

Transportation Agreement

This Agreement is made and effective this date of _____, by and between Trans-Pro Inc. the Carrier/Lessee (herein, "Carrier") and _____ the Contractor/Lessor (herein, "Contractor") for transportation services. The purpose of this contract is to establish a relationship between the parties in the performance of motor carrier services and to make any and all agreements signed prior to date of this agreement invalid and non binding and serves as written notice of termination of any and all agreements signed prior to date of this agreement. Where applicable, the term Contractor shall also apply to the driver(s) provided by contractor, to Carrier.

Carrier wishes Contractor to provide drivers and heavy-duty trucks (herein, "Equipment" as described in Appendix A) to Carrier to be used by Carrier in conjunction with its contract carrier business. The Contractor and all employees of the Contractor recognize the importance to protect and to promote the business interest of the Carrier at all times.

1. Services:

Contractor shall provide to Carrier the equipment listed in Appendix A commencing on or about _____ and continuing thereafter for each business day (Monday through Sunday) and shall automatically renew January 1 of each calendar year. Such equipment shall be made exclusively available to Carrier at such times as requested by Carrier's dispatch operations. While under dispatch to Carrier, Contractor exclusively provides such equipment for Carrier use. This Agreement can be discontinued with a 30 day written notice or sooner by mutual agreement by both parties. If a Contractor fails to comply or meet the duties and responsibilities set forth in this agreement, an immediate cancellation of this agreement will result.

In the event of cancellation of this Agreement by either party, all transportation equipment owned by the Carrier must be returned to the main offices of Trans-Pro Inc. located at 3820 Brooklake Rd, Salem OR. In the event that the Contractor is unable to provide this service under the conditions of this Agreement, the cost of the returning Carrier's property such as trailing equipment, license plates, transponders, cab cards, or any other property (herein, "Property") belonging to the Carrier, shall be that of the Contractor.

This agreement shall not prevent or preclude Contractor from performing other contracts for similar services or work for persons or firms other than the Carrier. However, in the event Contractor operates the vehicle listed in Appendix A of this agreement, in services other than that of Carrier, Contractor understands that the insurance coverage acquired by carrier for Contractor's equipment does not apply to such services. Contractor also understands that all signs, identifications, nameplates, decals, and/or other devices that bear the name and operating authority of the Carrier must be removed prior to performing such services.

2. Use:

The use of the Contractor's Equipment by the Carrier is for the sole purpose of transportation of goods under the authority of the Carrier. The Contractor shall under no circumstances use the Contractor's Equipment or the Carrier's Property for transportation of goods without written permission from the Carrier. The Contractor's Equipment shall only be operated by employees of the Contractor or by written permission from the Contractor.

Contractor is a professional motor carrier company and will maintain compliance of the rules, regulations and laws, which govern equipment, and drivers of same, engaged in motor carrier services. Contractor availability, efficiency and reliability are factors, which Carrier's dispatch operations personnel may consider in allocating freight to Contractor.

3. Personnel and Equipment:

The selection, compensation, working hours, working conditions, retention and discipline of personnel are totally with the Contractor. The supervision and control of such personnel and the mode and manner in which they perform their duties pursuant to this agreement is solely with Contractor. Contractor agrees to provide properly qualified, disciplined, supervised and supported personnel to Carrier. Contractor assumes full responsibility for the payment of wages, benefits and expenses for itself and its employees and for the same to the appropriate regulatory agency. In signing this agreement, Contractor certifies that the personnel and Equipment supplied to Carrier meets all industry and regulatory standards and qualifications. Contractor shall, in its sole discretion, determine proper loading legality of weight as loaded selection of routing, periods of rest periods, of maintenance of logs, safety precautions and all such other activities involved in performing its duties hereunder. Carrier shall not exercise control over the operation of such equipment or employee except to the extent of the law.

4. Maintenance:

Contractor certifies that the Equipment provided shall be in good working condition and meet all safety and reliability functions. The maintenance of the Contractor's Equipment is the sole responsibility of the Contractor. The Contractor shall provide all maintenance records of the Contractor's Equipment to the Carrier for its records. Failure to perform this responsibility will be cause to hold compensation settlements until records are provided.

Any additional or new equipment added to this Agreement, must be approved by the Carrier. Equipment older than 15 years or that does not meet our standards, will not be considered unless approved by Carrier's management.

