

TERMS AND CONDITIONS TO BROKER CONFIRMATION

1. This agreement between FAK, Inc. (hereinafter called "Broker") and Carrier shown and agreed to in writing by Broker on the BROKER CONFIRMATION confirms a legally binding oral contract between Broker and Carrier.
2. Broker warrants that it will pay Carrier the net compensation shown on the BROKER CONFIRMATION in full upon presentation by Carrier of a clear delivery receipt signed by the receiver without exception or notation. Compensation paid under this agreement may be withheld in whole or in part by Broker to satisfy claims or shortages arising out of this or other agreements or to satisfy monetary advances made to or on behalf of Carrier by Broker or to satisfy any debt owed by Carrier to Broker.
3. Carrier agrees that a penalty of non-payment of charges will result if any load is brokered, sub-hauled and or trip leased.
4. Carrier agrees in order to be paid for transportation charges that it will place its name on all prepared shipper bills of lading and or receipts by the driver agent therefore; the documents may be assigned for collection purposes.
5. On perishable loads requiring refrigeration, temperature protection, or any other special handling, Carrier is solely responsible to determine that the commodities are properly precooled before loading, that commodity temperatures will be maintained in transit as specified by the Bill of Lading or BROKER CONFIRMATION, and that any special handling instructions on the Bill of Lading or BROKER CONFIRMATION will be followed. Properly precooled commodities shall be verified by the Carrier to be at the temperature designated on the Bill of Lading or BROKER CONFIRMATION to be maintained in transit by the Carrier. In the event the commodities are not properly precooled, Carrier shall refuse to load said commodities, or shall not proceed if already loaded, and will immediately contact Broker for further instructions. In the event there exists any conflict between the BROKER CONFIRMATION and the Bill of Lading as to refrigeration, temperature protection, or other special handling instructions, the Bill of Lading shall control as to the loading(s) specified herein.
6. Carrier agrees that it shall speak with the Broker at least one (1) time each day to (a) update Broker on the location and status of the shipment, and (b) notify Broker of any problems encountered by Carrier that might affect the delivery date of the freight, and/or the condition of the freight. Carrier agrees that in the event it fails to comply with this requirement, it is subject to a fine of \$100.00 per day for each day it fails to comply, at the sole discretion of Broker.
7. Carrier agrees that it shall immediately notify Broker upon delivery if the consignee marks, stamps, or annotates the delivery receipt with any exception whatsoever.
8. Carrier agrees that it understands the requirements of its driver(s) and its equipment pertaining to this BROKER CONFIRMATION, and shall operate in compliance with all federal, state, and local laws, ordinances, governmental rules and regulations related to services performed in conjunction with this BROKER CONFIRMATION. In addition to Broker's other rights and remedies, Broker shall have the right to terminate the Master Carrier Agreement immediately, without payment for any services performed after the date of such termination, if Carrier fails to operate in compliance with all federal, state, and local laws, ordinances, governmental rules and regulations.
9. Carrier agrees that it shall obtain Broker's written agreement to pay to Carrier any accessorial or additional freight charges not shown on BROKER CONFIRMATION, and that all such charges and required documentation will be presented to FAK on the Carrier's original freight bill. Carrier acknowledges that failure to comply with the requirements specified herein may result in non-payment, or delayed payment, of such additional charges if the freight bill-paying party refuses to pay, or delays payment, respectively to FAK for any charges not presented on the Carrier's original freight bill
10. Carrier agrees that in the event that Carrier requests an operating advance payment of the charges shown on the BROKER CONFIRMATION, and in the event that FAK agrees to such an operating advance payment, which is at its sole discretion, Carrier shall be charged and agrees to pay to FAK a one-time advance fee equal to two percent (2%) of the total charges shown on the BROKER CONFIRMATION (exclusive of accessorial or additional charges), PLUS the then-current per-check fee (currently \$18.50 per advance requested equal to or less than \$1,000.00 -- this per-check fee is subject to change without notice)

Example: Carrier agrees to a total charge of \$2,000.00 on a shipment. Carrier initially requests a 20% operating advance payment, which FAK agrees to, of \$400.00 (payable only after carrier picks up the shipment). Carrier later requests and is granted another 20% advance payment of \$400.00. The Carrier shall be charged the advance of \$800.00, plus a one-time advance fee of 2% of the \$2,000, which shall be \$40, plus a per-check fee of \$18.50 for each advance requested which shall be $\$18.50 \times 2 = \37.00 . The Carrier's net payment from FAK shall be calculated as follows:

\$2,000.00	Total charge shown on the BROKER CONFIRMATION
- \$800.00	Minus the Operating Advance payment
- \$ 40.00	Minus the one-time advance fee (2% of \$2,000)
- \$ 37.00	Minus the then-current per-check fee for each advance drawn
\$1,123.00	Net payment to the Carrier after deductions for the advance

11. It is mutually agreed that the relationship created by this agreement is governed by the terms of the separate Master Carrier Agreement previously executed between Broker and Carrier. In the event there exists any conflict between the BROKER CONFIRMATION and/or the TERMS AND CONDITIONS TO BROKER CONFIRMATION herein and terms of the applicable Master Carrier Agreement, the terms of this BROKER CONFIRMATION shall control as to the loading(s) specified herein.