



# TARGET

## INTERSTATE SYSTEMS INC.

Worldwide Logistics

### BROKER-CARRIER CONTRACT

Agreement, made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_  
(the "Effective Date"), by and between:

Target Interstate Systems, Inc, a New York corporation with principal offices at 33A N.Y.C. Terminal Market,  
Bronx, NY (hereinafter called "BROKER") and

\_\_\_\_\_, a \_\_\_\_\_ corporation with principal offices at  
\_\_\_\_\_ (hereinafter called "CARRIER")

WHEREAS, BROKER is a transportation broker registered with the Federal Motor Carrier Safety  
Administration ("FMCSA") under Docket No. MC 187090; and

WHEREAS, CARRIER desires to furnish motor carrier service to BROKER and/or its customers for the  
transportation of general commodities in interstate and/or intrastate commerce and represents that it is duly  
registered with the FMCSA under Docket No. \_\_\_\_\_ and/or appropriate state regulatory agencies,  
copies of which will be provided to BROKER  
upon request; and

WHEREAS, CARRIER, as a motor carrier, pursuant to 49 U.S.C. Section 14101(b), desires to enter into a  
contract to provide specified services under specified rates and conditions, and the parties expressly waive any  
or all rights and remedies under the Interstate Commerce Act for the transportation provided hereunder (except  
provisions governing registration, insurance or safety fitness);

NOW THEREFORE, BROKER and CARRIER mutually agree as follows:

#### 1. Applicability.

This Agreement shall apply to motor carrier transportation services in interstate and/or intrastate commerce  
provided by CARRIER as may be arranged by BROKER for or on behalf of its shipper and/or receiver  
customers

#### 2. Effective Date and Term.

This Agreement shall be effective for a period of one year from the Effective Date and shall be automatically  
renewed for additional one-year periods unless cancelled by either party upon thirty (30) days written notice to  
the other party.

#### 3. Compliance with Laws, Rules and Regulations.

CARRIER shall have authority from the FMCSA to operate as a motor carrier to transport general commodities  
in interstate and intrastate commerce and shall comply with all of the provisions of the Interstate Commerce  
Act, related laws, rules and regulations of the FMCSA to the extent they govern CARRIER's operations.  
CARRIER shall also comply with all provisions of applicable state and local laws, rules and regulations to the  
extent they govern CARRIER's operations.



#### 4. Equipment and Personnel

(a) CARRIER shall, at its sole cost and expense, employ for its services and the operation of its vehicles only competent and properly licensed personnel who shall be well-trained in the care, safety, and procedures applicable to shipments being handled and transported.

(b) CARRIER hereby covenants and agrees that no trailer or other vehicle that transports commodities hereunder shall ever have been used to transport refuse, garbage, trash or solid or liquid waste of any kind whatsoever, whether hazardous or non-hazardous.

#### 5. Rates and Services

(a) All rates, charges, and rules for transportation services provided hereunder (including charges for accessorial services) shall be agreed to in writing and are to be set forth in a schedule annexed hereto as Appendix A and made a part hereof.

(b) Rates, charges, and rules (including charges for accessorial services) may be established, modified, adjusted or amended verbally, provided that such rates are promptly confirmed in writing by fax, e-mail or mail, and such written confirmations shall constitute an addendum to and shall be considered as part of this Agreement.

#### 6. Payment.

(a) CARRIER will invoice BROKER for all agreed-to freight and accessorial charges, and BROKER will invoice the shipper or consignee, as per separate agreement. As a condition of payment, all freight bills must show BROKER's rate confirmation number, and must be accompanied by a signed bill of lading and proof of delivery.

(b) It is understood that BROKER is a conduit for payment of the CARRIER's freight charges from its customers to CARRIER and, as such, BROKER shall serve as the CARRIER's agent for the limited purpose of collecting freight charges. CARRIER agrees that no penalties, loss of discount or interest will be assessed for past due amounts.

(c) In recognition of BROKER's separate contractual relationship with its customers, CARRIER agrees not to contact or pursue the shipper or consignee for payment owed to CARRIER for freight or accessorial charges for transportation services rendered hereunder, and agrees that it is limited to collecting said charges only from BROKER.

(d) BROKER and its Customer shall have the right to set off claims for loss, damage or delay, and claims for overcharge or duplicate payment, against freight or other charges owed to CARRIER.

(e) CARRIER shall have no lien for the retention of freight to secure payment of freight charges. CARRIER agrees that if it imposes a lien it will cause irreparable damage to the BROKER and/or its customers, and that BROKER, shipper, consignee or owner of the property transported shall have the right to immediate injunctive relief in addition to any and all other remedies available at law, including but not limited to the right to reimbursement of reasonable attorneys' fees.

