



**SECTOR TRANSPORT LOGISTICS, LLC
BROKER-CARRIER TRANSPORTATION AGREEMENT**

THIS AGREEMENT, "Agreement", made and intended to be effective this _____ day of _____, 20__, by and between Sector Transport Logistics, LLC., having offices at Houston, Texas (BROKER), and _____ having offices at _____ (CARRIER), collectively, the "PARTIES".

RECITALS

A. WHEREAS BROKER is licensed as a Property Broker by the Federal Motor Carrier Safety Administration (FMCSA) under DOT 2248904, MC-747878 or by appropriate State agencies, and as a licensed broker, arranges for freight transportation; and

B. WHEREAS CARRIER is a licensed motor carrier pursuant to MC # _____,

C. WHEREAS, CARRIER desires to provide transportation services on behalf of BROKER's customers;

NOW THEREFORE, intending to be legally bound, BROKER and CARRIER agree as follows:

AGREEMENT

1. TERM. Subject to paragraph 12, the term of this Agreement shall be effective when executed by the parties and shall continue in effect for one year from the date of execution. Unless either party gives notice of its intent not to renew the Agreement, it shall automatically renew for successive one-year periods. Provided, however, that either Party may terminate this Agreement on 30 days written notice to the other Party, with or without cause, or as otherwise provided in this Agreement.

2. BROKER EFFORTS. BROKER agrees to solicit, obtain and arrange for transportation of BROKER's customer's freight, pursuant to the terms and conditions of this Agreement and in compliance in all material respects with all federal, state and local laws and regulations relating to the brokerage of the freight covered by this Agreement. BROKER's responsibility under this Agreement shall be limited to arranging for, but not actually performing, transportation of freight. CARRIER is not providing exclusive motor carrier services to BROKER or BROKER's customers.

3. SHIPPING DOCUMENTS. Shipping documents include scale tickets, delivery receipts, and/or bills of lading. CARRIER shall ensure that the applicable Bill of Lading contains the name and address of the shipper, the destination address, and consignee name. CARRIER acknowledges that BROKER should not be listed on the bill of lading

and that if BROKER is listed on the Bill of Lading as the carrier this will occur for the convenience of the shipper only and CARRIER at all times is the actual carrier of goods and BROKER'S role is limited to arranging for transportation. CARRIER must ensure that any visual damage to freight or discrepancies in count is noted on the shipper's original Bill of Lading, which is to be signed by CARRIER's driver or agent and by shipper or consignor. CARRIER must ensure that the proof of delivery and receipt of freight are noted on the shipper's Bill of Lading.

4. DISPATCH. CARRIER shall transport a series of shipments as BROKER may require in strict accordance with the delivery terms of the load confirmation (whether oral or in writing). The "reasonable dispatch" standard does not apply to this Agreement. CARRIER is responsible for confirming the count and condition of the freight accepted by CARRIER's driver. CARRIER is also responsible for providing a clean, dry, odor free, and leak proof trailer for shipments transported under this Agreement. CARRIER is prohibited from supplying equipment that has been used to transport hazardous wastes, solid or liquid, regardless of whether these substances are defined in 40 C.F.R. § 261.1 et seq. For hazardous materials shipments, Carrier will comply with all applicable federal, state, and local laws and regulations, including, but not limited to, 49 C.F.R. § 172.800, § 173, and § 397 et seq. CARRIER must give priority to compliance with all such laws and regulations and must not interpret any request or communication from any employee or agent of BROKER, shipper, consignor, or BROKER's customer(s) to authorize, directly or by implication, CARRIER to deviate from any law or regulation applicable to CARRIER's operations as a motor carrier. Any directions or instructions given by BROKER to CARRIER for the transportation of the freight shall be for information and convenience only, and CARRIER retains full control of the transportation of freight assigned to it under this Agreement.

At times the BROKER may suggest when pickup and delivery should be made in order to reflect the wishes and desires of the shipper and/or consignee. However, these times are not mandated or required times. In no event shall CARRIER be required to, and in no event shall BROKER require CARRIER to meet any times, violate any safety regulations or best practice or otherwise act unsafely in order to meet the suggested or target time.

