
Broker Shipper Agreement

BROKER SHIPPER AGREEMENT

AGREEMENT: made this _____ day of _____, _____, shall govern the services provided by _____, hereinafter referred to as BROKER, and _____, hereinafter referred to as SHIPPER, located at _____.

WITNESSETH:

1. BROKER is a licensed broker of property authorized by the Federal Highway Administration, license pursuant to Docket MC# _____ (a copy of license and surety bond is attached hereto and made part thereof) to arrange transportation of property for commercial shippers and receivers of property between all points in the United States, and

2. SHIPPER, desiring to enter into a contract relationship with BROKER.

NOW THEREFORE,

3. SHIPPER agrees to offer for shipment and BROKER agrees to arrange for transportation by motor vehicle from and to points which service may be required and such quantities of authorized commodities as the SHIPPER may require.

4. SHIPPER agrees to offer to BROKER for shipment, a minimum of {Loads} loads per year for each year this Agreement remains in effect.

5. SHIPPER agrees to pay BROKER for the transportation of authorized commodities under this agreement in accordance with effective schedules within fifteen (15) days of the receipts by SHIPPER of the BROKER'S invoice covering such transportation and proof of delivery documents, or in the time period agreed upon, in writing, between SHIPPER and BROKER as an addendum to this AGREEMENT.

6. Discounts of freight invoice charges will not be permitted. The BROKER reserves the right assess a service charge of 3% for each invoice for each fifteen (15) day period (or 36% annually) of freight invoice if not paid within the above schedule.

7. The basic transportation rate negotiated between the parties is: Freight, all kinds; all shipments: Rates to be determined; placed in writing, and agreed to by both parties by signature on BROKER'S load rate confirmation document and renegotiated for each load tendered.

8. Additional rates or modifications of the above rate may be established or ammended verbally in order to meet specific shipping schedules, as mutually agreed, but such changes shall be sent by the party initiating the change, by facsimile machine (fax) or email, to the other party, and the approval of the change shall be acknowledged by the second party by, initialing the change, and returning, by facsimile machine or email confirmation of the proposed change. These changes shall be seperately numbered as Appendix A, Addendum 1, etc.

9. Although not required by the Federal Highway Administration, BROKER agrees to maintain cargo insurance in the ammount of \$100,000 as a supplemental contingency insurance to compensate SHIPPER for loss or dammage to shipments tendered to BROKER'S transportation services. SHIPPER agrees that the primary insurance coverage and responsibility for loss or damage is that of the licensed motor carrier transporting

transporting shipments, as required by the Federal Highway Administration, and that BROKER'S cargo insurance will be utilized only in the case of failure of carrier's insurance; in any case, BROKER'S liability shall be limited to the coverage afforded by BROKER'S contingent cargo policy.

10. All of the rules promulgated by the Federal Highway Administration as to filing of claims and settling of claims, and all the requirements as to public liability and property damage and cargo insurance that pertain to a common carrier or contract carrier should be equally applicable to the carrier on shipments moving under this agreement.

11. The parties agree that in the event the SHIPPER determines it has a claim for loss of cargo or damage against the carrier, that all claims are filed and processed in accordance with (49 C.F.R. 1005). BROKER may, as a matter of courtesy and convenience and on behalf of the SHIPPER, handle claims or assist in the handling of claim for loss or damage against the carrier.

12. Rates and charges for traffic moved under this AGREEMENT shall be as agreed to between the parties hereto in writing and are to be contained in a rate schedule or memorandum of rates and charges prepared and issued by BROKER and acknowledged by SHIPPER. Changes to its schedule or memorandum shall also be made in writing within a mutually agreed period of time, and similarly acknowledged.

13. The carrier shall, on each movement, issue a standard Bill of Lading, and the traffic shall be delivered under the terms and conditions of the said Bill of Lading, which shall contain the standard process as to the filing and settling of claims.

14. Neither party hereto will be liable for the failure to tender or timely transport freight under the AGREEMENT if such failure, delay or other omission is caused by strikes of war, acts of God, accidents, civil disorder, through compliance with legally constituted order of civil or military authority.

15. Carrier shall be liable to the SHIPPER for loss or damage to any property transported under this AGREEMENT. Such liability shall begin at the time cargo is loaded on carrier's equipment at the point of origin, and continue until said cargo is delivered to the designated consignee at the ultimate destination or to any intermediate pick-up and stop-off points between the point of origin and the final destination. The liability shall be for the full value of the item, which shall be understood to mean the replacement cost of the lost or damaged item(s).

16. All claims for loss and damage, and any salvage arising therefrom shall be handled and processed in accordance with the effective schedules within thirty (30) days of the receipt by SHIPPER of BROKER'S invoice covering such transportation.

17. If any dispute arises about any matter covered by the terms of this AGREEMENT, the parties' recourse shall be to the judicial system, either state or federal.

18. The relationship of BROKER to the SHIPPER shall at all times, be that of an independent contractor.

19. This AGREEMENT shall remain in effect for a period of one (1) year, and from year to year thereafter, subject to the right of either party herein to terminate the AGREEMENT at any time upon not less than thirty (30) days written notice of one party or the other.

IN WITNESS WHEREOF, the parties solidify this AGREEMENT made this _____ day of _____, _____.

By: _____

Title: _____

By: _____

Title: _____