfer or factoring arrangement; the terms of the assignment; and a written confirmation from the assignee, transferee or factoring entity that such assignment, transfer or factoring arrangement is, in fact, in existence. Any such notice will be effective only upon actual receipt by BROKER. BROKER does not in any way guaranty that it will be able to recognize any such assignment, transfer or factoring arrangement, and CARRIER agrees to

defend, indemnify and hold BROKER harmless from and against any costs, expenses or fees (including attorneys' fees) which BROKER may incur as a result of BROKER's inability, failure or refusal to comply with CARRIER's transfer, assignment or factoring directions. CARRIER will be allowed to have only one assignment, transfer or factoring arrangement in effect at any one point in time, and no multiple assignments, factoring or transfers by CARRIER will be permitted. CARRIER also releases and waives any right, claim or action against BROKER for any amounts due or owing under this Agreement if BROKER fails or refuses to comply with any such assignment, transfer or factoring arrangement or where CARRIER has not complied with the notice requirements herein.

10. CARRIER shall not offer rates directly to or perform service directly for 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 BROKER was first tendered to CARRIER by BROKER. If CARRIER breaches this agreement and "back-solicits" BROKER'S customers, and/or obtains traffic from such a customer, BROKER is then entitled, for a period of fifteen (15) months after the involved traffic first begins to move, to a commission from CARRIER of 15% of the transportation revenue received on such traffic, as liquidated damages. Termination of this contract shall not affect the enforceability of the foregoing provisions for a period of 15 months after termination.

11. 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, war, accidents, civil disorder, or through compliance with legally constituted order of civil or military authorities.

12. If a dispute arises out of or relates to this Agreement jurisdiction and venue for suit shall be in the State or Federal court for the State and County in which Broker is located. Any modification to the terms and conditions of this Agreement must be in writing and signed by authorized representatives of both parties to be enforceable. This writing represents the entire agreement between the parties. All terms and conditions of this Agreement are contained within the "four corners" of this Agreement. Failure by BROKER to invoke or enforce any or all of the provisions of this Contract shall not constitute a waiver of any or all such provisions, nor shall any assertion or showing of "custom" or "usage" be deemed a waiver of the written terms and conditions contained in this Contract. If any part of this AGREEMENT is held unenforceable, the rest of the AGREEMENT will continue in effect. The persons signing below have actual authority to bind the parties upon whose behalf they sign.

SIGNATURE: _____
Signature line is to have the SIGNATURE (like your signature on a check) including the signer's FIRST AND LAST NAME

PRINT NAME: _____
(First and Last Name)

CARRIER: _____

TITLE: _____

DATE: _____

SIGNATURE:

PRINT NAME:

BROKER: Cargo Transit, Inc.

TITLE:

DATE:

WEB