5. RATES. Rates shall be as set forth on any Load Confirmation(s) that is issued and that supplements and amends this Agreement to the extent its terms conflict with those in this Agreement. This Agreement or the Load Confirmation also governs all accessorial services which may be required or performed. CARRIER shall not bill for any accessorial or other charge not approved in this Agreement or in any Load Confirmation(s). Rates may be amended orally but must be confirmed in writing within five working days of the modification in order to remain binding between the PARTIES. BROKER shall make payment to CARRIER within thirty days of receipt of the shipping documents from CARRIER. BROKER has no obligation to pay carrier prior to receipt of shipping documents specified in this Agreement or when shipping documents specified in this Agreement are not provided by CARRIER to BROKER within thirty days after the shipment date. BROKER is permitted to offset against charges owed to CARRIER for freight claims or any other obligation of CARRIER to BROKER, whether or not such

offsets are owed in connection with the shipment in regard to which the loss was incurred. In the event it is finally adjudicated by a court of competent jurisdiction that any cargo loss or other liability on which an offset is based was not owed by CARRIER, BROKER'S liability shall be limited to the amount offset in connection with the claim, and BROKER shall not be liable for interest on said sum or other damages, including, but not limited to, consequential, incidental, or punitive damages. CARRIER waives all carrier liens otherwise legally available to CARRIER and agrees not to hold or delay freight based on outstanding claims against BROKER or BROKER's customer(s).

6. PAYMENT. BROKER authorizes CARRIER to invoice BROKER for services provided by the CARRIER. CARRIER agrees that BROKER is the sole party responsible for payment of its invoices and that, under no circumstances, will CARRIER seek payment from the shipper, consignee and BROKER's customer(s). CARRIER waives any right under any federal, state, or local law to collect freight charges or other amounts from shipper, consignee, and BROKER's customer(s). BROKER agrees to pay CARRIER in full, within 30 days of receipt of shipping documents and invoices, all properly invoiced amounts regardless of any failure of payment by BROKER's customer. If CARRIER wishes to have invoices paid to a factoring company, CARRIER must provide notification via certified letter to be received by BROKER before such payments may be redirected. CARRIER agrees to indemnify BROKER from any liability for failure to pay any factoring company for any failure of CARRIER to adhere to this section. CARRIER and any affiliates of CARRIER (including factoring companies) may not report open invoices to credit bureaus or seek payment of open invoices from BROKER'S surety bond or trust fund until at least 90 days after invoices and proof of delivery are received by BROKER and 14 days after written notice of CARRIER'S intent to report such invoices or seek payment on such invoices is provided to BROKER. CARRIER may not report past due invoices to credit bureaus if any payment disputes with BROKER arise out of an alleged breach by CARRIER of this Agreement.

7. LOSS, DAMAGE, OR DELAY. CARRIER agrees that its liability for cargo loss or damage shall be that of a Motor Carrier as provided for in 49 USC §14706 (the Carmack Amendment), except as is otherwise provided by this Agreement. Where a seal is placed on a trailer by consignor, shipper, CARRIER or other party, CARRIER is responsible to maintain the seal intact until removed by an authorized employee of consignee upon delivery. CARRIER is liable for any and all claims, losses, or liabilities arising from or as a result of any unauthorized removal of seal, broken seal, missing seal, tampered seal, or mismatched seal number. CARRIER is solely responsible for ensuring that cargo is maintained according to any requirements stated on the bill of lading or load confirmation.

