STANDARD BROKER – CONTRACT CARRIER AGREEMENT

This agreement dated _____, between _____, hereinafter referred to as BROKER, and Douglass Logistics Inc. Llc, 5443 West 70th Place, Bedford Park, IL 60638, hereinafter referred to as CARRIER.

In consideration of the mutual promises of the parties, it is agreed:

1. **IDENTIFICATION OF THE PARTIES**
   a. CARRIER represents and warrants that it is duly and legally qualified to provide the transportation services contemplated herein under a license issued to it by the Federal Motor Safety Administration (FMCSA) in Docket No._____, and that it agrees to comply with all federal, state, and local laws regarding the provision of such services.
   b. BROKER represents that it is duly authorized to perform such services for compensation under a license issued to it by the Federal Motor Carrier Safety Administration (FMCSA) in Docket No. ___MC-685429_and that it holds effective Surety Bond or Trust Fund Agreement under 49 U.S.C. 10927(b) and 49 C.F.R. 1045.

2. **TERMS AND JURISDICTION:**
   Agreement shall be governed by Title 49 of the United States Coda and the Code of Federal Regulations. This Agreement is to become effective on the above stated date and shall remain in effect for a period of one (1) year and shall automatically renew for a successive one (1) year period; provided, however, that this Agreement may be terminated at any time and giving (30) days prior written notice.

3. **SPECIFIC OBLIGATIONS OF CARRIER:**
   a. CARRIER shall issue a Uniform Straight Bill of Lading in accord with U.S.C. 81 and the 49 C.F.R. 1035 for property it receives for transportation under this contract and shall be liable to the person entitled to recover under the bill of lading. The liability imposed by this paragraph is for the actual loss or injury to the property. Failure to issue a bill of lading does not affect the liability of CARRIER. CARRIER'S liability shall be the same as common carrier's liability under 49 U.S.C 14706. The parties expressly agree that no shipment shall move subject to released rates unless such limitation of liability shall have been specifically agreed to in writing between the parties. A notation on a bill of lading or other similar document shall not constitute the specific agreement required by this provision.
   b. CARRIER agrees to maintain cargo insurance in the amount of $ 100,000 to compensate those parties entitled to recover under the preceding paragraph. CARRIER shall cause its insurance carrier to forward forthwith to BROKER a standard Certificate of Insurance, which Certificate shall require the insurance carrier to give BROKER written notice thirty (30) days prior to the cancellation of such cargo insurance. The cargo insurance shall be in the form required by 49 C.F.R. 387 ("Motor common carriers: Cargo liability"), and shall have no exclusions or restrictions that would not be accepted by the Federal Highway Administration for a filing under the statutory requirements of the above-cited section, but shall, in all respects, be identical to the cargo insurance filed in accord with the said part (49 C.F.R. 1043).
   c. CARRIER'S liability shall begin at the time cargo is loaded upon CARRIER'S equipment at the point of origin, and continue until said cargo is delivered to the designated consignee at destination, or to any intermediate stop-off party.

d. CARRIER agrees to defend and hold harmless BROKER against any and all loss or damage claims on each shipment transported by CARRIER pursuant to this Agreement. CARRIER further agrees to defend and hold harmless BROKER from all and any liability, costs and damages to persons and or property arising out of CARRIER'S Operations hereunder, including but not limited to all road, fuel, and other taxes, fees, or permits related to shipments transported by CARRIER as arranged by BROKER.

