**BOWERS TRUCKING, INC.**

**64417 US HWY 60**

**PONCA CITY, OK 74604**

**www.bowerstrucks.com**

**BROKER-CARRIER AGREEMENT**

**Agreement made this \_\_\_\_\_\_\_\_day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, MC# \_\_\_\_\_\_\_\_\_\_\_\_\_\_ herein referred to as CARRIER, and BOWERS TRUCKING, Inc., MC# 885203 herein after referred to as BROKER.**

1. **CARRIER REPRESENTS AND WARRANTS THAT IT:**
2. Is a Registered Motor Carrier of Property authorized to provide transportation of property under contracts with shippers and receivers and/or brokers of general commodities.

B. Shall transport the property, under its own operating authority and subject to the terms of this Agreement;

C. Agrees that a Shippers’ insertion of BROKER’s name as the carrier on a bill of lading shall be for the Shipper’s convenience only and shall not change BROKER’s status as a property broker nor CARRIER’s status as a motor carrier.

D. **Will not re-broker, co-broker, subcontract, assign, interline or transfer the transportation of shipments hereunder to any other persons or entity conducting business under a different operating authority, without prior written consent of BROKER. If CARRIER breaches this provision, BROKER shall have the right of paying the monies it owes CARRIER directly to the delivering carrier, in lieu of payment to CARRIER. Upon BROKER’s payment to delivering carrier, CARRIER shall not be released from any liability to BROKER under this Agreement. In addition to the indemnity obligation in Par 1.H, CARRIER will be liable for consequential damages for violation of this provision.**

E. (i) Is in, and shall maintain compliance during the term of this Agreement, with all applicable federal, state and local laws relating to the provision of its services including, but not limited to: transportation of Hazardous Materials (including the licensing and training of Haz Mat qualified drivers), as defined in 49 C.F.R. §172.800, §173, and §397 et seq. to the extent that any shipments hereunder constitute Hazardous Materials; security regulations; owner/operator lease regulations; loading and securement of freight regulations; implementation and maintenance of driver safety regulations including, but not limited to, hiring, controlled substances and alcohol testing, and hours of service regulations; sanitation, temperature, and contamination requirements for transporting food, perishable, and other products, qualification and licensing and training of drivers, implementation and maintenance of equipment safety regulations; maintenance and control of the means and method of transportation including, but not limited, to performance of its drivers; all applicable insurance laws and regulations including, but not limited, to workers’ compensation.

(ii) Is solely responsible for any and all management, governing, discipline, direction and control of its employees, owner/operators, and equipment with respect to operating within all applicable federal and state legal and regulatory requirements to ensure the safe operation of CARRIERS vehicles, drivers and facilities. CARRIER and BROKER agree that a safe and legal operation of the CARRIER and its drivers shall completely and without question govern and supersede any service requests, demands, preferences, instructions, and information from BROKER or BROKER’s customer with respect to any shipment at any time.

F. CARRIER will notify BROKER immediately if its federal Operating Authority is revoked, suspended or rendered inactive for any reason; and/or if it is sold, or if there is a change in control of ownership, and/or any insurance required hereunder is threatened to be or is terminated, cancelled, suspended, or revoked for any reason.

G. CARRIER shall defend, indemnify and hold BROKER and its shipper customer harmless from any claims, actions or damages, arising out if its performance under this Agreement, including cargo loss and damage, theft, delay, damage to property, and personal injury or death. Neither Party shall be liable to the other for any claims, actions or damages due to the negligence or intentional act of the other Party, or the shipper. The obligation to defend shall include all cost of defense as they accrue.

H. Does not have an “Unsatisfactory” safety rating issued by the Federal Motor Carrier Safety Administration (FMCSA), U.S. Department of Transportation, and will notify BROKER in writing immediately if its safety rating is changed to “Unsatisfactory” or “Conditional”. Authorizes BROKER to invoice CARRIER’s freight charges to shipper, consignee, or third parties responsible for payment.

I. Has investigated, monitors, and agrees to conduct business hereunder based on the credit-worthiness of BROKER and is granting BROKER terms accordingly.

