

LS2C LOGISTICS, INC.
BROKER-CARRIER TRANSPORTATION AGREEMENT

THIS AGREEMENT, "Agreement", made and intended to be effective this _____ day of _____, 20____, by and between LS2C Logistics, Inc. having offices at Mt. Pleasant, South Carolina (BROKER), and _____ having offices at _____ (CARRIER), collectively, the "PARTIES".

RECITALS

A. WHEREAS BROKER is licensed as a Property Broker by the Federal Motor Carrier Safety Administration (FMCSA) in Docket Number MC-389860, or by appropriate State agencies, and as a licensed broker, arranges for freight transportation; and

B. WHEREAS CARRIER is a licensed motor carrier pursuant to MC _____;

C. WHEREAS, CARRIER desires to provide transportation services on behalf of BROKER's customers;

NOW THEREFORE, intending to be legally bound, BROKER and CARRIER agree as follows:

AGREEMENT

1. **TERM.** Subject to paragraph 12, the term of this Agreement shall be effective when executed by the parties and shall continue in effect for one year from the date of execution. Unless either party gives notice of its intent not to renew the Agreement, it shall automatically renew for successive one-year periods. Provided, however, that either Party may terminate this Agreement on 30 days written notice to the other Party, with or without cause, or as otherwise provided in this Agreement.

2. **BROKER EFFORTS.** BROKER agrees to solicit, obtain and arrange for transportation of BROKER's customer's freight pursuant to the terms and conditions of this Agreement and in compliance in all material respects with all federal, state and local laws and regulations relating to the brokerage of the freight covered by this Agreement. BROKER's responsibility under this Agreement shall be limited to arranging for, but not actually performing, transportation of freight. BROKER agrees to tender to CARRIER a series of shipments of no less than one load per year under this Agreement. CARRIER is not providing exclusive motor carrier services to BROKER or BROKER's customers.

3. **SHIPPING DOCUMENTS.** Shipping documents include scale tickets, delivery receipts, and/or bills of lading. CARRIER shall insure that the applicable Bill of Lading contains the name and address of the shipper, the destination address, and consignee name. CARRIER is responsible for confirming the count and condition of the freight accepted by

CARRIER's driver. CARRIER is also responsible for providing a clean, dry, odor free, and leak proof trailer for shipments transported under this Agreement. CARRIER acknowledges that BROKER should not be listed on the bill of lading and that, if BROKER is listed on the Bill of Lading as the carrier for the convenience of the shipper, CARRIER at all times is the actual carrier of goods and BROKER'S role is limited to arranging for transportation. CARRIER must ensure that any visual damage to freight or discrepancies in count are noted on the shipper's original Bill of Lading, which is to be signed by CARRIER's driver or agent and by shipper or consignor. CARRIER must ensure that the proof of delivery and receipt of freight must be noted on the shipper's Bill of Lading.

4. **DISPATCH.** CARRIER shall transport a series of shipments as BROKER may require in strict accordance with the delivery terms of the load confirmation (whether oral or in writing). The "reasonable dispatch" standard does not apply to this Agreement. Any directions or instructions given by BROKER to CARRIER for the transportation of the freight shall be for information and convenience only, and CARRIER retains full control of the transportation of freight assigned to it under this Agreement. For information and monitoring purposes, CARRIER must communicate to BROKER when its driver arrives on shipper's site, when the freight is loaded on CARRIER's vehicle (including pieces, weight, and verification of proper Bill of Lading), when its driver arrives on consignee's site, and when the freight is unloaded (including verification of signature and printed name of consignee's agent receiving freight on shipper's Bill of Lading).

5. **RATES.** Rates shall be as set forth on Load Confirmation(s) to be issued and which supplements and amends this Agreement to the extent its terms conflict with those in this Agreement. This Agreement also governs all assessorial services which may be required or performed. Rates may be amended orally but must be confirmed in writing within five working days of the modification in order to remain binding between the PARTIES. BROKER shall make payment to CARRIER within thirty days of receipt of the shipping documents from CARRIER. BROKER has no obligation to pay carrier prior to receipt of shipping documents specified in this Agreement or when shipping documents specified in this Agreement are not provided by CARRIER to BROKER within thirty days after the shipment date. BROKER shall not offset against charges owed to CARRIER for freight claims or any other obligation of CARRIER to BROKER. CARRIER waives all carrier liens otherwise legally available to CARRIER.

