

CONTRACT CARRIER AGREEMENT

This Agreement is entered into this ____ day of _____, 20____, by and between **Grupo Logico , LLC** ("Logico"), a Registered Property Broker, Lic. No. MC-485827, and _____, a Registered Motor Carrier, Permit/Certificate No. DOT _____ ("CARRIER"); collectively, the "Parties". ("Registered" means operated under authority issued by the Federal Motor Carrier Safety Administration (or its predecessors) within the U.S. Department of Transportation.).

1. CARRIER REPRESENTS AND WARRANTS THAT IT:

- A. Is a Registered Motor Carrier of Property authorized to provide transportation of property under contracts with shippers and receivers and/or brokers of general commodities.
- B. Shall transport the property, under its own operating authority and subject to the terms of this Agreement;
- C. Makes the representations herein for the purpose of inducing LOGICO to enter into this Agreement.
- D. Agrees that a Shipper's insertion of LOGICO's name as the carrier on a bill of lading is erroneous, shall be corrected by CARRIER, and if not corrected, shall be for the Shipper's convenience only and shall not change LOGICO's status as a property broker nor CARRIER's status as a motor carrier.
- E. **Will not re-broker, co-broker, subcontract, assign, interline, or transfer the transportation of shipments hereunder to any other persons or entity conducting business under a different operating authority, without prior written consent of LOGICO.** If CARRIER breaches this provision, LOGICO shall have the right of paying the monies it owes CARRIER directly to the delivering carrier, in lieu of payment to CARRIER. Upon LOGICO's payment to delivering carrier, CARRIER shall not be released from any liability to LOGICO under this Agreement. In addition to the indemnity obligation in Par 1.H, CARRIER will be liable for consequential damages for violation of this provision.
- F. (i) Is in, and shall maintain compliance during the term of this Agreement, with all applicable federal, state, Canadian federal, provincial and local laws relating to the provision of its services including, but not limited to: transportation of Hazardous Materials (including the licensing and training of Haz Mat qualified drivers), as defined in 49 C.F.R. §172.800, §173, and §397 et seq. to the extent that any shipments hereunder constitute Hazardous Materials; security regulations; owner/operator lease regulations; loading and securement of freight regulations; implementation and maintenance of driver safety regulations including, but not limited to, hiring, controlled substances and alcohol testing, and hours of service regulations; sanitation, temperature, and contamination requirements for transporting food, perishable, and other products, qualification and licensing and training of drivers; implementation and maintenance of equipment safety regulations; maintenance and control of the means and method of transportation including, but not limited to, performance of its drivers; all applicable insurance laws and regulations including but not limited to workers' compensation.
 - (ii) Is solely responsible for any and all management, governing, discipline, direction and control of its employees, owner/operators, and equipment with respect to operating within all applicable federal and state legal and regulatory requirements to ensure the safe operation of CARRIERS vehicles, drivers and facilities. CARRIER and LOGICO agree that safe and legal operation of the CARRIER and its drivers shall completely and without question govern and supersede any service requests, demands, preferences, instructions, information from LOGICO or LOGICO's customer(s) with respect to any shipment at any time.
- G. CARRIER will notify LOGICO immediately if its federal Operating Authority is revoked, suspended or rendered inactive for any reason; and/or if it is sold, or if there is a change in control of ownership, and/or any insurance required hereunder is threatened to be or is terminated, cancelled, suspended, or revoked for any reason.
- H. (i) CARRIER shall defend, indemnify and hold LOGICO and its shipper customer harmless from any claims, actions or damages, arising out of its performance under this Agreement, including cargo loss

and damage, theft, delay, damage to property, and personal injury or death. Neither Party shall be liable to the other for any claims, actions or damages due to the negligence or intentional act of the other Party, or the shipper. The obligation to defend shall include all costs of defense as they accrue.

I. Does not have an "Unsatisfactory" safety rating issued by the Federal Motor Carrier Safety Administration (FMCSA), U.S. Department of Transportation, and will notify LOGICO in writing immediately if its safety rating is changed to "Unsatisfactory" or "Conditional".

