

MOTOR CARRIER-BROKER AGREEMENT

THIS AGREEMENT IS ENTERED INTO this ____ day of _____, 200_ by and between Dependable Highway Express, Inc., DBA Dependable Logistics Solutions "DLS", a corporation organized and existing under the laws of the State of California ("the Broker") and the corporation or person identified below as "Motor Carrier" in paragraph A 1. below ("the Motor Carrier").

A. THE PARTIES

1. Motor Carrier

Name

Address

Telephone

Fax

The Motor Carrier is a motor carrier of property operating under authority granted in No. MC-_____ to provide transportation service in interstate commerce of property consigned by the Broker to the Motor Carrier. A true copy of such permit is attached hereto as Exhibit A.

2. Broker

DLS

2555 E. Olympic Blvd
Los Angeles, CA 90023

Telephone: 323-526-2288

Facsimile: 323-526-2289

The Broker is a duly licensed Broker of property, other than household goods, performing service under License No. MC-139496-B. A true copy of such license is attached hereto as Exhibit B.

A. Statement of Purpose

1. Services. The Broker controls and arranges for the transportation of shipments of property. Such property may possess unique transportation characteristics and individualized requirements for handling, loading, and unloading. Such property's transportation may, but need not, involve specialized equipment, short notice requirements for transportation, accelerated transit times from consignor to consignee, intermediate points for unloading and unloading partial shipments, and additional requirements, including financial undertakings, with respect to the satisfactory handling of shipments tendered and to be tendered by the Broker.

2. Standards of Carriage. The Motor Carrier is willing to perform the services required by the Broker, and will tailor its operations and equipment to fulfill the distinct and unique needs of the Broker. The Motor Carrier acknowledges that the Broker is entitled to, and will rely on, this representation by the Motor Carrier, and based on such reliance, the Broker will consign to the Motor Carrier commodities for transportation in interstate commerce as defined by applicable federal and state law.
3. From the date of this Agreement forward, each shipment tendered to Carrier for transportation between points of origin and destination shall be deemed to be tendered to Motor Carrier as a contract motor carrier and such shipments will be governed solely by the provisions of law applicable to contract motor carriage as set forth in this agreement.

B. THE PARTIES' AGREEMENT

1. The Broker agrees to offer for carriage by the Motor Carrier a series of shipments of property during the term of this Agreement, which shall not be less than one in number. The Motor Carrier agrees to promptly and safely transport such shipments. Each such shipment shall be deemed to, and shall, move exclusively pursuant to and under the terms and conditions of this Agreement. The equipment furnished by the Motor Carrier shall be clean, free of defects, and in all other respects roadworthy and in compliance with all applicable regulations regarding vehicle and driver safety.

C. INSURANCE

The Motor Carrier will with respect to each shipment tendered to it for transportation by the Broker, maintain, at a minimum, the following insurance coverage's:

1. Cargo Insurance. Cargo coverage with no exclusions, except as may be agreed in writing by the Broker and the Motor Carrier, of One Hundred thousand Dollars (\$100,000) per shipment, per vehicle. Such coverage shall be deemed to cover the Broker, and any Shipper with whom the Broker has dealt with respect to any given cargo, as well as any consignee, owner or other party involved with and otherwise entitled to claim with respect to any applicable loss.
2. Public Liability and Property Damage Insurance. Public liability and property damage insurance in a minimum amount of One Million Dollars (\$1,000,000) per vehicle, per occurrence, operated by the Motor Carrier when transporting property pursuant to the terms of the Agreement. Such minimum coverage's under Code of Federal Regulations, 49 C.F.R. 1043.2. Notwithstanding any provision herein to the contrary, the Broker, with respect to transportation service to be rendered by the Motor Carrier, may in its sole discretion require

that with respect to a given shipment or shipments, minimum insurance coverage's be higher than those set forth herein.

