

PATTON LOGISTICS LLC.

55 PATTON DRIVE, MILTON, PA 17847

PHONE (570) 522-1256

FAX: 800-317-3156

EMAIL: OPS@PATTONLOGISTICS.COM

Carrier/Broker Agreement

This is an Agreement between PATTON LOGISTICS, LLC with offices at 55 PATTON DRIVE, MILTON, PA (“Broker”) and _____ (“Carrier”) with offices at _____ and is effective as of _____.

- A. Carrier is a motor carrier of property authorized by Permit No. MC - _____ (a copy of which permit is attached hereto made a part hereof) to provide transportation of property under contract with shippers and receivers of general commodities, and
- B. Broker is a motor carrier broker, licensed to arrange for the transportation of property by License No. MC-814095 sub 63 (copy of which license is attached hereto and made a part hereof) and controls the transportation of commodities to be tendered to Carrier, in accord with criteria established in Dixie Midwest 132 M.C.C.794 (1982), and thus is a shipper under those criteria.

NOW THEREFORE, intending to be legally bound and to so bind their heirs, successors and assigns and in consideration of the covenants contained herein, the parties hereto agree as follows:

1. This Agreement is a master contract between Carrier and Broker and shall govern and control all transportation of commodities for shippers arranged by Broker that are tendered by Broker to Carrier (herein sometimes referred to as “Shipments”). This Agreement does not obligate Broker to hire Carrier for any Shipments nor does it obligate Broker to transport Shipments for Broker, except as set forth in the Section 1. However, it shall control and govern all Shipments and shall define the rights and obligations of Carrier and Broker during the term hereof, notwithstanding anything to the contrary contained in any written or

oral instructions. Carrier shall transport Shipments that are tendered to Carrier by Broker no less than two (2) Shipments per year.

2. Carrier shall issue a uniform Bill of Lading for each Shipment tendered to it and shall be liable for all loss, damage or delay in transit, as provided in the Uniform Bill of Lading and the law applicable to that document. Broker shall appear in the Bill of Lading in the "Bill to" section only as a Broker. The Carrier's liability shall be the same as a carrier's liability under 49 U.S.S. 11707.

3. Broker agrees to pay Carrier for the Shipments moved under this Agreement according to the rates set forth in attached Appendix "1" and made a part hereof, except as hereinafter set forth in this Section 3. Modifications or additions to these rates may be agreed to in writing or made orally between Carrier and Broker for specific shipping schedules. Confirmation of acceptance of orally agreed rates will be made by a recap faxed or mailed by Broker to Carrier and by the Carrier's pickup of the Shipment. In addition, confirmation of any orally agreed rates shall be made by the Carrier's billing and the Broker's payment thereof. If Broker pays the freight invoice in a reduced amount, such amount shall constitute the agreed rate unless Carrier indicates to the contrary to Broker within 60 days of its receipt of payment. All modifications and additions to these rates made either in writing or orally and confirmed in writing or as established by fulfillment and payments by the parties, together with the underlying freight bills, shall be deemed as appendices to and considered a part of this Agreement.

4. The parties understand and agree that Carrier is a contract motor carrier in interstate commerce and is not obliged by the law to file its schedule of rates with any government agency. Carrier shall render specialized services for Broker in this following respects:

a. Rates shall be changed immediately upon oral agreement. There shall be no delay in changes of the rates because of filing tariffs with regulatory agencies. Reference Section 3.

b. Carrier shall supply same day pickup for Broker's customers when required by Broker.

c. Carrier shall adhere to delivery times and schedules as required by Broker and its customers.

d. Carrier shall make weekend and off-hour pickup and deliveries as required by Broker and its customers.

e. Direct pickup and delivery shall be by Carrier. There shall be no transferring or interlining of shipper's commodity.

5. Carrier shall bill for freight charges to Broker, who in turn, shall bill the shipper or consignee for freight charges, plus an additional sums for the services of the Broker. Broker shall be under no obligation to disclose or reveal to Carrier the amount of Broker's charges. Carrier will not hold shipper responsible for any freight charges paid to Broker or disputes arising from rates or tariff errors mistakes. Broker agrees to pay Carrier for the transportation of the commodities moved under this Agreement in accordance with the rates set forth herein or addenda thereto, within 21-30 days of the receipt of Carrier's invoice and signed original delivery receipt and addendum covering such transportation.

6. Carrier shall be an independent contractor with respect to all Shipments. Neither Carrier nor its employees, agents, or representatives shall be deemed for any purpose to be an employee, agent or representative of Broker or any of Broker's affiliated entities. All workers engaged in any Shipments by Carrier shall at all times be under the charge and control of Carrier. Carrier shall be solely responsible, at its own expense, for withholding all state and federal income taxes, making all filings and reports with respect to taxes, workmen's compensation premiums and an employment insurance and making all filings and reports in connection with or relating to the services of Carrier. Neither Carrier nor anyone used or employed by Carrier shall have any authority to bind Broker to any third parties.

