

## BROKER-CARRIER AGREEMENT

Snap Global Inc LLC, a licensed property broker operating under U.S. DOT number 4099529 and docket number MC01563521 ("Broker"), and \_\_\_\_\_ ("Carrier"), a licensed motor carrier operating under U.S. Department of Transportation number \_\_\_\_\_ and docket number MC \_\_\_\_\_, enter into this broker-carrier agreement and agree as follows:

**1.0 TERM.** The term of this agreement shall be for one year from the Effective Date under section 23.0 and shall automatically renew for successive one-year periods. Either party may terminate the agreement at any time by giving 30 days' prior written notice.

**2.0 CARRIER'S OPERATING AUTHORITY AND COMPLIANCE WITH LAW.** Carrier has motor carrier operating authority from the Federal Motor Carrier Safety Administration ("FMCSA"). Carrier states that it does not have an "Unsatisfactory" or "Conditional" safety rating from the FMCSA. Carrier shall immediately notify Broker if Carrier's safety rating becomes "Unsatisfactory" or "Conditional." Carrier shall comply with all federal, state, and local laws and regulations in providing transportation services under this agreement, including as to the following:

- 2.1 transportation of hazardous materials, including the licensing and training of drivers, as defined in 49 C.F.R. sections 172.800, 173, and 397 *et seq.* to the extent that any loads under this agreement include hazardous materials;
- 2.2 security regulations;
- 2.3 owner/operator lease regulations;
- 2.4 loading and securement of freight regulations;
- 2.5 implementation and maintenance of driver safety regulations, including hiring, controlled substances, and hours of service regulations;
- 2.6 sanitation, temperature, and contamination requirements for transporting food, perishable, and other products, qualification and licensing and training of drivers;
- 2.7 implementation and maintenance of equipment safety regulations;
- 2.8 maintenance and control of the means and method of transportation, including performance of its drivers;
- 2.9 oversize/overweight permits and routing; and
- 2.10 satisfaction of all final court judgments, tax assessments, or tax liens that may be released to the public under federal and state disclosure laws, including any order, decision, or award obtained by a public or private person or entity pursuant to California Labor Code section 98.1 finding that a port drayage motor carrier has engaged in illegal conduct including failure to pay wages, imposing unlawful expenses on employees, failure to remit payroll taxes, failure to provide workers' compensation insurance, or misclassification of employees as independent contractors with regard to a port drayage commercial driver.

Carrier understands and agrees that its performance of transportation services under this agreement may include "Port Drayage Services," which means the movement within California of cargo or intermodal equipment by a commercial motor vehicle whose point-to-point movement has either its origin or destination at a port, including any interchange of power units, chassis, or intermodal containers, or the switching of port drayage drivers that occurs during the movement of that freight. Carrier understands and agrees that to the extent that it will be performing Port Drayage Services within California, under California law, Carrier will be a "port drayage motor carrier" insofar as Carrier hires or engages commercial drivers in the port drayage industry or is a registered owner, lessee, licensee, or bailee of a commercial motor vehicle, as defined in subdivision (b) of section 15210 of the California Vehicle Code, that operates or directs the operation of a commercial motor vehicle by a commercial driver on a for-hire or not-for-hire basis to perform port drayage services in the port

drayage industry. "Port drayage motor carrier" also means an entity or individual who succeeds in the interest and operation of a predecessor port drayage motor carrier consistent with the provisions of section 2684 of the California Labor Code.

Carrier states that as of the Effective Date of this agreement under section 23.0, Carrier is not on the list of port drayage motor carriers appearing on the website of the California Labor Commissioner's Division of Labor Standards Enforcement (the "DLSE List"), which is a list of port drayage motor carriers with any unsatisfied final court judgment, tax assessment, or tax lien that may be released to the public under federal and state disclosure laws, including any order, decision, or award obtained by a public or private person or entity pursuant to California Labor code section 98.1 finding that a port drayage motor carrier has engaged in illegal conduct including failure to pay wages, imposing unlawful expenses on employees, failure to remit payroll taxes, failure to provide workers' compensation insurance, or misclassification of employees as independent contractors with regard to a port drayage commercial driver. Carrier's not being on the DLSE list is a condition of Broker's entry into this agreement. If the DLSE were to place Carrier on the DLSE List after the Effective Date of this agreement, then within one business day of Carrier's placement on the DLSE List, Carrier shall notify Broker in writing of such placement.

