

PROPERTY BROKER-CONTRACT CARRIER AGREEMENT

THIS AGREEMENT entered into this ____ day of _____ 20____, by and between A & B Logistics, Inc., PO Box 1547, Jeffersonville, IN 47131 (hereinafter referred to as BROKER), a duly licensed property broker authorized by Interstate Commerce commission License MC 203557 (a copy of which is attached hereto and made a part hereof) to arrange for the transportation of property, in interstate, intrastate or foreign commerce, by motor vehicle, of general commodities (except household goods), between points in the United States and _____ with its principal place of business at _____ (hereinafter referred to as CARRIER), a motor contract carrier of property, authorized by the Interstate Commerce Commission or Department of Transportation surface Transportation Board under Docket No. MC _____ (a copy of which is attached hereto and made a part hereof) to conduct operations and provide transportation services in interstate, intrastate and foreign commerce of general commodities (except household goods) between points in the United States, and Canada, under continuing contract(s) with BROKER agree as follows:

- 1) **TRANSPORTATION SERVICES**, BROKER hereby agrees to cause freight to be Tendered to CARRIER, and CARRIER agrees to transport such freight in an amount not less than fifty thousand (50,000) pounds per year, and CARRIER hereby agrees to pickup, transport, deliver and provide such services, as BROKER shall require on all such cause to be tendered. CARRIER will also transport whatever additional quantities of freight BROKER shall cause to be tendered to CARRIER to the best of its abilities and the extent of the availability of CARRIER'S equipment to handle such additional quantities of freight. CARRIER specifically warrants and agrees that all freight tendered to it by BROKER pursuant to this agreement shall only be transported by CARRIER on, in or with equipment owned by CARRIER or leased to CARRIER under a lease having a duration of more than thirty (30) days, operating under CARRIER'S operating authorities. Except to the extent that CARRIER uses the services of "Owner/Operators" in the course of conducting its regular operations, CARRIER shall not in any manner, sub-contract, broker or tender to any third party for transportation any freight tendered to CARRIER by BROKER for transportation pursuant to this agreement....
- 2) **COMPENSATION TO CARRIER**, CARRIER and BROKER shall establish mutually acceptable contract rates before rendering specific freight services and CARRIER shall be paid for its services on the basis of such rates between the origin and destination points of the specified line haul transportation services performed by CARRIER. All such rates will be confirmed in writing or by facsimile transmission before performance of transportation services, and shall be properly signed by authorized representative of each party, and shall be made a part of the Agreement. The source of miles for calculation of compensation to be paid to CARRIER shall be the PC Miler, unless otherwise agreed in writing by the parties.
- 3) **PAYMENT**, BROKER agrees to pay to CARRIER for transportation of authorized shipments under this agreement within (30) days of receipt of CARRIER'S freight invoice, along with a copy of the shipper bill of lading, a signed proof of delivery receipt, a copy of the rate confirmation covering the authorized shipment and any documents issued or required by the owner or consignee of the property. All amounts quoted and agreed to as well as all payments for services rendered are hereby understood to be in U.S. funds only.
- 4) **COMPLIANCE WITH LAWS**, With respect to the transportation services provided herein, CARRIER shall comply with all laws, rules and regulation enacted by the Department of Transportation, other Federal agencies and departments having jurisdiction and the various states in which the transportation services are performed. This Agreement shall be governed by and construed in accordance with the domestic laws of Indiana and/or Commonwealth of Kentucky.
- 5) **EQUIPMENT**, The transportation services to be performed by CARRIER shall be performed with equipment which is good order, condition and repair and which meets with the Department of Transportation's standards and complies with Federal Safety Regulations.

- 6) **PUBLIC LIABILITY INSURANCE AND INDEMNITY**, CARRIER shall procure and maintain, at its sole cost and expense, comprehensive general liability insurance and automobile liability insurance with reputable and financially responsible insurance underwriters properly insuring CARRIER for: (a) for bodily injuries to persons (including injuries resulting in death) and damage to property in a combined single limit of One Million Dollars (\$1,000,000.00) per occurrence and (b) any additional insurance as may be required by applicable laws, rules and regulations. CARRIER shall furnish to BROKER, written certificates showing that such insurance has been procured and is being maintained. Such insurance policies shall provide that in case of cancellation or material modification thereof, written notice shall be given to BROKER at least thirty (30) days before the effective date of such cancellation or modification to each policy.
- 7) **CARGO LIABILITY INSURANCE AND INDEMNITY**, CARRIER shall maintain in Effect at all times cargo liability insurance with a limit of One Hundred Thousand Dollars (\$100,000.00). Cargo requiring insurance coverage more than One Hundred Thousand (\$100,000.00) shall be transported only after CARRIER obtains additional cargo liability insurance sufficient to cover the value of the shipment. The cost of the additional insurance shall be agreed upon between the CARRIER and the BROKER and made part of the agreed upon rate covering the shipment.