5. General Indemnity:

Contractor recognizes its liability to Carrier for the improper handling of trailing equipment provided by Carrier. Contractor is specifically aware that its personnel must inspect the physical condition (interior, exterior, and the refrigeration unit working order) of any equipment accepted from Carrier and must note any exceptions to the equipment condition prior to accepting same. The Contractor hereby assumes and shall bear the loss to Contractor's equipment. The loss of Carrier's Property is also the responsibility of the Contractor beyond normal wear and tear when attached or a part of the Contractor's Equipment. In the event of

loss to Carrier's Property, the Contractor has the following options as agreed upon with the Carrier:

- A. Repair the Property in good same as condition.
- B. Replace the Property with like same as condition.
- C. Compensate the Carrier with the replacement cost.

Contractor understands its duty to obtain customer signatures for freight delivered to Carrier's customers noting on the delivery receipt any exception, which the customer may make on the freight or its condition and to notify Carrier's dispatch as soon as possible of any such notes. Contractor must account for the accuracy of information on the shipping documents or sign the bill of lading "Shippers Load and Count" or "SLC" on such documents before signing name. When possible, Contractor shall inspect all loads for damages or temperature discrepancies. When applicable, all security door seals on trailing equipment must be noted on the bill of lading and remain secured until which time the customer breaks the seal at delivery. "Seal Intact" must be noted on the bill of lading upon delivery. Contractor is responsible for maintaining proper temperature on temperature controlled loads. In the event of a refrigeration unit breakdown, Contractor is required to notify Carrier dispatch as soon as possible. Should Contractor fail to make notations or actions, and shipper holds Carrier liable for shortages or damages to said shipment, then Contractor shall indemnify Carrier for such claims. Contractor indemnifies Carrier for any losses arising from breach of the foregoing including the short pay on any transportation billings by Carrier, which are rejected due to Contractor's breach. Contractor acknowledges that it is responsible for its driver compliance with law and regulations. Pursuant to this, contractor agrees that any and all incidents involving an accident of any type will be reported immediately to the safety department. In the event a citation is issued a post accident drug/alcohol test will be performed upon release from the reporting officer at the nearest medical facility. In the event such drivers receive a citation in connection with activities on the behalf of Carrier, fines levied in connection therewith if paid by Carrier shall be repaid by Contractor.

6. Insurance and Indemnity

The Carrier shall provide Liability and Cargo Insurance for the Contractor's equipment in the amount equal to or greater than the amount required by the FMCSA. Such insurance coverage shall indemnify Carrier contractually for the negligent acts or omission of a Contractor, notwithstanding the existence of liability insurance provided by the Carrier for the protection of the public. Carrier shall have the right of indemnity against Contractor for all damages which Carrier and/or its insurer incurs by reason of Contractor's negligence. As of the execution of this agreement, Carrier requires the following insurance coverage.

Public Liability Insurance:

Contractor shall pay any deductible as per current policy

Collision, Comprehensive, and Bobtail Insurance:

Contractor shall carry physical damage (collision and comprehensive) insurance as it feels

appropriate for the power equipment, which it operates. Contractor shall be responsible for bobtail truck liability when Equipment is being used for transportation other than that of Carrier's dispatch. The premium amount and the deductible as per current policy in the event of loss will be that of the Contractor.

Cargo

Contractor shall pay any deductible as per current policy

Workers Compensation/Occupational Accident:

Required as provided by law for all personnel to operate or ride with operator of equipment provided to carrier under this agreement. If Contractor is the sole equipment operator, he shall choose whether or not to obtain worker's compensation accident coverage for himself. If the Contractor hires others to operate equipment leased to Carrier, he shall obtain worker's compensation coverage for such employees and will hold harmless any claims by such persons. Carrier does not provide PIP (personal injury protection) for the Contractor or its employees and is the sole responsibility of the Contractor. The parties understand and agree that their relationship is one of vendor-purchaser, not employee-employer.

7. Direct Cost:

Contractor shall supply all costs of its personnel and equipment operations including but not limited to wages, taxes, benefits, equipment repair and maintenance, highway use taxes, fuel for tractor and trailing equipment, cost of qualifying driver drug test and random drug testing, fuel taxes, federal heavy use tax, fines, road and bridge tolls, log books, equipment inspection records, insurance deductibles, plaques, washing inside and outside of trailing equipment, and damage to trailing equipment.

