

TRANSPORTATION BROKERAGE CONTRACT

THIS AGREEMENT is made and entered into on _____, 2008 by and between:

CLS SERVICES, INC., Cleveland, OH (BROKER)

and

_____(Carrier)

_____(Location)

I. Recitals: A. BROKER is a licensed transportation broker that controls the transportation of freight under its contractual arrangements with various consignors and consignees (the “customer”); B. CARRIER is authorized to operate in inter-provincial, interstate and/or intrastate commerce and is qualified, competent and available to provide for the transportation services required by BROKER.

II. Agreement:

1. **TERM.** The Term of this Agreement shall be for one (1) year and shall automatically renew for successive one (1) year periods; provided, however, that this Agreement may be terminated at any time by giving thirty (30) days prior written notice.

2. CARRIER’S OPERATING AUTHORITY AND COMPLIANCE WITH LAW.

CARRIER represents and warrants that it is duly and legally qualified to provide, as a contract carrier, the transportation services contemplated herein. CARRIER further represents and warrants that it does not have a conditional or unsatisfactory safety rating issued from the U.S. Department of Transportation, and further agrees to comply with all federal, state and local laws regarding the provision of the transportation services contemplated under this Agreement. In the event that CARRIER is requested by BROKER to transport any shipment required by the U.S. Department of Transportation to be placarded as a hazardous material, the parties agree that the additional provisions included in Appendix A shall apply for each such shipment.

3. **PERFORMANCE OF SERVICES.** CARRIER’s services under this Agreement are specifically designed to meet the distinct needs of BROKER under the specified rates and conditions set forth herein. CARRIER shall transport all shipments provided under this Agreement without delay, and all occurrences which would be probable or certain to cause delay shall be immediately communicated to BROKER by CARRIER. This Agreement does not grant CARRIER an exclusive right to perform the transportation related services for BROKER or its Customer.

4. **RECEIPTS AND BILLS OF LADING.** Each shipment hereunder shall be evidenced by a Uniform (Standard) Bill of Lading naming CARRIER as the transporting carrier. Upon delivery of each shipment made hereunder, CARRIER shall obtain a receipt showing the kind and

quantity of product delivered to the consignee of such shipment at the destination specified by BROKER of the Customer, and CARRIER shall cause such receipt to be signed by the consignee. Any terms, condition and provision of the bill of lading, manifest or other form of receipt or contract shall be subject and subordinate to the terms, conditions and provisions of this agreement. CARRIER shall notify BROKER immediately of any exception made on the bill of lading or delivery receipt.

5. **CARRIER'S OPERATIONS.** CARRIER shall, at its sole cost and expense:

- A. furnish all equipment necessary to 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
- D. utilize only competent, able and legally licensed personnel.

CARRIER shall have 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, assessments, insurance (including, but not limited to, workers compensation, unemployment compensation, disability, pension and social security insurance) and any other financial obligations arising out of the transportation performed hereunder.

6. **INDEMNITY.** CARRIER shall defend, indemnify, and hold BROKER 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 performance of breach of this Agreement by CARRIER, it's employees or independence contractors working for CARRIER. (Collectively, the "Claims"), including but not limited to, Claims for or related to personal injury (including death), property damage and CARRIER's possession, use, maintenance, custody or operation of the Equipment; provided, however, that CARRIER's indemnification and hold harmless obligations under this paragraph will not apply to any portion of such claim attributable to the tortuous conduct of BROKER.

7. **INSURANCE.** CARRIER shall procure and maintain, at its sole cost and expense, the following insurance coverages:

A. Public liability and property damage insurance with a reputable and financially responsible insurance company insuring CARRIER in an amount not less than \$1,000,000 (US Dollars) per occurrence.

B. All Risk Broad Form Motor Truck Cargo Legal Liability insurance in an amount not less than \$100,000 (US Dollars) per occurrence. Such insurance policy shall name CARRIER and BROKER as insureds and provide coverage to BROKER, the Customer or the owner and/or consignee for any loss, damage or delay related to any property coming into the possession of CARRIER under this Agreement. The coverage provided under the policy shall have no exclusions or restrictions of any type that would foreseeable preclude coverage relating to cargo claims.