J. Authorizes LOGICO to invoice CARRIER's freight charges to shipper, consignee, or third parties responsible for payment.

K. Has investigated, monitors, and agrees to conduct business hereunder based on the credit-worthiness of LOGICO and is granting LOGICO credit terms accordingly.

L. Will commingle commodities only in accordance with DOT regulations.

M. To the extent that any shipments subject to this Agreement are transported within the State of California on refrigerated equipment, CARRIER shall only utilize equipment which is in full compliance with the California Air Resources Board (ARB) TRU ACTM in-use regulations. CARRIER shall indemnify LOGICO from any penalties, costs or any other liability, imposed on Logico and/or its shipper customer because or CARRIER's use of non-compliant equipment and/or not providing its dispatched driver with the appropriate LOGICO contact information as required by the State of California.

N. Understands it may transport temperature controlled goods and represents and that when such loads are accepted, CARRIER is experienced in transporting temperature controlled products and understands that delivery time requirements and temperature specifications are critical.

O. Shall provide LOGICO with immediate notice of any alleged or actual circumstances that may have caused, contributed to, or resulted in rejection by the consignee or freight damage or loss. Notice shall be provided by telephone and/or email.

P. Shall comply with shipper seal requirements communicated to CARRIER on any rate agreement, load tender, bill of lading, or otherwise.

2. LOGICO RESPONSIBILITIES:

A. **SHIPMENTS, BILLING & RATES:** LOGICO shall inform CARRIER of (i) place of origin and destination of all shipments; and (ii) if applicable, any special shipping and handling instructions, special equipment requirements, or value of shipments in excess of the amount specified in Par. 3C(vi) below, of which LOGICO has been timely notified.

B. LOGICO agrees to conduct all billing services to shippers, consignees, or other party responsible for payment. CARRIER shall invoice LOGICO for its (CARRIER's) charges, as mutually agreed in writing, by fax, or by electronic means, contained in LOGICO's Load tender incorporated herein by this reference. Additional rates for truckload or LTL shipments, or modifications or amendments of the above rates, or additional rates, may be established to meet changing market conditions, shipper requirements, LOGICO requirements, and/or specific shipping schedules as mutually agreed upon, and shall be confirmed in writing (or by fax or email) by both Parties. Any such additional, modified, or amended rates, changes in rates shall automatically be incorporated herein by this reference.

C. **RATES:** Additionally, any rates, which may be verbally agreed upon, shall be deemed confirmed in writing where CARRIER has billed the agreed rate and LOGICO has paid it. All written confirmations of rates, including confirmations by billing and payment, shall be incorporated herein by this reference. Rates or charges, including but not limited to stop-offs, detention, loading or unloading, fuel surcharges, or other accessorial charges, tariff rates, released rates or values, or tariff rules or circulars, shall only be valid when their terms are specifically agreed to in a writing signed by both Parties.

D. **PAYMENT:** The Parties agree that LOGICO is the sole party responsible for payment of CARRIER's charges. Failure of LOGICO to collect payment from its customer shall not exonerate LOGICO of its obligation to pay CARRIER. LOGICO agrees to pay CARRIER's undisputed invoice within thirty (30) days of receipt of a legible copy of the bill of lading or proof of delivery, provided CARRIER is not in default under the terms of this Agreement. CARRIER shall not seek payment from shipper if shipper can provide payment to LOGICO. LOGICO may offset claims against CARRIER's invoices.

E. **BOND:** LOGICO shall maintain a surety bond /trust fund as agreed to in the amount of **\$75,000** and on file with the Federal Motor Carrier Safety Administration (FMCSA) in the form and amount not less than that required by that agency's regulations.

F. LOGICO's responsibility is limited to arranging for, but not actually performing, transportation of a shipper's freight.

