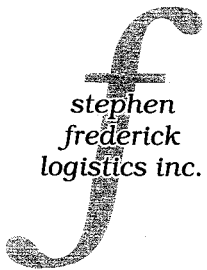




*stephen
frederick
logistics inc.*

Check out our new website @

www.sfl2000.com



stephen
frederick
logistics inc.

p.o. box 28120, north park plaza, brantford, on n3r 7x5

toll-free (866) 279-2511
tel (519) 759-6042
fax (519) 759-8136

www.sfl2000.com

Contact Information

billing address: p.o. box 28120
north park plaza
brantford, ontario
n3r 7x5

phone number: 519-759-6042

fax number: 519-759-8136 or 519-759-5272

dispatch contacts:	Name:	Ext #:	Email address:
	Stephen Frederick	200	stephen@sfl2000.com
	Virginia Maskell	207	virginia@sfl2000.com
	Corry Mclellan	204	corry@sfl2000.com
	Heather Arsenault	211	heather@sfl2000.com
	Colleen Fenton	203	colleen@sfl2000.com
	Laurie Warren	206	laurie@sfl2000.com
	Tammy Riddell	205	tammy@sfl2000.com
	George Stemler	209	george@sfl2000.com
	Sarah Fenton	214	sarah@sfl2000.com
	Susan Beal	210	susan@sfl2000.com
	Richard Johnston	215	richard@sfl2000.com
	Tania DeMelo	217	tania@sfl2000.com
	SFL dispatch All		dispatch@sfl2000.com

tracing contact: Claudette Rook 212 claudette@sfl2000.com

accounting contacts: Janet Fletcher 202 accounting@sfl2000.com
Lori Arseneault 213 accounting@sfl2000.com

gst # 89446 7612 RT001
scac code: FKSL
MC 392029B



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tel (519) 759-6042
fax (519) 759-8136

CREDIT AND BILLING INFORMATION

U.S Sales Office:

Stephen Frederick Logistics Inc.
1815 Larch Circle
Lebanon PA
17042
PH: 866-279-2511
FX: 519-759-8136

Load Broker: ONT
LB #: 000522
MC #: MC392029B
SCAC Code: FKSL
BUS #: 89446 7612 RC0001
DUNS #: 25-146-6314

** FOR CONFIRMATION OF SURETY BOND – PLS CALL ITS-866-812-9675**

Canadian Billing/Dispatch Office (Please use Cdn address for Insurance purposes):

PO Box 28120, North Park Plaza
Brantford, Ontario, Canada
N3R 7X5

Ph: 519-759-6042
Fx: 519-759-8136 or
519-759-5272

Bank: TD Canada Trust
31 West 52nd Street
New York NY 10019-6101

PH: 905-527-7318
FX: 905-529-5451
Contact: Pat Bezemer

References: **Gypsum Express**
Baldwinsville NY
315-638-2201

FTI
Dearborn Heights MI
313-295-0502

Churchill Transport
Detroit MI
800-333-5555

Billing Information: All invoices must have Stephen Frederick Logistics Carrier Confirmation Number on them in order for us to process for payment. **Payments are NOT processed from faxed invoice copies, originals only or emailed TIF files accepted. Emailed Invoices** will be "Entered" 5 Business days from the day it is sent to us and processed 30 days from that date for payment.

Quick Pay Program: Increase your cash flow, for a minimal fee of 5% off of the invoice amount, our company will pay you immediately upon receipt of POD and Invoice. For more information, please inquire with our accounting department. Otherwise our terms are 30 days upon receipt of Invoice.

***** TO VIEW A COPY OF OUR BROKER-CARRIER AGREEMENT GO TO www.nfba-brokers.com or to our website @ www.sfl2000.com *****

PM-25
(Rev. 1/95)

SERVICE DATE
October 18, 2000

DEPARTMENT OF TRANSPORTATION
FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION

LICENSE

MC 392029 B

STEPHEN FREDERICK LOGISTICS INC.
BRANTFORD, ON, CD

This license is evidence of the applicant's authority to engage in operations, in interstate or foreign commerce, as a broker, arranging for transportation of freight (except household goods) by motor vehicle.

This authority will be effective as long as the broker maintains insurance coverage for the protection of the public (49 CFR 387) and the designation of agents upon whom process may be served (49 CFR 366). Applicant shall also render reasonably continuous and adequate service under this authority. Failure to maintain compliance will constitute sufficient grounds for revocation of this authority.