#### 7. Overcharge & Undercharge Claims.

CARRIER shall have 180 days from the date of shipment to file a claim with BROKER for undercharges. BROKER shall have 180 days from the date the original freight bill was received to file a claim with CARRIER for overcharges, except that claims resulting from or based on clerical errors, mathematical errors, extension errors, unidentified payments or duplicate payments may be filed by BROKER at any time. All overcharges, unidentified and duplicate payment claims shall be processed by CARRIER in accordance with 49 CFR Part 378.

#### 8. Time Limits; Suits for Freight Charges.

CARRIER must bring a civil action to recover charges for transportation or service provided by CARRIER within eighteen (18) months from the date of shipment. BROKER must bring a civil action to recover overcharges within eighteen (18) months from the date BROKER receives written declination of its claim.



## 9. Insurance.

(a) CARRIER shall at all times during the term of this agreement have and maintain public liability insurance in accordance with the requirements of the FMCSA in 49 CFR Part 387. CARRIER shall also maintain all risk cargo insurance in the minimum amount of \$100,000 to compensate BROKER, Shipper, Consignee or Owner of the property transported for loss or damage to property transported by CARRIER.

(b) CARRIER's cargo insurance policies shall not exclude coverage for losses resulting from infidelity, fraud, dishonesty, an unattended vehicle, a trailer detached from the power unit, theft, or criminal acts of CARRIER's employees, agents, officers or directors, or from breakdown or failure of mechanical refrigeration equipment. If said policy contains such exclusions, CARRIER shall obtain and furnish a policy extension, endorsement, or surety bond providing such coverage to the satisfaction of BROKER.

(c) CARRIER shall also maintain a BMC 32 Endorsement to its cargo insurance policy in the form required by the FMCSA in 49 CFR Section 387.313 and furnish a copy thereof to BROKER upon request. Said endorsement shall protect a claimant for loss of or damage to its goods while in the possession or control of CARRIER under this Agreement, up to the limits of said endorsement, and subject to its limitations. Notwithstanding that CARRIER may have a permit to operate as a motor carrier, CARRIER has assumed the liability of a motor carrier hereunder and thus shall be deemed to be a common carrier for shipments transported under this Agreement and for purposes of application of the BMC 32 Endorsement.

(d) CARRIER shall furnish to BROKER appropriate Certificates of Insurance evidencing its public liability and cargo insurance coverage and requiring the insurer to give BROKER written notice thirty (30) days prior to cancellation. Upon request of BROKER, CARRIER shall deliver to BROKER full and complete copies of the insurance policies required under this Agreement.

(e) It is expressly understood that BROKER does not represent that the types or minimum limits of the insurance set forth herein are adequate to protect the CARRIER's interests. Deductible amounts under the foregoing policies shall be paid by CARRIER.

## 10. Receipts & Bills of Lading.

CARRIER shall issue a written receipt or bill of lading for all shipments. The receipt shall show the kind, quantity and condition of commodities received and shall be evidence of receipt of such commodities by CARRIER in apparent good order and condition. To the extent any term or condition of such receipt or bill of lading conflicts in any way with any term or condition of this Agreement, this Agreement shall govern. CARRIER shall also obtain an acknowledgement of delivery for all shipments by notation on the bill of lading or a delivery receipt, signed and dated by the consignee.

## 11. Liability for Loss, Damage or Delay.

(a) CARRIER agrees that, in the transportation of all goods hereunder, it assumes the liability of a common carrier for full actual loss, subject to the provisions of 49 U.S.C. Section 14706, ("Carmack Amendment"), such liability to exist from the time of the receipt of any of said goods by CARRIER until proper delivery has been made.

(b) CARRIER acknowledges that all matters relating to loss, damage or delay to goods is to be disposed of by it directly with the shipper, consignee or owner of the goods. It is understood that BROKER assumes no responsibility for loss and damage claims, but will assist the parties in the facilitation of settlements. All claims shall be handled and settled by CARRIER in accordance with the regulations at 49 CFR Part 370.

(c) The measure of damages for loss or damage shall be: (i) for goods sold to a customer, the invoice price to the customer, or (ii) for goods not sold to a customer, the destination market value of the goods. CARRIER's liability for loss, damage or delay shall be determined solely by the terms of this Agreement. Any attempts to limit CARRIER's liability by tariff or other provisions incorporated by reference in a bill of lading or shipping document shall be deemed null and void.



(d) The time limit within which BROKER, shipper, consignee, owner of the property or anyone on their behalf must file a claim for loss, damage or delay against CARRIER shall be ten (10) months from the date of delivery or within ten (10) months of a reasonable time for delivery in the event of non-delivery. All claims shall be paid, settled or disallowed by CARRIER within 60 days of filing. Disallowances shall state a lawful reason for declining to accept responsibility for the claim, and shall be stated by the CARRIER, not its insurer.

(e) The time limit within which BROKER, shipper, consignee, owner of the property or anyone on their behalf must institute suit against CARRIER to recover on a claim for loss, damage or delay shall be two years and a day from the date both claimant and BROKER receive a written disallowance from CARRIER.