3. **CARRIER RESPONSIBILITIES:**

A. CARRIER agrees that all shipments will be transported and delivered as agreed to on the LOGICO Load tender.

B. **EQUIPMENT:** Subject to its representations and warranties in Paragraph 1 above, CARRIER agrees to provide the necessary equipment and qualified personnel for completion of the transportation services required for LOGICO and/or its customers. CARRIER will not supply equipment that has been used to transport hazardous wastes, solid or liquid, regardless of whether they meet the definition in 40 C.F.R. §261.1 et. seq. When transporting temperature controlled goods, CARRIER will furnish equipment which is sanitary, and free of any contaminations, suitable for the particular commodity being transported, and which will not cause in whole or in part adulteration of the commodity as defined in 21 U.S.C. § 342.

C. **BILLS OF LADING:** CARRIER shall sign a bill of lading, produced by shipper or CARRIER in compliance with 49 C.F.R. §373.101 (and any amendments thereto), for the property it receives for transportation under this Agreement, and CARRIER shall clearly identify itself as the CARRIER on the bill of lading. Unless otherwise agreed in writing, CARRIER shall become fully responsible/liable for the freight when it takes/receives possession thereof, and the trailer(s) is loaded, regardless of whether a bill of lading has been issued, and/or signed, and/or delivered to CARRIER, and which responsibility/liability shall continue until delivery of the shipment to the consignee and the consignee signs the bill of lading or delivery receipt. Any terms of the bill of lading (including but not limited to payment and credit terms, released rates or released value) inconsistent with the terms of this Agreement shall be ineffective. Failure to issue a bill of lading, or sign a bill of lading acknowledging receipt of the cargo, by CARRIER, shall not affect the liability of CARRIER.

D. **LOSS & DAMAGE CLAIMS:**

(i) CARRIER shall comply with 49 C.F.R. §370.1 et seq. and any amendments and/or any other applicable regulations adopted by the Federal Motor Carrier Safety Administration, U.S. Department of Transportation, or any applicable state regulatory agency, for processing all loss and damage claims and salvage and

(ii) CARRIER's liability for any cargo damage, loss, or theft from any cause shall be determined under the Carmack Amendment, 49 U.S.C. §14706; and

(iii) Special Damages: CARRIER's indemnification liability (Par 1.H) for freight loss and damage claims under this sub par C (ii) shall include legal fees which shall constitute special damages, the risk of which is expressly assumed by CARRIER, and which shall not be limited by any liability of CARRIER under Subp. (ii) above.

(iv) Except as provided herein, neither Party shall be liable to the other for consequential damages without prior written notification of the risk of loss and its approximate financial amount, and agreement to assume such responsibility in writing. Loss or damages arising out of delayed delivery, failed delivery, or failure to maintain required temperatures of temperature controlled shipments shall not constitute consequential damages but fall within the categories of damages covered by the Indemnity provisions found in Paragraph 1 and elsewhere herein.

(v) Notwithstanding the terms of 49 CFR 370.9, LOGICO, acting as a facilitator for LOGICO's customer, will submit freight loss and damage claims in compliance with 49 CFR 370.1 et seq. to CARRIER within 12 months of delivery date or scheduled delivery, whichever is later. CARRIER shall pay, decline or make settlement offer in writing on all cargo loss or damage claims within 30 days of receipt of the claim. Failure of CARRIER to pay, decline or offer settlement within this 30-day period shall be deemed admission by CARRIER of full liability for the amount claimed and a material breach of this

Agreement. CARRIER shall not sell, auction, or otherwise salvage or dispose of any allegedly damaged or compromised shipment without the prior written consent of LOGICO or the shipper.

(vi) CARRIER's liability for cargo damage, loss, or theft from any cause for any one shipment, under Subp. ii above, shall not exceed \$100,000 unless CARRIER is notified by LOGCIO or Shipper of the increased value prior to shipment pick up.