**2. BROKER RESPONSIBILITIES:** The broker will assign loads to the CARRIER on a gross amount basis. Meaning the gross amount will be stated without the percentage agreed to be withheld for the cost of freight bill maintenance and dispatch responsibility of the BROKER. Rates will be given at a 10% fee from the gross amount to be retained by the BROKER before being paid to the CARRIER at the below agreed terms when operating with the BROKER’s trailer(s). Rates will be retained at a 5% rate from the gross amount to be retained for the BROKER before being paid to the CARRIER should the CARRIER be using their own, his/her trailer(s) to perform the assigned haul.

A. **SHIPMENTS, BILLING & RATES:** BROKER shall inform CARRIER of (i) place of origin and destination of all shipments; and (ii) if applicable, any special shipping and handling instructions, or special equipment requirements of which BROKER has been timely notified.

B. **BROKER** agrees to conduct all billing services to shippers, consignees, or other party responsible for payment. CARRIER shall invoice BROKER for its (CARRIER’s) charges, as mutually agreed in writing, by fax, or by electronic means, contained in BROKER’s Load Confirmation Sheet(s) / dispatch sheets incorporated herein by the reference. Additional rates for truckload or LTL shipments, or modifications or amendments of the above rates, or additional rates, may be established to meet changing market conditions, shipper requirements, BROKER requirements, and/or specific shipping schedules as mutually agreed upon, and shall be confirmed in writing (or by fax or email) by both Parties. Any such additional, modified, or amended rates, changes in rates shall automatically be incorporated herein by this reference.

C. **RATES:** Additionally, any rates, which may be verbally agreed upon, shall be deemed confirmed in writing where CARRIER has billed the agreed rate and BROKER has paid it. All written confirmations of rates, including confirmations by billing and payment, shall be incorporated herein by this reference. Rates or charges, including but not limited to stop-offs, detention, loading or unloading, fuel surcharges, or other accessorial charges, tariff rates, released rates or values, or tariff rules or circulars, shall only be valid when their terms are specifically agreed to in writing signed by both Parties.

D. **PAYMENT:** The Parties agree that BROKER is the sole party responsible for payment of CARRIER’s charges. Failure of BROKER to collect payment from its customer shall not exonerate BROKER of its obligation to pay CARRIER. BROKER agrees to pay CARRIER’s invoice within **30 days of receipt** of the bill of lading, proof of delivery, and carrier invoice. Provided CARRIER is not in default under the terms of this Agreement.

E. BROKER will notify CARRIER immediately if its federal Operating Authority is revoked, suspended, or rendered inactive for any reason; and/or if it is sold, or if there is a change in control of ownership, and/or any insurance requirement hereunder is threatened to be or is terminated, cancelled, suspended, or revoked for any reason.

F. BROKER’s responsibility is limited to arranging for, but not actually performing, transportation of a shipper’s freight.

**3:** **CARRIER RESPONSIBILITIES**

A. **EQUIPMENT:** Subject to its representations and warranties in Paragraph 1 above, CARRIER agrees to provide the necessary equipment and qualified personnel for completion of the transportation services required for BROKER and/or its customer(s). CARRIER will not supply equipment that has been used to transport hazardous wastes, solid or liquid, regardless of whether they meet the definition in 40 C.F.R. §261.1 et. seq. CARRIER agrees that all shipments will be transported and delivered with reasonable dispatch, or as otherwise agreed in writing.

B. **BILLS OF LADING:** CARRIER shall sign a bill of lading, produced by shipper or CARRIER in compliance with 49 C.F.R. §373.101 (and any amendments thereto), for the property it receives for transportation under this Agreement. Unless otherwise agreed in writing, CARRIER shall become fully responsible/liable for the freight when it takes/receives possession thereof, and the trailer(s) is loaded, regardless of whether a bill of lading has been issued, and/or signed, and/or delivered to CARRIER, and which responsibility/liability shall continue until delivery of the shipment to the consignee and the consignee signs the bill of lading or delivery receipt. Any terms of the bill of lading (including but not limited to payment and credit terms, released rates or released value) inconsistent with the terms of this Agreement shall be ineffective. Failure to issue a bill of lading, or sign a bill of lading acknowledging receipt of the cargo, by CARRIER, shall not affect the liability of CARRIER.

