



BROKER-CARRIER AGREEMENT

This Broker-Carrier Agreement (“Agreement”) is entered into this ___ day of _____, 20___, and is between Arizona Freight Solutions, LLC. (Arizona Freight Solutions) and _____ (“Carrier”).

Arizona Freight Solutions is a transportation broker authorized by MC #1658174-B to arrange for transportation of general commodities by motor carriers. This agreement governs shipments arranged by Arizona Freight Solutions (Broker).

Carrier is a motor carrier authorized by MC/DOT # _____ to provide transportation of general commodities.

The parties enter into this Agreement in accordance with 49 U.S.C. §14101 (b)(1) and expressly waive any and all rights and remedies that each may have under 49 U.S.C. §13101 through §14914 that are contrary to the specific provisions of this Agreement and agree as follows:

1. Description of Services. During the term of this Agreement, Arizona Freight Solutions agrees to tender to Carrier on a non-exclusive basis, and Carrier agrees to accept from Arizona Freight Services, shipments consisting of general commodities for transport between points within the United States and/or to or from Canada or Mexico. Carrier will, using due care, pick-up, as and when requested; transport in a timely manner; and deliver in good order and condition, the shipments which are tendered by Arizona Freight Solutions to carrier, in accordance with the terms set forth in this Agreement (“Services”).

Every shipment tendered to Carrier by Arizona Freight Solutions on or after the date of this Agreement will be subject to the terms of this Agreement.

2. Carrier’s Operating Authority. Carrier represents and warrants that it is duly and legally qualified to provide, as a motor carrier, the services specified herein and agrees to comply with all applicable

Federal, State, Provincial, and local statutes, ordinances, rules and regulations regarding services. Carrier is obligated to notify Arizona Freight Solutions in writing immediately if its carrier operating authority is revoked, suspended, or rendered inactive for any reason and will cease providing services until its carrier operating authority is restored. Carrier further represents and warrants that it does not have a "conditional" or "unsatisfactory" safety rating issued by the Federal Motor Carrier Safety Administration ("FMCSA"), U.S. Department of Transportation, or a substantially equivalent rating under the Carrier Safety Measurement System implemented under Compliance, Safety, Accountability ("C.S.A.") program. Carrier is obligated to notify Arizona Freight Solutions in writing immediately if its safety rating is changed to "conditional" or "unsatisfactory" or a substantially equivalent rating under the CSA program.

CARRIER AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS BROKER FROM ANY CLAIM OR LIABILITY FOR DAMAGES, LOSSES, OR COSTS THAT RESULT FROM A VIOLATION OF THIS PARAGRAPH 2.

3. Carrier's Operating Responsibilities. Carrier will be responsible for the procurement and operation of the vehicles it uses and the employment, training, supervision and control of the drivers and any helpers. Carrier will be responsible for safe and lawful operation of the vehicles used in the performance of the Services and will assume all costs, expenses, and liabilities incident to or Arizona out of furnishing, maintaining, repairing, or operating motor vehicles and other equipment, labor, fuel, supplies, and insurance.

Carrier shall transport each shipment tendered hereunder to its specified destination with reasonable dispatch and without delay caused by anything within Carrier's control. If Arizona Freight Solutions or its customer informs Carrier of a specified delivery date and/or schedule prior to pick-up of any shipment or series of shipments, then Carrier shall make its best efforts to meet such specified date and/or schedule. However, Carrier shall not violate any law, rule, or regulation pertaining to highway or motor vehicle safety in order to make timely delivery of shipment. Nothing in this Agreement shall be interpreted as requiring a driver to perform Services within a certain time or to violate the Hours of Service Rules.

