

TRANSPORTATION CO-BROKERAGE AGREEMENT

THIS TRANSPORTATION CO-BROKERAGE AGREEMENT is made this the _____ day of _____ 2014, by and between **SAS TRANSPORT, LLC**, (referred to as "BROKER"), and _____ (referred to as "CO-BROKER").

Whereas, BROKER and CO-BROKER are each licensed as a property broker by the Federal Motor Carrier Safety Administration ("FMCSA"), BROKER in MC-706559 and CO-BROKER in _____, respectively and both BROKER and CO-BROKER are engaged in business, in part, as brokers arranging for motor carrier freight transportation; and

Whereas, in some instances, BROKER may have freight for which it wishes to arrange motor transportation as a broker but has no motor freight carriers available to perform such transportation, and CO-BROKER may at such times have established contractual arrangements with FMCSA registered motor freight carriers available to perform transportation; and

Whereas, BROKER and CO-BROKER have concluded that it may be to their mutual interests to enter into a cooperative agreement between them, in which at BROKER's request, CO-BROKER may arrange motor freight transportation for freight for BROKER as described herein.

Now, therefore, intending to be legally bound and in consideration of the premises and the covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. This Agreement's term shall be one year and shall automatically renew for successive one year periods, subject to earlier termination by either party at any time, with or without cause, by giving thirty (30) days' prior written notice to the other party.

2. When CO-BROKER arranges for transportation with a motor freight carrier (referred to as "Carrier"), CO-BROKER represents that it will only contract for the transportation services contemplated hereby with Carriers which are legally qualified to perform such services. CO-BROKER further represents that any contract for transportation services pursuant hereto with a Carrier will contain representations and warranties that Carrier:

A) Is a Registered Motor Carrier of Property authorized to provide transportation of property under contracts with shippers and receivers and/or brokers of general commodities;

B) Has and will maintain cargo (including refrigeration unit breakdown), personal injury, public liability, motor vehicle liability (including but not limited to hired and non-owned motor vehicles) insurance as described in Section 7;

C) Will not insert, nor authorize a SHIPPER to insert BROKER'S name on a bill of lading as the SHIPPER or Carrier without BROKER's express written consent;

D) Will not assign, re-broker, subcontract, interline with any other motor carrier, or by substituted service with any railroad or other modes of transportation, or warehouse the shipments hereunder, without prior written consent of BROKER;

E) Is in, and shall maintain during the term of this Agreement, compliance with all applicable federal, state and local laws relating to the provision of its services including, but not limited to: owner/operator lease regulations; placement and securement of freight regulations; implementation, maintenance of driver safety regulations including, but not limited to, hiring, controlled substances, and hours of service regulations; sanitation and temperature requirements for transporting food and other perishable products, qualification, licensing and training of drivers for any hazardous materials shipments; 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;

F) Does not have an "Unsatisfactory" safety rating issued by the Federal Motor Carrier Safety Administration, U.S. Department of Transportation, and will notify CO-BROKER in writing immediately of any changes in the rating;

G) Will notify CO-BROKER immediately if: Carrier's federal Operating Authority is threatened to be or is revoked, suspended or rendered inactive for any reason; and/or if Carrier is sold, or if there is a change in control of Carrier; and/or any of its insurance required hereunder is threatened to be or is terminated, cancelled, suspended, or revoked for any reason;

H) Will defend, indemnify, and hold CO-BROKER and its customers harmless and pay CO-BROKER on demand from any claims, losses, damages, fines, or liability of any kind for damage to cargo, personal injury, death, and/or property damage (including, but not limited to, reasonable attorney's fees) resulting from Carrier's negligence in its performance of, or violation of, any of the terms of this Agreement;

I) Shall comply with all applicable laws and regulations relating to the transportation of Hazardous Materials as defined in 49 C.F.R. § 172.800, §173, and §397, et seq. (including any amendments) to the extent that any shipments hereunder constitute Hazardous Materials;

J) Expressly authorizes CO-BROKER is to accept payment from BROKER for Carrier's services.

