



5777 WEST CENTURY BLVD., SUITE 1755
LOS ANGELES, CA 90045 U.S.A.
TEL#: (310) 670-5000
FAX#: (310) 670-5115
EMAIL: INFO@CARGOMARITIME.COM
FMC NO. 16581NF
FAA NO. WP-00-06-008

CO-BROKERAGE AGREEMENT BETWEEN LICENSED TRANSPORTATION BROKERS

APPLICANT INFORMATION

This Agreement ("Agreement") is made and intended to be effective (the "Effective Date") by and between Cargo Maritime, Inc. (MC#741170), with offices located at 5777 W. Century Blvd., Suite 1755, Los Angeles, CA 90045, a corporation, and (MC# _____), with offices located at _____ (each one a "Party" and collectively, the "Parties").

RECITALS

- A) Each Party is a property broker, holding authority from the FMCSA (Federal Motor Carrier Safety Administration, U.S. Department of Transportation) and arranges for the transportation of freight by motor carrier (including draymen) and/or railroad intermodal service and desires to work with the other Party to arrange the transportation of freight on behalf of shipper-customers; and
 - B) This Agreement shall apply to transactions where the Party providing the shipper-customer whose freight is to be transported, is designated as BROKER A, and the Party who arranges motor carrier (including draymen), and/or rail transportation, is designated as BROKER B; and
 - C) The terms of this Agreement are intended to apply to all co-brokered transactions between the Parties, where one Party acts as BROKER A and the other acts as BROKER B; and
 - D) The FMCSA authority of each Party is not subject to threatened, or pending revocation or suspension; each Party has and will maintain during the term of this Agreement the surety bond or trust fund required of property brokers to be on file with the FMCSA; and each Party is, and will be during the term of this Agreement, in compliance with all applicable federal and state laws and regulations pertaining to the operation of its respective business; and
 - E) The persons signing this Agreement are authorized to do so and intend to bind their respective Party.
- NOW, THEREFORE, in consideration of the terms, covenants and conditions herein set forth, it is agreed:

TERMS AND CONDITIONS



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1) Broker Responsibilities:

- a) Underlying Carrier: BROKER B shall be solely responsible for exercising due diligence in selecting motor and/or rail carriers for the performance of transportation services, which includes, but is not limited to: (i) verifying each motor carrier's operating authority (federal and/or state); (ii) confirming that each motor carrier has a "satisfactory" USDOT safety rating; (iii) obtaining proof of each motor carrier's insurance coverage with insurance companies having a B+ or better A.M. Best rating, with coverage not less than the following: (A) Commercial Automobile Liability insurance for "any auto" or for "scheduled and hired autos" with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per occurrence covering all vehicles owned or used by carrier in performing carrier services; (B) Motor Truck Cargo Legal Liability of \$100,000 per occurrence; (C) Workers' Compensation, per statutory requirements; and (D) Any other insurance or surety bonding required to meet the special insurance requirements of BROKER A's customers or as may be required under the laws, ordinances and regulations of any governmental authority, including without limitation the FMCSA; and, (iv) engaging each motor carrier as a contract carrier under 49 USC 14101(b). The carrier's insurance shall be deemed primary to any insurance maintained by BROKER A or B.

- b) Broker B Insurance: BROKER B shall procure and maintain the following insurance policies at its sole expense with insurance companies having a B+ or better A.M. Best rating: i) Commercial General Liability insurance, including contractual liability coverage, with a minimum limit of \$1,000,000 per occurrence for bodily injury, personal injury and property damage; ii) Automobile Liability insurance for "any auto" with a minimum combined single limit for bodily injury and property damage of \$1,000,000; iii) Workers' Compensation, per statutory requirements, and iv) Cargo insurance, Shipper's Interest cargo insurance, or its equivalent, with a minimum limit of \$100,000 per occurrence.

1) Before arranging transportation of any shipment under this Agreement, BROKER B will have caused its insurance carriers to deliver to BROKER A certificates of insurance evidencing all insurance required under paragraph 1b), above. All such insurance will provide BROKER A with 30 days' prior written notice of cancellation/non-renewal and 10 days' advance written notice of cancellation for non-payment of premiums. The Commercial General Liability and Auto Liability insurance required under paragraph 1b) will be endorsed to name BROKER A as additional insured.