Terry Shelton, Acting Director
Office Data Analysis & Information

Systems

TAX IDENTIFICATION #
98-0347278



stephen
frederick
logistics inc.

p.o. box 28120, north park plaza, brantford, on n3r 7x5

www.stephenfredericklogistics.com

toll-free (866) 279-2511
tel (519) 759-6042
fax (519) 759-8136
cell (519) 761-1111

QUICK PAY PROGRAM

In this day and age, "Time is money and Money is time".

I have put together a program to help our carriers achieve their goal of obtaining cash flow to cover day to day expenditures without having to wait. I implemented a "Quick pay program" back in Y2003 which has grown expediently and is enjoyed by many of our suppliers large and small. Whether it be Canadian funds or US funds, our company can provide this service to you our valued carrier.

The following is our procedure for our quick pay program:

- 1. Fax us a copy of your invoice stating that you would like to take advantage of the quick pay "Quick-Pay less 5%" must be written on your invoice).*
- 2. We will deduct 5% from your invoice amount.*
- 3. We will have your cheque out in the mail within 24-48 hours from receiving your invoice.*
- 4. You can choose to pay 1 invoice or all your invoices using this method.*
- 5. If you feel that you would not like to take advantage of our quick pay you can use our regular payment method 30 days upon receipt all cheques are written each Friday.*

If you have any questions in regards to this program please feel free to give me a call.

Stephen Frederick

President

◆ Diamond Broker Program

ITTrust
Your bond working for you

INTERNET TRUCKSTOP
truckstop.com

Stephen Frederick Logistics, Inc.

Is a participating member of the

Internet Truckstops' Diamond Broker Program

Meeting all performance, credit and bonding requirements



Valid through July of 2013 – MC 392029



U.S. DEPARTMENT OF TRANSPORTATION

A Federal Agency may not conduct or sponsor, and a person is not required to respond to, nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a current valid OMB Control Number. The OMB Control Number for this information collection is 2126-0017. Public reporting for this collection of information is estimated to be approximately 10 minutes per response, including the time for reviewing instructions, gathering the data needed, and completing and reviewing the collection of information. All responses to this collection of information are mandatory. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Information Collection Clearance Officer, Federal Motor Carrier Safety Administration, MC-RRA, Washington, D.C. 20590.

Form BMC-85

Approved by OMB
2126-0017
Expires: 05/31/2012
License No.
MC- 392029

FMCSA FILER

ACCOUNT NO. 25998

PROPERTY BROKER'S TRUST FUND AGREEMENT UNDER 49 U.S.C. 13906 OR NOTICE OF CANCELLATION OF THE AGREEMENT

KNOW ALL MEN BY THESE PRESENTS, That we Stephen Frederick Logistics Inc. dba Stephen Frederick Logistics
(Broker)

of PO Box 28120 N Park Plaza P.O. Brantford, ON N3R 7X5
(Street) (City) (State) (Zip code)

as TRUSTOR (hereinafter called Trustor), and ITS Financial Services, LLC
(Name of Trustee)

a financial institution created and existing under the laws of the State of Idaho
(State or District of Columbia)

as TRUSTEE (hereinafter called Trustee) hold and firmly bind ourselves and our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Trustor is or intends to become a Broker pursuant to the provisions of the Title 49 U.S.C. 13904, and the rules and regulations of the Federal Motor Carrier Safety Administration relating to insurance or other security for the protection of motor carriers and shippers, and has elected to file with the Federal Motor Carrier Safety Administration such a Trust Fund Agreement as will ensure financial responsibility and the supplying of transportation subject to the ICC Termination Act of 1995 in accordance with contracts, agreements, or arrangements therefor, and

WHEREAS, this Trust Fund Agreement is written to assure compliance by the Trustor as a licensed Property Broker of Transportation by motor vehicle with 49 U.S.C 13906(b), and the rules and regulations of the Federal Motor Carrier Safety Administration, relating to insurance or other security for the protection of motor carriers or shippers, and shall inure to the benefit of any and all motor carriers or shippers to whom the Trustor may be legally liable for any of the damages herein described.