7. Carrier shall perform all Shipments in a timely and professional manner using competent personnel having the requisite expertise and in compliance with all federal, state and local laws, rules and regulations. Carrier shall utilize well maintained motor vehicles and other equipment and shall obtain and pay for all necessary permits, licenses and inspections required in connection with the Shipments.

8. The Carrier's liability shall begin at the time the cargo is loaded on Carrier's equipment at point of origin and continue until said cargo is delivered to the designated consignee at destination or to any Intermediate stop-off party. Carrier is to cover all of its expense for operating as a Carrier, including insurance and taxes. Carrier will pay all advances to drivers.

9. Carrier shall at all times throughout the term of this Agreement at Carrier's own expense, procure and maintain, caused to be carried and maintained the minimum insurance coverages set forth below with reliable insurers satisfactory to Broker and with policy limits not less than those indicated below. Carrier shall at all times throughout the term of this Agreement at Carrier's own expense procure, carry and maintain, or caused to be carried and maintained any other additional insurances as may be reasonably required from time to time by Broker.

Carrier shall procure and maintain, at its sole expense, liability insurance with a reputable and financially responsible company or companies properly insuring Carrier against liability and claims for injuries to persons including injuries resulting in death or damage to property in an amount not less than a combined single limit of \$1,000,000.00 each, occurrence for bodily injury and property damage. Said policy shall name Broker as an additional insured whose interests are to be insured. Such insurance policy shall provide that (unless prohibited by applicable statute) written notice of such cancellation shall be given to Broker at least 30 (thirty) days prior to such cancellation and bear the BMC 32 endorsement. This insurance shall be primary and not contributory or affiliates. Required per shipment minimums are as follows:

- a. \$100,000.00 Cargo all risk \$750,000.00 Liability each occurrence

Failure of Carrier to procure and maintain the insurance coverages required hereunder shall not release Carrier from its liability hereunder. Carrier agrees to waive subrogation (or to obtain such waiver from its insurance carrier if required by the Carrier to do so) against Broker Indemnitees, as defined in Section 15, for any loss to Carrier that could be claimed under any insurance policies carried by Carrier.

10. On or before execution of this Agreement and thereafter upon request of Broker from time to time, Carrier shall provide to Broker with certificates of insurance evidencing such insurance coverage required by Section 9 and certified copies of all policies of insurance required hereunder and all endorsements adding Broker as an additional insured. Broker's acceptance of a certificate which does not comply with the requirements herein shall not be deemed to waive any of the requirements of Section 9. The failure of Carrier to furnish such evidence of insurance shall not be considered a waiver by Broker of any such coverage.

11. Unless prohibited by applicable law, Carrier's indemnification obligations hereunder shall not be limited by amount or in scope to coverage provided by the insurance required hereunder. Insurance coverage under Section 9 shall apply whether or not an indemnification is provided.

12. All shippers or consignees referred to Carrier will be treated as the Broker's accounts during the lifetime of the Agreement. Should this Agreement be terminated for any reason, commissions on all Broker's accounts will be paid to Broker at a rate of 2.5% on all freight charges received for a period of one (1) year after termination.

13. Both parties recognize that motor contract carrier's service is based on the Carrier, either (1) assigning motor vehicles for a continuing period of time for the exclusive use of the shipper or (2) providing a service designed to meet the distinct needs of the Broker. The Broker needs the Carrier to assume full liability for the loss of or injury to the property tendered to the Carrier to negate a possibility of the Carrier moving these goods on released rates with

limitation liability, and Paragraph A specifically imposes this obligation upon the Carrier that claims shall be settled in accordance with 49 C.F.R. 1005, and this is also designed to meet the distinct needs of the Broker. Further, the Broker needs a single forum for the settlement of disputes, and Section 13 meets this distinct need of the Broker.

14. In the Event the Carrier handles a shipment wherein freight charges are to be collected upon delivery, Carrier shall obtain payment of freight charges by a certified check payable to Broker and will promptly deliver the certified check to the Broker.

15. Carrier agrees to release, defend, protect, indemnify and hold harmless Broker, its affiliates, agents, directors, officers, members, employees and representatives or affiliates or contractors thereof (not a party to this Agreement) and their respective officers, directors, managers, members, shareholders and employees (collectively, "Broker Indemnitees") from every kind or character of damages, losses, liabilities, expenses, demands, claims and causes of action, without limit and without regard to the cause or causes thereof, including but not limited to, those arising from personal injury, or property damage and including all costs and fees arising out of litigation or settlement of personal injury, including death, and property damage or loss, claims or any other claims (collectively "Losses") to the extent the Losses are caused by, arise from or relate to, directly or indirectly, any action or omission of Carrier or its agents, employees, or representatives. The foregoing obligation of Carrier shall not be diminished in any regard if such Losses may have been caused in part by the negligence, either active or passive, or the strict liability of the Broker Indemnitees or any third party. Carrier agrees that it shall, at its own expense, pay for Broker Indemnitees to defend any suit or action brought against any Broker Indemnitee where the Carrier's, or its agents, employees or representatives or their employees' alleged acts or omissions are asserted by Broker or any third party and Carrier shall pay (a) all damages, costs and expenses (including attorney's fees) in connection therewith or any matter resulting therefrom, and (b) any and all costs and expenses (including attorney's fees) incurred by any Broker Indemnitee in recovering the amount agreed settlement and/or rendered judgment due to such Broker Indemnitee from Carrier's insurance. Cargo claims shall be settled in accordance with the regulations codified at 49 C.F.R. 1005.