(vii) In the event and to the extent that CARRIER'S sole negligence or failure to perform in conformity with the requirements of this Agreement (1) would result in a line shutdown for one or more of LOGICO'S customers or the Original Equipment Manufacturer, CARRIER shall be responsible for costs of expedited freight charges and similar costs necessary to try to avoid or minimize a shutdown, and (2) if a plant or line shutdown at one of LOGICO's customers or the Original Equipment Manufacturer occurs, CARRIER shall be liable to LOGICO for any and all actual expenses, losses or penalty in fact paid by LOGICO to its customer for the shutdown, up to \$10,000 per fifteen minutes of shutdown, with a maximum of \$100,000 per occurrence

E. **INSURANCE:** CARRIER shall furnish LOGICO with Certificate(s) of Insurance, or insurance policies providing thirty (30) days advance written notice of cancellation or termination, and unless otherwise agreed, subject to the following types and levels of protection:

- i. Workers Compensation and Employer's liability affording (1) Protection under the workman's Compensation law of the State in which the work is to be performed or containing an all-state endorsement and (2) Employer's Liability protection subject to a limit of not less than \$100,000.
- ii. Comprehensive Automobile Liability Insurance , with a combined single limit of \$1,000,000.
- iii. Comprehensive General Liability Insurance (including hired and non-owned vehicles) in amounts not less than:
Bodily injury: \$1,000,000. Per occurrence: \$2,000,000. Annual aggregate.
Property damage: \$1,000,000. Per occurrence: \$2,000,000. Annual aggregate.
(\$5,000,000 if transporting hazardous materials including environmental damages due to release or discharge of hazardous substances) and including coverage for remediation and clean-up costs

The insurance shall include:

1. Coverage for the liability assumed by the carrier under this agreement
2. Coverage for damage to property of others in the care, custody or control of the carrier
- iv. **Motor Truck "all -risk" Cargo insurance** covering all property under the care, custody or control of the Carrier against all risks of physical loss or damage in the amount not less than \$100,000. For any one loss at any one time.

Except for the higher coverage limits which may be specified above, the insurance policies shall comply with minimum requirements of the Federal Motor Carrier Safety Administration and any other applicable regulatory state agency. Nothing in this Agreement shall be construed to avoid or limit CARRIER's liability due to any exclusion or deductible in any insurance policy.

Carrier shall send all certificates of Insurance to:

Grupo Logico, LLC
699 W Isaac Shelby Circle, Suite 1
Frankfort, KY 40601
Attn: Carrier Management
Tel: (248) 669-0478
Fax: (248) 669-9897

F. **ASSIGNMENT OF RIGHTS:** CARRIER automatically assigns to LOGICO all its rights to collect freight charges from Shipper or any responsible third party on receipt of payment of its freight charges from LOGICO.

G. CARRIER assumes full responsibility and liability for payment of the following items: All applicable federal, state, and local payroll taxes, taxes for unemployment insurance, old age pensions, workers' compensation, social security, with respect to persons engaged in the performance of its transportation services hereunder. LOGICO shall not be liable for any of the payroll-related tax obligations specified above and CARRIER shall indemnify, defend, and hold LOGICO harmless from any claim or liability imposed or asserted against LOGICO for any such obligations.

4. **MISCELLANEOUS:**

A. **INDEPENDENT CONTRACTOR:** It is understood and agreed that the relationship between LOGICO and CARRIER is that of independent contractor. None of the terms of this Agreement, or any act or omission of either Party shall be construed for any purpose to express or imply a joint venture, partnership, principal/agent, fiduciary, employer/employee relationship between the Parties. CARRIER shall provide the sole supervision and shall have exclusive control over the operations of its employees, contractors, subcontractors, agents, as well as all vehicles and equipment used to perform its transportation services hereunder. LOGICO has no right to discipline or direct the performance of any driver and/or employees, contractors, subcontractors, or agents of CARRIER. CARRIER represents and agrees that at no time and for no purpose shall it represent to any party that it is anything other than an independent contractor in its relationship to LOGICO.

B. **NON-EXCLUSIVE AGREEMENT:** CARRIER and LOGICO acknowledge and agree that this contract does not bind the respective Parties to exclusive services to each other. Either party may enter into similar agreements with other carriers, brokers, or freight forwarders.

C. **WAIVER OF PROVISIONS:**

(i) Failure of either Party to enforce a breach or waiver of any provision or term of this Agreement shall not be deemed to constitute a waiver of any subsequent failure or breach, and shall not affect or limit the right of either Party to thereafter enforce such a term or provision.