NOW, THEREFORE, the trustor and trustee, to accomplish the above, agree as follows:

1. Trustee agrees that payments made pursuant to the security provided herein to shippers and motor carriers pursuant to this Agreement will be made exclusively and directly to shippers or motor carriers that are parties to contracts, agreements or arrangements with Trustor.
2. Trustee agrees that the protection afforded to shippers and motor carriers hereby will continue until any and all claims made by shippers or motor carriers for which Trustor may be legally liable have been settled or until the funds deposited by Trustor pursuant to this Agreement have been exhausted, whichever comes first.
3. The parties hereto acknowledge and certify that said Trustee shall exclusively manage the security and trust fund, as herein set forth, and shall have legal title to the security and trust fund, pursuant to the terms and conditions as set forth in this agreement. Further, the parties hereto, and the said Trustee, as evidenced by their signatures to this agreement, acknowledge and certify that (a) said Trustee, neither has nor expects to have any interest, financial, proprietary, or otherwise, whatsoever, in Trustor; and (b) said Trustor, neither has nor expects to have any interest, financial, proprietary, or otherwise, whatsoever, in Trustee.
4. Trustee acknowledges the receipt of the sum of Ten Thousand Dollars (\$10,000.00), to be held in trust under the terms and conditions set forth herein.
5. Trustee may, within its sole discretion, invest the funds comprising the corpus of this trust fund consistent with its fiduciary obligation under applicable law.
6. Trustee shall pay, up to a limit of Ten Thousand Dollars (\$10,000.00), directly to a shipper or motor carrier any sum or sums which Trustee, in good faith, determines that the Trustor has failed to pay and would be held legally liable by reason of Trustor's failure to perform faithfully its contracts, agreements, or arrangements for transportation by authorized motor carriers, made by Trustor while this agreement is in effect, regardless of the financial responsibility or lack thereof, or the solvency or bankruptcy, of Trustor.
7. In the event that the trust fund is drawn upon and the corpus of the trust fund is a sum less than Ten Thousand Dollars (\$10,000.00),

Trustor shall, within thirty (30) days, replenish the trust fund up to Ten Thousand Dollars (\$10,000.00) by paying to the Trustee a sum equal to the difference between the existing corpus of the trust fund and Ten Thousand Dollars (\$10,000.00).

8. Trustee shall immediately give written notice to the FMCSA of all lawsuits filed, judgments rendered, and payments made under this trust agreement and of any failure by Trustor to replenish the trust fund as required herein.

9. This agreement may be canceled at any time upon thirty (30) days written notice by the Trustee or Trustor to the FMCSA on the form printed at the bottom of this agreement. The thirty (30) day notice period shall commence upon actual receipt of a copy of the trust fund agreement with the completed notice of cancellation at the FMCSA's Washington, DC office. The Trustee and/or Trustor specifically agrees to file such written notice of cancellation.

10. All sums due the Trustee as a result, directly or indirectly, of the administration of the trust fund under this agreement shall be billed directly to Trustor and in no event shall said sums be paid from the corpus of the trust fund herein established.

11. Trustee shall maintain a record of all financial transactions concerning the Fund, which will be available to Trustor upon request and reasonable notice and to the FMCSA upon request.

12. This agreement shall be governed by the laws in the State of Idaho, to the extent not inconsistent with the rules and regulations of the FMCSA.

This trust fund agreement is effective the 19 day of September, 2011, 12:01 a.m., standard time at the address of the Trustor as stated herein and shall continue in force until terminated as herein provided.

Trustee shall not be liable for payments of any of the damages hereinbefore described which arise as the result of any contracts, agreements, undertakings, or arrangements made by the Trustor for the supplying of transportation after the cancellation of this Agreement, as herein provided, but such cancellation shall not affect the liability of the Trustee for the payment of any such damages arising as the result of contracts, agreements, or arrangements made by the Trustor for the supplying of transportation prior to the date such cancellation becomes effective.

IN WITNESS WHEREOF, the said Trustor and Trustee have executed this instrument on the ninth day of September, 2011.

TRUSTOR

TRUSTEE

Company Name Stephen Frederick Logistics Inc. dba Stephen Frederick Logistics

ITS Financial Services, LLC [SEAL]

Address PO Box 28120 N Park Plaza P.O. Brantford, ON N3R 7X5

P.O. Box 50, New Plymouth, ID 83655

866-812-9675

Telephone No. 519-761-1111

Stephen Frederick
(Print Name)

Joe Foxell
(Print Name)

[Signature]
(Signature and Title)

[Signature] CEO
(Signature and Title)

Witness [Signature]

Witness Angela Graham

Only financial institutions may qualify to act as Trustee. Trustee, by the above signature, certifies that it is a financial institution and has legal authority to assume the obligations of Trustee and the financial ability to discharge them.