Carrier must provide Services in a safe and prudent manner and in compliance with all applicable Federal, provincial, State and local statutes, ordinances, rules, and regulations, including but not limited to those pertaining to the proper qualifications, screening, and licensing of drivers; hours of service; maintenance and safe operation of equipment; transportation and handling of Hazard Materials (49 C.F.R. §§ 172.800, 173 and 397, et seq.) ("HAZMAT"); security; owner operator leases; loading and securement of freight; controlled substance and alcohol use testing; insurance and workers' compensation requirements; the safe and secure transportation of food that will ultimately be consumed by humans or animals, including the Food Safety Modernization Act (21 U.S.C. § 2201, et seq.), the Food, Drug and Cosmetic Act (21 U.S.C. § 31, et seq.) ("FD&C Act"), the Sanitary Food Transportation Act (49 USC 5701 et seq.), and the U.S. Food and Drug Administration's Final Rule on the Sanitary Transportation of Human and Animal Food (21 C.F.R. § 1.900 et seq.), collectively (the "Food Safety Laws"). Carrier agrees that food that has been transported or offered for transport under conditions that are not in compliance with the shipper's instructions as provided to Carrier by the

shipper, through Broker or otherwise, may be considered “adulterated” within the meaning of the Federal Food, Drug and Cosmetic Act, 21 U.S.C. §§ 342(a)(i)(4), 342(i). Carrier understands that adulterated shipments may be refused by the consignee or receiver upon their tender for delivery. Carrier must comply with its legal obligations concerning the safe and secure transportation and Carrier will notify Arizona Freight Solutions promptly by telephone of any accident, theft or other occurrence that impairs the safety of, or delays the delivery of shipments subject to this Agreement.

To the extent any shipments are transported within the State of California, Carrier warrants that:

- a) All 53 foot trailers, including both dry-van and refrigeration equipment it operates and the Heavy-Duty Tractors that haul them within California under this Agreement are in compliance with the California Air Resources Board (ARB) Heavy-Duty Vehicle Greenhouse Gas (Tractor-Trailer GHG) Emission Reduction Regulations.
- b) All refrigerated equipment it operates within California under this Agreement is in full compliance with the California ARB TRU ACTM in-use regulations.

Carrier will perform the Services as an independent contractor and neither its employees nor agents will be deemed to be employees or agents of Arizona Freight Solutions. No authority has been conferred upon Carrier by Arizona Freight Solutions to hire any persons on behalf of Arizona Freight Solutions, and Carrier will assume full responsibility for selecting, engaging, and discharging its employees, agents, servants or helpers and for otherwise directing and controlling their services. Carrier will assume full responsibility for complying with all applicable laws and regulations for the benefit of its employees and under no circumstances will Arizona Freight Solutions be liable for the debts or obligations of Carrier for the wages, salaries, or benefits of Carrier’s employees.

4. Receipts. Each shipment will be evidenced by a written form initiated by the consignor at the point of origin of the shipment and will be legibly signed by the Carrier showing the kind and quantity of the commodity received at the loading point(s) specified. Such form will be evidence of receipt of such commodities by Carrier in apparent good order and condition or as may be otherwise noted on the face of such form. All such documents must show the actual consignor and consignee. Arizona Freight Solutions must appear in the “Bill to” section of the shipping document. Upon acceptance of the shipment, Carrier will assume liability for the cargo until proper delivery is made to the designated consignee. Carrier will obtain a delivery receipt signed by the consignee at the time of delivery showing the kind, quantity, and condition of the commodity delivered at the specified destination and the time of delivery. Absence or loss of any such documents will not relieve the Carrier of responsibility for freight accepted by it. If a bill of lading is issued for any shipment, its purpose will be only to evidence the receipt of the cargo. Any terms and conditions on a bill of lading or receipt or purportedly incorporated therein will be null and void.

If Carrier has been dispatched to haul a bulk load commodity that pays by the TONS, carrier will be required to supply Arizona Freight Solutions with a scale ticket showing the TONS the carrier hauled on the same day the load was delivered. All Scale tickets must be signed by Carrier and receiver. Any scale tickets not received same day may result in a \$100 a day fine and/or may result in payment at a later date as determined by Arizona Freight Solutions or Arizona Freight Solutions customer.

All Scale tickets must be sent to ArizonaFreightSolutions@yahoo.com.