C. CARRIER shall furnish to BROKER written certificates obtained from the insurance CARRIER showing that such insurance has been procured, is being properly maintained, the expiration date, and specifying that written notice of cancellation or modification of the policies shall be given to BROKER at least thirty (30) days prior to such cancellation or modification. Upon request, CARRIER shall provide BROKER with copies of the applicable insurance policies.

8. FREIGHT LOSS, DAMAGE OR DELAY. CARRIER shall have the sole and exclusive care, custody and control of the Customer's property from the time it is delivered to CARRIER for transportation until delivery to the consignee accompanied by the appropriate receipts as specified in Paragraph four. CARRIER assumes the liability of a common carrier (i.e. Carmack Amendment liability) for loss, delay, damage to or destruction of any and all Customer's goods or property while under CARRIER's care, custody or control. CARRIER shall discuss any damage CARRIER caused work directly with customer to come to an agreement.

9. WAIVER OF CARRIER'S LIEN. CARRIER shall not withhold any goods of the Customer on account of any dispute as to rates or any alleged failure of BROKER to pay charges incurred under this Agreement.

10. PAYMENTS. CARRIER will collect transport fee from the Customer at time of delivery. Rate collected will be charged as shown on order sheet Order sheets are signed and agreed to by CARRIER and BROKER before each shipment made under this Agreement. CARRIER represents and warrants that there are no other applicable rates or charges except those established in this.

11. CONFIDENTIALITY AND NON-SOLICITATION. Neither party may disclose the terms of this Agreement to a third party without the written consent of the other party except:

1. As required by law or regulation
2. Disclosure is made to its parent, subsidiary or affiliate company
3. To facilitate rating or audit of transportation charges by an authorized agent and such from any shipper, consignor, consignee or customer of BROKER where (1) the availability of such traffic first become known to CARRIER as result of BROKER's efforts. Or (2) the traffic of the shipper, consignor, consignee or Customer of BROKER was first tendered to CARRIER by BROKER. If CARRIER breaches this Agreement and directly or indirectly solicits traffic from customers of BROKER and obtains traffic from such customer during the term of this Agreement or for twelve (12) months thereafter, commission in the amount of thirty-five percent (35%) of the transportation revenue resulting from traffic transported for the Customer, and CARRIER shall provide BROKER with all documentation requested by BROKER to verify such transportation revenue.

12. 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.

13. **ASSIGNMENT/MODIFICATION/BENEFIT OF AGREEMENT.** This Agreement may not be assigned or transferred in whole or in part, and supersedes all other agreements and all tariffs, rates, classifications and schedule published, filed or otherwise maintained by CARRIER. This Agreement shall be binding upon and enure to the benefit of the parties hereto.

14. **SEVERABILITY.** In the event that the operation of any portion of this Agreement results in a violation of any law, the parties agree that such portion shall be severable and that the remaining provisions of this Agreement shall continue in full force and effect.

15. **WAIVER.** CARRIER and Shipper expressly waive any and all rights and remedies allowed under 49 U.S.C. 14101 to the extent that such rights and remedies conflict with this Agreement. Failure of BROKER to insist upon CARRIER's performance under this Agreement or to exercise any right or privilege, shall not be a waiver of any BROKERS rights or privileges herein.

16. **DISPUTE RESOLUTION.** This Agreement shall be deemed to have been drawn in accordance with the statutes and laws of Cuyahoga County, State of Ohio and in the event of any disagreement or dispute, the laws of this state shall apply and suit must be brought in this county and state.

IN WITNESS WHEREOF, the parties hereto have caused this four page Agreement to be executed in their respective names by their duly authorized representatives as of the date first above written. Each party has read and agreed to be bound by the terms and conditions of this four page agreement.

BROKER — CLS Services, Inc.

CARRIER INFO

Betty Nite

7395 Brecksville Road
Independence, OH 44131
216-524-7711
Fax 216-524-3275

www.2cls.com

Signed by: _____

Company: _____

Address: _____

Phone: _____

Fax: _____