NOTICE OF CANCELLATION

THIS IS TO ADVISE THAT THE ABOVE BROKER TRUST FUND AGREEMENT EXECUTED ON THE _____ DAY OF _____, _____ IS HEREBY CANCELED AS SECURITY IN COMPLIANCE WITH THE FMCSA SECURITY REQUIREMENTS UNDER 49 U.S.C. 13906(b) and 49 CFR 387.307. EFFECTIVE AS OF THE _____ DAY OF _____, 12:01 A.M. STANDARD TIME AT THE ADDRESS OF THE TRUSTOR, PROVIDED SUCH DATE IS NOT LESS THAN THIRTY (30) DAYS AFTER THE ACTUAL RECEIPT OF THIS NOTICE BY THE FMCSA.

DATE SIGNED

SIGNATURE OF AUTHORIZED REPRESENTATIVE OF TRUSTEE OR TRUSTOR



stephen
frederick
logistics inc.

p.o. box 28120, north park plaza, brantford, on n3r 7x5

www.sfl2000.com

toll-free (866) 279-2511
tel (519) 759-6042
fax (519) 759-8136

Dear Business Partner:

Stephen Frederick Logistics Inc. is a Transportation Broker that operates in Canada and the U.S.A and is proud to be a certified PIP (Partners In Protection) member. We have attempted certification in the C-TPAT program however, CBP has advised they do not have an entity available within their program to fit our business module. Regardless of this, we are encouraged to work with carriers participating in these programs in order to strengthen our partner relationships and enforce the security of the supply chain.

We are asking our business partners to supply written confirmation of the security programs each are participating in. Please take a moment and complete the attached questionnaire and return it to my attention at fax number 519-759-8136 or email to tania@sfl2000.com

Thank you and your continued support!

Regards,

Tania DeMelo
Safety & Compliance

**** IF YOU ARE A U.S BASED CARRIER AND HAUL FREIGHT TO CANADA – PLEASE TAKE A MOMENT TO FILL OUT THE ATTACHED AND FAX BACK OTHERWISE DISREGARD ****

STEPHEN FREDERICK LOGISTICS INC.

BUSINESS PARTNER SECURITY QUESTIONNAIRE

To all Business Partners, please fill out this questionnaire and return to our office within 2 weeks from date of receipt.

Are you a Certified Approved Validated member of C-TPAT – Customs Trade Partnership Against Terrorism?

	Yes
	No
	Comments

If so, please provide SVI number – Status Verification Interface:

	Yes
	No
	Comments

Are you a Certified Approved Validated member of PIP – Partners In Protection?

	Yes
	No
	Comments

Are you a Certified Approved member of CSA – Customs Self Assessment?

	Yes
	No
	Comments

Are you a Certified active member of the FAST – Free And Secure Trade program?

	Yes
	No
	Comments

Do you currently utilize the ACE – Automated Commercial Environment program?

	Yes
	No
	Comments

Does your company have Security physical access controls to prevent unauthorized entry to facilities, maintain control of employees and visitors, and protect company assets?

	Yes
	No
	Comments

Identify the individual to whom questions about security of shipments may be directed:

Contact Name & Title		Phone	
Company Name		Email	
Address		Fax	

(Insert Company Name) _____ acknowledges Stephen Frederick Logistics Inc.'s emphasis on supply chain security and recognizes the expectation that business partners share that commitment. I understand that Stephen Frederick Logistics Inc. may refer security inquiries from CBSA – Canada Border Services Agency & U. S. Customs to me. If you require any further information regarding any of above programs please contact Cross Border Services: crossborderservices@cogeco.net , 905-973-9136.

NAME: _____ TITLE _____

SIGNATURE: _____ DATE _____

BROKER - CARRIER AGREEMENT

WHEREAS, "BROKER" is a person (or company) who arranges with an operator to carry the goods of another person (or company), for compensation and by commercial motor vehicle and may be duly registered where required.

