



BROKER-CARRIER CONTRACT

This Broker-Carrier contract (the "Contract") is made this _____ day of _____, 2016 between **A.I.R. Inc. – USA d/b/a M2 Transport**, hereinafter referred to as "**BROKER**" and _____ hereinafter referred to as to "**CARRIER.**"

RECITALS:

- 1) Broker is a freight broker, duly authorized by the Federal Motor Carrier Safety Administration (FMCSA) to arrange for the transportation of property by motor carrier on behalf of motor carriers, shippers, consignors, receivers, consignees, and for the purpose of contract carriage, sufficiently controls the arrangements for transportation of the commodities to be tendered to Carrier under the Contract; and
- 2) Carrier is a motor carrier of property, duly authorized by the Federal Highway Administration under permit number MC _____ a copy of which is attached hereto and made a part hereof, to provide transportation of property under contract for shippers and receivers of general commodities; and
- 3) Broker and Carrier understand that this Contract does not bind the respective parties to exclusive service to each other, and that Broker may enter into similar contracts with other motor carriers, and Carrier may enter into similar contracts with other shippers and receivers.

TERMS AND CONDITIONS:

- 1) **General Obligations and Scope of Contract.** During the term of this Contract, Broker shall tender a series of shipments to Carrier for transportation and Carrier shall accept and transport a series of shipments tendered to it by Broker. All for-hire motor carrier transportation services provided by Carrier for Broker during the term of the Contract shall be provided by Carrier as described in the schedule attached hereto and in any subsequently executed schedule as may from time to time hereafter be executed by the parties under the terms of this Contract. Each such schedule shall constitute a part of this Contract for all purposes, and any such schedule is referred to herein as a "Schedule A".
- 2) **Term and Termination.** The term of this Contract shall begin on the date set forth above or on the date the first shipment is tendered by Broker to Carrier and is transported by Carrier, whichever is earlier and shall remain in effect for a period of one (1) year. Thereafter, the Contract shall automatically renew from month to month until terminated. The Contract may be terminated by Broker at any time for any reason by giving Carrier written notice of termination. This Contract shall be automatically cancelled in the event of the cancellation, suspension or revocation of Carrier's Motor Carrier license issued by FHWA, or in the event either party files a petition of bankruptcy.
- 3) **Specific Obligation of Broker.**
 - a) **Payment.** Broker agrees to pay Carrier for the transportation of the commodities moved under this Contract at the mutually agreed upon rate and charges set forth in the Schedule A

signed by the parties for each load. Broker agrees to pay Carrier within thirty (30) days after receiving all required proof of delivery paperwork.

4) Specific Obligation of Carrier.

- a) **Service.** Carrier shall transport shipments for Broker by motor vehicle from and to such points between which service may be required, without delay, subject to the availability of suitable equipment for the traffic offered and the specific shipment instructions, all in accordance with the terms and conditions of the Contract. Carrier shall transport and deliver all freight in as good condition as when received by the Carrier for transport. Carrier, at its sole cost and expense, shall furnish all equipment required to provide service hereunder and shall maintain all equipment in clean condition, good repair and working order. Carrier, at its sole cost and expense, shall provide all employees or other personnel necessary to provide service hereunder; and all employees or other personnel provided shall be competent and legally qualified to handle and transport the shipments transported hereunder. Without the prior written consent of Broker, Carrier shall not cause or permit any shipment tendered hereunder to be brokered to or transported by any other motor carrier, or in substitute service by railroad or other modes or transportation. Carrier shall perform loading and unloading services as required by Broker or Broker's customers.
- b) **Bill of Lading.** Carrier shall submit to Broker a signed bill of lading furnished by Broker or Broker's customer for all property it receives for transportation under this Contract. Failure to issue or sign a bill of lading shall not affect Carrier's liability. The bill of lading shall be evidence of receipt of the described property by Carrier in good order and kind, quality and condition except as noted on its face. The bill of lading shall note that the shipment was transported by Carrier acting as a Carrier and that transportation for the shipment was arranged by Broker. The name of Broker or Broker's customer shall be inserted in the blank for the shipper, and the name of the receiver shall be inserted in the blank for the consignee. The bill of lading is to be signed by Carrier upon receipt of the shipment and will show the kind, quantity and condition of the commodities received and delivered by Carrier at the loading and unloading points. When Broker has assembled multiple shipments into carload or truckload lots, the list of underlying shippers and consignees will be attached as an appendix to the bill of lading.
- c) **Refused and Rejected Shipments.** When a shipment is refused or rejected by the consignee, or Carrier is unable to deliver for any reason, Carrier must notify Broker immediately in order to receive disposition instructions.
- d) **Liability.** Carrier shall be liable to Broker's customer, the beneficial owner of the cargo, or their respective assigns, for the full actual loss, damage, or injury to freight, persons, business or other property, including expenses for delay, costs of recovery, cleanup or containment of commodity, occurring while shipment was in possession or under the control of Carrier pursuant to this Contract or resulting from Carrier's performance of, or failure to perform, the services provided for herein. For purposes of this Contract, all liability standards and burdens of proof hereunder are governed by the common law applicable to common carriers by 49 U.S.C § 11707.
- e) **Cargo Insurance.** Carrier shall maintain cargo insurance in an amount equal to the full value of the maximum quantity of goods expected to be transported at any one time under this Contract, but in no event in any amount less than \$50,000 per shipment to compensate Broker, Broker's customer, or the beneficial owner of the freight for any and all loss, damage or delay to property which was placed in possession or control of Carrier in connection with services provided by Carrier hereunder. Carrier shall cause its insurance carrier to immediately forward to Broker a Standard Certificate of Insurance requiring the insurance carrier to give Broker written notice thirty (30) days prior to the cancellation of the cargo insurance.