(ii) This Agreement is for specified services pursuant to 49 U.S.C. §14101(b). To the extent that terms and conditions herein are inconsistent with Part (b), Subtitle IV, of Title 49 U.S.C. (ICC Termination Act of 1995), the Parties expressly waive any or all rights and remedies they may have under the Act.

D. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan, without giving effect to the principles of conflicts of laws thereof. The parties agree that in the event a dispute arises between them, that their exclusive remedy shall be to submit the dispute to the American Arbitration Association located in Southfield, Michigan, for binding arbitration before a single arbitrator. The parties shall share equally in the expenses of the arbitration (but shall bear their own attorney fees and costs), and a judgment of any circuit court may be rendered upon the arbitration award.

E. **NO BACK SOLICITATION:**

(i) Unless otherwise agreed in writing, CARRIER shall not solicit freight shipments (or accept shipments) for a period of 24 month(s) following termination of this agreement for any reason, from any shipper, consignor, consignee, or other customer of LOGICO, first introduced to CARRIER by LOGICO, or through the performance of this Agreement.

(ii) In the event of breach of this provision, LOGICO shall be entitled, for a period of 24 months following delivery of the last shipment transported by CARRIER under this Agreement, to a commission of Fifteen percent (15%) of the gross transportation revenue (as evidenced by freight bills) received by CARRIER for the transportation of said freight as liquidated damages. Additionally, LOGICO may seek injunctive relief and in the event it is successful, CARRIER shall be liable for all costs and expenses incurred by LOGICO, including, but not limited to, reasonable attorney's fees.

F. **CONFIDENTIALITY:**

(i) In addition to Confidential Information protected by law, statutory or otherwise, the Parties agree that all of their financial information and that of their customers, including but not limited to freight and brokerage rates, amounts received for brokerage services, amounts of freight charges collected, freight volume requirements, as well as personal customer information, customer shipping or other logistics requirements shared or learned between the Parties and their customers, shall be treated as Confidential, and shall not be disclosed or used for any reason without prior written consent.

(ii) In the event of violation of this Confidentiality paragraph, the Parties agree that the remedy at law, including monetary damages, may be inadequate and that the Parties shall be entitled, in addition to any other remedy they may have, to an injunction restraining the violating Party from further violation of this Agreement in which case the prevailing Party shall be liable for all costs and expenses incurred, including but not limited to reasonable attorney's fees.

G. The limitations of liability for cargo loss and damage as well as other liabilities, arising out of the transportation of shipments, which originate outside the United States of America, may be subject to the laws of the country of origination.

H. **MODIFICATION OF AGREEMENT:** This Agreement and Exhibit A et. seq. attached may not be amended, except by mutual written agreement, or the procedures set forth above (Pars 2.B and 2.C).

I. **NOTICES:**

(i) All notices provided or required by this Agreement, shall be made in writing and delivered, return receipt requested, to the addresses shown herein with postage prepaid; or by confirmed (electronically acknowledged on paper) fax, or by email with electronic receipt.

(ii) The Parties shall promptly notify each other of any claim that is asserted against either of them by anyone arising out of the Parties performance of this Agreement.

(iii) Notices sent as required hereunder, to the addresses shown in this Agreement shall be deemed sent to the correct address, unless the Parties are notified in writing of any changes in address.

J. **CONTRACT TERM:** The term of this Agreement shall be one year from the date hereof and thereafter it shall automatically be renewed for successive one (1) year periods, unless terminated, upon thirty (30) day's prior written notice, with or without cause, by either Party at any time, including the initial term. In the event of termination of this Agreement for any reason, the Parties shall be obligated to complete performance of any work in progress in accordance with the terms of this Agreement.

K. **SEVERANCE: SURVIVAL:** In the event any of the terms of this Agreement are determined to be invalid or unenforceable, no other terms shall be affected and the unaffected terms shall remain valid and enforceable as written. The representations, rights and obligations of the parties hereunder shall survive termination of this Agreement for any reason.

L. **COUNTERPARTS:** This Agreement may be executed in any number of counterparts each of which shall be deemed to be a duplicate original hereof.