5. No Substituted Services and Diversion/Reconsignment. Effective upon acceptance of a shipment from Arizona Freight Solutions for the Arizona Freight Solutions customer's account, Carrier will perform the transportation services itself and will not subcontract the load to another motor carrier or tender it to a property broker. Carrier will not transload any shipment to another truck or trailer without written consent of Broker. Carrier will not have any right to, in any way, negate, eliminate, circumvent, or alleviate Carrier's liability to Arizona Freight Solutions or Arizona Freight Solutions customer. Carrier will not allow the diversion or reconsignment of any shipment except upon written instructions by Arizona Freight Solutions or Arizona Freight Solutions' customer. Carrier will not accept instructions for diversion or reconsignment by any consignee or third party without the written consent of Broker or Broker's customer.

6. Rates. Carrier agrees to transport shipments tendered by Arizona Freight Solutions at the rates and charges as set forth in Arizona Freight Solutions "Load and Rate Confirmation", which must be signed by Carrier and transmitted by Carrier to Arizona Freight Solutions by e-mail for each shipment accepted by Carrier under this Agreement. Carrier and Arizona Freight Solutions agree that no common Carrier tariff rates, accessorial charges, rules, or regulations apply to any shipment tendered under this Agreement. No change in rates, charges, or rules will be effective unless mutually agreed to and confirmed in writing, signed by authorized representatives of both parties.

7. Payment. Carrier authorizes Arizona Freight Solutions to invoice Arizona Freight Solutions customers for services provided by Carrier. Carrier agrees to invoice Arizona Freight Solutions and only Arizona Freight Solutions, and acknowledges that Arizona Freight Solutions is the sole party responsible for payment of its invoices. Under no circumstance may Carrier seek payment from Arizona Freight Solutions customer, the consignor, any consignee, or any entity other than Arizona Freight Solutions. Payment of the freight charges by Arizona Freight Solutions to Carrier will relieve shipper, receiver, consignor, or consignee of any liability to the carrier for non-payment of charges.

Arizona Freight Solutions agrees to pay Carrier for the transportation of shipments under this Agreement in accordance with the rates described herein, thirty (30) days of receipt, or other agreed upon time frame by Arizona Freight Solutions and Carrier after Carrier's uncontested invoice and signed proof of delivery document covering such transportation have been received by Broker. Arizona Freight Solutions is not responsible for any financial charges and/or late fees.

8. Cargo Loss, Damage, and Delay.
 - (a) Carrier is liable to Arizona Freight Solutions and Arizona Freight Solutions customers for the actual loss of, damage to, or delay of Arizona Freight Solutions customers' freight, according to the provisions of 49 U.S.C. Section 14706. Carrier hereby waives any lien it may otherwise have on the Goods.
 - (b) Except as set forth below in this Subsection (b), Carrier agrees that the provisions contained in 49 CFR Part 370 govern the processing of claims for loss, damage, or delay to property and the processing of salvage.