4. SPECIFIC OBLIGATIONS OF BROKER:

a. BROKER shall offer to CARRIER for shipment a minimum quantity of not less than one (1) shipment for each year this Agreement remains in effect and CARRIER agrees to transport not less than one (1) shipment tendered during that period of time.
b. BROKER agrees to pay CARRIER for the transportation of the commodities moved under this agreement in accordance with the rate set forth herein or Addenda thereto, within 30 days of receipt by BROKER or CARRIER'S invoice covering such transportation.
c. It is the responsibility of the BROKER as an agent of the carrier to communicate that the withholding payment of any freight balances due to dispute or claim is in violation of 49 C.F.R. and that the Carmack Amendment codified in 49 U.S.C. 14706 and the CARRIER'S cargo insurance adequately provide the shipper with the statutory and financial protection for loss and damage should it occur.
d. Furthermore, CARRIER will not withhold any goods of BROKER's customer on account of any dispute as to prices, claims or any alleged failure of general credit of BROKER.

5. SPECIFIED RATES AND CHARGES:

a. Rate confirmation sheets shall be on an accepted amendment to his agreement. The methodology will be as follows: after a rate is agreed to by the parties, one party shall fax to the other party a rate confirmation sheet, which will identify the shipment by: DATE OF TENDER, ORIGIN, DESTINATION, COMMODITY, ESTIMATED WEIGHT, and AGREED RATE. The rate confirmation sheet need not be attached to the original agreement, but it may be kept with the load papers that are retained as to the individual shipment. The same requirements of retention and availability for inspection that apply to the written agreement shall apply to the Rate Confirmation Sheet.
b. CARRIER authorizes BROKER to invoice shipper, receiver, consignor, or consignee for freight charges as agent for and on behalf of CARRIER. Payment of the freight charges to BROKER shall relieve shipper, receiver, consignor, or consignee of any liability to the CARRIER for non-payment of charges.

6. BILLS OF LADING:

The bill of lading shall note that thee shipments were transported by CARRIER, acting as a carrier and that the shipment was arranged by BROKER, acting as broker. The name of the underlying shipper shall be inserted in the blank for the consignor/shipper.

7. SERVICE DESIGNED TO MEET THE DISTINCT NEEDS OF BROKER:

BROKER needs CARRIER to assume full liability for the actual loss of, or injury to, the property tendered to CARRIER to negate a possibility of CARRIER moving these goods on released rates with a limitation of liability, and paragraph 3. (a) specifically imposes with obligation upon CARRIER. Paragraph 8 imposes a further obligation on CARRIER that claims shall be settled in accordance with 49 C.F.R 370, and extends the time for filing of claims and subsequent suits, and this is also designed to meet the distinct needs of BROKER. Further, BROKER needs a forum for the settlement of disputes, and Paragraph 8 and Paragraph 9 meet this distinct need of BROKER. BROKER further needs protection against back solicitation of its clients by CARRIER, and Paragraph 11 is designed to meet this distinct need. BROKER needs guarantees as to transit time, and Paragraph 9 fulfills this need.

8. PROVISIONS AS TO THE SETTLEMENT OF CARGO CLAIMS

Cargo claims shall be investigated and settle in accordance with the regulations codified at 49 C.F.R. as in effect on December 30, 1995. As a condition precedent to recovery, claims must be filed in writing with the receiving or delivering carrier, or carrier issuing the bill of lading, or carrier on whose line the loss, damage, injury, or delay occurred, or carrier in possession of the property when the loss, damage, injury, or delay occurred., within one (1) year after delivery. Suits shall be instituted against the CARRIER within two (2) years, three (3) months and one (1) day from the day when notice in writing is given by the carrier to the claimant that the carrier has disallowed the claim or any part or parts thereof specified in the notice. Where claims are not filed or suits are not instituted thereon in accordance with the foregoing provisions, no carrier hereunder shall be liable, and such claims shall not be paid. Suits on cargo claims must be instituted in the federal or state court where the Broker is located. If any dispute arises about a cargo claim, the party who alleges the violation may file suit in the federal district or the state and county in which the BROKER is located.