- f) **Public Liability and Worker's Compensation Insurance.** Carrier's insurance carrier shall provide Broker a certificate of public liability insurance prior to or at the time this Contract is signed by the parties, which certificate shall require the insurance carrier to give Broker written notice thirty (30) days prior to cancellation of the liability insurance. Carrier also shall carry and keep in force at all times Worker's Compensation insurance in the amount required by law.
- g) **Hold Harmless.** Carrier shall defend and hold Broker and Broker's customer harmless from, and indemnify Broker and Broker's customer for any and all liability, costs, damages or claims, including attorney fees for loss or damage to any freight in Carrier's possession or control pursuant to this Contract. Carrier further shall defend and hold Broker and Broker's customer harmless from and indemnify Broker and Broker's customer from any and all liability, costs, damages, claims, including attorney's fees, for personal injury or death or property loss or damages arising out of the acts or omissions of Carrier in providing service hereunder. Carrier's obligation to defend, hold harmless and indemnify Broker shall survive any termination of this Contract.
- h) **Authority.** Carrier warrants that it has, and will have during the entire term of this Contract, authority from all federal, state and other governmental bodies to legally provide all services called for hereunder in a lawful and prudent manner. Carrier will immediately notify Broker of any change in its authority. No freight charges will be due or owing by Broker or Broker's customers during any period that Carrier's authority is cancelled, suspended or revoked.
- i) **Appointments.** Carrier shall make and keep all delivery appointments. Appointments must be made and communicated to the Broker by the Carrier on the same day shipment information is received if time allows, and in any event no later than the morning of the next day.
- j) **Waiver of Lien.** Carrier shall neither have nor claim any lien rights on or against any property transported under this Contract. In the event that Carrier violates the terms of this paragraph, it shall forfeit all rights to any and all charges for shipments transported pursuant to this Contract then due and owing by the Broker or Broker's customers to Carrier.

5) Rates and Charges.

- a) **Rates.** The rates and charges Carrier agrees to bill Broker for services provided under this contract and the rates and charges Broker agrees to pay Carrier for services provided under this Contract, shall be set forth in a Schedule A on a per load basis. A Schedule A will be executed by Broker and Carrier for each load tendered. The Schedule A may be executed in multiple counterparts transmitted electronically or by fax, each of which shall be an original, but all of which shall be deemed to constitute one instrument.
- b) **Billing.** Carrier shall send its invoices for prepaid freight bills to M2 Transport, 3401 Norman Berry Drive, Suite 270 Atlanta, GA 30344. Carrier shall have no recourse against Broker for unpaid collect shipments.

- 6) **Claims.** Claims against Carrier for loss, damage, injury or delay to freight may be filed with Carrier by Broker, Broker's customers, parties to the bill of lading, or the beneficial owner of the freight within nine (9) months of delivery or, in the event of loss, within nine (9) months of when delivery should have reasonably occurred. Carrier shall acknowledge freight claims within forty-eight (48) hours of receipt. Claims shall be settled within thirty (30) days of receipt unless otherwise agreed.