CARRIER shall be liable for full actual loss of cargo, and any limitation on this liability contained in any tariff, contract, bill of lading, or other document shall be void and ineffective. Exclusions in CARRIER's insurance coverage shall not relieve CARRIER from any liability. The provisions contained in 49 CFR §370.1 et seq. shall govern the processing of claims for loss, damage, injury or delay to property and the processing of salvage, except as is otherwise provided by this Agreement. However,

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 30 days of receipt of the claim. Failure of CARRIER to pay, decline or offer settlement within this 30-day period shall be deemed admission by CARRIER of full liability for the amount claimed and a material breach of this Agreement. CARRIER waives the right to salvage for damaged freight and understands and agrees that the shipper may choose to destroy damaged goods rather than allowing them to reach the consumer market in damaged condition. In the event that damaged goods are returned to BROKER's customer and salvaged by Customer, CARRIER shall receive a credit for the actual salvage value of such goods. CARRIER also agrees to be liable for incidental and consequential damages for delay in delivery, including any stoppage in production caused by the delay. CARRIER's indemnification liability for freight loss and damage claims, when determined, 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 provisions of any other provision herein.

8. SUB-CONTRACT PROHIBITION. CARRIER specifically agrees that all freight tendered to it by BROKER shall be transported on equipment operated only under the authority of CARRIER and that CARRIER shall not in any manner sub-contract, broker, or in any other form arrange for the freight to be transported by a third party without the prior written consent of BROKER. If CARRIER breaches this provision, BROKER has the right to pay freight charges directly to the delivering carrier, in lieu of payment to CARRIER. Upon payment of such charges to the delivering carrier, BROKER shall have no further obligation to pay freight charges to CARRIER.

9. INSURANCE. CARRIER agrees to maintain at all times during the term of the contract insurance coverage with limits not less than the following:

General Liability/Property Damage	\$1,000,000
Auto Liability -	\$1,000,000
Cargo Liability -	\$100,000 (deductible no more than \$10,000)
Worker's Compensation Liability Insurance – required in the amounts provided by applicable state law.	

CARRIER shall provide certificates of insurance for each of these coverages, which certificates shall provide BROKER notice of the cancellation of the above-referenced policies and give BROKER status as a certificate holder. CARRIER'S liability shall not be limited by the amount of insurance required by this Agreement, and CARRIER remains fully liable for any loss for which it is otherwise liable by law. CARRIER has the right to reject any load whose value it believes exceeds its available insurance coverage. BROKER and shipper have no duty to inform CARRIER of the value of loads transported by CARRIER pursuant to this Agreement. In the event CARRIER fails to maintain insurance as required by this Agreement, BROKER may terminate this Agreement immediately.

As regard to the required cargo coverage, the coverage must be All Risk Broad Form Motor Truck Cargo Legal Liability Coverage in an amount not less than \$100,000.00 per occurrence. The coverage provided under the policy shall have no exclusions or restrictions of any type that would foreseeably preclude coverage relating to cargo claims including, but not limited to, exclusions of unattended or unattached trailers, theft, or for any commodities transported under this Agreement.. Furthermore, if the commodity being hauled is on a flatbed or similar open conveyance, that there be no exclusion for wetness, rust, corrosion or moisture.

Coverage must be written with an insurance carrier rated A- or better as rated by AM Best Company.

10. SAFETY RATING. CARRIER warrants that at all times during this Agreement it will act as a “motor carrier,” as that term is defined under 49 U.S.C. § 13102 and any applicable federal or state regulations, statutes, decisional law or administrative law. CARRIER further warrants that at all times during this Agreement it will remain licensed and authorized by the Department of Transportation to provide interstate transportation services, and warrants that it will maintain insurance or otherwise demonstrate financial responsibility in accordance with all applicable federal and state regulations.

CARRIER agrees that at all times during the term of this Agreement it shall not have a unsatisfactory safety rating as determined by the Federal Motor Carrier Safety Administration (FMCSA). If CARRIER receives an unsatisfactory safety rating, it shall immediately notify BROKER in accordance with the notice provisions in Paragraph 18, and BROKER may terminate this Agreement immediately. BROKER shall not knowingly utilize any carrier with an unsatisfactory safety rating in the performance of this Agreement. CARRIER agrees to comply with all federal, state, and local statutes and regulations governing its operations as a motor carrier.

