



Freight Management, Inc.

AGENCY AGREEMENT

This non-exclusive agreement is between:

Freight Management, Inc.
(Broker)

&

(Agent)

The purpose of this Agreement is to provide a working program whereby the Broker supports the Agents transportation activity to the benefit of both parties to the Agreement. The Agent, having fulfilled the terms and conditions of this Agreement, will be able to operate as a licensed Federal Highway Administration (FHWA) Property Broker. The license of the Broker is MC 394333.

For the purpose of this Agreement, the definition of a Shipper is any person who is responsible for paying an invoice for the movement of freight. A Carrier is any person authorized by the FHWA as a mode of transportation for surface, air, water, or pipeline.

WHEREAS, Broker has earned the respect of the US shipping and transportation communities, and

WHEREAS, Broker has developed automated transportation contracting and remitting capabilities that relieves Agents of burdensome paperwork, including credit acceptance and collections as well as other features that benefit the Agent's brokering activities and,

WHEREAS, Agent desires Broker, to perform certain administrative functions and desires affiliation with the Broker as a creditworthy, widely recognized service institution and Broker agrees not to circumvent or back solicit Agents customer/shipper base.

THEREFORE, Agent and Broker agree to perform the following activities and to split commissions realized from their transportation brokering activity, in a manner agreed upon as set forth below.

Initials _____

AGENT DUTIES

Agent's duties in this Agreement are to secure commitments from Shippers and Carriers to move freight from one location to another including the following:

Agent must prepare the LOAD SHEET and CARRIER INFORMATION, similar to the attached, with sufficient information to permit the Broker to legally contract with FHWA authorized Carriers.

Agent must conduct brokering activity in accordance with accepted FHWA practices.

Agent must assure that all carrier and customer contracts be signed by an authorized representative from Broker's corporate office.

Agent must assist Broker with credit acceptance and collection procedures, and if as a result of Agent fraud, upon performing broker activity in accordance with FHWA practices, Agent will be held liable for uncollected freight bills.

Agent must offer to Broker all freight shipments in which they represent Broker as the party responsible for payments. Such freight brokered to other FHWA carriers without the knowledge and prior approval of Broker, is cause for immediate termination of the Agreement.

Initials _____

BROKER DUTIES

Broker's duties in this Agreement are to fulfill all legal requirements mandated by the FHWA plus additional assistance to permit the Agent to legally negotiate the movement of freight under the license by the following. Such duties include the following:

Broker must comply with all regulations of the Negotiated Rates Act of 1993 and 1995, as amended, with respect to Contracts of Transportation.

Broker will be liable for undercharges resulting from contracting and billing errors committed by Broker.

Broker must maintain current status of FHWA operating authorities and insurance for all approved transportation providers.

Broker bills and collects transportation charges from shippers.

Broker pays carriers.

Broker settles commissions due to agent.

Initials _____

FINANCIAL ARRANGEMENTS

COMMISSION – All commission checks due are mailed at the close of business each Friday.

STANDARD COMMISSION – Agent earns __% commission from every load, paid within 14 days from date of invoice to customer. Agent earns __% commission if Broker moves load for Agent.

MINIMUM COMMISSION – Broker must receive at least \$40 commission from any load as a minimum commission.

FINANCING ACCOUNTS – Agent's shippers should be prompt in payment (30 days). Broker will finance accounts over 30 days past invoice as a matter of course, however, if Agent's shipper is 45 days or more days past date of invoice, Broker reserves the right to charge agent an additional 3% of commission for that account. Shippers who are past due 60 days in payment will be barred, unless special arrangements are made. Agent will be notified by Broker of all accounts past due.

COLLECTIONS –

Step 1 – Broker will commence collection activity on the 30th day from invoice by directly calling shipper.

Step 2 – Failing receipt of receivable on the 45th day, Broker will mail a copy of the past due invoice to shipper as a past due notice and credit to that shipper will be suspended, until account is paid to current status, or other arrangements are made.

Agent is required to inform his clients that claims are a separate issue from payment of freight bill. Agent will assist in the settlement of any claim.

Failing collection efforts of Agent against the shipper will result in the commissions paid to the Agent being deducted from Agent, and a charge-back against outstanding commissions will be made.

Initials _____

INDEPENDENT CONTRACTOR STATUS

Agent will at all times remain an independent contractor for FMI. Business cards may be issued to the agent, but neither agent nor any other employee of the agent will be deemed to be an employee of FMI for any purpose. Agent acknowledges that all cost associated with the procurement of the business are solely and exclusively agent's costs.

ARBITRATION CLAUSE

Arbitration will be held in Chicago under the Commercial Rules of the American Arbitration Association.

TERMINATION

Broker or Agent may terminate Agreement with 30 days notice.

GOVERNING LAW AND INTERPRETATION

This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois with respect to contracts made and performed wholly within the State of Illinois.

BROKER

AGENT

DATE

DATE