7) Carrier's Equipment and Driver Responsibility.

- a) **Confiscation.** Neither Broker nor Broker's customers shall be liable to Carrier for any damage sustained by or to Carrier's equipment or for loss by confiscation or seizure of Carrier's equipment by any public authority.

- b) **Condition.** Carrier's equipment shall be clean, odor-free, dry, leak-proof and free of contamination and infestation. Said equipment shall be subject to inspection for suitability of cleanliness and safety by Broker and Broker's customer, and must meet with their approval.
- 8) **Compliance with Federal Law Regarding Contract Carriers.** Both parties recognize that the motor contract carrier service to be provided hereunder is based on the Carrier either (a) assigning motor vehicles for continuing period of time for the exclusive use of Broker or Broker's customer(s), or (b) providing a service designed to meet the distinct needs of Broker or Broker's customer(s). This Contract contemplates both the assignment of motor vehicles for a continuing period of time and services designed to meet the distinct needs of, Broker and/or Broker's customers, depending upon the circumstances.
- 9) **Compliance with Other Laws and Regulations.** Carrier shall comply with all applicable ICC and DOT regulations as well as all the other federal and state laws or regulations applicable to motor contract carriers.
- 10) **Independent Contractor Relationships.** The relationship of the Carrier to the Broker shall at all times be that of an independent contractor. Carrier shall be an independent contractor and not a servant, agent, employee, or partner of Broker. Carrier shall be totally responsible for the following: Selection, compensation, working hours, working conditions, retention and discipline of personnel, supervision and control of the personnel of Carrier and the mode and manner in which they perform their duties; legality of length, weight and height of cargo as loaded, selection of routing, periods of rest, periods of maintenance, maintenance of logs, safety precautions, and all such other activities involved in performing its duties hereunder; compliance with federal, state, municipal and other applicable motor carrier laws and regulations; payment of all federal, state, and local personal and business income taxes, sales and use taxes, social security contributions, unemployment taxes, worker's compensation premiums or expenses, other expenses or contributions typical for employees, business and license fees, fines or penalties, or fines, penalties or interest on any of the foregoing arising out of the activities of Carrier pursuant to this Contract; selection, repair and maintenance of all equipment; and all costs and expenses incurred in providing services hereunder.
- 11) **No Solicitation of Customers.** During the term of this Contract and for a period of one (1) year from the time of the termination of this Contract, Carrier shall not, directly or indirectly, solicit or do business of a transportation or warehousing nature with any of Broker's customers who are serviced by Carrier as a result of this Contract, unless otherwise agreed to in writing. Further and without waiving the forgoing, Carrier shall pay Broker the sum of fifteen (15) percent of all gross revenues that Carrier either received or bills Broker's customer for cargo transported by Carrier for Broker's customer in violation of the provisions of this paragraph.
- 12) **Force Majeure.** Neither party is liable for the failure to tender or timely transport freight under this Contract if the 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.
- 13) **Attorney Fees.** In a proceeding, action or suit involving this Contract, whether arbitrated or judicially determined the prevailing party shall recover from the losing party amounts the arbitrator or court determines reasonable as costs and attorney fees for the proceeding action, or suit, in addition to any other sums as may be allowed as provided by law.
- 14) **Government Law; Jurisdiction; Venue.** This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia. Carrier agrees that any actions or proceedings to which Broker is a party arising directly or indirectly from this Contract, shall be litigated in any state or federal court having situs within the Commonwealth of Virginia, and that said court shall have jurisdiction thereof. Carrier agrees to, and further consents that the proper venue for any action shall be in the Commonwealth of Virginia.

15) Nonwaiver. Waiver of any default or breach of this Contract of any warranty, representation, covenants or obligation contained here shall not be construed as a waiver of any subsequent breach.

16) Authority of Representation to Blind Parties. The parties warrant that the persons signing this Contract respectively for the Carrier and Broker are their authorized representatives to sign such Contract. No further proof is or shall be required.

BROKER:

A.I.R., Inc. - USA d/b/a M2 Transport
46090 Lake Center Plaza, Suite 208
Potomac Falls, VA 20165

By: _____

Name: _____

Title: _____

CARRIER:

By: _____

Name: _____

Title: _____