

TRANSPORTATION AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____ 200__ between Creative Logistics, Inc., with an address of Post Office Box 5443 Boise, ID 83705. (hereinafter "Broker") and _____ (hereinafter "Carrier") with an address of _____

WITNESSETH:

WHEREAS, Broker is a corporation duly licensed to engage in operations, in interstate or foreign commerce, as a broker, in arranging for the transportation by motor vehicle of general commodities (except household goods) under Department of Transportation Broker's License No. MC-437261; and

WHEREAS, Carrier holds authority from the Department of Transportation under Permit No. MC-_____, and

WHEREAS, Broker agrees to offer for shipment and Carrier agrees to transport by motor vehicle as a contract carrier, to and from those points between which service may be required, such quantities of authorized commodities as the Broker may desire.

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

1. EQUIPMENT AND PERSONNEL. For transportation business solicited or obtained by Broker and brokered to Carrier hereunder, Carrier shall, at its cost, furnish motor vehicles, equipment, drivers and personnel necessary to transport commodities to and from those locations and in accordance with pick-up and delivery schedules designated by Broker. The transportation services provided by Carrier are designed to meet the distinct needs of the Broker. Carrier shall perform all such transportation services in accordance with all applicable federal, state and local laws, rules and regulations, and with schedules and directions supplied by Broker.

2. COMPENSATION.

(a) Commodities will be transported at mutually agreed rates and minimum weights. The agreed rates and minimum weights may be verified in writing at the sole discretion of Broker. In the event the mutual agreement is not reduced to writing, the verbal agreement between the parties will govern. Transportation will be conducted according to the terms of a standard uniform bill of lading issued by Carrier of any commodities transported under this Agreement, and as may be supplemented or amended by verbal or written instructions provided by Broker.

(b) The parties acknowledge that Broker shall invoice and collect directly from the shipper, and Carrier shall invoice Broker directly for its fees. As a condition of payment, Carrier shall provide to Broker all documents necessary for Broker to receive payment from the shipper, including specifically the original bill of lading evidencing acceptable delivery to the consignee.

(c) Broker shall be entitled to deduct from any fees or other sums owing to Carrier hereunder amounts for which Carrier is liable to Broker under the terms of this Agreement, including but not limited to Paragraphs 4(a) or (b) below, or amounts for which Carrier is liable to Broker by reason of any default by Carrier of any provision hereof.

(d) Carrier stipulates all liability standards and burdens of proof are herein determined by the common statutory and regulatory law applicable to common carriers notwithstanding the fact the Carrier is providing service herein solely as a contract carrier.

(e) Carriers with duplicating contract and common carrier authority agree that contract rates, charges, terms, and conditions take precedence over any common carrier tariff rates, charges, terms, and conditions and that it is the Carrier's specific intent that all transportation performed under this Agreement is performed as a contract carrier.

3. **INDEPENDENT CONTRACTOR STATUS.** The relationship of Broker to Carrier shall at all times be that of independent contractor, and nothing herein shall be deemed to create the relationship of employee/employer, partner, principal/agent, or joint venture between the parties. Carrier shall be free to determine the means and methods of the performance of the transportation services brokered to it hereunder, including the methods of loading and unloading commodities, the selection of routes, and the selection of drivers and personnel. Carrier shall bear and retain all responsibility and liability for the payment of all costs and expenses in connection with the transportation services provided by it hereunder, which costs and expenses shall be deemed to include, but not be limited to, equipment repair and, fuel and lubricants, fuel taxes, salaries and other compensation for Carrier's employees, tolls and ferries, fines and penalties, and insurance coverage.

4. **INDEMNIFICATION AND LIABILITY.**

(a) Carrier shall indemnify, hold harmless and defend Broker, its affiliates, employees and assigns, against any and all claims, fines, penalties, demands, liabilities, losses and expenses, including reasonable attorney's fees, for injury or death to persons, damage to property, violation of applicable federal, state or local law, regulation or ordinance, or shipper claims for cargo loss, damage, shortage or late delivery, arising from or in connection with Carrier's negligent performance of the transportation services brokered to it hereunder.

(b) Carrier shall be fully liable and responsible for all loss, destruction, shortage, theft, spoilage or other liability of any kind to or for all cargo, the transportation of which has been arranged by Broker, while such cargo is in the care, custody, or control of Carrier or otherwise arising out of Carrier's transportation, or failure to transport, such cargo. Carrier is responsible for insuring the count of all cargo transported is accurate and documented. Carrier's liability hereunder shall include any claims made by shipper or its customers related to any delayed or late delivery by Carrier of the cargo brokered to it hereunder. Carrier's liability for loss or damage of any cargo transported by it hereunder shall begin at the time cargo is loaded on Carrier's equipment at point of origin, and shall continue until said cargo is delivered to the designated consignee(s) and destination(s). Carrier's liability hereunder shall be based on the replacement cost of the lost or damaged cargo.

5. **INSURANCE.** Carrier shall procure and maintain, at its expense, a policy of automotive liability insurance with limits as required by law but in no event of less than One Million Dollars (\$1,000,000.00) combined single limit for bodily injury and property damage, as well as cargo insurance sufficient to cover the replacement value of each load transported, but in no event less than the minimum amount of One Hundred Thousand Dollars (\$100,000.00) for loss or damage to cargo which comes into the possession of Carrier in connection with its transportation services hereunder. Carrier will procure, maintain, and enforce continuously through the term of this Agreement insurance required under the Workers Compensation Laws of the states in which the transportation services shall be performed. Broker shall have no responsibility to either defend any workers compensation claim that arises due to Carrier's operations under this Agreement or to pay any awards resulting from such claims. Such insurance shall include a waiver of subrogation in favor of the Broker. Carrier shall arrange to name Broker, and, if so directed by Broker, the shipper, as additional insured(s) on all such policies hereunder and shall furnish to Broker certificates of insurance evidencing the above coverage. Carrier shall procure such insurance from companies acceptable to Broker. Such insurance shall provide that Broker shall receive thirty (30) days prior written notice of any alteration, modification, or cancellation thereof. Nothing contained herein shall be construed to limit Carrier's liability to the insurance limits set forth above, and at all times hereunder, Carrier assumes common carrier liability for the safe transportation of cargo tendered to it.

6. **TERM.** This Agreement shall commence on the date above written and shall continue in effect until terminated by either party providing to the other party thirty (30) days written notice of its intention to terminate this Agreement. This Agreement shall govern the parties rights and obligations with respect to loads which are brokered to Carrier by Broker from time to time during the term hereof. Nothing contained in this Agreement, however, shall be deemed to obligate Broker to tender any minimum amount of freight to Carrier or to utilize the services of Carrier exclusively, and Broker makes no representations with respect to any specific amount of freight or number of shippers to be solicited by Broker for Carrier hereunder.

7. **SOLICITATIONS BY CARRIER PROHIBITED.** Carrier will support and protect Broker's efforts hereunder by refraining from any solicitation or direct dealing with shippers and/or customers identified by Broker, provided that Carrier shall be permitted to communicate with such shippers and/or customers for operational and scheduling purposes only. This provision shall terminate 180 days after notice is given by either party to terminate this Agreement.

8. **NOTICE.** Any notice to be given by one party to the other shall be in writing and sent certified or registered, return receipt requested, United States mail, postage prepaid, to the address shown herein.

9. **ASSIGNMENT.** Carrier may not assign, sublet, or delegate this Agreement, or any rights or obligations imposed upon it hereunder, without the prior written consent of Broker.

10. **ATTORNEY'S FEES AND COSTS.** In the event that it is necessary to engage an attorney, including one regularly employed by either party as such, to enforce any of the terms and conditions of this Agreement, the prevailing party shall be entitled to receive, and the other party agrees to reimburse it for, all costs and expenses incurred by it in said action, including but not limited to reasonable attorneys' fees and expert witness fees awarded by the court and costs. The other party agrees to pay the above items to the prevailing party on demand.

11. **ENTIRE AGREEMENT.** This Agreement embodies the whole Agreement between the parties. There are no provisions, terms, conditions, or obligations other than those contained herein and provided for. This Agreement shall supersede all previous communications, negotiations, representations, or agreements, either verbal or written, between the parties hereto. This Agreement may not be amended or modified in any respect unless in writing signed by both parties.

12. **LIMITATION ON SUBCONTRACTING.** Carrier agrees to accept, transport, and deliver commodities in accordance with the shipping instructions issued to it by the Broker and to have its driver(s) load and unload all commodities tendered to it by the Broker under the terms and conditions hereinafter set forth. In no event may Carrier subcontract or interline shipments accepted from Broker without prior written consent of Broker.

13. **GOVERNING LAW.** This Agreement shall be governed by and construed under the laws of the State of Idaho.

14. **BINDING EFFECT.** The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, and assigns.

IN WITNESS WHEREOF, each party has caused this Agreement to be executed on the date first above written.

Creative Logistics, Inc.

Carrier: _____

By _____

By: _____

"Broker"

"Carrier"

Date _____

Date: _____