3. **Worker's Compensation.** Worker's Compensation insurance adequate to comply with the laws of all states in or through which the Motor Carrier will operate. In that connection: (1) No driver or other person employed or contracted for in connection with the transportation of shipments under this Agreement is to be considered the employee or agent of the Broker; (2) all such persons are subject to the direction, control, and supervision, if at all, only of the Motor Carrier; and (3) the Motor Carrier agrees to assume the total and sole responsibility to assure adequate worker's compensation coverage is in place for its employees and other persons as the law may require.
4. **Certificate of Insurance.** Motor Carrier shall furnish to Broker a certificate of insurance naming the Broker as the certificate holder evidencing insurance coverage's referred to above.

E. COMPENSATION AND RELATED MATTERS

1. Carrier will bill Broker and Broker will pay Carrier for freight charges payable to Carrier on freight shipments tendered by Broker to Carrier. Carrier's freight charges will be based on a Rate Confirmation amount negotiated between Broker and Carrier on each individual shipment before Carrier is dispatched to pick up shipment. Each Rate Confirmation will be considered an Addendum to this Agreement.
2. As each individual transportation service is completed, the Motor Carrier will submit an invoice for all freight and accessorial charges to the Broker. Such invoices shall be in compliance with the Addendum, or any modification thereof, or addition thereto, accompanied by an original signed delivery receipt or receipts. The Broker will pay the resulting freight and other charges to the Motor Carrier in accordance therewith within thirty (30) days after receipt of such invoices, provided (1) the freight and other charges shown on the invoices are submitted consistently with the Addendum or agreed modification or addition; (2) the original delivery receipt or receipts reflect in a timely fashion and in safe and undamaged condition.
3. The Broker may set off against the freight charges (1) any amounts advanced to the Motor Carrier or its representatives and any expenses incurred by the Broker on behalf of the Motor Carrier; (2) the replacement cost of any lost or damaged shipping devices, such as, but not limited to, pallets, barrels, boxes or other containers.
4. "CARRIER agrees that BROKER is the sole party responsible for payment of CARRIER'S invoices and that, under no circumstance, will CARRIER seek payment from the shipper or consignee."

may contain any provision, which provides for the Motor Carrier to have the benefit of any insurance coverage maintained by the Broker. In the event of a conflict between the terms and conditions of any such bill of lading and this Agreement, the terms of this Agreement shall govern. Execution by the Motor Carrier of such bill of lading shall conclusively establish receipt of the goods consigned for transportation unless otherwise specifically noted conspicuously thereon.

4. All claims for loss, damage and delay shall be handled and processed in accordance with the regulations of the former Interstate Commerce Commission, as adopted by the United States Surface Transportation Board pursuant to the Interstate Commerce Commission Termination Act of 1995 (P.L. 104-88 109 Stat.803), except that the Motor Carrier must investigate and make final determination of such claim within 30 days after such claim has been received.
5. Nothing contained herein should be construed as a waiver by the Broker of any rights under applicable federal law with respect to damages for loss, damage, or delay of shipments tendered for the transportation in interstate commerce pursuant to the terms of this Agreement.

K. ALTERNATIVE DISPUTE RESOLUTION

1. If a dispute arises from or relates to this Agreement or breach thereof and if the dispute cannot be settled through direct discussions, the parties agree to submit the unresolved controversy or claim arising from or related to this Agreement or breach thereof to arbitration before a single arbitrator in accordance with Title 9 of the United States Code (the United States Arbitration Act) and the Commercial Arbitration Rules of The American Arbitration Association. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The arbitration proceedings shall be conducted in Los Angeles, California. No court action can be taken by either party prior to arbitration, and the decision of the American Arbitration association shall be binding on both parties in any subsequent action in court.

L. SEVERABILITY

1. If any provision of this Agreement is found to be invalid or unenforceable, the remaining provisions shall survive in full force and effect, and shall constitute the full Agreement between the Carrier and the Broker.

Dated this ____ day of _____, 200__.

F. LOSS, DAMAGE AND DELAY

1. The Motor Carrier shall be liable to the Broker for all theft, disappearance or delay, regardless of cause, for any transportation performed by the Motor Carrier under this Agreement, or by any third party to whom the shipment may be delivered for transportation or any other broker or motor carrier.

