

## SHIPPER- BROKER AGREEMENT

This Broker Agreement is dated \_\_\_\_\_, 20\_\_ and is between Freight Logistics, Inc., an Oregon corporation; its wholly owned divisions, subsidiaries and affiliates ("FLI"), and \_\_\_\_\_, a \_\_\_\_\_ corporation ("Shipper").

FLI is a transportation broker licensed by the Federal Motor Carrier Safety Administration ("FMCSA") in Docket Number MC #452520B and arranges for transportation of general commodities ("Goods").

Shipper, to satisfy some of its transportation needs, wishes FLI to arrange for transportation of Shipper's Goods.

The parties enter into this Agreement in accordance with 49 U.S.C. Section 14101(b)(1) and expressly waive any and all rights and remedies that each may have under 49 U.S.C. 13101 through 14914 that are contrary to specific provisions of this Agreement.

1. **Services.** FLI agrees to arrange for transportation by motor carriers (the "Motor Carriers") for Shipper pursuant to the terms and conditions of this Agreement. FLI's responsibility under this Agreement will be limited to arranging for, but not actually performing, transportation.
2. **Independent Contractor Relationship.** It is understood and agreed that the relationship between the parties is and will remain that of independent contractors and that no employer/employee relationship exists or is intended.
3. **No Exclusivity.** Shipper is not restricted from tendering shipments to other brokers or directly to Carriers. FLI is not restricted from arranging transportation for entities other than Shipper.
4. **FLI Compensation**
  - A. FLI will invoice Shipper for its services based on this Agreement and negotiated rates and charges.
  - B. Shipper agrees to pay FLI within 15 days of invoice date without deduction or setoff. FLI may assess a service charge of 1 ½% per month (or the highest lawful rate, if less) for any delayed payments.
  - C. If Shipper does not pay the invoiced amounts, FLI may commence a civil action to recover such invoiced amounts within 24 months of delivery or tender of delivery of the shipments involved. If FLI alleges undercharges or Shipper alleges overcharges, duplicate payment, or overcollection, notice of such claims must be given within 180 days of receipt of the invoice and a civil action must be filed within 18 months of delivery or tender of delivery of the shipments involved.
5. **Bills of Lading, Documentation.** If requested by Shipper, FLI will provide Shipper with proof of acceptance and delivery of shipments in the form of a signed Bill of Lading or Proof of Delivery. Shipper's insertion of FLI's name on any bill of lading or shipping document will be for Shipper's convenience only and will not change FLI's status as a broker. The terms and conditions of any documentation used by Shipper or a Carrier will not supplement, alter, or modify the terms of this Agreement.