M. **FAX CONSENT:** The Parties to this Agreement are authorized to fax to each other at the numbers shown herein, (or otherwise modified in writing from time to time) shipment availabilities, equipment and rate promotions, or any advertisements of new services.

N. **FORCE MAJEURE.** In the event that either Party is prevented from performing its obligations under this Agreement because of an occurrence beyond its control and arising without its fault or negligence, including without limitation, war, riots, rebellion, acts of God, acts of lawful authorities, fire, strikes, lockouts or other labor disputes, such failures to perform (except for any payments due hereunder) shall be excused for the duration of such occurrence. Economic hardships, including, but not limited to, recession and depression, shall not constitute Force Majeure events.

O. **ENTIRE AGREEMENT:** Unless otherwise agreed in writing, this Agreement contains the entire understanding of the Parties and supersedes all verbal or written prior agreements, arrangements, and understandings of the Parties relating to the subject matter stated herein. The Parties further intend that this Agreement constitutes the complete and exclusive statement of its terms, and that no extrinsic evidence may be introduced to reform this Agreement in any judicial or arbitration proceeding involving this Agreement.

P. **AUTHORIZED PARTIES:** Each person signing this Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Agreement. Each party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such party's obligations hereunder have been duly authorized and that the Agreement is a valid and legal agreement binding on such party and enforceable in accordance with its terms.

IN WITNESS WHEREOF, we have signed this Agreement the date and year first shown above.

Grupo Logico , LLC
(Logico)

(CARRIER)

Authorized Signature

Authorized Signature

James Fiorini

Printed Name

Printed Name

Vice President

Title

Title

42400 Grand River Ave
Suite 103
Novi, MI 48375

Company Address:

Phone: (248) 669-0478

Phone: _____

Fax: (248) 669-9897

Fax: _____

E-Mail: carriers@grupologico.com

E-Mail: _____

Exhibit – A
Rates and Specific Accessorial Charges

[Attach Rate Agreements]

Any signed and accepted load tender will be considered part of this agreement.

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Exhibit – B

Fuel Surcharge:

Fuel Surcharge adjustments will be based upon the diesel price as reported by the Energy Information Agency (EIA) of the Department of Energy (DOE 202-586-6966). The US National Average for diesel that is self-service and includes taxes will be used to calculate the Fuel Surcharge adjustment.

Lower	Upper	Surcharge (Per Mile)
\$2.39	\$ 2.46	0.18
\$2.46	\$ 2.53	0.19
\$2.53	\$ 2.60	0.20
\$2.60	\$ 2.67	0.21
\$2.67	\$ 2.74	0.22
\$2.74	\$ 2.81	0.23
\$2.81	\$ 2.88	0.24
\$2.88	\$ 2.95	0.25
\$2.95	\$ 3.02	0.26
\$3.02	\$ 3.09	0.27
\$3.09	\$ 3.16	0.28
\$3.16	\$ 3.23	0.29
\$3.23	\$ 3.30	0.30
\$3.30	\$ 3.37	0.31
\$3.37	\$ 3.44	0.32
\$3.44	\$ 3.51	0.33
\$3.51	\$ 3.58	0.34
\$3.58	\$ 3.65	0.35
\$3.65	\$ 3.72	0.36
\$3.72	\$ 3.79	0.37
\$3.79	\$ 3.86	0.38
\$3.86	\$ 3.93	0.39
\$3.93	\$ 4.00	0.40
\$4.00	\$ 4.07	0.41
\$4.07	\$ 4.14	0.42
\$4.14	\$ 4.21	0.43
\$4.21	\$ 4.28	0.44
\$4.28	\$ 4.35	0.45
\$4.35	\$ 4.42	0.46
\$4.42	\$ 4.49	0.47
\$4.49	\$ 4.56	0.48
\$4.56	\$ 4.63	0.49
\$4.63	\$ 4.70	0.50
\$4.70	\$ 4.77	0.51
\$4.77	\$ 4.84	0.52
\$4.84	\$ 4.91	0.53
\$4.91	\$ 4.98	0.54
\$4.98	\$ 5.05	0.55
\$5.05	\$ 5.12	0.56