K) Will assume liability for loss or damage to goods transported pursuant to this Agreement;

L) that no liability limitation or released rate provision, whether asserted by CO-BROKER or Carrier, shall apply to any shipment tendered to CO-BROKER by

BROKER under this Agreement unless such provision is agreed to, in writing, by BROKER in advance of the shipment on individual Rate Confirmation Sheets;

M) that CO-BROKER has a valid contract with Carrier embracing all terms and conditions usual for such a contract, including, but not limited to, a provision or provisions providing that in the transportation of goods brokered by CO-BROKER;

N) That CO-BROKER's contract with Carrier shall not be inconsistent with any of CO-BROKER's obligations under this Agreement.

3. There is no minimum volume of freight contemplated by this Agreement. BROKER is not restricted against tendering its freight to other brokers or directly to carriers; CO-BROKER is not restricted against arranging for transportation for other brokers or directly for shippers. If the CO-BROKER should inadvertently contact a BROKER client for the purpose obtaining business outside this agreement, the BROKER shall notify CO-BROKER by certified letter as soon as it becomes aware of such occurrence and CO-BROKER will immediately suspend contact with such BROKER client. This provision applies only to clients that were first introduced to the CO-BROKER through the efforts of the BROKER. In the event that the BROKER's relationship with any client is terminated, or if the client first approaches CO-BROKER for the purpose of tendering shipments, the terms and conditions contained in this section will not apply.

4. BROKER and CO-BROKER agree that the rates and charges for the contemplated transportation shall be only those on the individual Rate Confirmation Sheets, signed by each of them prior to each shipment. BROKER will pay CO-BROKER the agreed amount within **thirty (30)** days of BROKER's receipt of the Carrier's freight bill, bill of lading, delivery receipt, and any other reasonable documents necessary to enable BROKER to ascertain transportation has been properly provided. In the event service is provided and it is subsequently discovered that there was no applicable rate in the existing schedule of rates or supplements, the parties agree to negotiate in good faith to establish a mutually acceptable rate. Such rate shall be reduced to writing and signed by both parties in order to remain binding. CO-BROKER agrees that BROKER has the exclusive right to handle all billing of freight charges to the customer for the transportation services provided herein, and, as such, CO-BROKER agrees to refrain and shall refrain from all collection efforts against the shipper, receiver, consignor, consignee, the freight or the customer unless the BROKER is unable or unwilling to pay.

5. Each shipment hereunder shall be evidenced by a Uniform (Straight) Bill of Lading containing terms and conditions no less favorable to the customer or beneficial owner of the cargo than those contained in the form of Uniform Straight Bill of Lading published as of the time of shipment in the National Motor Freight Classification ("N.M.F.C.") and naming Carrier as the transporting carrier. CO-BROKER shall assure that Carrier's drivers shall be instructed to sign their company's name and record the seal number on every bill of lading evidencing a shipment under this Agreement. Under no circumstances shall CO-BROKER prepare a freight document which lists BROKER as "Carrier" or "Shipper." Documents for each of BROKER's shipments shall name CO-BROKER as "Co-Broker" and Carrier as "Carrier". If there is a wrongly worded document, the parties will treat it as if it showed CO-BROKER as "Co-Broker"

and Carrier as “Carrier”. If there is a conflict between this Agreement and any transportation document related to any shipment, this Agreement shall govern. Under no circumstances shall CO-BROKER prepare any shipping document, including the bill of lading, which shows BROKER as either “Carrier” or “Shipper”.

6. If Shipper or BROKER determines Shipper has a claim for cargo loss or damage against any Carrier transporting a load whose transportation was arranged by CO-BROKER, CO-BROKER will act as an administrator for the claim and insure the claim is filed with the Carrier and processed in accordance with 49 CFR 370. Carrier shall be liable for the actual loss, damage or injury to the goods whose transportation has been arranged by CO-BROKER from the time of receipt of any of said goods by Carrier until proper delivery has been made, with such liability determined by the provisions of Title 49 U.S.C. § 14706 (the “Carmack Amendment”). The measurement of the loss, damage or injury shall be the lesser of the actual replacement cost or the cost of repair to the goods so lost, damaged or destroyed, subject to a maximum amount not exceeding \$150,000 per truckload shipment. Neither Carrier nor CO-BROKER shall be liable for indirect, special or consequential damages, regardless of their knowledge. Carrier shall deduct from the amount of the claim the reasonable salvage value of the damaged goods. Regardless of the form of receipt issued, Carrier’s liability shall be subject to the terms and conditions contained in a Uniform Straight Bill of Lading published in the National Motor Freight Classification. To the extent any terms or conditions of the bill of lading conflict in any way with any terms or conditions of this Agreement, this Agreement shall take precedence and control the resolution of disputes. In order to avoid being permanently barred, claims for freight loss or damage must be delivered in writing to CO-BROKER or Carrier within 120 days of date of loss. CO-BROKER will advise BROKER of the status of any/all claims upon request.