- (i) Carrier must immediately notify Arizona Freight Solutions of any delay, damage, or shortage.
 - (ii) All claims for loss, damage, or delay must be concluded within thirty (30) days of receipt of claim by Carrier.
 - (iii) The determination regarding the salvageability of any damaged cargo will be determined by Arizona Freight Solutions customer and Carrier will be liable for all costs and expenses associated with Arizona Freight Solutions customer's mitigation of damages including any inspection, storage, preparation of the cargo for reshipping, and the reshipping, if applicable.
 - (iv) Carrier must not sell, or attempt to sell, Arizona Freight Solutions customer's freight for salvage or otherwise without Arizona Freight Solutions customer's prior written authorization. For any damaged product which Arizona Freight Solutions customer permits Carrier to resell, Arizona Freight Solutions customer will have the right to remove all identifying marks and labels on such product.
9. Term. The term of this Agreement will be for a period of one (1) year from the effective date shown above and will automatically renew at the end of the initial and subsequent terms for additional one (1) year periods unless terminated pursuant to Section 10 below.
10. Termination. If either party refuses or fails to perform any duty or obligation under this Agreement, fails to comply with applicable laws or regulations, suffers impairment of its financial responsibility, or otherwise defaults in any way, the non-defaulting party will have the option, without prejudice to any other right or remedy, to terminate this Agreement upon three (3) business days advance written notice. Otherwise, either party may terminate the Agreement at any time without cause by giving thirty (30) calendar days prior written notice to the other party.
11. Insurance. Carrier must procure and maintain at all times during the term of this Agreement, at its sole cost and expense, with reputable and financially responsible insurance carriers, that retain an AM Best rating of A- or better, the following insurance in not less than the amount specified:
- (a) General Liability Insurance, including contractual liability and protective liability coverage (consistent with the indemnity obligation herein) in a combined single limit of not less than \$1,000,000.00 per occurrence.
 - (b) Auto Liability Insurance insuring against liability for injury to persons, including injuries resulting in death, environmental restoration, and loss or destruction of or physical damage to property, in a combined single limit of not less than \$1,000,000.00 per occurrence. If Carrier transports Hazardous Materials, the insurance requirement pursuant to this Subparagraph will be \$5,000,000.00 per occurrence.
 - (c) Cargo Insurance in an amount not less than \$100,000.00 per shipment. Such insurance policy will provide coverage to Arizona Freight Solutions, Arizona Freight Solutions customer or the owner and/or consignee for any loss, damage, or delay related to Goods transported under this Agreement. The coverage provided under the policy must not have any exclusions or restrictions of any type that would foreseeably preclude coverage relating to cargo claims.
 - (d) Workers' Compensation insurance for Carrier's employees in accordance with statutory requirements for all applicable jurisdictions.

If Carrier's insurance is threatened to be, or is, terminated, cancelled, suspended, reduced, or revoked, Carrier must immediately notify Arizona Freight Solutions. Carrier will cause its insurance broker or carrier to provide Arizona Freight Solutions certificates or other evidence of the foregoing insurance coverages prior to commencing Services under this Agreement.

12. Indemnification. Carrier will defend, indemnify and hold harmless Arizona Freight Solutions and Arizona Freight Solutions customers, their respective officers, directors, employees, agents, representatives, vendors and customers against any and all claims, demands, actions, causes of action and/or liabilities (actual, potential, threatened or pending) judgements, fines, penalties, orders, decrees, awards, costs, expenses, including attorneys' fees, settlements and claims on account of:
- (a) Loss or damage to property (other than cargo), or personal injury, including death, which may be sustained by the parties, their employees or third parties, arising out of or in connection with Carrier's performance of the services set forth herein;
 - (b) Carrier's breach of any of its representations, warranties and/or covenants in this Agreement.
 - (c) Carrier's failure to comply with worker's compensation requirements or any claim or worker's compensation asserted against Arizona Freight Solutions or its customer by Carrier's employees or their personal representatives; and
 - (d) Carrier's use of non-compliant equipment under the California Air Research Board TRU ACTM in-use regulations or any similar regulations imposed by the State of California or any other State regarding equipment.

This provision will not be construed in any circumstance to constitute an indemnification contrary to any law that prohibits indemnification against loss, liability, and cost or expenses incident thereto caused by the negligence of such indemnitee. Exclusions in Carrier's insurance coverage(s) will not exonerate Carrier from this liability.

13. Confidentiality. As part of the business relationship between Arizona Freight Solutions and Carrier, either Party may be in or come into possession of information or data which constitutes trade secrets, know-how, confidential information, marketing, plans, pricing, or anything else otherwise considered proprietary or secret by the other ("Confidential Information"). In consideration of the receipt of such Confidential Information and potential business, each Party agrees to protect and maintain such Confidential Information solely in connection with their business relationship, and to take all measures reasonably necessary to protect the Confidential Information.

Carrier agrees that Arizona Freight Solutions' charges to its customers are confidential and need not be disclosed to the Carrier. Carrier specifically waives any rights it may have under 49 CFR §371.3. Except as may be required by law, the terms and conditions of this Agreement and information pertaining to any Services will not be disclosed by either party to any other persons or entities, except to the directors, officers, employees, authorized contractors, attorneys, and accountants of each party. This mutual obligation of confidentiality will remain in effect during the terms of the Agreement and for a period of two years following any termination.

