

CONTRACT FOR TRANSPORTATION OF PROPERTY

Between

A MOTOR CARRIER BROKER, VHI TRANSPORT

And

A MOTOR CONTRACT CARRIER, NAMED BELOW

This Agreement is entered into this ___ day of _____, 20____, by and between Virginia Hiway, Inc. dba VHI Transport ("BROKER"), a Registered Property Broker, Lic.# **MC-172093** and _____ ("CARRIER"), a Registered Motor Carrier, Permit/Certificate DOT No. _____; collectively, the "Parties". ("Registered" means operated under authority issued by the Federal Motor Carrier Safety Administration (or its predecessors) within the U.S. Department of Transportation).

This Agreement is for 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.

WHEREAS, CARRIER makes the representations and warrants herein for the purpose of inducing BROKER to enter into this Agreement and CARRIER has investigated, monitors, and agrees to conduct business hereunder based on the credit-worthiness of BROKER and is granting BROKER credit terms accordingly.

WHEREAS, BROKER agrees to solicit and obtain freight transportation business for CARRIER to the mutual benefit of CARRIER and BROKER, and shall offer CARRIER at least three (3) loads/shipments annually. BROKER shall inform CARRIER of (i) place of origin and destination of all shipments; and (ii) if applicable, any special shipping instructions or special equipment requirements, of which BROKER has been timely notified.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, as well as other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the parties hereto agree to the following:

1. CARRIER Authority. CARRIER represents it is a motor contract carrier pursuant to MC-Permit No. _____, duly registered with all federal and state agencies having jurisdiction over such operations, and it maintains active authority, in the form of a permit or other documented evidence of motor contract carrier status, to perform highway transportation for hire.

CARRIER represents it 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, if applicable, (including the licensing and training of 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 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 employees.

Carrier Initials: _____

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.

CARRIER 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".

CARRIER represents and warrants that it shall transport the property, under its own operating authority and subject to the terms of this Agreement.

2. Billing. CARRIER authorizes BROKER to invoice CARRIER'S freight charges to shipper, consignee, or third parties responsible for payment. BROKER agrees to conduct all billing services to shippers. CARRIER shall invoice BROKER for CARRIER's charges, as mutually agreed in writing, by fax, or by electronic means, contained in BROKER's Load Confirmation Sheet(s) incorporated herein by reference and issued with all transactions. 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) by both Parties. Any such additional, modified, or amended rates, changes in rates shall automatically be incorporated through transaction addendums sent to the CARRIER for each and every shipment. Such addendums shall also contain specific instructions governing that shipment.

3. Rates. 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 reference as part of Exhibit A, Amendment 1, et seq. Rates or charges, including but not limited to stop-offs, detention, loading or unloading, fuel surcharges, or other accessorial charges, released rates or values, or tariff rules or circulars, shall only be valid when specifically agreed to in a signed writing by the Parties. . If Broker pays the freight invoice in a reduced amount, such amount shall constitute the agreed rate, unless CARRIER indicates to the contrary to BROKER within sixty (60) days of its receipt of payment.

4. 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 ten working days, unless other arrangements are agreed to, and upon receipt of the bill of lading or proof of delivery, provided CARRIER is not in default under the terms of this Agreement. If BROKER has not paid CARRIER's invoice as agreed, and CARRIER has complied with the terms of this Agreement, CARRIER may seek payment from the Shipper or other party responsible for payment after giving BROKER 10 (business days) advance written notice. CARRIER shall not seek payment from Shipper if Shipper can prove payment to BROKER. CARRIER must forward all paper work to the BROKER within 7 days, and sooner, if possible from the delivery. CARRIER agrees to forfeit all charges on the line haul rate should he bill BROKER'S customer instead of the BROKER.

Payment and other disputes are subject to the terms of Paragraph 17, which provides in part that prevailing parties are entitled to recovery of costs, expenses and reasonable attorney fees.

Carrier Initials: _____

5. Bond. BROKER shall maintain a surety bond /trust fund as agreed to in the minimum amount of Ten Thousand Dollars and or as on file with the Federal Motor Carrier Safety Administration (FMCSA) in the form and amount not less than that required by that agency's regulations.

6. BROKER'S Authority. BROKER will notify CARRIER prior to the offering of any freight, should its federal Operating Authority be 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.

7. Re-Broker. CARRIER will not re-broker, assign or interline the shipments hereunder, 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. CARRIER will be liable for consequential damages for violation of this Paragraph.

8. Indemnification. Subject to the express monetary insurance limits in Paragraph 12 as to CARRIER, and BROKER'S monetary insurance limits for public liability, **\$1,000,000**, and property damage or such other amounts as mutually agreed by the Parties in writing, CARRIER shall defend, indemnify and hold BROKER and its shipper customer harmless from any claims, actions or damages, arising out of its performance under this Agreement, including cargo loss and damage, theft, delay, damage to property, and personal injury or death, and BROKER shall defend, indemnify, and hold CARRIER harmless from any claims, actions, or damages, including cargo loss and damage, theft, delay, damage to property, personal injury or death, arising out of its performance hereunder. Neither Party shall be liable to the other for any claims, actions or damages due to the negligence of the other Party, or the shipper. The obligation to defend shall include all costs of defense as they accrue.