9. TRANSIT TIME

a. BROKER and CARRIER may make arrangements on each shipment as to required transit time. Such agreements may make the transit time obligation less or more than “reasonable dispatch”.
b. In the absence of an agreement between the parties, the following transit time schedule shall apply
    i. On shipments moving less than 500 miles, next day delivery.
    ii. On shipments moving more than 500 miles, one day more for every 500 miles, or part thereof. (To illustrate: on a shipment moving 2900 miles, delivery shall be made in six (6) days. Safety on the highways is of major concern to both parties, and these transit times are compatible with the Federal Highway Administration Safety Rules.

10. INDEPENDENT CONTRACTOR STATUS

a. The relationship of CARRIER to BROKER shall, at all times, be that of an independent contractor, except that BROKER shall be the agent for the carrier for the collection of charges, when the shipper pays BROKER, as per Paragraph 5.

b. CARRIER recognizes the special, distinct, varying and continuing transportation needs of the BROKER and its customer base of shippers, and in order to serve a portion, if not all, of those transportation needs, CARRIER desires to provide motor contract carriage to BROKER under a continuing agreement designed to meet various and special transportation needs of BROKER and its shipper customers as part of a larger integrated scheme of transportation services arranged by BROKER between many shipper and carrier customers. BROKER recognizes the special, distinct, varying, and continuing obligations of the CARRIER and its customer base of shippers and understands that CARRIER will provide motor contract carriage services to the BROKER on a best effort basis subject to availability of equipment. Both CARRIER and BROKER understand that this Agreement does not bind the respective parties to mutually exclusive services to each other, and that BROKER may enter into similar agreements with other carriers, and CARRIER may enter into similar agreements with other brokers and/or shippers.

c. Nothing in this agreement shall be construed to give either party the power to direct or control the daily activities of the other party. 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.

11. **SOLICITATION AGREEMENTS**:

a. Absent specific written Agreement between both the CARRIER AND BROKER, **C**ARRIER shall not solicit traffic from any shipper, consignor, consignee or customer of BROKER where the availability of such traffic first became known to CARRIER as a result of the BROKER's efforts during the term of this agreement.

b. CARRIER shall continue to honor its non-solicitation obligations for a period of twelve (12) months upon the written termination of this Agreement.

c. Should the CARRIER obtain traffic from the BROKERs customer during the term of the Agreement or the designated period thereafter, the BROKER will be entitled to commission of such loads in the amount of 15% of the revenue from transportation services provided. CARRIER shall provide BROKER with all documentation requested by the BROKER to verify such transportation revenue.

d. Failure of payment obligations within the terms of this agreement by the BROKER is a breach of this Agreement and will nullify this clause and the CARRIER's non-solicitation obligations.

12. CONFIDENTIALITY:

CARRIER agrees that BROKER's compensation for its services is confidential and need not be disclosed to CARRIER. CARRIER and BROKER both agree that they will not reveal to anyone the terms of the agreement, the pricing for transportation service, or any other details of the business conducted between both parties.

13. **CO-BROKERING PROHIBITED:** CARRIER agrees that it shall 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. Should a violation of the preceding sentence occur, 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 owe directly to the underlying motor carrier. CARRIER also agrees to settle any cargo claims that may arise in connection with a violation of this paragraph pursuant to 49 U.S.C. 14706.

14. **FORCE MAJEURE EXEMPTIONS:**
Neither parry 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 thorough compliance with legally constituted order of civil or military authorities.

15. **MODIFICATION**:
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.

16. **SEVERABILITY:**
If any part of this Agreement is held unenforceable, the rest of the Agreement will continue in effect.

17. **AUTHORITY:**
The persons signing below have the actual authority to bind the parties upon whose behalf they sign.

BROKER: Douglass Logistics Inc. Llc	CARRIER: _____
ADDRESS: 13567 Cambridge Dr.	ADDRESS: _____
Lemont, IL, 60439	_____
PHONE: (888) 368-4564	PHONE: _____
TAX ID: 1596025	TAX ID: _____
BY: William Douglass	BY: _____
TITLE: C.E.O	TITLE: _____
DATE: _____	DATE: _____