6. **PAYMENT.** BROKER authorizes CARRIER to invoice BROKER for services provided by the CARRIER. CARRIER agrees that BROKER is the sole party responsible for payment of its invoices and that, under no circumstances, will CARRIER seek payment from the shipper, consignee or BROKER's customer. BROKER agrees to pay CARRIER in full all properly invoiced amounts regardless of any failure of payment by BROKER's customer. CARRIER agrees not to assert a lien on freight tendered by BROKER to CARRIER.

7. **LOSS DAMAGE, OR DELAY.** Carrier assumes full liability for the greater of replacement cost or invoice value for loss, damage or destruction of any and all goods or property tendered to Carrier by Broker, and for the full course of carriage. Carrier shall inspect each load at the time it is tendered to Carrier to assure its condition. If Carrier is tendered a load which is not in suitable condition, it shall notify Broker, immediately. Cargo which has been tendered to Carrier intact and released by Carrier in a damaged

condition, or lost or destroyed subsequent to such tender to Carrier, shall be conclusively presumed to have been lost, damaged or destroyed by Carrier unless Carrier can establish otherwise by clear and convincing evidence. Deliveries with broker seals shall be rejected and declared a total loss for which the Carrier is held responsible. Carrier shall either pay Broker directly or allow Broker to deduct from the amount Broker owes Carrier, the amount of Customer's full actual loss. Carrier agrees that it will assert no lien against cargo transported hereunder. Broker, shall deduct from the amount Broker otherwise owes Carrier, the Customer's full actual loss of all claims that are not resolved within ninety (90) days of the date of the claim. Carrier agrees to indemnify Broker, for any payments relating to such loss or damage incurred hereunder. In the event of an accident, Carrier shall notify Broker immediately for further instructions. Carrier shall return all damaged shipments at its expense to the point of origin or to other points as instructed by Broker. Claims notification procedures will be followed in accordance with the procedure described in 49 C.F.R. §370.1-11. Carrier will make all payments pursuant to the provisions of this Section within thirty (30) days following receipt by Carrier of Customer's invoice or demand and supporting documentation for the claim.

8. SUB-CONTRACT PROHIBITION. CARRIER specifically agrees that all freight tendered to it by BROKER shall be transported on equipment operated only under the authority of CARRIER and that CARRIER shall not in any manner sub-contract, broker, or in any other form arrange for the freight to be transported by a third party without the prior written consent of BROKER. If CARRIER breaches this provision, BROKER has the right to pay freight charges directly to the delivering carrier, in lieu of payment to CARRIER. Upon payment of such charges to the delivering carrier, BROKER shall have no further obligation to pay freight charges to CARRIER.

9. INSURANCE. CARRIER agrees to maintain at all times during the term of the contract insurance coverage with limits not less than the following:

General Liability/Property Damage -	\$1,000,000
Auto Liability -	\$1,000,000
Cargo Liability -	\$100,000

Worker's Compensation Liability Insurance – required in the amount provided by applicable state law.

All insurance required by this Agreement must be written by an insurance company having a Best's rating of "B+" VII or better and must be authorized to do business under the laws of the state(s) or province(s) in which Carrier provides the transportation and related services as specified in load confirmation communications received from Broker.

CARRIER shall provide certificates of insurance for each of these coverages, which certificates shall provide BROKER notice of the cancellation of the above-referenced policies and give BROKER status as an additional insured. CARRIER'S liability shall not be limited by the amount of insurance required by this Agreement, and CARRIER remains fully liable for any loss for which it is otherwise liable by law. CARRIER has the right to reject any load whose value it believes exceeds its available insurance coverage. BROKER and shipper have no duty to inform CARRIER of the value of loads transported by CARRIER pursuant to this Agreement. In the event CARRIER fails to maintain insurance

as required by this Agreement, BROKER may terminate this Agreement immediately.

CARRIER MOVING PERISHABLES. Carrier warrants that the carrier will inspect or hire a service representative to inspect a vehicle's refrigeration or heating unit at least once each month. Carrier warrants that they shall maintain a record of each inspection of refrigeration or heating unit and retain the records of the inspection for at least one year. Copies of these records must be provided upon request to the carrier's insurance company and Broker. Carrier warrants that they will maintain adequate fuel levels for the refrigeration or heating unit and assume full liability for claims and expenses incurred by the Broker or the shipper for failure to do so. The carrier must provide their cargo insurance carrier with all records that relate to a loss and permit copies and abstracts to be made from them upon request. The following rules shall apply: (a) Destination market value for lost or damaged cargo, no special or consequential damages unless by special agreement; (b) Claims will be filed with *Carrier* by Shipper; (c) *claims notification procedures will be followed in accordance with procedure described in 49 C.F.R.370.1-11.*