Except for CARRIER'S liability under Paragraph 7, unless otherwise agreed in writing, and regardless of whether the Parties insurance is valid or provides coverage, the Parties indemnity obligations shall not exceed the monetary insurance limits referred to in Paragraph 12.

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

9. CARRIER'S Equipment. Subject to its representations and warranties, CARRIER agrees to provide the necessary equipment and qualified personnel for completion of the transportation services required for BROKER and/or its customers. CARRIER will not supply equipment that has been used to transport hazardous wastes, solid or liquid, or any truck that has hauled garbage at any time, 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.

10. Bills Of Lading. CARRIER shall issue a bill of lading in compliance with 49 U.S.C. §80101 et seq., 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

Carrier Initials: _____

consignee signs the bill of lading or delivery receipt. Any terms of the bill of lading (including but not limited to payment terms) inconsistent with the terms of this Agreement shall be controlled by the terms of this Agreement. 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.

CARRIER agrees that a Shipper's 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.

11. Loss & Damage. 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'S liability for any cargo damage, loss, or theft from any cause shall be determined under the Carmack Amendment, 49 U.S.C. §14706.

CARRIER'S indemnification liability for freight loss and damage claims under these provisions shall include legal fees which shall constitute special damages, the risk of which is expressly assumed by CARRIER, and which shall not be limited by any liability of CARRIER under paragraph above.

Except as provided above, neither Party shall be liable to the other for consequential damages without prior written notification of the risk of loss and its approximate financial amount, and agreement to assume such responsibility in writing.

Notwithstanding the terms of 49 CFR 370.9, CARRIER shall pay, decline or make settlement offer in writing on all cargo loss or damage claims within Thirty calendar days of receipt of the claim. Failure of CARRIER to pay, decline or offer settlement within this Thirty day period shall be deemed admission by CARRIER of full liability for the amount claimed and a material breach of this Agreement and to allow the BROKER to offset against any clear obligation of the carrier.

CARRIER'S liability for cargo damage, loss, or theft from any cause for any one shipment, shall not exceed the full value of the shipment. If BROKER is aware of time critical shipments it will notify the CARRIER of such. Failure to deliver timely could cause the CARRIER additional monies for claims.

CARRIER shall be solely responsible for the cargo shipped from the time Shipper releases it to CARRIER until it is delivered and received by Consignee. CARRIER shall be liable for any loss, damage, delay, claim or theft of the cargo. CARRIER gives offset rights to the BROKER if legitimate claims are not paid timely. CARRIER also assumes the liability of a motor carrier as provided in Title 49 of the United States Code and the US Code of Federal Regulations.

12. 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: **Public liability \$ 1,000,000; motor vehicle (including hired and non-owned vehicles), property damage, and personal injury liability \$1,000,000 (\$2,000,000 if transporting hazardous materials including environmental damages due to release or discharge of hazardous substances); cargo damage/loss, at full value, 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 CARRIER'S liability due to any exclusion or deductible in any insurance policy.

Carrier Initials: _____

13. 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 from BROKER.

14. Independent Contractor. It is understood and agreed that the relationship between BROKER and CARRIER is that of independent contractor and that no employer/employee relationship exists, or is intended. BROKER has no control of any kind over CARRIER, including but not limited to routing of freight, and nothing contained herein shall be construed to be inconsistent with this provision.

15. 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.

16. Waiver of Provisions. 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.

17. 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), 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 just. If no block is selected, BROKER shall make a choice when applicable and CARRIER agrees to such. The parties agree that this agreement was entered in the City of Richmond, State of Virginia, which shall have jurisdiction and venue for any litigation arising from this agreement. CARRIER agrees to pay all BROKER'S costs of enforcing this agreement including its attorney's fees.

18. Back Solicitation. Unless otherwise agreed in writing, CARRIER shall not knowingly solicit freight shipments for a period of 24 month(s) 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.

19. Confidentiality. 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.

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.

20. Contract Term. The term of this Agreement shall be one year from the date hereof and

Carrier Initials: _____

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.

21. Modification of Agreement. This Agreement and any and all addendums, including the load confirmation addendum, attached may not be amended, except by mutual written agreement, or the procedures set forth above.

22. Notices. 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. 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. 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.

23. Severance and 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.

24. Counterparts. This Agreement may be executed in any number of counterparts each of which shall be deemed to be a duplicate original hereof.

25. 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.

26. Entire Agreement Except for any Addendums and or amendments, and 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 complete 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.

The signor of this agreement represents that he or she has authority to do so in behalf of the party.

Carrier: _____

Address: _____

By: _____
Title: _____

Broker: Virginia Hiway Inc. Inc.
DBA VHI Transport, Inc.
4525 Lee St.
Chester, Va. 23831
By: _____
Title: _____

Federal I.D. # _____
Motor Carrier # _____
Email Address: _____

Federal I.D. # 54-1046451
Motor Carrier # 172093
Email Address: _____

Contract Motor Carrier Master Draft-Revised 5-23-08