6. Cargo Loss, Damage, and Delay
  - A. It is understood and agreed that FLI is not a carrier or freight forwarder, and FLI will not be liable for loss, damage, or delay in the transportation of Goods. If requested by Shipper and agreed to by FLI, FLI may assist Shipper in the filing and/or processing of claims with Carriers.
  - B. FLI will select only Carriers that agree to assume the liability of a motor carrier pursuant to the provisions of 49 USC §14706 for loss or damage to Goods up to a maximum of \$100,000 per shipment.
  - C. Any claim for cargo loss, damage, or delay must be filed against the Carrier within 9 months of the date of delivery of Goods, or in the case of non-delivery, within 9 months of the date delivery should have been made. Any suit or other legal action to recover for cargo loss, damage, or delay, must be commenced against the Carrier no later than 2 years aft declination of the cargo claim by Carrier.
7. Consequential Damages. Under no circumstances will FLI or Carrier be liable for any consequential, indirect, incidental, or punitive damages of any kind.
8. Shipper's Obligations.
  - A. Shipper is responsible for ensuring that Goods are properly and safely loaded, supported, blocked, braced and secured. Shipper will be responsible for expenses arising out of any load shift that occurs during transportation due to improper or insufficient loading, blocking, or bracing.
  - B. Shipper must provide necessary shipping instructions and properly identify all Goods in the bill of lading or other shipping instructions. Shipper will not tender any restricted commodities, including but not limited to hazardous materials and waste, oversize or overweight shipments, coiled or rolled products or commodities requiring protection from heat or cold, without properly identifying such shipments and making necessary prior arrangements for transportation.
  - C. Unless Shipper has requested that FLI arrange for the Carrier to provide driver count services before dispatch and the Carrier performs such driver count services, Shipper is responsible for properly counting and recording the number of pieces transported and applying a protective seal to the loaded equipment.
  - D. Shipper is responsible for checking all empty containers or trailers tendered for loading and to reject any equipment that is not in apparent suitable condition to protect and preserve the Goods during transportation.
  - E. If Shipper requests FLI arrange for equipment to be dropped at a location for Shipper's convenience and left unattended by Carrier, Shipper and its consignors or consignees will not lose, damage, or misuse the equipment and Shipper will pay for loss or damage to the equipment occurring during or as a result of such possession or use of the equipment.
9. Indemnification. Shipper will defend, indemnify and hold FLI, FLI's employees and agents (which term will include any Carrier engaged by FLI) harmless against any losses caused by or resulting from (i) Shipper's or Shipper's employees' or agents' negligence or intentional misconduct, (ii) Shipper's breach of this Agreement, or (iii) Shipper's or Shipper's employees' or agents' violation of applicable laws or regulations. The obligation to defend includes payment of all reasonable costs of defense as they accrue.
10. Insurance. FLI will require Carriers to maintain the insurance specified below.
  - A. Worker's compensation insurance in statutory amounts;
  - B. Occurrence based Truckers Policy or Automobile Liability Insurance with limits of \$750,000 per occurrence, and Hazardous Materials coverage of not less than \$5,000,000 per occurrence if applicable; and
  - C. Occurrence based cargo insurance with limits of liability of not less than \$100,000 per shipment.

11. Term and Termination

- A. The initial term of this Agreement is one year, starting at the date shown above. At the end of the initial term and each subsequent term, this Agreement will automatically renew for an additional one year term.
- B. Either party may terminate this Agreement, with or without cause, at any time, by giving 60 days written notice to the other party.

12. Jurisdiction and Venue

- A. This Agreement is governed by and construed in accordance with the applicable Federal laws of the United States, or alternatively, and depending on jurisdiction, the laws of the State of Oregon.
- B. The parties agree to jurisdiction and venue in the United States Federal District Court located in Medford, Oregon, or as applicable depending upon jurisdiction, Jackson County Circuit Court in Medford, Oregon

13. Notice. Any notices and other communications required or permitted under this Agreement must be in writing and delivered to the party entitled to receive the same by hand or U.S. Mail, addressed as follows:

If to FLI:  
 Freight Logistics, Inc.  
 PO Box 1712  
 Medford, OR 97501

If to Shipper:  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 Attn:

14. Confidentiality. Shipper agrees that FLI's costs for services is confidential and need not be disclosed to Shipper. Shipper specifically waives any rights it may have under 49 CFR 371.3. Shipper further agrees that it will not reveal to anyone the terms of this Agreement, the pricing of transportation, or any other details of the business conducted between the Shipper and FLI.

15. Entire Understanding, Modifications.

- A. This Agreement and individual Rate Confirmations contain the entire understanding and contractual agreement between the parties. Except as specifically stated in this Agreement, no tariffs or other contracts apply.
- B. This Agreement cannot be amended except in writing signed and dated by authorized representatives of both parties.

Each party is signing this Agreement on the date stated opposite that party's signature.

Freight Logistics, Inc.

By: \_\_\_\_\_  
 Print Name:  
 Title:

Date: \_\_\_\_\_

Shipper

By: \_\_\_\_\_  
 Print Name:  
 Title:

Date: \_\_\_\_\_