2) BROKER B's insurance will be deemed primary; relative to BROKER B's indemnification obligations set forth in Section 8, to any insurance maintained by BROKER A and will waive subrogation against BROKER A.

c) Broker A Insurance:

1) BROKER A shall procure and maintain the following insurance policy at its sole expense with insurance companies having a B+ or better A.M. Best rating: Commercial General Liability insurance, including contractual liability coverage, with a minimum limit of \$1,000,000 per occurrence for bodily injury, personal injury and property damage, and Workers' Compensation, per statutory requirements.

2) Before BROKER B arranges transportation of any shipment under this Agreement, BROKER A will deliver to BROKER B certificates of insurance evidencing all insurance required under the paragraph set forth directly above. All such insurance will provide BROKER B with 30 days' prior written notice of cancellation/non-renewal and 10 days' advance written notice of cancellation for non-payment of premiums. The required Commercial General Liability insurance will be endorsed to name BROKER B as additional insured.

3) BROKER A's insurance will be deemed primary, relative to BROKER A's indemnification obligations set forth in Section 8, to any insurance maintained by BROKER B and will waive subrogation against BROKER B.



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2) Prohibition Against Re-Brokering: BROKER B shall not, nor allow a carrier to, re-broker, sub-broker, subcontract, assign, interline, or warehouse any shipment tendered by BROKER A hereunder without first obtaining the prior written consent of BROKER A.

3) Billings and Payments: BROKER A is authorized to, and shall be responsible for, billing and collection from shipper-customers, consignees, and third parties responsible for payment of its charges. BROKER A shall pay BROKER B for agreed upon charges (i.e., commissions and carrier charges as specified by a mutually agreed upon rate schedule, or load confirmations, which are hereby incorporated by reference) within 30 days of receipt of BROKER B's invoice and proof of delivery. BROKER B shall pay the motor carrier(s)/railroads as required under its written contract(s) with such carrier(s) regardless of whether BROKER A timely pays BROKER B. In the event that payments to carrier(s) are not made in accordance with the payment terms of the BROKER B/carrier agreement(s), and the carrier is in compliance with that agreement, BROKER A may pay the delivering carrier(s) directly upon written notification to BROKER B and, in so doing, shall discharge its entire obligation to pay BROKER B. BROKER B shall not bill or collect freight charges from BROKER A's shipper-customers, consignees, or other parties responsible for payment, provided BROKER A has complied with the terms of this Agreement.

4) Minimum Shipments: BROKER A shall use commercially reasonable efforts to offer at least one (1) shipment per year to BROKER B. Each Party warrants and represents that co-brokering freight hereunder shall not on any occasion violate any duty or obligation to a shipper-customer, or any prohibition against co-brokerage, subcontracting, or interlining.

5) Confidentiality: The Parties agree that they shall not use or disclose any of the contents of this Agreement including but not limited to, (a) all sales and marketing information received from each other or from shipper-customers or carriers providing transportation services to them; (b) financial information received; (c) brokerage fees charged and received; (d) non-brokerage fees charged and received; (e) amounts charged to and paid by shippers, consignees or others responsible for payment; (f) amounts of freight charges billed and received; and (g) motor carrier rates, given or exchanged with any person or entity, except as necessary to conduct the business contemplated hereunder or as may be required by law.

6) No Back-Solicitation: In recognition of the fact that each of the Parties has invested substantial effort and money in developing its customers, that under this Agreement the Parties may have access to non-public, proprietary information, and that each Party may separately procure new accounts during the term of this Agreement, the Parties expressly agree that:

- a) BROKER B shall not solicit business from nor perform brokerage services directly or indirectly on behalf of any shipper/consignee/third-party first introduced to it by BROKER A, or through the performance of this Agreement. However, if BROKER B has conducted business with any such shipper/consignee/third-party prior to entering into this Agreement then BROKER B can continue to solicit those traffic lanes previously served. "Traffic lanes" for purposes of this Agreement shall mean origin locations to destination locations for both truckload (full truckload and less-than-truckload) and rail intermodal shipments.
- b) It is further agreed that this non-solicitation provision shall be in force and effect during the term of this Agreement and for a period of six (6) months from the date of the termination of this Agreement for any reason.

7) Term: Termination: This Agreement shall be in effect for a period of one (1) year beginning on the date of signing by both Parties, below, and shall be automatically renewed for like periods unless terminated by either Party, at any time and for any reason (or no reason), upon at least thirty (30) days advance written notice. Termination of this Agreement shall not relieve either Party from completing and performing its obligations to the other and to carriers and/or shipper-customers with respect to freight that was previously-tendered or in transit at the time of termination. Neither Party shall be liable to the other Party for special, incidental, punitive or consequential damages of any kind.