C. **LOSS & DAMAGE CLAIMS:**

(i) Carrier shall comply with 49 C.F.R. §370.1 et seq. and any amendments and/or any other applicable regulations adopted by the Federal Motor Carrier Safety Administration, U.S. Department of Transportation, or any applicable state regulatory agency, for processing all loss and damage claims and salvage. CARRIER shall assume liability as a common carrier to the BROKER for loss, damage to, and/or destruction of any and all property transported under this agreement. Such liability shall begin at the time that cargo is loaded upon CARRIER’s equipment at the point of origin, and continue until said cargo is delivered to the designated consignee at the destination, or to any intermediate stop off party. 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). Carrier shall waive any and all right of salvage or resale of any damaged freight. Carrier shall promptly return or dispose, at Carrier’s cost, and at Broker’s Customer’s sole discretion, the damaged good, to the location specified by Broker’s Customer. In the event that damaged goods are returned to Broker’s Customer and salvaged by Broker’s Customer, then Carrier shall receive credit for the actual salvage of such goods.

(ii) Notwithstanding the terms of 49 C.F.R. §370.9, CARRIER shall pay, decline or make settlement offer in writing on all cargo loss or damage claims within 120 days of receipt of the claim. Failure of CARRIER to pay, decline or offer settlement within this 120 day period shall be deemed admission by CARRIER of full liability for the amount claimed and a material breach of this Agreement.

D. **INSURANCE:** CARRIER shall furnish BROKER with Certificate(s) of Insurance, or insurance policies providing thirty (30) days advance written notice of cancellation or termination, and unless otherwise agreed, subject to the following minimum limits: General liability $1,000,000.00; motor vehicle (including hired and non-owned vehicles) $1,000,000.00 (5,000,000.00 if transporting hazardous substances including environmental damages due to release or discharge of hazardous substances); cargo damage/loss $100,000.00; workers’ compensation with limits required by law. Except for the higher coverage limits which may be specified above, the insurance policies shall comply with minimum requirements of the Federal Motor Carrier Safety Administration and any other applicable regulatory state agency. Nothing in this Agreement shall be construed to avoid or limit CARRIER’s liability due to any exclusion or deductible in any insurance policy.

E. **ASSIGNMENT OF RIGHTS:** CARRIER automatically assigns to BROKER all its rights to collect freight charges from Shipper or any responsible third party on receipt of payment of its freight charges from BROKER.

F. **CARRIER** assumes full responsibility and liability for payment of the following items: All applicable federal, state, and local payroll taxes, taxes for unemployment insurance, old age pensions, workers’ compensation, social security, with respect to persons engaged in the performance of its transportation services hereunder. BROKER shall not be liable for any of the payroll-related tax obligations specified above and CARRIER shall indemnify, defend, and hold BROKER harmless from any claim or liability imposed or asserted against BROKER for any such obligations.

**4. MISCELLANEOUS:**

A. **INDEPENDENT CONTRACTOR:** It is understood and agreed that the relationship between BROKER and CARRIER is that of independent contractor. None of the terms of this Agreement, or any act or omission of either Party shall be construed for any purpose to express or imply a joint venture, partnership, principal/agent, fiduciary, employer/employee relationship between the Parties. CARRIER shall provide the sole supervision and shall have exclusive control over the operations of its employees, contractors, subcontractors, agents, as well as all vehicles and equipment used to perform its transportation services hereunder. BROKER has no right to discipline or direct the performance of any driver and/or employees, contractors, subcontractors, or agents of CARRIER. CARRIER represents and agrees that at no time and for no purpose shall it represent to any party that it is anything other than an independent contractor in its relationship to BROKER.