CARRIER shall be responsible for the actual loss or damage to cargo transported by CARRIER under this agreement unless such loss or damage is caused by or arises out of any of the following (1) acts of GOD, (2) inherent vice of the cargo, (3) riots or civil insurrections, (4) negligence of the Shipper or BROKER, (5) acts of public authorities.

- 8) **WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY**, CARRIER shall maintain Workers' Compensation and any insurance required by statutes applicable where the work is to be Compensation coverage instead of actual certificates of insurance for those jurisdictions in which it is qualified to self-insure.
- 9) **SURETY BOND**, BROKER shall maintain, at its own expense, a Broker's Surety Bond with a minimum amount of \$10,000.00, a copy of which shall be forwarded to CARRIER
- 10) **INDEPENDENT CONTRACTOR**, CARRIER is a lawfully licensed operator with required insurance, process agents and motor carrier authority under the Interstate Commerce Act or Surface Transportation Board of the Department of Transportation and shall provide service under its own certificate(s) or permit(s). This Agreement does not make CARRIER and agent, legal representative, joint venture, or partner of BROKER for any purposes whatsoever. CARRIER assumes full responsibility for payment of federal, state and local taxes or contributions or taxes for unemployment insurance, pension, workers' compensation or other social security and related protection with respect to the persons engaged in the performance of the services rendered hereunder and agrees to comply with applicable federal, state, and local laws, ordinances, regulations and rules applicable thereto.
- 11) **DAMAGE CLAIM**, All claims for loss or damage to shipments covered by this Agreement shall be handled and processed in accordance with Title 49 CFR Section 1005. Carrier agrees to acknowledge claims within thirty (30) days, and with sixty (60) days of receipt of claim to settle claim in full, deny, or make a firm offer to settle. BROKER, Shipper or Consignee may submit claims to the CARRIER.
- 12) **NONCOMPETE**, CARRIER agrees that neither it, nor any of its employees or agents, will back-solicit the business of any customer of BROKER with whom it or they come into contact with or become aware of as a result of any shipments tendered to CARRIER by BROKER following this agreement. During the term of the Agreement, neither Carrier nor Carrier's agents or employees shall solicit, directly or indirectly, any customers, freight or business of BROKER. CARRIER agrees that for a period of one (1)

year, commencing with the termination of this Agreement. CARRIER will not engage in any activity in any way involving or related to the solicitation or transportation of freight, of any kind, for or on behalf of or belonging to any entity or person, who was or is a customer of BROKER, including shippers or consignees, during the term of the agreement, any extensions or renewals of this Agreement, or any predecessor agreement of like kind between the parties hereto. The term "CARRIER" as used in this Paragraph shall include Carrier, any and all agents or employees of CARRIER, and any party which CARRIER may contract with to provide equipment for use in transporting freight. In the event that CARRIER violates any provision of the Paragraph, then CARRIER Shall pay to BROKER, not as penalty but as liquidated damages, a sum equal to three (3) times the gross revenues derived from any such transportation by CARRIER, plus BROKER'S actual attorney's fees.

- 13) **TERMINATION**, This agreement shall remain in effect for one(1) year from the date hereof and, if not cancelled, shall renew itself for additional periods of one (1) year. Either party may terminate this Agreement upon giving the other thirty (30) days written notice of its intention to do so. Termination may be with or without cause. Termination of this Agreement shall not release either party from any liability to the other arising pursuant to the Agreement, whether or not such was ascertained at the time of termination.
- 14) **NOTICES**, Any notice, request, direction, instruction or other communication relating to the transactions contemplate by this Agreement shall be in writing, shall be sent and shall be deemed to have been given when sent postage prepaid by certified mail, return receipt requested or by premium private courtier or delivery service to the addresses recited herein above, or in such other manner or to such other address as shall have been designated, in compliance with this paragraph, by the party to which such notice, request, direction, instruction or other communication is to be given.
- 15) **FORCE MAJEURE**, 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, act of Nature, war, accidents, civil disorder, or through compliance with legally constituted order of civil or military authorities.
- 16) **MODIFICATION**, This agreement represents the entire understanding between the parties. Any modification or alteration of this Agreement must be in writing and properly signed by authorized representatives of both Parties before it shall be effective.
- 17) **MISCELLANEOUS**, (a) The unenforceability, invalidity, or illegality of any provisions of the agreement shall not render the other provisions unenforceable, invalid, or illegal. (b) This Agreement shall be binding upon all successors and approved assigns of the parties and shall inure to the benefit of all such successors and approved assigns. (c) This Agreement constitutes the entire agreement and understanding between the parties and supersedes any and all prior agreements and understanding, either oral or written.

IN WITNESS WHEREOF, the parties hereto execute the Agreement as of the date first written above.

BROKER: A&B LOGISTICS, INC.

CARRIER: _____

BY: _____

BY: _____

Susan Kraft
TITLE: Logistics Coordinator

TITLE: _____

ADDRESS: P.O. Box 1547
Jeffersonville, IN 47131

ADDRESS: _____

FED ID#: 62-1521546

FED ID#: _____