7. CO-BROKER warrants and guarantees that CO-BROKER and any Carrier providing transportation services through CO-BROKER pursuant to this Agreement maintain insurance from an Insurer(s) rated as a B+ or better by customary national standards for insurers and that such rating is the most current rating issued for the Insurer(s) during the period of applicable coverage required herein. Coverage required and warranted by CO-BROKER pursuant to this paragraph is as follows:

(a) Commercial Automobile Liability Insurance, with a combined single limit of not less than \$1million (\$US) each occurrence, covering all vehicles however owned, and/or used by Carrier to transport BROKER’s shipments, including coverage for all liabilities for personal injury (including death) and property damage arising out of Carrier’s transportation under this Agreement.

(b) All Risk Broad Form Motor Truck Cargo Legal Liability insurance in the form of a B.M.C. 32 Endorsement for Motor Carrier Policies of Insurance for Cargo Liability under 49 U.S.C. § 13906, in an amount not less than \$100,000 (\$US) per occurrence. Unless approved in advance by BROKER, the coverage provided under the cargo policy shall have no exclusions or restrictions of any type that would preclude coverage, or reduce coverage amount, relating to a cargo loss, damage or delay claim. Cargo Liability must include refrigeration unit breakdown coverage per industry standards. CO-BROKER and Carrier shall be responsible for any and all deductibles excluded by their respective insurers.

(c) BROKER, its affiliates and subsidiaries shall be named as a loss payee or a certificate holder, in the insurance coverages to be maintained by Carrier and CO-BROKER set forth above. CO-BROKER shall furnish to BROKER, prior to accepting any shipment for transportation under this Agreement a written certificate showing that insurance as required in this paragraph has been acquired and is maintained, that the shipment can be completed within the policy period(s) and that such policies may not be cancelled without thirty (30) days notice to BROKER. CO-BROKER further warrants and guarantees that it has determined that there are no exclusions or other policy provisions in such policies of insurance that would result in there being no coverage for the shipment. CO-BROKER shall provide BROKER with a copy of such written certificate upon request.

8. CO-BROKER shall treat all of BROKER's sensitive business information to which it becomes privy under this Agreement as confidential and shall not release same without BROKER's written consent.

9. Each party shall defend, indemnify, and hold the other harmless from and against all loss, liability, damage, claim, fine, cost or expense, including reasonable attorney's fees, arising out of or in any way related to the acts or omissions of the party, its agents, contractors, or employees under this Agreement.

10. The relationship of BROKER and CO-BROKER is, and shall at all times remain, that of an independent contractor, each to the other.

11. This Agreement is the entire agreement between the parties, superseding all earlier agreements. It cannot be altered or amended except in a writing signed by both Parties. It may not be assigned or transferred in whole or in part.

12. If the operation of any part of this Agreement results in a violation of any law, such part shall be severed and the Agreement's remaining provisions shall continue in full force and effect.

13. This Agreement shall be deemed to have been drawn under North Carolina. If there is a dispute, any legal action must be brought in a court for Chatham County, NC, and North Carolina's laws shall apply, without regard to its conflict of laws rules.

14. Notices shall be sent by registered mail, return receipt requested, to each party at the address shown below, or to such other addresses as shall have been designated in writing.

In Witness Whereof, the parties hereto have caused this Agreement to be executed in their respective names by their duly authorized representatives as of the date first above written.

(SIGNATURES FOLLOW)

“BROKER”

“CO-BROKER”

SAS TRANSPORT, LLC

By: _____

By: _____

Printed: _____

Printed: _____

Title: _____

Title: _____

Address: PO BOX 1633
Pittsboro, NC 27312

Address: _____

Phone No: 919.663.6090

Phone No: _____

Fax No: 919.249.1373

Fax No: _____