WHEREAS, "CARRIER" is a person (or company) registered ("registered" means operating under authority issued by all applicable regulatory authorities) to carry the goods (property) of another person (or company) by commercial motor vehicle for compensation (copies of Operating Authorities are attached hereto as Appendix C).

WHEREAS, the name "SHIPPER" is the customer of the BROKER, and is also known but not limited to the names consignor, consignee and receiver.

1. CARRIER REPRESENTS AND WARRANTS THAT IT:

A. is an operator of commercial motor vehicles and/or a motor carrier, authorized to provide the transportation of goods under contracts with shippers and receivers and/or brokers of materials, wares, merchandise and general commodities, and

B. shall transport the goods (property), under its own Operating Authority and subject to the terms of this Agreement, and

C. makes the representations herein for the purpose of inducing BROKER to enter into this Agreement, and

D. agrees that a Shipper's insertion of BROKER's name as the carrier on a bill of lading shall be for the Shipper's convenience only and shall not change BROKER's or CARRIER's status as defined above, and

E. will not re-broker, assign or interline the shipments hereunder, without prior written consent of BROKER. If CARRIER breaches this provision, BROKER shall have the right of paying the monies it owes CARRIER directly to the delivering carrier, in lieu of payment to CARRIER. Upon BROKER's payment to delivering carrier, CARRIER shall not be released from any liability to BROKER under this Agreement. In addition to the indemnity obligation in Par 1.H, CARRIER will be liable for consequential damages for violation of this Paragraph, and

F. is in, and shall maintain compliance during the term of this Agreement, with all applicable federal, provincial (or state) and local laws relating to the provision of its services including, but not limited to: transportation of Dangerous Goods (or Hazardous Materials), (including the licensing and training of drivers), to the extent that any shipments hereunder constitute Dangerous Goods (or Hazardous Materials); security regulations; customs regulations; owner/operator lease regulations; loading and securement of freight regulations; implementation and maintenance of driver safety regulations including, but not limited to, hiring, controlled

substances, and hours of service regulations; sanitation, temperature, and contamination requirements for transporting food, perishable, and other products, qualification and licensing and training of drivers; implementation and maintenance of equipment safety regulations; maintenance and control of the means and method of transportation including, but not limited to, performance of its drivers, and

G. CARRIER will notify BROKER immediately if any Operating Authority is revoked, suspended or rendered inactive for any reason; and/or if it is sold, or if there is a change in control of ownership, and/or any insurance required hereunder is threatened to be or is terminated, cancelled, suspended, or revoked for any reason, and

H. CARRIER shall defend, indemnify and hold BROKER and its shipper customer harmless from any claims, actions or damages, arising out of its performance under this Agreement, including cargo loss and damage, theft, delay, damage to property, and personal injury or death. BROKER shall not be liable to the CARRIER for any claims, actions or damages due to the negligence of the CARRIER, or the shipper. The obligation to defend shall include all costs of defense as they accrue, and

I. does not have an "Unsatisfactory" safety rating issued by the Federal Motor Carrier Safety Administration (FMCSA), U.S. Department of Transportation, or any provincial regulatory authority and will notify BROKER in writing immediately if its safety rating is changed to "Unsatisfactory" or "Conditional", and

J. authorizes BROKER to invoice CARRIER's freight charges to shipper, consignee, or third parties responsible for payment, and

K. has investigated, monitors, and agrees to conduct business hereunder based on the credit-worthiness of BROKER and is granting BROKER credit terms accordingly.

2. BROKER RESPONSIBILITIES:

A. SHIPMENTS, BILLING & RATES: BROKER agrees to solicit and obtain freight transportation business for CARRIER to the mutual benefit of CARRIER and BROKER, and shall offer CARRIER at least three (3) loads/shipments annually. BROKER shall inform CARRIER of (a) place of origin and destination of all shipments; and (b) if applicable, any special shipping instructions or special equipment requirements, of which BROKER has been timely notified.

B. BROKER agrees to conduct all billing services to shippers. CARRIER shall invoice BROKER for its (CARRIER's) charges, as mutually agreed in writing, by fax, or by electronic means, contained in BROKER's Load Confirmation Sheet(s) incorporated herein by reference (Exhibit A, et seq.). Additional rates for truckload or LTL shipments, or modifications or amendments of the above rates, or additional rates, may be established to meet changing market conditions, shipper requirements, BROKER requirements, and/or specific shipping schedules as mutually agreed upon, and shall be confirmed in writing (or by fax) by both Parties. Any such additional, modified, or amended rates, changes in rates shall automatically be incorporated herein by reference as part of Exhibit A, Amendment 1, et seq.