14. Non-Solicitation. Carrier agrees that during the term of this Agreement and for a period of two (2) years from the date of termination of this Agreement, that neither Carrier nor any employee, officer,

director, agent or otherwise of Carrier, will directly or indirectly solicit or accept traffic from any consignor, consignee, or customer of Arizona Freight Solutions where (a) the availability of such shipments first became known to Carrier as a result of Arizona Freight Solutions efforts; or (b) the shipments of the consignor, consignee, or customer of Arizona Freight Solutions was first tendered to the Carrier Arizona Freight Solutions.

In the event Carrier violates the terms of this Paragraph and back-solicits Arizona Freight Solutions customers and obtains traffic from such customers, Arizona Freight Solutions is then entitled, for a period of twenty-four (24) months after the traffic first begins to move, to a commission from the Carrier of fifteen percent (15%) of the transportation charges or revenue received on the movement of traffic. Carrier understands and agrees that the provisions of the aforementioned covenant not to compete are reasonable as to scope, duration, and geographic area, in light of the mutual promises and other valuable consideration the parties have agreed to in this Agreement. Further, Carrier agrees that any violation of the covenant not to compete will cause irreparable injury to Arizona Freight Solutions, and that Arizona Freight Solutions will be entitled to a restraining order and an injunction to stop the back-solicitation of traffic.

15. Force Majeure. The obligation of Carrier to furnish and of Arizona Freight Solutions to use the Services provided for in this Agreement will be suspended temporarily during the period in which either party is prevented from performing due to fire, flood, strike, lockout, epidemic, accident, regulatory action, or other causes beyond its reasonable control. The party experiencing force majeure will notify the other party promptly and take all reasonable steps to eliminate the interruption and resume normal operations as soon as possible.
16. Waiver / Enforceability. The waiver of a breach of the same or any other term or condition of this Agreement will not constitute the waiver of any other breach of the same or any other term. To be enforceable, a waiver must be in writing signed by a duly authorized representative of the waiving Party. The unenforceability of a provision of this Agreement or portion thereof.
17. Entire Agreement. This Agreement, together with any Appendices hereto, constitutes the entire Agreement between the parties with respect to the subject matter hereof, and supersedes all prior oral or written representations and Agreements.
18. Governing Law. This Agreement is to be construed according to United States federal law governing transportation and the laws of the State of Arizona and the parties hereby stipulate the exclusive jurisdiction of the courts situated in Arizona, over any litigation between the parties arising hereunder, except that the case may be removed to the appropriate Federal Court in Arizona. If any part of this Agreement is determined to be contrary to law, such determination will not affect the validity of any other terms or conditions. Carrier will pay all costs, expenses and attorney fee's which may be expended or incurred by Arizona Freight Solutions or Arizona Freight Solutions customer in enforcing this Agreement or any provision thereof, or in exercising any right or remedy of Arizona Freight Solutions or its costumers against Carrier, or in any litigation incurred by Arizona Freight Solutions because of any act or omission of Carrier under this Agreement.
19. Notices. Unless otherwise provided, notices required under this Agreement must be in writing and delivered by (i) registered or certified U.S. Mail, return receipt requested, (ii) hand delivered, (iii) delivery by a reputable overnight carrier service. The notice will be deemed given on the day the

notice is received. Notices must be delivered to the following addresses or at such other addresses as may be later designated by notice:

To Carrier: _____

Attn: _____

Email: _____

To Arizona Freight Solutions, LLC.: Arizona Freight Solutions, LLC.

PO Box 5365

Glendale, AZ. 85312

ATTN: Carrier Compliance

20. Counterparts. This Agreement may be executed in one or more counterparts, each of which is an original but all of which together will constitute one and the same Agreement.

CARRIER

Arizona Freight Solutions, LLC.

Signature

Date

Signature

Date

MC # _____ US DOT # _____

Printed Name: _____

Title: _____

Phone: _____

Email: _____

Printed Name: _____

Title: _____

Phone: _____

Email: _____