

## **Broker-Carrier Service Terms**

The following Service Terms and Conditions shall apply to all loads tendered by Broker to Carrier unless superseded by a signed written agreement.

1. Carrier warrants that it is licensed, authorized and insured in accordance with requirements of the FMCSA and is in compliance with all Federal Motor Carrier Safety Regulations. Carrier warrants that it will not accept any shipment in the event it does not at time of pickup have a safety rating of satisfactory or equivalent.
2. Carrier shall have commercial general liability insurance in the amount of \$1,000,000 per occurrence and BI and PD insurance in the amount of \$1,000,000 per occurrence (Form BMC-91X on file). Carrier warrants that it maintains all risk motor cargo insurance in the amount of not less than \$100,000 per occurrence and that such insurance is co-extensive with Carrier's obligations pursuant to 49 U.S.C. 14706. Carrier shall provide Broker with evidence of such coverage, naming Broker as a certificate holder.
3. Indemnity. Carrier agrees to indemnify and hold harmless Broker and its customer from all claims, damage, loss, cause of action or fine arising out of Carrier's transportation of shipments handled for the account of Broker or any breach of the obligations set forth herein.
4. Cargo Loss or Damage. Broker and/or its customer shall file all cargo claims with Carrier in accordance with 49 C.F.R. 370. Carrier and/or its insurer shall timely and properly adjust all claims in accordance with the Carmack Amendment, 49 U.S.C. 14706. The terms and conditions of the Standard Truckload Bill of Lading shall apply to all shipments. Any cargo claim not paid or settled within 30 days of submission may at Broker's election be submitted to binding arbitration before the Transportation Lawyers Association ADL Council. Carrier's maximum liability for cargo loss or damage shall be \$100,000 per truckload unless otherwise agreed in writing or reflected on the load confirmation agreement executed at time of tender.
5. Carrier shall immediately notify Broker of any anticipated delay in transit, rejection of any shipment at time of tendered delivery, or receipt of any shipment with noted exceptions. Carrier shall execute all bills of lading at time of pickup reflecting it as the party in possession and control of the shipment under the contract.

6. Carrier warrants that it is an independent contractor solely responsible for the acts or omissions of its employees, agents or subcontractors and that under no circumstances will it broker or otherwise retain the services of third parties to provide any contracted services without the express written permission of Broker.

7. Broker warrants that it is licensed, authorized and bonded as a property broker pursuant to Docket No. \_\_\_\_\_ and that it will fully discharge Broker obligations as set forth in 49 C.F.R. 371.

8. Carrier shall submit invoices to Broker including proof of delivery within 15 days of delivery. Broker warrants that it will pay Carrier immediately upon receipt of freight charges billed to its customer and will endeavor to ensure that such payments are received within 30 days of invoice. Broker reserves the right of offset in the event of non-receipt of payment from its customer or breach of contract or warranty by Carrier. Carrier waives all liens, interests and attorneys' fees.

9. These service terms and conditions incorporated by reference into any load confirmation sheet shall be construed as a written contract pursuant to 49 U.S.C. 14101(b). No service terms and conditions, rules tariff or circular published by Carrier shall be applicable unless expressly agreed in writing.

10. The parties agree that any dispute concerning this agreement shall be governed by general principles of transportation law and the laws of the state of Texas. The parties agree that jurisdiction and venue of any lawsuit shall lie at Harlingen, Texas.