11. APPLICABILITY. CARRIER agrees that the terms and conditions of this Agreement shall apply on all shipments it handles for BROKER. Any terms in a tariff or shipping document which are inconsistent with this Agreement shall be subordinate to the terms of the Agreement. Any terms in any tariff, shipping document, or other document that purport to limit CARRIER’s liability for any cargo loss shall be ineffective. CARRIER expressly waives all rights and remedies under Title 49 U.S.C., Subtitle IV, Part B to the extent they conflict with this Agreement.

12. DEFAULT. Both parties will discuss any perceived deficiency in performance and will promptly endeavor to resolve all disputes in good faith. However, if either party materially fails to perform its duties under this Agreement, the party claiming default may terminate this Agreement on 10 (ten) days written notice to the other Party. The declaring of CARRIER’s driver disqualified, or if CARRIER’s driver should fail a random drug test, shall immediately terminate this Agreement as to that driver; provided, however, BROKER has the option of allowing CARRIER to substitute a driver in a timely manner to complete any trip then in progress. The following shall all be deemed

instances of default: (a) there shall be filed by or against CARRIER, in any competent court, a petition in bankruptcy or insolvency, or for reorganization, or for the appointment of a receiver or trustee of all or a portion of the property of CARRIER; (b) CARRIER makes an assignment for the benefit of creditors or petitions for, or enters into, an agreement or arrangement with its creditors; (c) CARRIER fails to timely and properly perform its obligations of this Agreement. Upon the occurrence of an Event of Default, BROKER may, upon giving two (2) days' prior written notice to CARRIER (without prejudice to any other remedy BROKER may have, and provided such default has not been cured), terminate this Agreement. In any legal action arising from any party's breach of any provision of this Agreement, the prevailing party shall be entitled to recover its attorney's fees and costs.

13. INDEMNIFICATION. Without regard to the insurance limits in Section 9, CARRIER shall defend, indemnify and hold BROKER harmless against any claims, actions or damages, including, but not limited to claims for or related to personal injury (including death), to any person including CARRIER employees, subcontractors, and contractors cargo loss, damage, or delay, and payment of rates and/or accessorial charges to Carriers, arising out of CARRIER's performance under this Agreement, including but not limited to the actions of any driver, employee, contractor, sub-carrier, owner/operator, or other agent of CARRIER or party performing any of CARRIER's obligations under this Agreement, or CARRIER's failure to obtain insurance as required by this Agreement. The obligation to defend shall include all costs of defense as they accrue, including reasonable attorney's fees.

14. ASSIGNMENT/MODIFICATIONS OF AGREEMENT. Neither party may assign or transfer this Agreement, in whole or in part, without the prior written consent of the other party. CARRIER may not subcontract any portion of the performance of this Agreement. No amendment or modification or waiver of the terms of this Agreement shall be binding unless in writing and signed by agents of the PARTIES with express authority to agree to such terms. CARRIER is not permitted to double broker loads without written permission of BROKER.

15. SEVERABILITY/SURVIVABILITY. In the event that the operation of any portion of this Agreement results in a violation of any law, or any provision is determined by a court of competent jurisdiction to be invalid or unenforceable, the Parties agree that such portion or provision shall be severable and that the remaining provisions of the Agreement shall continue in full force and effect. The representations and obligations of the PARTIES shall survive the termination of this Agreement for any reason.

16. INDEPENDENT CONTRACTOR. It is understood between BROKER and CARRIER, that neither is an agent for the other and each shall remain at all times independent of the other. BROKER does not exercise or retain any control or supervision over CARRIER, its operations or employees. CARRIER shall, at its sole cost and expense: (a) furnish all equipment necessary or required for the performance of its obligations hereunder (the "Equipment"); (b) pay all expenses related, in any way, with the use and operation of the Equipment; (c) maintain the Equipment in good repair,

mechanical condition and appearance; and (d) utilize only competent, able and legally licensed personnel. CARRIER shall have the full control of such personnel; shall perform the services hereunder as an independent contractor; and shall assume complete responsibility for all state and federal taxes, including but not limited to IFTA fuel taxes, assessments, insurance (including but not limited to worker's compensation, unemployment compensation, disability, pension and social security insurance) and any other financial obligations arising out of the transportation performed hereunder. CARRIER's employees are not authorized to represent themselves as agents of BROKER.