Carrier's indemnification obligations hereunder shall include all liabilities, claims, judgments, costs and demands, however caused, resulting in death or injury to Carrier's employees, contract labor or subcontractors and injury or illness that may arise directly or indirectly under the obligations or operations herein undertaken by Carrier. Carrier shall reimburse Broker for all costs or attorney's fees incurred by Broker in the defense thereof and enforcing this obligation.

Carrier, at its sole cost and expense, shall carry and maintain insurance coverage in such form and amount as is necessary to support Carrier's indemnity obligations under this Section 15. The parties agree that, to the extent permitted by applicable law, that Section 15 shall constitute an effective waiver of any cap(s) established by statute or case law which may limit any indemnified party's recovery, but for this Agreement. The provisions of this Section 15 shall survive any termination of this Agreement.

16. In the event that Carrier fails to fulfill its obligations hereunder, in addition to any other right or remedy available to Broker, Broker may take over the Shipments and have the shipments completed by another carrier. Carrier shall be liable to Broker for any additional costs incurred by Broker to complete the Shipments, including any damages for delay, and any damages or injury of any kind caused by Carrier's failure to fulfill its obligations hereunder in accordance with this Agreement.

17. This Agreement shall be deemed to have been made and accepted in Northumberland County, Pennsylvania and the laws of the Commonwealth of Pennsylvania, without regard to its conflict of law rules, shall govern any interpretation or construction of this Agreement, except as otherwise governed by federal law.

18. Any dispute or controversy arising out of this Agreement, whether claim or counterclaim, shall be brought in and only in the Court of Common Pleas of Northumberland County, Pennsylvania or the United States District Court for the Middle District of Pennsylvania, unless Broker consents otherwise in writing. Each party agrees that the venue of such courts is reasonable. **Any action, suit or proceeding, whether claim or counterclaim, shall be tried to the court without a jury and each of the parties hereby expressly waive any right to a jury trial in connection therewith.**

19. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision. Any invalid or unenforceable provision shall be deemed severed from this Agreement to the extent of its invalidity or unenforceability and this Agreement shall be construed and enforced as if the Agreement did not contain that particular provision (or part thereof) to the extent of its invalidity or unenforceability.

20. This Agreement and all addenda thereto constitute the entire agreement between Carrier and Broker and supersede any prior written or oral agreements or contemporaneous communications with respect to the subject matter hereof. No subsequent amendment to this Agreement shall be brought in on either party unless reduced to writing and signed by an authorized representative of such party.

21. All notices required or provided under this Agreement shall be in writing and delivered either personally or by overnight carrier requiring receipted delivery to the addresses

of the parties at the beginning of this Agreement or such other address or notice of which shall have been given in accordance with these provisions and shall be effective upon receipt or refusal of delivery.

22. Neither party hereto will be liable for the failure to tender or to timely transport freight under this Agreement if such failure, delay or other omission is caused by strikes, acts of God, war, accidents, civil disorder, acts of terrorism, or through compliance with legally constituted order of civil or military authorities. Provided however, that in the event of any such failure, delay or omission by Carrier, Broker may place the Shipment with another carrier without liability to Carrier.

23. This Agreement shall be binding upon the parties hereto, their successors and assigns, and shall be governed by Title 49 of the United States Code and Title 49 of the Code of Federal Regulations.

24. No waiver by Broker nor any amendment of the terms, provisions or conditions of this Agreement shall be effective unless in writing and signed by a person authorized to commit Broker. Further, no waiver by Carrier or Broker of any provision of this Agreement shall operate as a continuing waiver, whether of like or different character.

25. This Agreement shall become effective on the date hereof and shall remain for a period of one year from such date and from year to year thereafter, subject to the right of either party hereto to cancel or terminate this Agreement at any time upon not less than thirty (30) days' written notice to the other party. Provided however, that no such termination or cancellation, shall relieve or release either of the parties from any obligations arising prior to the effective date thereof or any Shipments not completed.

Brokerage Name and Complete Address

Patton Logistics, LLC
55 Patton Drive
Milton, PA 17847

Carrier Name and Complete Address

Brokerage Representative

Carrier Representative

Signature **Date**

Signature **Date**

Printed Name **Date**

Printed Name **Date**