10. **SAFETY RATING.** CARRIER shall endeavor to maintain a satisfactory U.S. DOT safety rating but under no circumstances is the CARRIER allowed to provide services under this Contract if their Safety Rating falls to Unsatisfactory. If CARRIER receives a conditional or unsatisfactory safety rating, it shall immediately notify BROKER in accordance with the notice provisions in Paragraph 17, and BROKER may terminate this Agreement immediately. BROKER shall not knowingly utilize any carrier with a conditional or unsatisfactory safety rating in the performance of this Agreement. CARRIER agrees to comply with all federal, state, and local statutes and regulations governing its operations as a motor carrier.

11. **APPLICABILITY.** CARRIER agrees that the terms and conditions of this Agreement shall apply on all shipments it handles for BROKER. Any terms in a tariff or shipping document which are inconsistent with this Agreement shall be subordinate to the terms of the Agreement. Any terms in any tariff, shipping document, or other document that purport to limit CARRIER's liability for any cargo loss shall be ineffective. CARRIER expressly waives all rights and remedies under Title 49 U.S.C., Subtitle IV, Part B to the extent they conflict with this Agreement.

12. **DEFAULT.** Both parties will discuss any perceived deficiency in performance and will promptly endeavor to resolve all disputes in good faith. However, if either party materially fails to perform its duties under this Agreement, the party claiming default may terminate this Agreement on 10 (ten) days written notice to the other Party. The declaring of CARRIER's driver disqualified, or if CARRIER's driver should fail a random drug test, shall immediately terminate this Agreement as to that driver; provided, however, BROKER has the option of allowing CARRIER to substitute a driver in a timely manner to complete any trip then in progress. The following shall all be deemed instances of default: (a) there shall be filed by or against CARRIER, in any competent court, a petition in bankruptcy or insolvency, or for reorganization, or for the appointment of a receiver or trustee of all or a portion of the property of CARRIER; (b) CARRIER makes an assignment for the benefit of creditors or petitions for, or enters into, an agreement or arrangement with its creditors; (c) CARRIER fails to timely and properly perform its obligations of this Agreement. Upon the occurrence of an Event of Default, BROKER may, upon giving two (2) days' prior

written notice to CARRIER (without prejudice to any other remedy BROKER may have, and provided such default has not been cured), terminate this Agreement.

13. **INDEMNIFICATION.** Without regard to the insurance limits in Section 8, CARRIER shall defend, indemnify and hold BROKER harmless against any claims, actions or damages, including, but not limited to claims for or related to personal injury (including death), to any person including CARRIER employees, subcontractors, and contractors cargo loss, damage, or delay, and payment of rates and/or accessorial charges to Carriers, arising out of CARRIER's performance under this Agreement, including but not limited to the actions of any driver, employee, contractor, sub-carrier, owner/operator, or other agent of CARRIER or party performing any of CARRIER's obligations under this Agreement, or CARRIER's failure to obtain insurance as required by this Agreement. The obligation to defend shall include all costs of defense as they accrue, including reasonable attorney's fees.

14. **ASSIGNMENT/MODIFICATIONS OF AGREEMENT.** Neither party may assign or transfer this Agreement, in whole or in part, without the prior written consent of the other party. CARRIER may not subcontract any portion of the performance of this Agreement. No amendment or modification or waiver of the terms of this Agreement shall be binding unless in writing and signed by agents of the PARTIES with express authority to agree to such terms. CARRIER is not permitted to double broker loads without written permission of BROKER.

15. **SEVERABILITY/SURVIVABILITY.** In the event that the operation of any portion of this Agreement results in a violation of any law, or any provision is determined by a court of competent jurisdiction to be invalid or unenforceable, the Parties agree that such portion or provision shall be severable and that the remaining provisions of the Agreement shall continue in full force and effect. The representations and obligations of the PARTIES shall survive the termination of this Agreement for any reason.

