



**PARADIGM TRANSPORTATION, INC. & AFFILIATES
INDEPENDENT CONTRACTOR AGREEMENT
(Truck Agent)**

THIS INDEPENDENT CONTRACTOR AGREEMENT ("Agreement") is made and entered into effective this ____ day of February, 2019 (the "Effective Date"), by and between _____, (hereinafter "CARRIER") and _____ a _____ company, with offices at _____, FEIN: _____ (hereinafter "CONTRACTOR") and, for the limited purposes expressed herein, _____ (hereinafter "Principal").

WHEREAS, CARRIER is a duly registered motor carrier (USDOT No.: _____ / MC No.: _____) engaged in the business of transporting general commodities in interstate commerce by motor truck equipment for hire;

WHEREAS, CONTRACTOR is a corporation or limited liability company and desires to provide services to CARRIER as an independent contractor, to include the solicitation and execution of freight shipments for "Contractor's Customer Accounts," as defined herein, through CARRIER's asset platform;

WHEREAS, Principal is a material participant in the business of CONTRACTOR and agrees to be individually bound by certain provisions of this Agreement as hereinafter set forth; and

WHEREAS, CARRIER wishes to engage and authorize CONTRACTOR as an independent contractor for the purposes and upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. APPOINTMENT OF CONTRACTOR AS INDEPENDENT CONTRACTOR FOR CARRIER

- a. In accordance with this Agreement, CARRIER hereby appoints CONTRACTOR as an independent contractor to carry out the business of CARRIER, as permitted under CARRIER's status as a registered motor carrier and this Agreement, and to provide "Services," which are hereinafter described as: (i) identifying, soliciting and offering to provide transportation of general commodities and related services to Contractor's Customer Accounts, and other accounts which CONTRACTOR pursues through CARRIER's motor carrier services platform and policies; and (ii) executing the activities necessary to complete the transportation of general commodities shipments and related services on behalf of Contractor's Customer Accounts, to include arranging, scheduling, dispatching, tracking and tracing, and communicating with independent equipment owners and drivers under contract with CARRIER.
 - i. "Contractor's Customer Accounts," as of the date of this Agreement, are listed in Exhibit "A," attached hereto. Contractor shall be designated such further and other customer accounts in accordance with the BROKER's Account Assignment Policy, each of which shall be deemed a Contractor's Customer Account.
 - ii. CONTRACTOR acknowledges that CARRIER may appoint or hire other independent contractors to perform services similar to the Services to be performed by CONTRACTOR hereunder, and except with respect to Contractor's Customer Accounts during the Term of this Agreement and as provided under CARRIER's Account Assignment Policy, CARRIER does not grant, warrant or guarantee CONTRACTOR exclusivity in any respect.
- b. CARRIER, CONTRACTOR, and Principal irrevocably agree that the relationship between them is that of independent contractor and that no employer/employee, partnership, or joint venture relationship is intended or created by this Agreement. CARRIER shall not have the right to control the time, manner nor method by which CONTRACTOR performs the Services, provided, however, CONTRACTOR shall be bound by the business administration policies established by CARRIER from time to time. CONTRACTOR's representatives are not required to visit or spend any time at CARRIER's place of business. CONTRACTOR may perform the Services from any location CONTRACTOR chooses and may devote the time and effort



that CONTRACTOR desires or deems appropriate. CONTRACTOR shall utilize its own equipment, tools, and supplies for which it shall not be entitled to reimbursement. Neither CONTRACTOR, nor Principal, will represent itself, or himself, or herself as holding any executive or management or employment position with CARRIER or any of CARRIER's affiliates.

- c. CONTRACTOR acknowledges, understands, and agrees that: (i) CARRIER does not provide workers' compensation or employer liability insurance or benefits to CONTRACTOR or to CONTRACTOR's principals, employees or sub-contractors. CONTRACTOR, for itself, and on behalf of CONTRACTOR's principals, employees, and sub-contractors (hereinafter "Team Members") hereby releases and discharges CARRIER from any claim for workers' compensation, employer liability, and any other employment related benefits; (ii) CARRIER shall not withhold from its payments to CONTRACTOR any local, state or federal taxes. CONTRACTOR shall be fully and solely responsible for and shall pay all local, state or federal taxes or assessments against or upon any monies paid or payable by CARRIER to CONTRACTOR pursuant to this Agreement as compensation. CONTRACTOR, for itself, and on behalf of CONTRACTOR's Team Members hereby releases, and discharges CARRIER from any liability for payment of any such taxes or assessments and shall indemnify and hold harmless CARRIER with respect to the same; (iii) upon the termination of this Agreement, CONTRACTOR and CONTRACTOR's Team Members shall have no right to obtain unemployment benefits from CARRIER. CONTRACTOR, for itself, and on behalf of CONTRACTOR's Team Members, hereby releases and discharges CARRIER from any claim for unemployment benefits, payments, or contributions and shall indemnify and hold harmless CARRIER with respect to the same; (iv) CONTRACTOR is a limited liability company and shall operate as such during the term of this Agreement. In the event that CONTRACTOR's status as a limited liability company is voluntarily or involuntarily terminated or dissolved then such shall constitute a material breach of this Agreement.
- d. CARRIER grants to CONTRACTOR a non-exclusive license and right to use CARRIER's trade name, approved derivations thereof, and "Marks" for the sole purpose of performing Services under this Agreement. For purposes of this Agreement, "Marks" means such trademarks, service marks, slogans, color combinations, designs, insignia, emblems, symbols, domain names, metatags, and other intellectual property or proprietary business-identifying characteristics as now are or hereafter may be owned or used by CARRIER. CONTRACTOR acknowledges and agrees that CARRIER possesses the absolute right to grant other licenses in, to, and under the Marks and to develop and license business identifying characteristics to identify CARRIER's business. CONTRACTOR expressly agrees: (i) that CONTRACTOR shall not have or acquire any right, title, or interest in the Marks as a result of this Agreement, except the right to use the same as granted herein; (ii) that nothing contained in this Agreement shall license, authorize, or empower any other person, firm, corporation, or business with which CONTRACTOR is connected (other than CARRIER) directly or indirectly to use the Marks; and (iii) that CONTRACTOR shall not have the right to assign the rights licensed to it herein.

2. CONTRACTOR'S COMPENSATION FOR SERVICES

CONTRACTOR shall earn a variable compensation rate for the performance of the Services under this Agreement. CONTRACTOR's compensation payments shall be referred to as "commission(s)," the amount of which may vary, and depend on the results of CONTRACTOR's efforts, for freight shipments and loads transported for Contractor's Customer Accounts as set forth in the attached Exhibit "B," and incorporated herein by reference. CARRIER shall calculate and pay CONTRACTOR's commission(s) based on the total amount of Services CARRIER invoices representing completed Services performed by CONTRACTOR under this Agreement. CONTRACTOR's commission(s) hereunder shall be deemed earned at the time of CARRIER's receipt of payment of the invoiced amount from Contractor's Customer Account.

3. OBLIGATIONS OF CONTRACTOR

- a. CONTRACTOR warrants and agrees that it shall: (i) establish and implement the procedures required to conform to existing local, state and federal laws or regulations and to otherwise conduct its business in compliance with all local, state or federal laws governing CONTRACTOR and its business; (ii) maintain a level



- of expertise necessary to competently perform the Services; (iii) offer rates and terms to Contractor's Customer Accounts and prospective customers which are fair and market competitive; (iv) solicit and secure written freight shipment or load tenders and issue written acceptance confirmations; (v) provide CARRIER with accurate freight shipment or load tenders/acceptances through CARRIER's motor carrier technology platform; (vi) arrange/assign/dispatch eligible motor truck equipment and drivers under contract with CARRIER to transport freight for Contractor's Customer Accounts; (vii) for each freight shipment or load, promptly communicate to CARRIER any claim or incident of bodily injury, property damage, and cargo claim or loss, damage, shortage or delay of which CONTRACTOR or any Team Member becomes aware; and (viii) perform all other contractual obligations as set forth in this Agreement.
- b. CONTRACTOR warrants and agrees that it shall, prior to providing Services to or for Contractor's Customer Accounts, first obtain and / or confirm with CARRIER each such customer's approved payment terms, if any, and sufficient open trade credit to provide such Services. CARRIER shall establish payment terms and credit limits, conditions, and other terms of payment in its sole discretion, using commercially reasonable and available information. CONTRACTOR shall be liable to CARRIER for loss of any monetary amount in excess of the approved credit account limit (as of the date Services first commenced with respect to the unpaid amount in excess of such credit limit) and which is uncollectible or remains unpaid for sixty (60) days, including the ratably apportioned costs of collection and reasonable attorneys' fees. CONTRACTOR shall not submit a credit application or request credit for any party which is affiliated with CONTRACTOR or Principal without providing advance written notice of such affiliation and obtaining CARRIER's written consent.
- i. With respect to any unpaid freight invoices or freight charges for the Services provided within CARRIER's approved credit account limit for a Contractor's Customer Account (as of the date Services first commenced with respect to the unpaid amount), CONTRACTOR's liability for any such non-payment, short payment, or adjustment due to such Contractor's Customer Account's credit worthiness, any of which has the effect of reducing Gross Revenue, shall be the actual amount of such non-payment, short payment, or adjustment, but shall not be more than CONTRACTOR's commission compensation paid, or to be paid, for such freight shipment(s) as set forth in Exhibit "B" hereof. In the event of non-payment, short payment, or adjustment due to erroneous or incorrect charges or bill rates submitted by CONTRACTOR, then CONTRACTOR's liability for any non-payment, short pay, or adjustment to such charges which has the effect of reducing Gross Revenue, shall be for the full amount of such adjustment.
 - ii. With respect to purchased transportation and related costs, CONTRACTOR's liability for any valid adjustment to the cost(s) or charge(s) asserted by providers of such purchased transportation and related costs and charges, which has/have the effect of increasing purchased transportation and related costs, and/or reducing Gross Revenue, shall be for the full amount of such adjustment(s).
- c. With respect to Contractor's Customer Accounts, for each freight shipment or load, CONTRACTOR shall promptly secure, or facilitate the securement of, Bill(s) of Lading, proof(s) of delivery, accessorial receipts, and any and all other documents and information necessary for CARRIER to render an invoice to the proper "bill to" party according to such party's requirements, and thereby entitle CARRIER to receive payment for such freight shipment or load as the owner of such invoice(s), and to accurately and timely settle purchased transportation costs. CONTRACTOR shall promptly, accurately and continuously post and update information regarding the Services (i.e., loading and delivery notifications, routing information, special instructions, pricing, etc.) in the transportation management system designated by CARRIER. CONTRACTOR warrants and agrees that it shall not;
- i. render invoices or bill Contractor's Customer Accounts for Services;
 - ii. accept payment(s) from Contractor's Customer Accounts; and
 - iii. other than by means provided by or approved by CARRIER according to CARRIER's operations procedures and business administration requirements, engage in any monetary disbursement transaction(s) or payment(s) with Contractor's Customer Accounts, drivers or third party carriers.
- d. CONTRACTOR shall comply, and instruct each of its Team Members to comply, with CARRIER's policies, procedures, instructions, codes of conduct (collectively, "Carrier's Policies") and any subsequent revisions or amendments thereto. Contractor and Team Members shall have a continuing duty to maintain compliance with CARRIER Policies.



- e. CONTRACTOR shall, at its sole expense, maintain adequate, safe and secure office and/or terminal facilities (collectively, "Facilities") necessary and appropriate to perform the Services. CONTRACTOR shall employ, or contract with, a sufficient number of properly trained Team Members in order to adequately and efficiently perform the Services and all other obligations and duties required under this Agreement. CONTRACTOR shall provide the sole supervision and shall have exclusive control over its Team Members. CONTRACTOR shall, at its sole expense, possess and maintain adequate office equipment necessary to provide the Services including, but not limited to, computers, computer network(s), hardware, software, and telephones.
- f. CONTRACTOR motor truck equipment ("Equipment"), if any, shall be listed on Exhibit "C" hereto (and as hereinafter supplemented with additions and / or deletions). Each motor truck listed on Exhibit "C" may be leased to CARRIER and, if so, pursuant to an equipment lease and driver services agreement as required by CARRIER. CONTRACTOR shall maintain the Equipment in a safe operating condition.
 - i. CONTRACTOR is authorized to recruit equipment owners and/or drivers on behalf of CARRIER to apply (with CARRIER) as independent contractor "owner operators" or drivers, provided, however, each owner operator and / or driver recruited and referred by CONTRACTOR must and shall complete and submit Carrier's Driver Application, and satisfy all of CARRIER's equipment and driver eligibility requirements prior to CONTRACTOR offering work to such owner operator(s) and / or driver(s) which in anyway relates to or is connected with CARRIER's status as a duly registered interstate motor carrier (including without limitation CARRIER's safety policies and applicable Federal Motor Carrier Administration Regulations. CONTRACTOR shall implement all prudent procedures with and for CONTRACTOR's Team Members to ensure CONTRACTOR's compliance with this provision.
 - ii. With respect to each owner operator and / or driver and / or equipment owner recruited and referred by CONTRACTOR which or who submits the Carrier's Driver Application, satisfies all of CARRIER's equipment and driver eligibility requirements, and thereby becomes authorized for dispatch by CONTRACTOR, CONTRACTOR shall be responsible for any equipment and / or driver net deficit or balance due incurred by CARRIER under the terms of an Independent Contractor Equipment Lease and Driver Services Agreement upon the termination and final reconciliation in the amount equal to the lesser of ninety percent (90%) of such balance due and FIVE THOUSAND DOLLARS (\$5,000). CONTRACTOR's financial responsibility herein shall apply for each such equipment / driver deficit incurred by CARRIER upon termination and final reconciliation. The forgoing excludes separate advances or loans made by CARRIER to an owner operator and / or driver for which CONTRACTOR has co-signed or guaranteed subsequent to the date of this Agreement.
 - iii. With respect to each owner operator and / or driver and / or equipment owner recruited and referred by CONTRACTOR which or who submits the Carrier's Driver Application, satisfies all of CARRIER's equipment and driver eligibility requirements, and thereby is authorized by CARRIER for dispatch by CONTRACTOR, CONTRACTOR shall be responsible for CARRIER's out of pockets costs, insurance policy deductible(s), financial liabilities, and damages incurred by CARRIER arising from or related to the operation of an approved motor truck, trailer, chassis, container, and/or driver on CONTRACTOR's express or reasonably understood instruction(s) or dispatch order(s) of such motor truck, trailer, chassis, container, and/or driver in the amount of CARRIER's actual financial loss up, to but not to exceed, TWENTY-FIVE THOUSAND DOLLARS (\$25,000) per occurrence. The forgoing shall be applied without regard to CONTRACTOR's or driver's fault, or motor truck, trailer, chassis, or container defect.
- g. CONTRACTOR shall submit to CARRIER all shipper, broker and customer (collectively, "Shipper") contracts, rate agreements, and any amendment, exhibit or addendum thereto (each, a "Shipper Agreement") that relates to the legal terms of Services, are presented to CONTRACTOR in CARRIER's name or otherwise refer to CARRIER. Promptly upon receipt, CARRIER shall review, approve, disapprove or revise each Shipper Agreement. CONTRACTOR acknowledges and agrees that CONTRACTOR is expressly prohibited from executing any Shipper Agreement or other document in CARRIER's name or on CARRIER's behalf, which change, modify, alter, or amend CARRIER's legal liability(ies) to any such Shipper. If CARRIER is required to



pay any amount relating to any unauthorized obligation made by CONTRACTOR to a third party, CONTRACTOR shall promptly reimburse CARRIER for such amounts.

- h. CONTRACTOR shall maintain the records necessary to confirm that CONTRACTOR is performing the Services and obligations under this Agreement ("Records"). Such Records shall include a copy of each Shipper Agreement, insurance certificates, bills of lading, delivery receipts, rate confirmations, evidence of payment of charges related to Services, and evidence that CONTRACTOR is actively and continuously monitoring Team Members for compliance with applicable law including, but not limited to, FMCSA rules and regulations.
- i. CONTRACTOR shall procure and maintain the following types of insurance issued by insurers domiciled in the United States of America or Canada maintaining a minimum A.M. Best rating of A- or higher, at its own expense, throughout the term of this Agreement:
 - i. Comprehensive general liability insurance covering bodily injury, including death, and property damage with minimum limits of not less than ONE MILLION DOLLARS (\$1,000,000 USD) for any one accident, disaster or occurrence.
 - ii. Worker's Compensation insurance at statutory limits in accordance with the laws of the State in which CONTRACTOR is located, fully covering all CONTRACTOR Team Members performing Services under this Agreement.
 - iii. Employer's liability coverage with minimum limits or not less ONE MILLION DOLLARS (\$1,000,000 USD) per occurrence.
- j. **CONTRACTOR shall establish a \$10,000.00 Reserve Account with CARRIER to secure CONTRACTOR's financial responsibilities under this Agreement and hereby authorizes CARRIER to withhold funds from CONTRACTOR's commission(s) as follows: CARRIER shall withhold ONE PERCENT (1%) of the Gross Revenue generated by CONTRACTOR each commission period until the Reserve Account balance reaches \$10,000.00, which is the Reserve Account Minimum. Upon establishing the Reserve Account Minimum, CONTRACTOR is obligated to maintain the Reserve Account Minimum for the duration of this Agreement. If CARRIER is required to recover charges and/or assessments from CONTRACTOR from the Reserve Account, CONTRACTOR shall promptly restore the Reserve Account Minimum. CARRIER is authorized to make deductions from CONTRACTOR's commission(s) to promptly restore the Reserve Account Minimum.**

4. OBLIGATIONS OF CARRIER

- a. CARRIER shall maintain its status as a duly registered interstate motor carrier of general commodities in good standing, and provide CONTRACTOR with a limited, revocable right to transport freight, under such registered status during the term of this Agreement.
- b. CARRIER shall maintain commercial insurance policies as required by applicable law for operation as an interstate motor carrier, including a commercial auto liability policy with the minimum coverage limits of ONE MILLION DOLLARS (\$1,000,000) per occurrence with insured's retention not greater than \$100,000. In addition, CARRIER shall maintain a motor truck cargo liability policy with limits not less than ONE HUNDRED THOUSAND DOLLARS (\$100,000) and a physical damage policy for CARRIER's equipment with limits not less than the depreciated value of such equipment or any purchase money secured party's requirement(s).
- c. CARRIER, at its sole expense, shall provide and maintain a technology system / transportation management system(s) ("TMS"), and provide CONTRACTOR with a limited, revocable right to use CARRIER's TMS to facilitate CONTRACTOR's performance of the Services and comply with Carrier's Policies. CONTRACTOR shall be responsible for CONTRACTOR's local technology system(s), hardware, and applications.
- d. CARRIER shall maintain a trade credit policy applicable to Contractor's Customer Accounts commensurate with prevailing market conditions such that CONTRACTOR shall be afforded the opportunity to provide commercially reasonable credit payment terms to Contractor's Customer Accounts in connection with the Services. Notwithstanding the forgoing, CARRIER shall have the right to approve, disapprove, modify or



adjust the payment terms and corresponding credit limit(s) of Contractor's Customer Accounts in its sole discretion.

- e. CARRIER shall, upon CONTRACTOR's confirmation to CARRIER that Services have been completed (which is CONTRACTOR's obligation), prepare an invoice or statement of account for the Services performed and deliver the same to the party responsible for payment ("bill to" party).
- f. CARRIER shall post each payment remittance CARRIER receives related to the Services to the applicable Contractor's Customer Account. CARRIER shall, with assistance from CONTRACTOR, perform collection services for any customer invoice(s) which remain unpaid forty-five (45) days from invoice date.
- g. CARRIER shall process and pay the corresponding settlement(s) related to each invoice or statement of account prepared and delivered hereunder for Services, including all deductions related to motor truck equipment, driver services, fuel, advances, fees, and insurance premium(s), as applicable. Provided CONTRACTOR's obligation to any party (other than CARRIER) is extinguished by CARRIER's payment, any such payments or settlements shall be credited to CARRIER's obligation, if any, to reimburse or pay CONTRACTOR for such items.
- h. CARRIER shall maintain a safety, compliance, and risk administration program as required by its status as a registered interstate motor carrier. Additionally, CARRIER shall process cargo, property, and third party bodily injury claims, including investigation and insurance policy administration.
- i. CARRIER shall pay Contractor for the Services each week for the completed shipments and / or loads for which CARRIER has received complete documentation and information related to the Services and has rendered an invoice or statement to Contractor's Customer Account(s) for such completed Services. CONTRACTOR authorizes and directs CARRIER to make deductions from, and make payments with, CONTRACTOR's commission(s) compensation for: (i) any advances made by CARRIER to or on behalf of CONTRACTOR; (ii) items initially paid for by CARRIER on CONTRACTOR's behalf; (iii) charge-back items provided under this Agreement; (iv) any equipment lease payments (if applicable); (v) fines, penalties, fees, deductibles and claims for which CONTRACTOR is responsible; and (vi) and for all monetary obligations and other indebtedness of CONTRACTOR to CARRIER arising under this Agreement. With ten (10) days advance notice, CARRIER may offset any monies otherwise due to CONTRACTOR against any indebtedness of CONTRACTOR to CARRIER, whether now existing or hereafter arising. This Section 4.I. shall survive expiration or termination of this Agreement.

5. COVENANT NOT TO USE/DISCLOSE CONFIDENTIAL INFORMATION

- a. CONTRACTOR and Principal acknowledge that due to CONTRACTOR's relationship with CARRIER, CARRIER may have occasion to, or will, disclose and, thereby, entrust CONTRACTOR and Principal with certain Confidential Information (as hereinafter defined) belonging to CARRIER, and that CONTRACTOR and Principal may otherwise become aware of such Confidential Information. CONTRACTOR and Principal acknowledge that it would be uniquely harmful and unfair for CONTRACTOR or Principal to use Carrier's Confidential Information for their own benefit, adversely to CARRIER, or for CONTRACTOR or Principal to divulge such Confidential Information to competitors of CARRIER or other persons.
- b. As used herein "Confidential Information" shall include all knowledge, information, documents and materials described as "Confidential Information" by applicable state and federal law and that such knowledge, information, documents and materials may be contained in the form of hard-copy documents and/or via computer and other electronic files and communications. CONTRACTOR and Principal acknowledge and agree that "Confidential Information" shall include, without limitation, the following types of knowledge, information, documents and materials relating to CARRIER, CARRIER's customers and CARRIER's operations: (i) CARRIER's financial data and personnel data, information regarding CARRIER's software systems, programs and capabilities, CARRIER's operating methods, CARRIER's trade secrets (as defined by applicable state and federal law) and the commission rate(s) and compensation formulas set forth in this Agreement; (ii) CARRIER's customer lists, customer contact information, customer pricing

information, customer billing/payment information, contractual terms between CARRIER and its customers, operational information regarding customers' needs/preferences/requirements for shipment scheduling/coordination, and customer traffic lanes; (iii) carrier lists, carrier contact information, carrier pricing/freight rates information, information regarding carriers' equipment, drivers and insurance, and carrier dispatch procedures and contacts for shipment scheduling/coordination; (iv) lists and contact information regarding CARRIER's actively sought prospective customers, information regarding CARRIER's actively sought prospective customers' pricing information, CARRIER's actively sought prospective customers billing/payment information, operational information regarding CARRIER's actively sought prospective customers needs/preferences/requirements for shipment scheduling/coordination, CARRIER's actively sought prospective customers traffic lanes, and the terms of any agreement being negotiated between CARRIER and CARRIER's actively sought prospective customers; and (v) CARRIER's freight and sales contractor lists, contractor contact information, contractor pricing / commission information, rates, and formulas, contractual terms between CARRIER and its freight and sales contractors, operational information regarding its contractors' needs/preferences/requirements for services.

- c. CONTRACTOR and Principal agree that all knowledge, information, documents and materials constituting or containing "Confidential Information" are and will be the confidential and proprietary information of CARRIER, provided, however, that all such information pertaining to, and arising from Contractor's Customer Accounts, CONTRACTOR's operations, and CONTRACTOR's efforts to perform under this Agreement, shall also be the indivisible property of CONTRACTOR. All Carrier Confidential Information, but excluding all such information pertaining to, and arising from Contractor's Customer Accounts, shall be considered "Carrier's Exclusive Confidential Information." During the term of this Agreement and for a period of two (2) years after termination of this Agreement for any reason, CONTRACTOR and Principal agree that CONTRACTOR and Principal will: (i) hold all of Carrier's Exclusive Confidential Information in strict confidence and take all action reasonably necessary to protect the same in CONTRACTOR's or Principal's possession, (ii) will not disclose Carrier's Exclusive Confidential Information to others or use it in any way, commercially or otherwise, except as authorized in writing by CARRIER; (iii) will not allow any unauthorized person access to Carrier's Exclusive Confidential Information; and (iv) will not copy, download or transmit any Carrier's Exclusive Confidential Information except in performance of the Services hereunder.
- d. Upon termination of this Agreement or upon demand by CARRIER, CONTRACTOR and Principal will immediately return to CARRIER all of Carrier's Exclusive Confidential Information, without retaining any copies thereof.
- e. CARRIER acknowledges that the Confidential Information pertaining to, and arising from Contractor's Customer Accounts, CONTRACTOR's operations, and CONTRACTOR's efforts to perform under this Agreement, shall be protected for the benefit of CONTRACTOR. CARRIER acknowledges that it would be uniquely harmful and unfair for CARRIER to use Confidential Information pertaining to, and arising from Contractor's Customer Accounts, CONTRACTOR's operations, and CONTRACTOR's efforts to perform under this Agreement, adversely to CONTRACTOR or to divulge such Confidential Information in which CONTRACTOR has an indivisible interest, to competitors of CONTRACTOR or other persons. During the term of this Agreement and for a period of one (1) year after termination of this Agreement for any reason, CARRIER will: (i) hold all Confidential Information pertaining to, and arising from CONTRACTOR's Customer Accounts, CONTRACTOR's operations, and CONTRACTOR's efforts to perform under this Agreement in confidence and take action reasonably necessary to protect the same in CARRIER's possession; and (ii) will not disclose to others or use such Confidential Information except in furtherance of this Agreement.

6. COVENANT NOT TO RECRUIT CARRIER'S FREIGHT AND SALES CONTRACTORS

CONTRACTOR and Principal agree that during the term of this Agreement and for one (1) year after termination for any reason, CONTRACTOR and Principal will not for itself (or himself), or by assisting others, hire, offer to hire or otherwise recruit or solicit any person or entity who or which is an independent contractor, freight contractor or sales contractor of CARRIER for the purpose of persuading such person or entity to terminate his/her/its business relationship with CARRIER in order to engage (whether as a freight contractor or sales contractor or otherwise) in the business of freight transportation of general commodities or securing contracts to ship goods by motor carrier



or to receive the shipment of goods by motor carrier within the continental United States. This restriction shall apply only with respect to those independent contractor(s), freight contractor(s) and sales contractor(s) of CARRIER first introduced to CONTRACTOR by CARRIER or where such introduction occurs as the result of CONTRACTOR's relationship with CARRIER under this Agreement.

- a. Likewise, CARRIER agrees that during the term of this Agreement and for one (1) year after termination for any reason other than CARRIER's termination for cause as provided in Paragraph 10(A), CARRIER will not for itself, or by assisting others, hire, offer to hire or otherwise recruit or solicit any person or company who is an independent contractor, freight contractor or sales contractor of CONTRACTOR for the purpose of persuading such person or entity to terminate his/her/its business relationship with CONTRACTOR in order to engage (whether as a freight contractor, freight contractor, sales contractor or otherwise) in the business of freight transportation of general commodities or securing contracts to ship goods by motor carrier or to receive the shipment of goods by motor carrier within the continental United States. This restriction shall apply only with respect to those independent contractor(s), freight contractor(s) and sales contractor(s) of CONTRACTOR first introduced to CARRIER by CONTRACTOR or where such introduction occurs as the result of CONTRACTOR's relationship with CARRIER under this Agreement.

7. COVENANT NOT TO RECRUIT CARRIER'S EMPLOYEES

CONTRACTOR and Principal agree that during the term of this Agreement and for one (1) year after termination (upon the initiative of either party and with or without cause), CONTRACTOR will not for itself, or by assisting others, hire, offer to hire or otherwise recruit any person or company who is an employee of CARRIER for the purpose of persuading such person to terminate his or her employment with CARRIER in order to engage (whether as a freight contractor, freight broker, sales contractor or otherwise) in the business of freight transportation of general commodities or securing contracts to ship goods by motor carrier or to receive the shipment of goods by motor carrier within the continental United States. This restriction shall apply only with respect to those persons who were employees of CARRIER at any time during the term of this Agreement and with whom CONTRACTOR or Principal regularly or periodically discussed, managed, or reported information, confidential or otherwise, pertaining to, and arising from, Contractor's Customer Accounts, CONTRACTOR's own operations, and CONTRACTOR's efforts to perform under this Agreement.

- a. Likewise, CARRIER agrees that during the term of this Agreement and for one (1) year after termination (upon the initiative of either party and with or without cause), CARRIER will not for itself, or by assisting others, hire, offer to hire or otherwise recruit any person or company who is an employee of CONTRACTOR for the purpose of persuading such person to terminate his or her employment with CONTRACTOR in order to engage (whether as a freight contractor, freight broker, sales contractor or otherwise) in the business of freight transportation of general commodities or securing contracts to ship goods by motor carrier or to receive the shipment of goods by motor carrier within the continental United States. This restriction shall apply only with respect to those persons who were employees of CONTRACTOR with whom a CARRIER representative regularly or periodically discussed, managed, or reported information, confidential or otherwise, pertaining to, and arising from, Contractor's Customer Accounts, CONTRACTOR's own operations, and CONTRACTOR's efforts to perform under this Agreement.

8. INDEMNIFICATION

- a. Except as provided in Paragraph 8 (B) hereof, CONTRACTOR shall be liable for, and shall defend, indemnify and hold harmless CARRIER, its parent(s), affiliates, subsidiaries, and all of the respective officers, members, directors, employees, attorneys, stockholders, partners, affiliates and agents thereof (each, an "Indemnified Party" and collectively the "Indemnified Parties") from and against, all claims, demands, costs, damages, losses, liabilities (including reasonable attorneys', accountants', and experts' fees and disbursements), judgments, fines and other amounts (collectively "Claims") relating to or arising out of: (i) CONTRACTOR's negligence or willful misconduct, including that of Principal and CONTRACTOR's Team Members, resulting in injury to persons (including injury resulting in death) and damage to property arising out of or in connection with CONTRACTOR's activities, whether in connection with this Agreement or otherwise; (ii) CONTRACTOR's breach of any warranty or representation set forth in this Agreement; (iii)



CONTRACTOR's, Principal's, or any Team Member's willful misconduct; (iv) CONTRACTOR's, Principal's, or any Team Member's violation of any applicable law(s); (v) any claim (including by governmental authorities) that Principal or any Team Member is an employee of CARRIER; and (vi) any compensation or remuneration alleged to be or due and payable to any CONTRACTOR Team Member, sub-contractor, or others, for Services performed hereunder and which is/are not the responsibility of CARRIER in a separate written instrument. CONTRACTOR shall not be obligated to indemnify an Indemnified Party to the extent that a Claim directly or comparatively results from the negligence or willful misconduct of such Indemnified Party. CONTRACTOR acknowledges that its indemnification obligations hereunder shall extend and apply to damages resulting from direct claims by any Indemnified Party as well as any damages an Indemnified Party suffers as a result of any third-party claims. CONTRACTOR covenants not to settle any matter under this indemnity obligation without first obtaining CARRIER's prior written consent. This Section 8 shall survive expiration or termination of this Agreement.

- b. When acting within the scope of this Agreement, and provided CONTRACTOR has not violated any of CONTRACTOR's material duties or responsibilities under this Agreement, whether by intentional act, or by omission, or by negligence, which results in a breach of one or more of CARRIER's commercial insurance policies stated in Paragraph 4.B. of this Agreement, and such act(s) or omission(s) operate to negate or exclude or reduce coverage under the applicable insurance policy(ies), then CONTRACTOR shall be afforded the benefit(s) of, and recovery(ies) under, CARRIER's commercial insurance policies, which amounts or recoveries of such insurance indemnity payments shall reduce or eliminate CONTRACTOR's obligation to indemnify CARRIER under Paragraph 8(A) in the same amount(s). Provided CONTRACTOR is free of fault, CARRIER, on behalf of its insurers and assigns, waives subrogation against CONTRACTOR. Notwithstanding the forgoing, CONTRACTOR shall be liable for CARRIER's insurance policy deductible(s) as follows:
 - i. Auto Liability: \$10,000.00
 - ii. Environmental Clean-Up: \$10,000.00
 - iii. Physical Damage (CARRIER's equipment): \$10,000.00
 - iv. Primary Motor Truck Cargo Policy: \$10,000.00
- c. **Notwithstanding the forgoing, in the event a cargo loss, damage, or delay claim is received by CARRIER from a Contractor's Customer Account, and is alleged to have arisen in connection with CONTRACTOR's Services under this Agreement, but which is not covered by CARRIER's primary cargo policy, and CARRIER reasonably believes it does not have a legal liability under any applicable law or an enforceable contract to pay or satisfy such cargo claim, but in consultation with CONTRACTOR, CARRIER agrees to fund the settlement of the cargo claim as an accommodation to the claimant or to avoid the hazards of litigation and further dispute, then CONTRACTOR shall be responsible to CARRIER for:**
 - i. ONE HUNDRED PERCENT (100%) of such payment up to the first \$10,000; and
 - ii. FIFTY PERCENT (50%) of the amount, if any, in excess of \$10,000.
- d. CONTRACTOR shall be liable for any amount(s) in excess of CARRIER's policy limits or the amount of CARRIER's damages upon the adjudication or stipulation that CONTRACTOR's gross negligence, willful acts, or misconduct is/are the proximate cause of such property damage or personal injury in excess of, or which result in the non-coverage by, CARRIER's applicable insurance policy's(ies) limit(s).

9. TERM

Unless sooner terminated as hereinafter provided, the initial Term of this Agreement will be for a period of twelve (12) months commencing on the Effective Date, and will be automatically renewed for one (1) year terms thereafter, unless either party provides written notification to the other party of non-renewal within thirty (30) days prior to the expiration of the then existing term.

10. TERMINATION

- a. Termination for Cause: CARRIER shall have the right to terminate this Agreement immediately for cause if any of the following events should occur: (a) CONTRACTOR's material breach of this Agreement; or (b) willful conduct by CONTRACTOR or any of its principals, employees, contractors, or agents that is materially



injurious to CARRIER; or (c) indictment or conviction of Principal or CONTRACTOR or any of its principals, employees, contractors, or agents for any act of fraud, embezzlement, theft, or any crime of moral turpitude; or (d) in the event that CONTRACTOR or Principal (or their employees or agents) may be subject to confidentiality covenants, and/or a covenant not to compete, and/or covenant not to solicit customers (hereinafter "a restrictive covenant agreement") with another person or entity (a "third party") and such third party notifies CARRIER that CONTRACTOR and/or Principal (or their employees or agents) is in violation of such restrictive covenant agreement or demands compliance with such restrictive covenant agreement; or (e) in the event that CONTRACTOR's status as a limited liability company is voluntarily or involuntarily terminated and CONTRACTOR fails to have such status reinstated within thirty (30) days after CONTRACTOR receives notice of such termination; or (f) in the event CONTRACTOR (or an affiliate of CONTRACTOR) defaults under or commits a material breach of any other agreement between CONTRACTOR (or an affiliate of CONTRACTOR) and CARRIER or an affiliate of CARRIER; or (g) CONTRACTOR's material non-performance or continuing non-performance under this Agreement.

- i. CONTRACTOR shall have the right to terminate this Agreement by providing BROKER with written notice of its intent to terminate this Agreement in the event of BROKER's material breach or violation of any of the terms and conditions of this Agreement.
- b. Termination Without Cause: Provided that all amounts, sums, and monies CONTRACTOR owes CARRIER under this Agreement or any other agreement or instrument shall be fully paid and satisfied, CONTRACTOR may terminate this Agreement without cause upon sixty (60) days advance written notice to CARRIER.

11. MISCELLANEOUS

- a. CONTRACTOR and Principal warrant and represent to CARRIER that neither CONTRACTOR nor Principal nor any affiliate of Principal is subject to any restrictive covenant agreement with a third party (e.g. covenants not to compete, customer non-solicitation agreements and the like) which would in any manner restrict or prohibit CONTRACTOR's performance of services as set forth in this Agreement. CONTRACTOR and Principal agree that CONTRACTOR's services and operations will be conducted in a manner: (i) which will not to violate nor infringe upon the trade secrets and confidential/proprietary rights of any other person or entity, and (ii) which will not breach the provisions of any restrictive covenant agreement or similar contract to which CONTRACTOR, Principal, or any affiliate of Principal is a bound.
- b. Neither CONTRACTOR nor CARRIER shall be liable for any delay in performance if such delay arises from or relates to acts of God, war, natural disasters, strikes (except those involving the Agent's employees), or civil disorder making it inadvisable, illegal, or impossible to perform their obligations under this Agreement. Any party affected by a force majeure event shall promptly upon learning of such event give notice to the other party, stating the nature of the force majeure event, its anticipated duration, and all actions being taken to avoid or minimize its effect.

12. CHOICE OF LAW; SEVERABILITY; FORUM

- a. The parties intend and believe that the provisions of this Agreement are reasonable, necessary and not overly broad. The parties further intend and believe the provisions of this Agreement are legal, valid and enforceable. The parties further agree that should any court deem any aspect of this Agreement to be illegal, invalid or unenforceable, then the parties intend and desire that this Agreement not be declared void in its entirety, but rather that such court exercise its authority to modify or otherwise render this Agreement legal, valid and enforceable; such exercise of the court's powers to include, but not be limited to, severing, lessening or otherwise modifying the scope and type of prohibited activities, shortening or otherwise modifying the effective time period of this Agreement, limiting or otherwise modifying the types of information and materials constituting "Confidential Information," or otherwise modifying this Agreement to render it legal, valid and enforceable to the fullest extent permitted by law.
- b. This Agreement will be governed by the laws of the Commonwealth of Pennsylvania. The parties irrevocably stipulate and agree that any lawsuit pertaining to this Agreement and/or the subject matter hereof shall only be filed in the state or federal courts serving Allegheny County, Pennsylvania. In the event any lawsuit



is filed, each party hereto hereby submits itself/himself/herself to the personal jurisdiction of such Court and acknowledges that venue is appropriate and that such Court shall have exclusive subject matter and personal jurisdiction regarding any claims relating to this Agreement and/or the subject matter hereof.

- c. This Agreement with attached Exhibits constitutes the entire agreement between the parties and supersedes any prior understandings or written or oral agreements or representations between the parties respecting the within subject matter. It shall not be amended, altered or changed except by a written agreement signed by the parties hereto or by reformation or modification by a court of competent jurisdiction as previously provided herein. Any waiver by CARRIER or CONTRACTOR or Principal of a breach of any of the provisions of this Agreement will not operate or be construed as a waiver of any rights and privileges under this Agreement or of any subsequent breach. The parties stipulate and agree that this Agreement shall not be construed more stringently against one party as opposed to another.
- d. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns. Provided, that the duties, obligations and performance/operational standards as provided herein are specifically intended to apply only as between the parties hereto (or other persons or entities who may be specifically identified in this Agreement) and do not create duties, obligations, or standards of conduct or care owed to any other person or entity. The parties do not intend that the general public be a third-party beneficiary or an intended beneficiary of any of the provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

PARADIGM TRANSPORTATION, INC. & Affiliates

Contractor Company Name

Signature **Date**

Signature **Date**

Name (Authorized Representative)

Name (Principal)

Its (Title)



EXHIBIT "A"

CONTRACTOR'S CUSTOMER ACCOUNTS

To be completed



EXHIBIT "B"

CONTRACTOR'S COMPENSATION AND COMMISSION RATE

1. For the full and proper performance of the services required of CONTRACTOR under this Agreement with respect to contractor's shipments, COMPANY shall compensate CONTRACTOR in the amount of _____ percent (_____%) of Line Haul Revenue Company collects for each CONTRACTOR Shipment, less the amount paid to COMPANY Trucks or Company leased operators.
 - a. "Gross Commission Revenue" shall mean the amount paid by COMPANY's customer minus the amount paid to the motor carrier to which COMPANY tenders the shipment minus other costs related to the shipment.
 - b. "Line Haul Revenue" shall mean all revenue – billed by COMPANY to shippers, consignees, brokers, logistics companies, freight forwarders, other carriers, or other customers (referred to together as "COMPANY's Customer" throughout this Exhibit and the Agreement) in connection with an CONTRACTOR Shipment performed by COMPANY trucks or Company Leased operators under this Agreement – for line haul transportation only, and excludes any revenue for hourly work, accessorial services, detention, and all other services, and all fuel surcharges, liability insurance surcharge, and
 - i. Charges separately stated on COMPANY's invoice to COMPANY's Customer as insurance surcharges, charges for escorts, charges for overweight, over dimensional, or other permits, charges for special loading and/or unloading services, excess-value charges or high-value freight charges, surcharges for additional security measures provided by COMPANY, trailer charges, cartage charges, spotting charges, and charges for other services COMPANY obtained from a broker, freight forwarder, interline or augmenting carrier, warehouse or other storage provider, terminal, other agent, independent contractor, or other third party, including but not limited to an affiliate of COMPANY (together, "Third Party") or ;
 - ii. Incentives, discounts, fees, or commissions COMPANY gives COMPANY's Customer with respect to the shipment; or
 - iii. Payment-processing fees consisting of the actual cost incurred by COMPANY for the shipment if COMPANY's customer or a third-party payor makes deductions from COMPANY's freight charges related to electronically-transmitted billing and payment account use; or
 - iv. Amounts COMPANY paid to Third Parties in relation to movement of the shipment, if not covered by a charge separately-stated on COMPANY's invoice to COMPANY's Customer including but not limited to charges for escorts, charges for overweight, overdimensional, or other permits, charges for special loading and/or unloading services, excess-value charges or high-value freight charges, surcharges for additional security measures provided by COMPANY, trailer charges, cartage charges, spotting charges, and charges for other services COMPANY obtained from a Third Party.
2. For purposes of this Exhibit and the Agreement and subject to the adjustment described in Paragraph 4 below, compensation shall be considered earned for an CONTRACTOR Shipment when both the CONTRACTOR Shipment has been delivered (or the requested transportation services completed) by COMPANY or a motor carrier to which COMPANY has brokered the CONTRACTOR Shipment and full charges for it has been invoiced by COMPANY.
3. Provided CONTRACTOR is in compliance with the terms, provisions and covenants of this Exhibit and the Agreement, compensation pursuant to Paragraph 1 of this Exhibit shall be paid pursuant to a commission statement issued to CONTRACTOR by Friday of each week for CONTRACTOR Shipments delivered (or the requested



transportation services completed) by 11:59 p.m. Eastern Time the preceding Sunday of that week, as to which COMPANY has received all Required Documentation by Noon Eastern time on Tuesday of that week.

4. All claims for unpaid compensation or other errors or mistakes related to CONTRACTOR Shipments moved during the time period covered by a commission statement shall be made by CONTRACTOR to COMPANY in a writing received by COMPANY within sixty (60) days after the date the commission statement is issued by COMPANY. If CONTRACTOR fails to provide such written notice to COMPANY within the foregoing sixty (60) day period, CONTRACTOR shall be deemed to have waived any such claim.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

PARADIGM TRANSPORTATION, INC. & Affiliates

Contractor Company Name

Signature **Date**

Signature **Date**

Name (Authorized Representative)

Name (Principal)

Its (Title)