B. **NON-EXCLUSIVE AGREEMENT:** CARRIER and BROKER acknowledge and agree that this contract does not bind the respective Parties to exclusive services to each other. Either party may enter into similar agreements with other carriers, brokers, or freight forwarders.

C. **WAIVER OF PROVISIONS:**

(i) Failure of either Party to enforce a breach or waiver of any provision or term of this Agreement shall not be deemed to constitute a waiver of any subsequent failure or breach, and shall not affect or limit the right of either Party to thereafter enforce such a term or provision.

(ii) This Agreement is for the specified services pursuant to 49 U.S.C. §14101(b). To the extent that terms and conditions herein are inconsistent with Part (b), Subtitle IV, of Title 49 U.S.C. (ICC Termination Act of 1995), the Parties expressly waive any or all rights and remedies they may have under the Act.

D. **DISPUTES:** In the event of a dispute arising out of this Agreement, including but not limited to Federal or State statutory claims, the Party’s sole recourse (except as provided below) shall be to arbitration. Proceedings shall be conducted under the rules of the (select one): \_\_\_\_ Transportation Arbitration and Mediation PLLC (TAM), \_\_\_\_ American Arbitration Association (AAA), \_\_\_\_ Transportation ADR Council, Inc. (ADR), \_\_\_\_ DRC (Fruit and Vegetable Dispute Resolution Corp) for fresh produce related claims, upon mutual agreement of the Parties, or if no agreement, then at BROKER’s sole discretion. Arbitration proceedings shall be started within eighteen (18) months from the date of delivery or scheduled date of delivery of the freight, whichever is later. Upon agreement of the Parties, arbitration proceedings may be conducted outside of the administrative control of the TAM, AAA, ADR, or DRC. The decision of the arbitrators shall be binding and final and the award of the arbitrator may be entered as judgment in any court of competent jurisdiction. The prevailing party shall be entitled to recovery of costs, expenses, and reasonable attorney fees as well as those incurred in any action for injunctive relief, or in the event further legal action is taken to enforce the award of arbitrators. Arbitration proceedings shall be conducted at the office of the AAA, ADR, DRC or TAM nearest BROKER or such other place as mutually agreed upon in writing, or by conference call or video conferencing upon agreement of the Parties, or as directed by the acting arbitration association. Provided, however, either Party may apply to a court of competent jurisdiction for injunctive relief. Unless preempted or controlled by federal transportation law and regulations, the laws of the State of Missouri shall be controlling notwithstanding applicable conflicts of law rules. The arbitration provisions of this paragraph shall not apply to enforcement of the award of arbitration.

(i) Subject to the time limitation set for in Subp. A above, for disputes where the amount in controversy exceeds $5,000.00, BROKER shall have the right, but not the obligation, to select litigation in order to resolve any disputes arising hereunder. In the event of litigation the prevailing Party shall be entitled to recover costs, expenses and reasonable attorney fees, including but not limited to any incurred on appeals.

(ii) Subject to the time limitation set forth in Subp. A above, for disputes where the amount in controversy does not exceed $5,000.00, BROKER shall have the right, but not the obligation, to select litigation in small claims court in order to resolve any disputes arising hereunder. The prevailing Party shall be entitled to recover costs, expenses and reasonable attorney fees, including but not limited to any incurred on appeals.

(iii) (IF i AND/OR ii ARE ADOPTED, the iii MUST BE INCLUDED) Venue, controlling law, and jurisdiction in any legal proceedings under Subps. i or ii above shall be in the State of Missouri.

E. **NO BACK SOLICITATION:**

(i) Unless otherwise agreed in writing, CARRIER shall not knowingly solicit freight shipments (or accept shipments) for a period of twelve (12) months following termination of this agreement for any reason, from any shipper, consignor, consignee, or other customer of BROKER, when such shipments of shipper customers were first tendered to CARRIER by BROKER.

(ii) In the event of breach of this provision, BROKER shall be entitled, for a period of six (6) months following delivery of the last shipment transported by CARRIER under this Agreement, to a commission of fifteen percent (15%) of the gross transportation revenue (as evidence by freight bills) received by CARRIER for the transportation of said freight as liquidated damages. Additionally, BROKER may seek injunctive relief and in the event it is successful, CARRIER shall be liable for all costs and expenses incurred by BROKER, including, but not limited to, reasonable attorney fees.