#### 12. Indemnification.

CARRIER shall indemnify, defend and hold BROKER harmless from and against any and all liabilities, lawsuits, claims, demands, actions and/or causes of action of any kind resulting from, or relating to, or for loss, damage, or delay to any freight transported by CARRIER pursuant to this Agreement including all costs and expenses to defend such claims (including, without limitation attorney's fees and court costs). CARRIER further agrees to indemnify, defend and hold BROKER and its Customers harmless from and against any and all liabilities, lawsuits, claims, demands, actions and/or causes of action of any kind resulting from, relating to, or for personal injury (including injury resulting in death) or property damage arising out of, caused by, or which may occur during the operations of CARRIER pursuant to this Agreement.

#### 13. Independent Contractor.

The relationship of CARRIER to BROKER shall, at all times, be that of an independent contractor, and nothing in this Agreement shall be construed to create an employee-employer relationship, a joint-venture relationship, or a principal-agent relationship, except that CARRIER hereby designates BROKER to be its agent for the limited purpose of collecting the agreed-upon freight charges from its Customer or party responsible for payment. All vehicles and personnel used and employed by CARRIER hereunder shall at all times be under the exclusive control of CARRIER. CARRIER shall not have any power or authority to bind BROKER in any manner.

#### 14. Back-Solicitation.

(a) 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 of the shipper, consignee or customer of the BROKER was first tendered to the CARRIER by the BROKER. If CARRIER "back-solicits" the BROKER's customers and obtains traffic from such customers in violation of this Paragraph of the Agreement, CARRIER shall be deemed to be in material breach of this Agreement.

(b) As compensation for such material breach, BROKER shall be entitled to receive and CARRIER shall pay a monthly commission in the amount of fifteen (15%) percent of the monthly transportation revenue billed by CARRIER for such traffic, and such commissions shall be due and payable within thirty (30) days after the billing date, and such commissions shall be due and payable for a period of 18 months after the date on which CARRIER first begins to move the involved traffic in violation of this Paragraph. In the event BROKER is required to engage legal counsel or initiate legal proceedings to enforce the provisions of this paragraph of the Agreement, CARRIER shall be liable for all reasonable attorneys' fees incurred in connection therewith.

#### 15. Brokering, Subcontracting, etc.

CARRIER shall not cause or permit any shipments tendered hereunder to be brokered to, or transported by, any other motor carrier, or in substituted service by railroad or other modes of transportation without prior written agreement of BROKER. If CARRIER brokers or subcontracts to other carriers, or uses a substituted service of any type, with or without BROKER's permission, CARRIER agrees to remain liable for any loss, damage or delay to property incurred in transit to the same extent that CARRIER would be liable if it performed the transportation directly.



16. Financial Information.

CARRIER agrees to provide evidence of its financial condition upon request by, and in form acceptable to, BROKER.

17. Assignment.

Neither BROKER nor CARRIER may assign its rights under this Agreement without written approval of the other party.

18. Confidentiality.

CARRIER agrees that BROKER's compensation hereunder for its services is confidential and need not be disclosed to CARRIER. CARRIER further agrees that it will not reveal to anyone the terms of this Agreement, the pricing of transportation services, or any other details of the business conducted between CARRIER and BROKER, except as required by law and only then with as much prior notice to the other party as possible under the circumstances.

19. Electronic Data Interchange ("EDI").

Shipping instructions, bills of lading, delivery receipts, claims for losses, damages, undercharges or overcharges, and related communications may be transmitted by EDI in such format as may be agreed to by the parties.

20. Notices.

All notices under this Agreement shall be in writing and shall be properly given and delivered in person or sent by first class mail addressed as provided for from time to time by the parties hereto.

To BROKER  
TARGET INTERSTATE SYSTEMS, INC.  
33A N.Y.C. Terminal Market  
Bronx, NY 10474  
Attention: Steven Deserio - CFO

To CARRIER

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21. Complete Agreement.

This Agreement, including any Appendices hereto, constitutes the entire Agreement between the parties and may be modified only as evidenced by written agreement and signed by the parties. If any provision of this Agreement shall be determined to be invalid or unenforceable, the remaining portions of this Agreement shall continue to be operative and in full force and effect.

22. Governing Law.

To the extent not governed by the Interstate Commerce Act or other applicable federal statutes, the laws of the State of New York shall govern the validity, construction and performance of this Agreement and all actions or proceedings shall be brought in the State of New York; provided, however, BROKER, shipper, consignee, owner of the property or anyone on their behalf shall have the option of bringing actions to recover claims for loss, damage or delay under Paragraph 11 of this Agreement in such other jurisdiction as may be authorized by 49 U.S.C. Section 14706. IN WITNESS WHEREOF, BROKER and CARRIER have caused this Agreement to be executed by their duly authorized representatives on the Effective Date set forth above.

TARGET INTERGRATED LOGISTICS  
By: \_\_\_\_\_  
Title: \_\_\_\_\_

CARRIER: \_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_