C. RATES: Additionally, any rates, which may be verbally agreed upon, shall be deemed confirmed in writing where CARRIER has billed the agreed rate and BROKER has paid

it. All written confirmations of rates, including confirmations by billing and payment, shall be incorporated herein by reference as part of Exhibit A, Amendment 1, et seq. Rates or charges, including but not limited to stop-offs, detention, loading or unloading, fuel surcharges, or other accessorial charges, released rates or values, or tariff rules or circulars, shall only be valid when specifically agreed to in a signed writing by the Parties.

D. PAYMENT:

- i. The Parties agree that BROKER is the sole party responsible for payment CARRIER's charges. Failure of BROKER to collect payment from its customer shall not exonerate BROKER of its obligation to pay CARRIER. CARRIER hereby waives the requirement under any applicable statute or regulation for BROKER to maintain a trust account or be subject to any trust obligations in respect of moneys owed to CARRIER hereunder. BROKER agrees to pay CARRIER's invoice within thirty (30) days of receipt of the bill of lading or proof of delivery, provided CARRIER is not in default under the terms of this Agreement. If BROKER has not paid CARRIER's invoice as agreed, and CARRIER has complied with the terms of this Agreement, CARRIER may seek payment from the Shipper or other party responsible for payment after giving BROKER twenty (20) business days advance written notice. CARRIER shall not seek payment from Shipper if Shipper can prove payment to BROKER.
- ii. Payment and other disputes are subject to the terms of Par 4.D, which provides in part that prevailing parties are entitled to recovery of costs, expenses and reasonable attorney fees.

E. BOND: If applicable, BROKER shall maintain a surety bond on file with the Federal Motor Carrier Safety Administration (FMCSA) in the form and amount not less than that required by that agency's regulations.

F. If applicable, BROKER will notify CARRIER immediately if its Operating Authority is revoked, suspended or rendered inactive for any reason; and/or if it is sold, or if there is a change in control of ownership, and/or any insurance required hereunder is threatened to be or is terminated, cancelled, suspended, or revoked for any reason.

3. CARRIER RESPONSIBILITIES:

A. EQUIPMENT: Subject to its representations and warranties in Paragraph 1 above, CARRIER agrees to provide the necessary equipment and qualified personnel for completion of the transportation services required for BROKER and/or its customers. CARRIER will not supply equipment that has been used to transport hazardous wastes, solid or liquid. CARRIER agrees that all shipments will be transported and delivered with reasonable dispatch, or as otherwise agreed in writing.

B. BILLS OF LADING: CARRIER shall issue a Uniform Bill of Lading for the property it receives for transportation under this Agreement. Unless otherwise agreed in writing, CARRIER shall become fully responsible/liable for the freight when it takes/receives possession thereof, and the trailer(s) is loaded, regardless of whether a bill of lading has been issued, and/or signed, and/or delivered to CARRIER, and which responsibility/liability shall continue until delivery of the shipment to the consignee and the consignee signs the bill of lading or delivery receipt. Any terms of the bill of lading (including but not limited to payment terms) inconsistent with the terms of this Agreement shall be controlled by the terms of this Agreement. Failure to issue a bill of

lading, or sign a bill of lading acknowledging receipt of the cargo, by CARRIER, shall not affect the liability of CARRIER.

C. LOSS & DAMAGE CLAIMS:

i. CARRIER shall comply with 49 C.F.R. §370.1 et seq. and any amendments and/or any other applicable regulations adopted by the Federal Motor Carrier Safety Administration, U.S. Department of Transportation, or any applicable federal, state or provincial regulatory agency, for processing all loss and damage claims and salvage and

ii. CARRIER liability for any cargo damage, loss or theft from any cause shall be determined under the Carmack Amendment 49 USC 14706 as governing shipments according to its terms, and in respect of shipments originating in Canada under the uniform bill of lading in effect in the province of Canada where the carrier issues a bill of lading. It is agreed that in respect of shipments from a Canadian origin that the BROKER on behalf of the SHIPPER is deemed to have declared the full value of the shipment for the carriage on the bill of lading, and in this regard the CARRIER shall have full liability for cargo damage, loss or theft and CARRIER waives the provisions of clauses 9 and 10 of the uniform bill of lading in effect in the province of origin.