F. **CONFIDENTIALITY:**

(i) In addition to Confidential Information protected by law, statutory or otherwise, the Parties agree that all of their financial information and that of their customers, including but not limited to freight and brokerage rates, amounts received for brokerage services, amounts of freight charges collected, freight volume requirements, as well as personal customer information, customer shipping or other logistics requirements shared or learned between the Parties and their customers, shall be treated as Confidential, and shall not be disclosed or used for any reason without prior written consent.

(ii) In the event of violation of this Confidentiality paragraph, the Parties agree that the remedy at law, including monetary damages, may be inadequate and that the Parties shall be entitled, in addition to any other remedy they may have, to an injunction restraining the violating Party from further violation of this Agreement in which case the prevailing Party shall be liable for all costs and expenses incurred, including but not limited to reasonable attorney’s fees.

G. The limitations of liability for cargo loss and damage as well as other liabilities, arising out of the transportation of shipments, which originate outside of the United States of America, may be subject to the laws of the country of origination.

H. **MODIFICATION OF AGREEMENT:** This Agreement may not be amended, except by mutual written agreement, or the procedures set forth above (Pars 2.B & 2.C).

I. **NOTICES:**

(i) All notices provided or required by this Agreement, shall be made in writing and delivered, return receipt requested, to the addresses shown herein with postage prepaid; or by confirmed (electronically acknowledged on paper) fax, or by email with electronic receipt.

(ii) The Parties shall promptly notify each other of any claim that is asserted against either of them by anyone arising out of the Parties performance of this agreement.

(iii) Notices sent as required hereunder, to the addresses shown in this Agreement shall be deemed sent to the correct address, unless the Parties are notified in writing of any changes in address.

J. **CONTRACT TERM:** The term of this Agreement shall be one (1) year from the date hereof and thereafter it shall automatically be renewed for successive one (1) year periods, unless terminated, upon thirty (30) day’s prior written notice, with or without cause, by either Party at any time, including the initial term. In the event of termination of this Agreement for any reason, the Parties shall be obligated to complete performance of any work in progress in accordance with the terms of this Agreement.

K. **SEVERANCE: SURVIVAL:** In the event any of the terms of this Agreement are determined to be invalid or unenforceable, no other terms shall be affected and the unaffected terms shall remain valid and enforceable as written. The representations, rights and obligations of the parties hereunder shall survive termination of this Agreement for any reason.

L. **COUNTERPARTS:** This agreement may be executed in any number of counterparts each of which shall be deemed to be a duplicate original hereof.

M. **FAX CONSENT:** The Parties to this Agreement are authorized to fax to each other at the numbers shown herein, (or otherwise modified in writing from time to time) shipment availabilities, equipment and rate promotions, or any advertisements of new services.

N. **FORCE MAJEURE:** In the event that either Party is prevented from performing its obligations under this Agreement because of an occurrence beyond its control and arising without its fault or negligence, including without limitation, war, riots, rebellion, acts of God, acts of lawful authorities, fire, strikes, lockouts or other labor disputes, such failures to perform (except for any payments due hereunder) shall be excused for the duration of such occurrence. Economic hardships, including, but not limited to, recession and depression, shall not be constitute Force Majeure events.

O. **ENTIRE AGREEMENT:** Unless otherwise agreed in writing, this Agreement contains the entire understanding of the Parties and supersedes all verbal or written prior agreements, arrangements, and understandings of the Parties relating to the subject matter stated herein. The Parties further intend that this Agreement constitutes the completed and exclusive statement of its terms, and that no extrinsic evidence may be introduced to reform this Agreement in any judicial or arbitration proceeding involving this Agreement.

IN WITNESS WHEREOF, we have signed this Agreement the date and year first shown above.

BOWERS TRUCKING, INC. \_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(BROKER) (CARRIER)

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Authorized Signature Authorized Signature