16. **INDEPENDENT CONTRACTOR.** It is understood between BROKER and CARRIER, that neither is an agent for the other and each shall remain at all times independent of the other. BROKER does not exercise or retain any control or supervision over CARRIER, its operations or employees. CARRIER shall, at its sole cost and expense: (a) furnish all equipment necessary or required for the performance of its obligations hereunder (the "Equipment"); (b) pay all expenses related, in any way, with the use and operation of the Equipment; (c) maintain the Equipment in good repair, mechanical condition and appearance; and (d) utilize only competent, able and legally licensed personnel. CARRIER shall have the full control of such personnel; shall perform the services hereunder as an independent contractor; and shall assume complete responsibility for all state and federal taxes, including but not limited to IFTA fuel taxes, assessments, insurance (including but not limited to worker's compensation, unemployment compensation, disability, pension and social security insurance) and any other financial obligations arising out of the transportation performed hereunder. CARRIER's employees are not authorized to represent themselves as agents of BROKER.

17. **NONWAIVER.** Failure of either party to insist upon performance of any of the terms, conditions or provisions of this Agreement, or to exercise any right or privilege

herein, or the waiver of any breach of any of the terms, conditions or provisions of this Agreement, shall not be construed as thereafter waiving any such terms, conditions, provisions, rights or privileges, but the same shall continue and remain in full force and effect as if no forbearance or waiver had occurred, and no course of performance or course of dealing between the parties shall thereby arise.

18. **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 (or fax with machine imprint on paper acknowledging successful transmission) and shall be addressed as follows:

(BROKER)

(CARRIER)

LS2C Logistics, Inc.

Attn: Debbie Nicholson

Address: _____

P.O. Box 1027

Mount Pleasant, SC 29465

Phone: 843-856-0018

Fax: 843-856-5011

Attn: _____

Address: _____

Phone: _____

Fax: _____

19. **FORCE MAJEURE.** Neither Party shall be liable to the other for failure to perform any of its obligations under this Agreement during any time in which such performance is prevented by fire, flood, or other natural disaster, war, embargo, riot, civil disobedience, or the intervention of any government authority, or any other cause outside of the reasonable control of the CARRIER or BROKER, provided that the Party so prevented uses its best efforts to perform under this Agreement and provided further, that such Party provide reasonable notice to the other Party of such inability to perform.

20. **CHOICE OF LAW AND VENUE.** All questions concerning the construction, interpretation, validity, and enforceability of this Agreement, as well as the substantive rights and duties of the parties to this Agreement, whether in a court of law or in arbitration, shall be governed by and construed and enforced in accordance with the laws of the State of South Carolina without giving effect to any choice or conflict of law provision or rule that would cause the laws of any other jurisdiction to apply. Both parties represent that they are subject to and hereby irrevocably submit to exclusive jurisdiction of any court with jurisdiction to include Mt. Pleasant, South Carolina, in connection with any suit, action, or proceeding arising out of or relating to this Agreement and irrevocably agree that all claims and counterclaims of Carrier or Broker in respect to any such suit, action or proceeding will be heard or determined only in any such court. In any legal action brought to enforce any right or duty under this Agreement or to recover damages for breach of this Agreement, the prevailing party shall be awarded reasonable attorney's fees and costs.

21. **CONFIDENTIALITY.** CARRIER shall not utilize BROKER or SHIPPER's name or identity in any advertising or promotional communications without written confirmation of BROKER or SHIPPER's consent and the PARTIES shall not publish, use or disclose the contents or existence of this Agreement except as necessary to conduct their operations pursuant to this Agreement.

22. **BACK SOLICITATION.** CARRIER shall not solicit traffic from any shipper, consignee, or customer of BROKER where (1) the availability of such traffic first became known to CARRIER as a result of BROKER's efforts; or (2) where the traffic was first tendered to CARRIER by BROKER. If the CARRIER breaches this provision of this AGREEMENT, BROKER shall be entitled—as reasonable liquidated damages and not as a penalty—to a commission of fifteen percent of the gross revenue from such traffic to CARRIER for a period of fifteen months. CARRIER also agrees that the breach of this provision entitles BROKER to be entitled to obtain an injunction against CARRIER in a court of competent jurisdiction, at BROKER's option.

23. **ENTIRE AGREEMENT:** This Agreement, including all Appendices and Addenda, constitutes the entire agreement intended by and between the PARTIES and supersedes all prior agreements, representations, warranties, statements, promises, information, arrangements, and understandings, whether oral, written, expressed or implied, with respect to the subject matter hereof.

IN WITNESS WHEREOF, the PARTIES hereto have caused this Agreement to be executed in their respective names by their fully-authorized representatives as of the dates first above written.

BROKER



Signed

M. Faust Chitty

Printed

President

Title

CARRIER

Signed

Printed

Title