iii. Special Damages: CARRIER indemnification liability (Par 1.H) for freight loss and damage claims under this sub par C (ii) shall include legal fees which shall constitute special damages, the risk of which is expressly assumed by CARRIER, and which shall not be limited by any liability of CARRIER under sub par (ii) above.

iv. Except as provided in Par 1.E above, neither Party shall be liable to the other for consequential damages without prior written notification of the risk of loss and its approximate financial amount, and agreement to assume such responsibility in writing.

v. Notwithstanding the terms of 49 CFR 370.9, CARRIER shall pay, decline or make settlement offer in writing on all cargo loss or damage claims within 60 days of receipt of the claim. Failure of CARRIER to pay, decline or offer settlement within this 60 day period shall be deemed admission by CARRIER of full liability for the amount claimed and a material breach of this Agreement.

D. INSURANCE: CARRIER shall furnish BROKER with Certificate(s) of Insurance, or insurance policies providing thirty (30) days advance written notice of cancellation or termination, and unless otherwise agreed, subject to the following minimum limits: Public liability \$1,000,000; motor vehicle (including hired and non-owned vehicles), property damage, and personal injury liability \$1,000,000 (\$2,000,000 if transporting hazardous materials and/or dangerous goods including environmental damages due to release or discharge of hazardous substances); cargo damage/loss \$150,000 ; workers' compensation with limits required by law. Except for the higher coverage limits which may be specified above, the insurance policies shall comply with minimum requirements of the Federal Motor Carrier Safety Administration and any other applicable federal, state or provincial regulatory agency. Nothing in this Agreement shall be construed to avoid CARRIERS liability due to any exclusion or deductible in any insurance policy.

E. ASSIGNMENT OF RIGHTS: CARRIER automatically assigns to BROKER all its rights to collect freight charges from Shipper or any responsible third party on receipt of payment from BROKER.

4. MISCELLANEOUS:

A. **INDEPENDENT CONTRACTOR:** It is understood and agreed that the relationship between BROKER and CARRIER is that of independent contractor and that no employer/employee relationship exists, or is intended. BROKER has no control of any kind over CARRIER, including but not limited to routing of freight, and nothing contained herein shall be construed to be inconsistent with this provision.

B. **NON-EXCLUSIVE AGREEMENT:** CARRIER and BROKER acknowledge and agree that this contract does not bind the respective Parties to exclusive services to each other. Either party may enter into similar agreements with other carriers, brokers, or freight forwarders.

C. WAIVER OF PROVISIONS:

- i. Failure of either Party to enforce a breach or waiver of any provision or term of this Agreement shall not be deemed to constitute a waiver of any subsequent failure or breach, and shall not affect or limit the right of either Party to thereafter enforce such a term or provision.
- ii. This Agreement is for specified services pursuant to 49 U.S.C. §14101(b), where applicable. To the extent that terms and conditions herein are inconsistent with Part (b), Subtitle IV, of Title 49 U.S.C. (ICC Termination Act of 1995), the Parties expressly waive any or all rights and remedies they may have under the Act.

D. **DISPUTES:** In the event of a dispute arising out of this Agreement, including but not limited to Federal, State or Provincial statutory claims, the Party's sole recourse (except as provided below) shall be to arbitration. Proceedings shall be conducted under the rules of the ADR Institute of Ontario (ADR) upon mutual agreement of the Parties, or if no agreement, then at BROKER's sole discretion. Arbitration proceedings shall be started within eighteen (18) months from the date of delivery or scheduled date of delivery of the freight, whichever is later. Upon agreement of the Parties, arbitration proceedings may be conducted outside of the administrative control of the ADR. The decision of the arbitrators shall be binding and final and the award of the arbitrator may be entered as judgment in any court of competent jurisdiction. The prevailing party shall be entitled to recovery of costs, expenses and reasonable attorney fees as well as those incurred in any action for injunctive relief, or in the event further legal action is taken to enforce the award of arbitrators. Arbitration proceedings shall be conducted at the office of the ADR nearest the offices of the BROKER or such other place as mutually agreed upon in writing or directed by the acting arbitration association, provided, however, either Party may apply to a court of competent jurisdiction for injunctive relief. Venue and controlling law for any such action shall be Ontario. The arbitration provisions of this paragraph shall not apply to enforcement of the award of arbitration.