**3.0 NON-EXCLUSIVE AGREEMENT.** Carrier and Broker understand and agree that this agreement does not bind the parties to use each other exclusively. Either party may enter into similar agreements with other carriers, brokers, or freight forwarders.

**4.0 RECEIPTS AND BILLS OF LADING.** Carrier shall issue bills of lading for the transportation of freight under this agreement that comply with 49 U.S.C. section 80101 *et seq.* and 49 C.F.R. section 373.101, and any amendments to those laws or regulations. Unless the parties were to otherwise agree in a writing signed by both, Carrier shall become liable for a given load upon Carrier's receipt of possession of the same, regardless of whether a bill of lading has been issued or signed or delivered to Carrier. Carrier's liability shall continue until it delivers the load to the consignee and the consignee signs the bill of lading or a delivery receipt. If there were to be a conflict between the terms of any bill of lading and the terms of this agreement, then the latter shall prevail. Carrier's failure to issue a bill of lading or to sign a bill of lading acknowledging receipt of a load shall have no effect on Carrier's liability, which shall be subject to this agreement.

**5.0 CARRIER LOAD CONFIRMATION.** For each load that Carrier agrees to transport under this agreement, Broker shall e-mail or fax Carrier a Carrier Load Confirmation that will state the pertinent details for that load and Broker's "Rules of Carrier Load Confirmation." Attached as Appendix "A" is a sample Carrier Load Confirmation. If there were to be a conflict between the Rules of Carrier Load Confirmation and the terms of this agreement, then the latter shall prevail.

**6.0 CARRIER'S OPERATIONS AS AN INDEPENDENT CONTRACTOR AND PROOF OF ITS WORKERS' COMPENSATION INSURANCE.** Carrier shall, at its expense: (a) furnish all equipment necessary for Carrier's performance of this agreement (the "Equipment"); (b) pay all expenses related in any way to the use of the Equipment; (c) maintain the Equipment in good repair, mechanical condition, and appearance; and (d) use only qualified and licensed personnel. Carrier shall have sole control of such personnel, shall perform the services under this agreement as an independent contractor, and shall assume sole responsibility for all federal, state, and local taxes, assessments, insurance, including workers' compensation insurance and the payment of all premiums, unemployment compensation, disability, pension, and social security insurance, and any other financial obligations that arise out of or are in any way related to Carrier's performance of this agreement. As a condition to Carrier's performance of any services under this agreement, Carrier shall provide Broker a copy of a certificate of insurance that states Carrier's workers' compensation insurance coverage. Carrier shall defend, indemnify, and hold Broker harmless from any liabilities, expenses, or claims relating to wages, salaries, benefits, taxes, tax assessments, tax liens, claims, or

other payments to, or as to, employees of Carrier, including accrued interest on any of the foregoing. Except as Broker may grant in a power of attorney, Carrier shall not hold itself out as an agent of or in a joint venture with Broker, and Carrier shall have no authority to act on behalf of Broker.

**7.0 FITNESS OF CARRIER'S EQUIPMENT.** Broker shall have the right to require Carrier, at its expense, to clean or sanitize any Equipment before loading. If Broker were to notify Carrier of any concerns about the potential presence in any trailer of any chemical or biological contaminants, or of unwanted odors or anything else that could affect any freight, then upon Broker's request, Carrier must produce documentation that identifies the prior three loads in that trailer. Carrier shall not supply Equipment that has transported hazardous wastes, solid or liquid, regardless of whether they meet the definitions in 40 C.F.R. Part 261. Carrier shall be liable to Broker for any penalties or any other liability imposed on or assumed by Broker, a shipper, or a consignee due to penalties imposed on Broker's customer because of Carrier's use of non-compliant Equipment. Carrier shall review the California Air Resources Board ("CARB") Heavy-Duty Vehicle Greenhouse Gas Emission Reduction Regulations and Airborne Toxic Control Measures (collectively, "ATCM") for Transportation Refrigeration Units ("TRU") on the Internet at <http://www.arb.ca.gov/diesel/tru/tru.htm>. Carrier understands and agrees that:

- 7.1 All refrigerated Equipment, including 53-foot trailers, including both dry-van and refrigerated Equipment, operated within California under this agreement are in full compliance with CARB's ATCM for TRUs; and
- 7.2 Prior to transporting any goods under this agreement, Carrier shall inspect its Equipment for compliance with CARB ATCM TRU regulations, cleanliness, odors, dirt, or debris before loading.

**8.0 CARRIER'S RECORD-RETENTION.** Carrier shall keep all maintenance records for Equipment, including those for refrigeration and temperature-control, for a period of three years from the date of such maintenance, unless the applicable law or regulations require a longer time-period, in which case, the legally-required period shall govern.

**9.0 INDEMNITY.**

**9.1** Carrier shall indemnify and hold Broker and Broker's customers, as intended third-party beneficiaries, harmless from and against any damages, losses, fines, penalties, duties, taxes, interest, and expenses the above indemnitees pay or incur, including reasonable attorneys' fees arising out of or in any way connected with or caused by, in whole or in part, any claim, demand, action, or proceeding that a third-party may bring caused by or resulting from Carrier's performance or breach of this agreement, or any other negligent or intentional act or omission by Carrier related to its performance or breach of this agreement, including claims for or related to personal injury or death, freight or property damage, a finding of joint and several liability as to Broker under California Labor Code section 2810.4, and Carrier's possession, use, maintenance, custody, or operation of Equipment.

**9.2** Under 49 U.S.C. section 14101(b), Broker and Carrier expressly waive any rights and remedies under the Carmack Amendment and other parts of Title 49 of the United States Code that would preclude Broker's or Broker's customer's right to seek indemnity from Carrier under section 9.1 of this agreement. The parties do not waive any other provisions of Title 49 of the United States Code, which shall otherwise govern Carrier's liability, as stated in section 11.0 of this agreement.

**9.3** Carrier shall be solely liable for any charges, damages, fees, fines, penalties, or citations, and any other incurred amounts, including reasonable attorneys' fees, that arise out of or are in any way related to Carrier's violation of any laws or regulations, and Carrier shall indemnify, defend, and hold Broker harmless against any of the above.

**10.0 INSURANCE.** As a condition of performing services under this agreement, Carrier shall procure and maintain, at its expense, the following insurance coverages from insurers with an A.M. Best rating of "A" or above:

- 10.1** Public liability and property damage insurance in an amount not less than \$1,000,000 per occurrence.
- 10.2** Motor truck cargo legal liability insurance in an amount not less than \$100,000 per occurrence. Such insurance policy shall (i) name Broker as an additional insured in an endorsement to that policy, (ii) expressly waive subrogation against Broker, and (iii) provide contractual liability coverage for any loss, damage, or delay related to any freight in Carrier's possession that it has agreed to transport under this agreement.
- 10.3** Statutory workers' compensation insurance and employee liability coverage in such amounts and in such form as required by applicable state law.
- 10.4** Auto liability insurance in an amount not less than \$1,000,000.00 per occurrence.

