



AGENCY AGREEMENT

This Agreement is between: _____
(Agent)

and QTI Service Corporation
(Broker)

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 203581.

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. Now,

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.



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, 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 assist Broker with credit acceptance and collection procedures, and be liable for payment of uncollectable freight bills and for claims resulting from the errors and omissions of the Agent while performing his duties as defined by this Agreement.

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. Agent will tender all his or her freight business exclusively to Broker unless both the Agent & Broker agree to other arrangements in writing.

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. 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 requires all transportation providers to furnish documents to Broker of the current status of FHWA operating authorities and insurance coverages maintained by the provider.

Broker bills and collects transportation charges from shippers.

Broker pays carriers.

Broker settles commissions due to Agent.



FINANCIAL ARRANGEMENTS

COMMISSION – All commissions due are mailed at the close of business each Tuesday. Agent may opt to be paid commissions by electronic (ACH) deposit. Deposit details will be faxed to the agent by the close of business each Tuesday. Deposits will be effective Thursday or the next business day in the event of a banking holiday.

STANDARD COMMISSION – Agent earns 70% commission from every load, paid within 7 days of receipt of the receivable, less 10% escrow deposit. Escrow savings amount is withdrawn from the commission and set aside, at interest, for the benefit of the Agent's liabilities as defined by this Agreement. If unused after 12 months, Broker withdraws that month's escrow and sends to Agent with 5% per annum interest.

Escrow amounts may be offset against amounts due Broker from Agent.

ALTERNATE COMMISSION – Agent earns 60% of commission from every load, paid within 7 days of receipt of a clean Proof of Delivery for the load. No escrow is required for this commission arrangement.

MINIMUM COMMISSION - Broker must receive at least \$25 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 may negotiate a larger commission from Agent for that account. Shippers who are past due 60 days in payment may 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 34th day from invoice by faxing a copy of the invoice and POD to Agent, and request assistance from Agent.

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 the amount paid to carrier and Agent will be deducted from Agent's escrow account. If no escrow is available, a charge-back against outstanding commissions will be made.

PRE BILLING – Broker will invoice shippers without proof of delivery if the Agent can negotiate for that type of billing. Broker will pre bill shipper, in every case, where the shipper and the consignee are the same company.



BROKER ASSISTANCE

Broker will provide assistance in the formats listed below, and any other support deemed prudent by broker.

- (1) Broker will provide free listing of Agent's loads (normally up to 90 days), and will send truck-to-load matches to Agent's FAX by 7:00 A.M. Central time, Monday through Friday.
- (2) Broker can provide a printed (or software) list of all carriers, which have approved Broker's credit that lists equipment, phones, and names of dispatchers, fax numbers, etc.
- (3) Broker can network with other Agents for assistance with particular load problems.
- (4) **BROKER HELP DESK** - Broker will provide brokering service in the absence of Agent, and commission splits will be 50/50 for loads successfully negotiated.

Please indicate commission program agreed as follows:

Alternate (60%) Commission ____

Standard (70%) Commission ____

TERMINATION

Broker or Agent may terminate Agreement with 10 days notice.

BROKER

AGENT

DATE _____

DATE _____

This agreement is deemed made in the state of Texas and shall be governed, interpreted, and construed in accordance with the laws of Texas. Any claim or action under this agreement shall be brought exclusively in Collin County, Texas.