E. NO BACK SOLICITATION:

- i. Unless otherwise agreed in writing, CARRIER shall not knowingly solicit freight shipments for a period of 24 months following termination of this agreement for any reason, from any shipper, consignor, consignee, or other customer of BROKER, when such shipments of shipper customers were first tendered to CARRIER by BROKER.
- ii. In the event of breach of this provision, BROKER shall be entitled, for a period of 36 months following delivery of the last shipment transported by CARRIER under this Agreement, to a commission of twenty percent (20%) of the gross transportation

revenue (as evidenced by freight bills) received by CARRIER for the transportation of said freight as liquidated damages. Additionally, BROKER may seek injunctive relief and in the event it is successful, CARRIER shall be liable for all costs and expenses incurred by BROKER, including, but not limited to, reasonable attorney's fees.

F. CONFIDENTIALITY:

- i. In addition to Confidential Information protected by law, statutory or otherwise, the Parties agree that all of their financial information and that of their customers, including but not limited to freight and brokerage rates, amounts received for brokerage services, amounts of freight charges collected, freight volume requirements, as well as personal customer information, customer shipping or other logistics requirements shared or learned between the Parties and their customers, shall be treated as Confidential, and shall not be disclosed or used for any reason without prior written consent.
- ii. In the event of violation of this Confidentiality paragraph, the Parties agree that the remedy at law, including monetary damages, may be inadequate and that the Parties shall be entitled, in addition to any other remedy they may have, to an injunction restraining the violating Party from further violation of this Agreement in which case the prevailing Party shall be liable for all costs and expenses incurred, including but not limited to reasonable attorney's fees.

G. MODIFICATION OF AGREEMENT: This Agreement and Exhibit A et seq. attached, may not be amended, except by mutual written agreement, or the procedures set forth above (Pars 2.B and 2.C).

H. NOTICES:

- i. All notices provided or required by this Agreement, shall be made in writing and delivered, return receipt requested, to the addresses shown herein with postage prepaid; or by confirmed (electronically acknowledged on paper) fax.
- ii. THE PARTIES shall promptly notify each other of any claim that is asserted against either of them by anyone arising out of the Parties performance of this Agreement.
- iii. Notices sent as required hereunder, to the addresses shown in this Agreement shall be deemed sent to the correct address, unless the Parties are notified in writing of any changes in address.

J. CONTRACT TERM: The term of this Agreement shall be one year from the date hereof and thereafter it shall automatically be renewed for successive one (1) year periods, unless terminated, upon thirty (30) day's prior written notice, with or without cause, by either Party at any time, including the initial term. In the event of termination of this Agreement for any reason, the Parties shall be obligated to complete performance of any work in progress in accordance with the terms of this Agreement.

K. SEVERANCE: SURVIVAL: In the event any of the terms of this Agreement are determined to be invalid or unenforceable, no other terms shall be affected and the unaffected terms shall remain valid and enforceable as written. The representations, rights and obligations of the parties hereunder shall survive termination of this Agreement for any reason.

L. COUNTERPARTS: This Agreement may be executed in any number of counterparts each of which shall be deemed to be a duplicate original hereof.

M. FAX CONSENT: The Parties to this Agreement are authorized to fax to each other at the numbers shown herein, (or otherwise modified in writing from time to time) shipment availabilities, equipment and rate promotions, or any advertisements of new services.

N. ENTIRE AGREEMENT: Except for Exhibit A and its amendments, and unless otherwise agreed in writing, this Agreement contains the entire understanding of the Parties and supersedes all verbal or written prior agreements, arrangements, and understandings of the Parties relating to the subject matter stated herein. The Parties further intend that this Agreement constitutes the complete and exclusive statement of its terms, and that no extrinsic evidence may be introduced to reform this Agreement in any judicial or arbitration proceeding involving this Agreement.

O. ACCEPTANCE:

Provided applicability of this Agreement is referred to on the BROKER's load confirmation sheet as per 2(B) of this Agreement, acceptance of the load tendered to the CARRIER by the BROKER constitutes acceptance of the terms and conditions of this Agreement.

Version 7.02 as endorsed by the National Transportation Brokers Association