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8) Indemnification: Each Party (the "Indemnifying Party") shall indemnify, defend, and hold the other Party (the "Indemnified Party") harmless from and against any and all loss, harm, damage, injuries, claims, lawsuits, costs, expenses, penalties, fines, and/or liabilities arising from the Indemnifying Party's (a) negligence or willful misconduct in relation to this Agreement, or (b) breach of any obligation hereunder; provided however that the Indemnifying Party's obligation under this Section 8 shall not apply to the extent of the Indemnified Party's own negligence, willful misconduct, or breach of any obligation hereunder.

9) Notice of Claims/Liability: The Parties shall provide each other with immediate written notice of any freight loss, damage, misdelivery, or delay claims as well as any other claims arising out of this Agreement, and shall reasonably cooperate with each other in efforts to resolve any such claim(s). BROKER A shall manage all freight claims on behalf of its shipper-customers. BROKER A shall not represent to its shipper-customer or to any third-party that (a) BROKER B is a carrier (motor or rail), or (b) that BROKER B is liable for freight loss, damage, misdelivery, or delay, or holds out such liability with respect to transactions under this Agreement. Each Party agrees that the other Party is acting as property broker, and not as a carrier (motor or rail) under this Agreement, and therefore is not liable for freight loss, damage, misdelivery, or delay.

10) Disputes: In the event of a dispute arising out of this Agreement, the Parties shall provide each other with fifteen (15) days prior written notice in which to "cure" any alleged default. If no "cure" is completed (or is not substantially in process), legal proceedings may be commenced in not more than one (1) year from date of the last occurrence of default, in the state(s) in which either Party has its principal offices. The Parties waive all objections to venue and jurisdiction in those states. The prevailing Party in any legal proceeding shall be entitled to recover reasonable attorney fees.

11) No Assignment: This Agreement may not be transferred, assigned, or pledged by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld. This Agreement shall be binding upon and shall inure to the benefit of the permitted successors, transferees, and assignees of the each Party.

12) Notices: Unless the Parties notify each other in writing of a change of address, any and all notices required or permitted to be given under this Agreement shall be in writing (certified US mail, return receipt requested, or fax with machine imprint on paper acknowledging successful transmission) and shall be addressed as shown in the signature lines below.

13) Validity/Survival: If any provision of this Agreement shall be held invalid, illegal or unenforceable, that provision shall be severed from this Agreement in the jurisdiction in which it is held invalid, illegal, or unenforceable, and the remainder of this Agreement shall not be affected and shall remain in full effect. Those sections which by their very nature should survive, shall survive termination of this Agreement.

14) Waiver: No waiver of any provision of this Agreement, or of the breach thereof, shall be construed as a continuing waiver or shall constitute a waiver of any other provision or breach. No waiver shall be effective unless it is reduced to a written instrument and executed by the Party to be charged. This Agreement is for specified services pursuant to 49 USC 14101 (b). To the extent that the provisions herein are inconsistent with Part (b), Subtitle IV, of Title 49 USC (ICC Termination Act of 1995) the Parties expressly waive all rights and remedies they may have under the Act.

15) Independent Contractors: The relationship of the Parties under this Agreement shall at all times be that of independent contractors, and nothing contained herein shall give rise to any agency, partnership, joint venture, or employee-employer relationship.

16) Recitals/Headings: The Recitals above are merged into this Agreement and binding upon the Parties. Paragraph headings are intended for convenience only, and shall not be considered substantive.



CARGO MARITIME

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17) Integration: This Agreement contains the entire understanding of the Parties with respect to the subject matter contained herein, and supersedes all prior Agreements and understandings, verbal and/or written between the Parties with respect to such subject matter. The Parties intend that no extrinsic evidence may be introduced to reform this Agreement in any legal or equitable proceeding. This Agreement does not supersede any agreement that either Broker has with any shipper or carrier. Any amendment or modification of this Agreement shall be made via a written instrument, executed by the duly-authorized representative of each Party.

IN WITNESS whereof the Parties have signed this Agreement as of the Effective Date set forth above.

BROKER: Cargo Maritime, Inc.	BROKER:
Signature:	Signature:
Signature Printed Name:	Signature Printed Name:
Title:	Title:
Date:	Date: