**Transportation Contract**

THIS CONTRACT is made the \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_, by and between Legacy Trucking LLC, with its principle place of business located at 1601 Northridge Dr, Watertown, SD 57201 (“Legacy”), and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Carrier”).

WITNESSETH:

WHEREAS, Carrier has authority to operate in intrastate, interstate and/or international commerce as a motor carrier pursuant to authorities issued by the appropriate governmental agencies ( copies of said authorities together with Carrier’s Certificate of Insurance are attached hereto and made a part of hereof); WHEREAS, Legacy is engaged in the business of arranging transportation as a freight Broker, and as such, acts as an independent shipper in its dealings with carriers; and WHEREAS, Legacy utilizes the services of for-hire carriers and desires to enter into a continuing, non-exclusive, bilateral contract with Carrier for transportation services within Carrier’s operating authority. NOW, THEREFORE, in consideration of the covenants and undertakings in this contract, the parties mutually agree as follows:

1. Scope of the Agreement. Carrier shall provide Legacy with copies of Carrier’s operating authorities upon execution of this Agreement. Carrier agrees to immediately notify Legacy in the event its operating authorities are suspended or revoked, in which case this Agreement will immediately terminate without written notice, Carrier further represents and warrants that it does not have a marginal/conditional or unfit/unsatisfactory safety score/rating issued from the U. S. Department of Transportation, and that Carrier will notify Legacy in the event Carrier becomes deficient in any of the seven CSA safety improvement categories and/or receives a warning letter or notice of violation or intervention from the Federal Motor Carrier Safety Administration.

Carrier agrees to transport any shipments tendered hereunder pursuant to its operating authorities as referenced above and in accordance with pickup and delivery schedules established by Legacy and/or its customers, and the terms and conditions of this contract. Carrier further agrees that it will not broker, or otherwise tender, any shipment tendered to it by Legacy to another carrier, and in the event Carrier breaches this prohibition against brokering a shipment tendered by Legacy, Carrier acknowledges and agrees that Legacy shall be relieved of all responsibility for compensating Carrier in accordance with paragraph 2 of this Agreement and Carrier further agrees to reimburse Legacy for all costs, liabilities and expenses incurred by Legacy as a result of Carrier's breach of this prohibition. Moreover, in the event Carrier fails to complete the transportation of any shipment in accordance with a scheduled delivery appointment, Carrier shall reimburse Legacy all amount Legacy may be liable for to the shipper or consignee arising out of Carrier's failure to preform.

1. Compensation. To maintain maximum flexibility, the actual compensation to be paid to Carrier shall be determined on a load-by-load basis as mutually agreed upon by Legacy and Carrier prior to the commencement of services. Legacy shall prepare, issue and deliver to carrier a rate confirmation setting forth the commodity to be transported, the point of origin, the point of destination, 2 any special instruction concerning the services to be rendered and the rates and charges to be paid Carrier by Legacy. Said rate confirmation shall be signed and returned by Carrier. Unless objected to by Carrier. Upon receipt of the Rate Confirmation, Carrier shall be conclusively presumed to have agreed that the term and conditions set forth on such Rate Confirmation are fully and correctly stated. Carrier further represents and warrants that said mutually agreed upon rates are all-inclusive and sufficient, and shall not be subject to a later claim for undercharges.
2. Factoring. Carrier shall provide Legacy with written notice of any assignment, factoring or other transfer of its right to receive payments arising under this Agreement thirty (30) days prior to the date such assignment, factoring or other transfer takes effect. Such written notice shall include the name and the address of the assignee/transfer, and shall be considered delivered upon receipt of such written notice by Legacy. Carrier shall be allowed to have only one assignment, factoring, or transfer legally in effect at any one point in time, and no multiple assignments, factoring, or transfers by Carrier shall be permitted. Carrier shall indemnify and hold Legacy harmless from and against any and all lawsuits, claims, actions, damages, (including reasonable attorneys’ fees), liabilities and liens arising or imposed in connection with the assignment/transfer of any account receivable or right arising hereunder. Moreover, no factoring, assignment, transfer, pledge or granting of a security interest in Carrier’s right to payment hereunder shall modify, limit or terminate Legacy’s right to offset or recoupment hereunder, including but not limited to, offsets for claims for loss or damage to cargo or other personal injury.
3. Payment. Payment of the compensation due to Carrier shall be made Thirty Days ( 30 ) days after receipt of Carrier’s Freight bill accompanied by (i) the consignee’s signed delivery receipt indicating delivery of all good tendered in good order, without exception or notation; (ii) the original signed bill of lading and (iii) the rate confirmation signed by Carrier. In the event Carrier fails to provide Legacy with signed delivery receipts and rate confirmations for all shipments, at Legacy’s sole discretion, Legacy requisite delivery receipts and rate confirmations. Furthermore, the parties mutually agree that any payment due to Carrier is subject to revision if the amount is based on an error, including but not limited to, an error in calculating mileage, or as an adjustment for a claim.
4. Relationship of the Parties. In the performance of transportation services hereunder, Carrier shall be an independent contractor and not an agent or employee of Legacy. Carrier represents and warrants that the driver or drivers utilized herein are not deficient in any of the CSA safety categories and are fully informed concerning their responsibilities for the protection and care of the involved goods. Carrier shall be solely responsible for driver compensation and for worker’s compensation coverage and all taxes ( state and federal ) based on said compensation, and Carrier agrees to indemnify and hold Legacy and its customers harmless from and against any claims by driver for compensation, and/or unemployment and workers’ compensation benefits. Carrier further agrees the equipment to fulfill this contract shall not be deficient under the CSA safety categories and to pay all expenses incidental to the safe operation of said equipment, including but not limited to, repairs, maintenance, and any fines or penalties incurred performing hereunder, including overweight fines. Carrier represents and warrants that the transportation rendered hereunder will be preformed in compliance with all local, state and federal regulations governing for-hire motor carrier operations.

Carrier \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Carrier further acknowledges and agrees that Legacy is an independent contractor as to its customer, and is not the agent of any customer. Accordingly, Carrier agrees that it shall not look to the customers of Legacy under any circumstances for payment of freight charges. On all shipments arranged to be shipped by Carrier pursuant to this Agreement, Carrier shall bill all freight charges to Legacy. Any violation of this billing condition shall result in the forfeiture of fifty (50%) percent of the freight charges on the shipment incorrectly billed.

1. Liability Standards. The parties agree that all liability standards and burdens of proof are herein governed by 49 U.S.C. Section 14706. Legacy assumes no responsibility for delivery by the Carrier of the involved freight without loss, damage, injury or delay from point of origin to point of destination. Carrier shall be responsible for all claims for loss, damage, injury or delay. Carrier's liability for loss and/or damage shall begin when it signs the bill of lading and/or has received any such goods and shall continue until such time as Carrier receives a signed delivery receipt from the proper named consignee and nothing remains to be done by Carrier to deliver the shipment to the consignee. When a shipment is refused by the consignee, or Carrier is unable to deliver it for any reason, Carrier's liability as a warehouseman shall not begin until Carrier has placed the shipment in a public warehouse or storage facility under reasonable security. The parties acknowledge and agree that under no circumstances shall the Carrier's liability hereunder be less than the actual loss or injury to the property as represented by the shipper less salvage value, if any, Legacy’s fees associated with the shipment and the freight charges. Carrier's liability hereunder may not be limited by any provision purporting to limit Carrier's liability, including without limitation, any bill of lading or common carrier tariff, schedule, service guide or similar document issued by or on behalf of Carrier. The use of or reference to any such bill of lading, tariff, schedule, service guide or similar document or any provision(s) thereof shall not alter in any manner the terms of this Contract. In the event of a conflict between the terms, conditions, and provisions of any such bill of lading, tariff, schedule, service guide or similar document, on the one hand, and, on the other, this Contract, the terms, conditions and provisions of this Contract shall govern. Similarly, any use of form bills of lading or other freight documents referring to "common carrier" service, "rules," "tariffs," "schedules," "service guides" and/or "classifications" shall not alter in any manner the contractual relationship created under this Contract.

7. Insurance. Carrier shall procure, maintain and keep in force during the term of this Contract, at the expense of Carrier, policies of insurance in the following MINIMUM amounts:

a. Public liability insurance with a reputable and financially responsible insurance carrier or carriers, with

minimum limits of $1,000,000.00;

b. Cargo insurance with minimum limits of liability of $100,000.00 per occurrence; Carrier's cargo insurance shall not have exclusions for unattended or unlocked vehicles.

c. General liability insurance with a combined single limit of $1,000,000, which includes contractual liability coverage;

d. Worker's compensation and employer's liability insurance with minimum limits of liability meeting the applicable state statutory minimum; and

e. Any other insurance required by the Federal Motor Carrier Safety Administration or the Department of Transportation.

The foregoing minimum coverages are not to be construed as limiting Carrier’s liability for personal injury or property damage. Carrier shall furnish Legacy with a Certificate of Insurance showing 4

Legacy as an additional insured on the coverages provided under 7 a. and b. and shall require its insurance carrier to give Legacy written notice thirty (30) days prior to the cancellation or reduction in the coverage of all said insurance. In any instance where Carrier is required to indemnify Legacy pursuant to the provisions of paragraph 10 of this Agreement, the insurance provided by Carrier shall be primary and not entitled to contribution from any insurance maintained by Legacy.

8. Procedure for Loss and Damage Claims. Carrier agrees to abide by the rules and regulations concerning the disposition and settlement of claims for loss and damage set forth at 49 C.F.R. Part 370.

9. Carrier Warranties. Carrier warrants that under no circumstances shall it hold any shipment tendered by Legacy hostage pending payment of freight charges, or demand freight charges in excess of those set forth on the Rate Confirmation. In the event of a breach or threatened breach, as determined by Legacy, of this warranty, Carrier acknowledges and agrees that the breach or threatened breach shall constitute criminal conversion and/or theft of the freight and that Legacy shall be entitled to pursue criminal charges, in addition to all civil remedies.

10. Indemnification. Carrier shall indemnify and hold harmless Legacy and its customers from and against any and all loss, damage, cost, expense, including reasonable attorney’s fees and other costs of defense, which may be incurred by Legacy, or any person, persons, firm, association or corporation claiming through Legacy resulting from any acts or omissions, negligent or otherwise, of Carrier or its employees, in performing or failing to perform the transportation services contemplated herein, including the loading, handling, transportation and unloading of the freight, including, but not limited to, claims for loss or damage to the goods being shipped, personal injury or death of persons (including without limitation, employees of Legacy and its customers), loss, damage, delay, destruction or conversion of the property of any person or legal entity, or embezzlement by Carrier or its employees. Further Carrier shall indemnify and hold Legacy harmless from any loss, damage, cost or expense, including attorney’s fees, which may be imposed upon or incurred by or asserted against Legacy and/or its customers, by reason of Carrier’s or its employees’ actual or alleged failure to comply with state and federal rules and regulations under which Legacy and/or Carrier operate, or by doing, permitting or causing any act to be done which Carrier or Legacy is not legally authorized to do. Notwithstanding any provision herein, Carrier shall indemnify and hold Legacy and its customers harmless for all actual or consequential losses, damages, costs or expenses, including but not limited to, reasonable attorney's fees and consequential and incidental damages, arising out of or in any way connected to the intentional misconduct of Carrier, or its employees, agents or subcontractors. Moreover, Carrier, at no time, shall bring a cause of action against Legacy for any loss, damage, expense, action and/or claim for injury to persons and/or damage to property arising out of or in connection with Carrier’s performance under this Contract. The provisions of this Indemnification shall survive termination of this Contract.

11. Account Protection. Carrier understands and agrees that Legacy has put forth substantial effort and investment to develop its accounts and to secure the good will of its customers. As part consideration of this Contract, neither Carrier, nor a related or unrelated person or entity acting on Carrier's behalf shall, for the term of this Contract and for a period of two (2) year after the effective date of any termination hereof, directly or indirectly, attempt to solicit, serve, divert or bypass, or perform any services for compensation for any shipper or receiver where (i) such shipper or receiver first became known to the Carrier as a result of Legacy’s efforts; or (ii) where the freight of the shipper or receiver was first tendered to Carrier by Legacy. The Carrier acknowledges that breach by it of this provision will cause Legacy irreparable harm that is not fully remedied by monetary damages. Accordingly, unless Carrier is given prior written authorization, in the event Carrier breaches this provision, Carrier agrees to pay Legacy a commission of twenty five (25%) percent of all revenues billed to any account of Legacy in violation of any of the foregoing during the twenty four month period commencing on the date of Carrier’s first invoice to the involved account, and such commission shall be due and payable within thirty (30) days after the billing date. This is not intended to be punitive, but to represent liquidated damages. Carrier further agrees as part consideration for this Contract, that it will treat all matters relating to the business of Legacy, or its customers, as confidential business information entrusted to Carrier solely for its use in performing services under this Contract. Such information will not be divulged in any way to any person except as is necessary for Carrier to carry out its obligations under this Contract. The provisions of this paragraph 11 shall survive termination of this Contract.

12. Bill of Lading. Carrier shall issue a bill of lading for property it receives for transportation hereunder and shall be liable to the person entitled to recover under the bill of lading for any actual loss or injury to the property caused by Carrier. Carrier further recognizes and acknowledges that it is an accepted practice in the transportation industry for the actual shipper to prepare bills of lading. Carrier agrees that the preparation and acceptance of such bill of lading shall be for the sole purpose of receiving the property and shall not constitute an agreement or contract between Carrier and the actual shipper tendering the goods. Any provisions in any such bill of lading purporting to make the underlying transportation subject to the terms of any of Carrier's tariffs/schedules/service guides or other similar documents are specifically made inapplicable to shipments hereunder.

13. Waiver. The parties agree that for all purposes, this Contract is and shall be a contract within the meaning of 49 U.S.C. Section 14101(b). To the extent that any right or remedy provided in this Contract conflicts or is otherwise inconsistent with the rights and remedies provided by the Interstate Commerce Commission Termination Act, Legacy and Carrier hereby expressly waive all such rights and remedies. All rights and remedies provided by that Act which have not been specifically waived herein and which are not inconsistent or in conflict with the rights and remedies provided herein shall continue to apply to transportation provided by Carrier for Legacy pursuant to this Contract.

14. Effective Date. This Contract shall become effective on the date first shown above and continue until terminated by either party upon ten (10) days written notice.

15. Governing Law. This Agreement shall be governed by the Interstate Commerce Act and the laws of the State of South Dakota. The parties further agree the venue and jurisdiction of the state and/or federal courts of the State of South Dakota are proper for the adjudication of any dispute arising hereunder.

16. Divisibility. Each provision of this Agreement is intended to be severable and shall be interpreted so that it is valid and enforceable under applicable law. The remainder of this Agreement will also continue to be valid and enforceable, and the entire Agreement will continue to be valid and enforceable in other jurisdictions. The terms and time period sets forth in paragraph 11 shall be reduced to the maximum permitted by the law actually applied to determine the validity of each such provision.

17. Force Majeure. Neither party hereto will be liable for the failure to tender or timely transport freight under this Contract if such failure, delay or other omission is caused by strikes, acts of God, war, civil disorder or through compliance with legally constituted order of civil or military authorities; provided the party who is unable to perform immediately notifies the other party of its inability to perform and the reason therefore.

18. Entire Agreement. This Contract, together with any Rate Confirmations, constitutes the entire agreement of the parties. No agreements, representations, or warranties other than those specifically set forth herein shall be binding on any of the parties unless set forth in writing and signed by both parties. No agent or employee of Legacy shall have authority to orally waive any of the provisions of this Contract. 6

19. Assignment or Modification of Agreement. Except as expressly provided herein, this Agreement may not be assigned or transferred in whole or in part, by Carrier without the prior written consent of Legacy. This Agreement shall not be modified, changed or amended, except in a writing signed by both parties.

20. Interpretation. The language of this Contract shall be construed according to its fair meaning and shall not be construed against the party or parties drafting it.

21. Authority of Executing Party. Carrier represents and warrants that the individual executing this Contract on Carrier's behalf has the authority to execute this Contract and to bind Carrier to the terms

hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first

set forth above.

LEGACY TRUCKING LLC : CARRIER:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

By \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ By \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Print \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Print\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Title\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Workers Compensation Exemption Letter

Legacy Trucking LLC

1601 Northridge Drive

Watertown, SD 57201

To Whom it May Concern:

I am a sole proprietor, and I am doing business as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(name of business). I am performing work as an independent contractor for Legacy Trucking LLC. I am not an employee of Legacy Trucking LLC. for workers’ compensation purposes, and therefore, I am not entitled to workers’ compensation benefits from Legacy Trucking LLC. I understand that if I have any employees working for me, I must maintain workers’ compensation insurance on them.

Sincerely,

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature of Sole Proprietor Date

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Printed Name Name of Company

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Street Address City

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

State Zip