17. NONWAIVER. Failure of either party to insist upon performance of any of the terms, conditions or provisions of this Agreement, or to exercise any right or privilege herein, or the waiver of any breach of any of the terms, conditions or provisions of this Agreement, shall not be construed as thereafter waiving any such terms, conditions, provisions, rights or privileges, but the same shall continue and remain in full force and effect as if no forbearance or waiver had occurred, and no course of performance or course of dealing between the parties shall thereby arise.

18. NOTICES. Unless the PARTIES notify each other in writing of a change of address, any and all notices required or permitted to be given under this Agreement shall be in writing (or fax with machine imprint on paper acknowledging successful transmission) and shall be addressed as follows:

(BROKER)

(CARRIER) Name: _____

Sector Transport Logistics, LLC
Attn: Sam Pennington
514 Regentview Drive
Houston, TX 77079
Phone: 281-584-0909
Fax: 281-584-0997
Email: spennington@sectortransport.com

Attn: _____
Address: _____
Phone: _____
Fax: _____
Email: _____

19. FORCE MAJEURE. Neither Party shall be liable to the other for failure to perform any of its obligations under this Agreement during any time in which such performance is prevented by fire, flood, or other natural disaster, war, embargo, riot, civil disobedience, or the intervention of any government authority, or any other cause outside of the reasonable control of the CARRIER or BROKER, provided that the Party so prevented uses its best efforts to perform under this Agreement and provided further, that such Party provide reasonable notice to the other Party of such inability to perform.

20. LEGAL RIGHTS AND CHOICE OF LAW AND VENUE. All questions concerning the construction, interpretation, validity, and enforceability of this Agreement, as well as the substantive rights and duties of the parties to this Agreement,

whether in a court of law or in arbitration, shall be governed by and construed and enforced in accordance with the laws of the State of Texas without giving effect to any choice or conflict of law provision or rule that would cause the laws of any other jurisdiction to apply. Both parties represent that they are subject to and hereby irrevocably submit to exclusive jurisdiction of any court with jurisdiction to include Harris County, Texas, in connection with any suit, action, or proceeding arising out of or relating to this Agreement and irrevocably agree that all claims and counterclaims of Carrier or Broker in respect to any such suit, action or proceeding will be heard or determined only in any such court. In any legal action brought to enforce any right or duty under this Agreement or to recover damages for breach of this Agreement, the prevailing party shall be awarded reasonable attorney's fees and costs.

21. 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.

22. BACK SOLICITATION. CARRIER shall not solicit traffic from any shipper, consignee, or customer of BROKER where (1) the availability of such traffic first became known to CARRIER as a result of BROKER's efforts; or (2) where the traffic was first tendered to CARRIER by BROKER for a period of two years after the termination of this Agreement. If the CARRIER breaches this provision of this AGREEMENT, BROKER shall be entitled—as reasonable liquidated damages and not as a penalty—to a commission of fifteen percent of the gross revenue from such traffic to CARRIER for a period of fifteen months. CARRIER also agrees that the breach of this provision entitles BROKER to be entitled to obtain an injunction against CARRIER in a court of competent jurisdiction, at BROKER's option.

23. ENTIRE AGREEMENT: This Agreement, including all Appendices and Addenda, constitutes the entire agreement intended by and between the PARTIES and supersedes all prior agreements, representations, warranties, statements, promises, information, arrangements, and understandings, whether oral, written, expressed or implied, with respect to the subject matter hereof.

IN WITNESS WHEREOF, the PARTIES hereto have caused this Agreement to be executed in their respective names by their fully-authorized representatives as of the dates first above written.

Sector Transport Logistics, LLC
BROKER

Signed

Printed

Title

Name: _____
CARRIER

Signed

Printed

Title