G. INDEPENDENT CONTRACTOR RELATIONSHIP ONLY

1. The relationship of the Motor Carrier and the Broker shall at all times be that of independent contractor only, except that the Broker shall be deemed to be a limited agent for the Motor Carrier for the collection of charges. The Motor Carrier shall at all times furnish at its own expense suitable trucks, trailers and other equipment necessary to comply with the terms of this Agreement, and assumes the sole responsibility to provide fuel, maintenance, and to perform all other duties necessary or otherwise incident to its status as a Motor Carrier, including, without limitation, securing drivers and other helpers necessary or desirable for the transportation, loading and unloading of vehicles. The Motor Carrier shall look solely to the Broker for payment of its freight charges.

H. CONFIDENTIALITY AND BACK-SOLICITATION

1. The Motor Carrier understands and acknowledges that the Broker has undertaken substantial effort and expense so as to develop its business and to establish its relationships with the shippers and consignees whose unique transportation needs are subject to this Agreement.
2. The Motor Carrier agrees, in consideration of the benefits and advantages of this Agreement, to refrain from directly or indirectly attempting to solicit, serve, direct or bypass the business of any such shipper or consignee or otherwise to perform transportation service for such persons other than pursuant to this Agreement. The Motor Carrier further agrees that determination of the amount of damages accruing to the Broker as the result of the Motor Carriers' breach of this obligation would be uncertain and indefinite and therefore agrees, as liquidated damages, and not as a penalty, to pay the Broker an amount equal to twenty percent (20%) of all revenues billed and collected from any shipper or consignee of whom initial movement of freight was made by the Motor Carrier as the result of performing transportation service by the Motor Carrier in breach of this Agreement for a period of two years from such solicitation.
3. Further, the Motor Carrier agrees that it will hereafter treat all matters regarding the Broker's business, and that of its customers and other contractors, as confidential business information provided by the Broker to the Motor Carrier solely for use in performing services under this Agreement.

The Motor Carrier agrees not to disclose such information to the third parties except as necessary to carry out its contractual obligations.

I. TERM

1. This Agreement shall be effective upon its execution for a period of one year, and from year to year thereafter, subject to the right of either party to cancel or terminate the Agreement at any time on no less than thirty day's written notice.
2. This contract shall be continuous from the date hereof, subject, however, to the right of the parties to cancel this contract at any time upon thirty (30) days written notice by certified mail, return receipt requested to the other party. The parties agree that the provisions in Section E, F, H, J, K shall survive such termination and shall remain in full force for a period of two years after termination.

J. CLAIMS

1. In the event of a claim for loss or damage, the Motor Carrier shall be liable for the full actual loss incurred in transit, the Broker's costs associated therewith, and the applicable freight charges. The Motor Carrier's liability shall begin when the shipment is, or otherwise should have been, commenced to be loaded on the Motor Carriers' equipment at its origin.
2. Such liability shall continue until the commodities transported hereunder are delivered safely and in good condition and the Motor Carrier receives a signed delivery receipt, with no further services required of the Motor Carrier. When a shipment is refused by a consignee or the Motor Carrier is unable to deliver a shipment for any reason, the Motor Carrier shall contact the Broker for instructions as to the return, redelivery, or other disposition of the shipment. If the Motor Carrier cannot contact the Broker due to the date or time of day, or similar emergency circumstances, the Motor Carrier may exercise its rights under the Uniform Straight Bill of Lading to place the shipment in the care and custody of a public warehouse or other storage facility. The Motor Carrier's liability under this Agreement shall not cease until the Motor Carrier has placed the shipment in such public warehouse or other storage facility under reasonable security. After such placement, the Motor Carrier's liability shall be deemed to be that of a bailee for hire.
3. The Motor Carrier shall issue a standard uniform bill of lading, or short form version thereof, which incorporates the terms of a standard uniform bill of lading, to the shipper or consignor for each shipment. Each shipment shall move under the bill of lading's terms and conditions. ~~No such bill of lading~~

FOR THE BROKER:

Dependable Logistics Solutions (DLS)

Ken Janice

Authorized Signature

DIRECTOR OF LOGISTICS

Name & Title

FOR THE MOTOR CARRIER:

Name of Carrier

Authorized Signature

Name & Title