To evidence the above coverages, Carrier shall provide Broker certificates of insurance that state that Broker is a certificate holder, copies of policy endorsements, where applicable, or copies of insurance policies and shall provide 30 days' prior written notice of cancellation, termination, or modification of any of the above policies. As a condition to Broker's willingness to enter into this agreement, Carrier states that one or more of the above insurance coverages cover potential liabilities that Carrier has contractually assumed in this agreement. Carrier shall defend, indemnify, and hold Broker harmless from and against any loss, damage, liability, claim, demand, action, proceeding, cost, or expense, including reasonable attorneys' fees, expenses of investigation, judgments, fines, or penalties that Broker has paid or incurred, that arises out of or is in any way connected with the failure of any of the above insurers to cover any claim in its entirety. Carrier shall defend, indemnify, and hold Broker harmless from and against any loss, damage, liability, additional insurance premium, claim, demand, action, proceeding, cost, or expense, including reasonable attorneys' fees, expenses of investigation, judgments, fines, or penalties that Broker has paid or incurred, that arises out of Carrier's failure to obtain workers' compensation insurance for Carrier's drivers, regardless of their classification as Carrier's employees or as independent contractors.

**11.0 FREIGHT LOSS, DAMAGE, DELAY, OR THEFT.**

**11.1** Subject to the partial waiver in section 9.2 of this agreement, Carrier assumes and shall have the liability of a motor carrier under the Carmack Amendment, 49 U.S.C. section 14706, for actual loss or injury to the freight arising out of any loss of, damage to, delay of, theft of, destruction of, or non-delivery of any freight that Carrier transports or undertakes to transport under this agreement. Carrier understands and agrees that it shall have the exclusive care, custody, and control of any freight that it transports under this agreement from the time that Carrier receives the freight for transportation until delivery to the consignee. Carrier shall pay Broker or allow it to deduct from the amount Broker owes Carrier, Broker's customer's actual loss for the freight so lost, delayed, damaged, or destroyed.

**11.2** Carrier understands and agrees that this agreement contains no limitation of Carrier's liability and that Carrier has no right to otherwise limit its liability under any bill of lading, waybill, receipt, tariff, or other document. Notwithstanding the terms of 49 C.F.R. section 370.9, Carrier shall pay, decline, or make a written settlement offer on all claims for loss, damage, injury, delay, or theft within 60 days of receipt of the claim. Carrier understands and agrees that its failure to so act shall be deemed admission by Carrier of its full liability for the amount claimed and a material breach of this agreement.

**12.0 WAIVER OF CARRIER'S LIEN.** Carrier shall not withhold delivery of any freight of any of Broker's customers because of a dispute between Carrier and Broker as to rates or any alleged failure

of Broker to pay charges under this agreement. Carrier is relying upon the general credit of Broker and hereby waives and releases all liens that Carrier might otherwise have as to any property of Broker or that of its customers.

**13.0 PAYMENTS.** Carrier will charge and Broker will pay for transportation services under this agreement according to the rates and charges stated on Carrier Load Confirmation that Carrier and Broker shall sign before each load under this agreement. Carrier understands and agrees that there are no other applicable rates or charges except those stated in this agreement or in any Carrier Load Confirmation signed by Broker. Broker will pay Carrier's freight bills within 30 days of Broker's receipt of Carrier's freight bill, bill of lading, clean delivery receipt, and any other necessary billing documents that will enable Broker to confirm that Carrier has provided the service at the agreed-upon charge. Carrier agrees that Broker has the exclusive right to handle and shall handle all billing of freight and related charges to Broker's customers and, as such, Carrier expressly waives any rights that it may have to collect such freight and related charges from Broker's customers or any other person. Carrier further agrees that Broker has the right to set off any sums it owes to Carrier under this agreement for liability that Carrier has incurred under section 11.0 of this agreement.

**14.0 CONFIDENTIALITY AND NON-SOLICITATION.** Neither party may disclose the terms of this agreement to any person without the prior written consent of the other party except (1) as required by law or regulation, (2) disclosure to a party's parent, subsidiary, or affiliate company, or (3) to facilitate rating or auditing of transportation charges by an authorized agent and such agent agrees to keep the terms of the agreement confidential. Carrier shall not solicit traffic from any shipper, consignor, consignee, or customer of Broker where (1) the availability of such traffic first became known to Carrier through Broker's efforts, or (2) the traffic of the shipper, consignor, consignee, or customer of Broker was first tendered to Carrier by Broker. If Carrier breaches this agreement and directly or indirectly solicits traffic from customers of Broker and obtains traffic from such customers during the term of this agreement or within 12 months of its termination, then Carrier shall be obligated to pay Broker, for a period of 15 months after Broker's discovery of such breach, commission in the amount of 35 percent of the revenue resulting from traffic transported for such customer, and Carrier shall provide Broker with all documentation requested by Broker to verify such revenue.