Carrier will provide motor carrier authority, liability and cargo insurance, trailing equipment, license, perform billing and collecting of freight invoices, prepare highway and fuel reports, and dispatch services.

8. License and vehicle identification:

The license of the Contractor's equipment shall be the responsibility of the Carrier. The cost and the administration of obtaining the annual license shall be of the Carrier. The Carrier name and U. S. DOT # must be on the Contractor's equipment as "Leased To". This information will be signed to the standards of the Carrier at the expense of the Contractor. Contractor must maintain such identification in first conditions as long as Contractor is performing for Carrier. If a termination of this agreement occurs for any reason before the annual renewal day of January 1 of each calendar year, the cost of the license will be prorated by all unused calendar days and charged back to the Contractor.

9. Deposit and Reserve Fund:

The Contractor shall deposit and maintain a \$3,500 reserve fund for the purpose of charge back cost of highway use taxes, physical damage insurance, deductibles on insurance claims of the

Contractor's equipment or any other expense that the Carrier incurs from this Agreement. Up to 30% deposit from the weekly Contractor's settlement shall be directed to the reserve fund if the fund amount drops below \$3,500.

10. Confidentiality:

Carrier is required to disclose to Contractor and its employees and agents facts regarding Carrier's customers which are considered by Carrier to be confidential to Carrier and are otherwise not disclosed to those outside the company. Contractor agrees to maintain such confidences and not to utilize any information gained from Carrier in any manner against Carrier's interest. Contractor and all employees of the Contractor recognize the importance to protect and to promote the Carrier's business interest at all times.

11. Driver Qualifications:

All drivers of the Contractors equipment shall be at least 25 years of age, have a minimum of 3 years CDL experience, and be approved by the Carrier's insurance company. The Carrier shall maintain all drivers' files with a qualifying drug test and random drug testing through the Carrier's program. Contractor shall pay for all drug testing.

12. Fuel:

All fuel used by Contractor's equipment shall be that of the Contractor. All fuel records are to be submitted to the Carrier for the purpose of compiling fuel tax reports. Fuel used in the Carrier's transport refrigeration units shall also be that of the Contractor. All trailing equipment when dropped must be full of fuel. All fuel surcharges if identified shall be paid to the Contractor by the Carrier. This compensation shall be paid at the time of normal trip settlements.

13. Copies of the lease:

The parties shall sign an original and two copies of each lease. The authorized Carrier shall keep the original and shall place a copy of the lease in the equipment during the period of the period of the lease.

14. Compensation:

Compensation of services provided by the Contractor to the Carrier shall be on Friday for all loads delivered and all support paperwork including trip sheets and driver logs turned into the Trans-Pro Inc office by 4:30 pm, Pacific Time, on Wednesdays. The compensation shall be 70% of the lineal rate to the Contractor by the Carrier. If the Contractor uses a trailer other than the Carrier's, the compensation shall be 77%. If any load is not completed in entirety by the Contractor, the compensation shall be prorated by the miles completed.

15. Contractor Commitment:

If for any reason the Contractor does not make equipment available for work a minimum of 20 days of each month, the Carrier reserves the right to charge back to the Contractor \$25 per day with a maximum of \$500 per month for insurance and licensing cost.

16. Entire Agreement:

This instrument constitutes the entire agreement between the parties on the subject hereof and it shall not be amended, altered, or changed except by a further review. Changes must be in writing and signed by the parties hereto.

17. Governing Law:

This Agreement shall be construed and enforced according to laws of the State of Oregon.

18. Headings:

Headings used in the Agreement are provided for convenience only and shall not be used to construe meaning or intent.

In witness whereof, the parties hereto have executed the Carrier Lease Agreement as of this day and year first above written,

Carrier

Contractor

Trans-Pro Inc.

Company Representative

Company Representative

APPENDIX A

Year	Make	Model	Vin #
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Addendum 2017

The Transportation Agreement shall automatically renew on January 1 of each calendar year and shall remain in effect for the entire year. Contractor agrees that the Carrier must make necessary commitments on licensing fees before January 1. Cancellation of the Transportation Agreement by the Contractor after those fees have been paid by the Carrier, would result in the fees being charged back to the Contractor on a prorated basis per Section 8 of the Transportation Agreement.

By signing this commitment statement, the Contractor hereby agrees to authorize the Carrier to make necessary arrangements to renew the Transportation Agreement for the calendar year 2017.

Contractor

Company Representative

Date