**15.0 SUB-CONTRACTING PROHIBITION WARRANTY.** As a condition to Broker's willingness to enter into this agreement, Carrier states that it shall not sub-contract, broker, co-broker, double-broker, assign, or interline any loads that Broker tenders to Carrier under this agreement without the Broker's prior written consent. If Carrier violates the preceding representation, then Broker shall have the right to pay the monies it owes to Carrier for such transportation directly to the delivering carrier, in lieu of payment to Carrier.

\_\_\_\_\_ Carrier's initials as to sub-contracting prohibition warranty

**16.0 NON-WAIVER AND NON-ASSIGNMENT.** No waiver by either party of any breach or default under this agreement shall be deemed to be a waiver of any other breach or default under this agreement. Neither party may assign or transfer any right or obligation under this agreement without the prior written consent of the other party's chief executive officer or president. Subject to section 9.1, the parties understand and agree that there are no third-party beneficiaries of this agreement.

**17.0 NO MODIFICATIONS.** The parties may only modify this agreement in a writing signed by each party's chief executive officer or president.

**18.0 NOTICES.**

The parties shall provide any notice, demand, or request that this agreement requires or permits in writing and shall send the same by e-mail to the attention of the below individuals. The date of the notice, demand, or request shall be the date of the e-mail.

If to Broker:

Snap Global Inc LLC  
quote@pacificharborex.com

If to Carrier:

Name: \_\_\_\_\_  
E-mail: \_\_\_\_\_

**19.0 ENTIRE AGREEMENT.** This agreement is the parties' final expression and entire agreement arising out of or in any way relating to its subject matter. This agreement states the parties' entire understanding and it supersedes any contemporaneous or prior oral or written understandings or agreements that arise out of or are in any way related to the subject matter of the agreement, including all tariffs, rates, classifications, and schedules of Carrier that it may have published, filed, or otherwise maintained. This agreement shall be binding upon and inure to the benefit of the executors, administrators, personal representatives, heirs, successors, and assigns of each party.

**20.0 SEVERABILITY.** If any provision of this agreement shall for any reason be held to be invalid or unenforceable, then the remainder of this agreement shall be unaffected and remain in full force and effect.

**21.0 MANDATORY LAW, VENUE, AND JURISDICTION.** All claims or disputes arising out of or in any way related to this agreement shall be determined under the laws of the State of California, without regard to its conflict of law rules. Without prejudice to a party's right to remove an action to federal court, the exclusive and mandatory venue for any such claims or disputes shall be the federal or state courts in Los Angeles County, California, to the exclusion of all other courts. The parties agree to irrevocably submit to the personal jurisdiction of the above courts and to waive any jurisdictional, venue, or inconvenient forum objections to those courts.

**22.0 COUNTERPARTS.** The parties may sign this agreement in counterparts, and each signed counterpart shall become part of the final agreement and shall have the same force and effect. A copy of any signature on a signature page, including a facsimile or scanned electronic copy, shall be as valid and binding as an original signature.

**23.0 EFFECTIVE DATE.** This agreement will become effective when all the parties have signed it. The date this agreement is signed by the last party to sign it, as indicated by the date stated under that party's signature, will be deemed the date of this agreement.

**SNAP GLOBAL INC LLC**

\_\_\_\_\_  
CARRIER NAME

\_\_\_\_\_  
AUTHORIZED SIGNATURE

\_\_\_\_\_  
AUTHORIZED SIGNATURE

\_\_\_\_\_  
PRINTED NAME

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## **APPENDIX "A" – CARRIER LOAD CONFIRMATION**