

**SFS HOLDINGS, LLC D/B/A SPECIALTY FREIGHT & COURIER
(EQUIPMENT INTERCHANGE AGREEMENT)**

AGREEMENT made this _____ day of _____, by and between SFS Holdings, LLC d/b/a Specialty Freight & Courier (SFC), a Florida limited liability corporation having its principal place of business in Jacksonville, Florida and _____ (DRAYMAN).

WITNESSETH:

WHEREAS, DRAYMAN holds itself out to provide drivers and tractors for the handling of SFC's traffic.

NOW THEREFORE, the parties hereto mutually agree as follows:

- [1] DRAYMAN shall at all times under this Agreement be an independent contractor and not an agent of SFC.
- [2] DRAYMAN will, upon fax, verbal and/or computer notification, pick up trailers at a location specified by SFC and deliver said trailer(s) according to instructions provided thereby. DRAYMAN also agrees to assume responsibility for the return of empty trailers to their place of origin or to another location as directed by SFC. DRAYMAN also agrees to operate within the scope of its operating authority.

BLOCKING & BRACING: It is the responsibility of DRAYMAN to determine whether proper load securement has been accomplished on loads originating in DRAYMAN'S service area. DRAYMAN shall contact the SFC office when it believes that the freight has been improperly loaded or secured. DRAYMAN shall make an appropriate comment on the bill of lading reflecting the securement of the load before executing the Bill of Lading on SFC's behalf.

- [3] DRAYMAN hereby agrees to deliver all freight prior to the close of consignee's business on the day of appointment unless otherwise directed by SFC or its agent. DRAYMAN will be liable for all detention and storage charges incurred unless otherwise approved in advance by SFC.
- [4] **DUTY TO OBTAIN SHIPPER APPROVALS:** DRAYMAN agrees to obtain signed delivery receipts for empty trailers delivered for loading and shall note on the delivery receipt any exemptions which the shipper takes to the equipment type or condition and will obtain signatures from the shipper noting that certain accessorial services have been performed and specifying the amount of time spent in performing such functions. If shipper refuses to sign any such receipt, DRAYMAN shall note such refusal upon the face thereof.

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SHIPPER'S LOAD & COUNT: If asked to endorse a bill of lading on SFC's behalf for a load being tendered by shipper, DRAYMAN will note "shipper's load and count" on such document before signing same. In the event shipper refuses to accept this notation, DRAYMAN will immediately contact SFC for instruction. DRAYMAN agrees to indemnify and hold harmless SFC for any loss arising from a breach of the foregoing.

CARGO LOSS OR DAMAGE: DRAYMAN must verify that cargo seals are intact and that seal numbers match before interchanging the equipment from any facility. Any seal problems shall be reported by DRAYMAN immediately to SFC's office. Failure to follow this procedure will cause DRAYMAN to be responsible for resulting claims or damages. DRAYMAN must also document alleged cargo claims while its driver is physically present at the point of delivery and report the circumstances to SFC's office. Failure to follow this procedure will cause DRAYMAN to be responsible for resulting damage or claims.

- [5] DRAYMAN will promptly and diligently transport the equipment to the address specified in the shipping document accompanying the shipment and shall return the equipment in the same manner.
- [a] DRAYMAN will not allow equipment to leave its custody while in transit to the destination.
 - [b] **EQUIPMENT REUSE:** Equipment received from SFC in a loaded condition and made empty during DRAYMAN service is subject to SFC's disposition. SFC is given the first right of refusal to reload such equipment. In the event SFC does not provide DRAYMAN with reloading instructions prior to the interchange of the loaded trailer, DRAYMAN may provide an equivalent piece of equipment at its discretion. If SFC's reuse of the equipment results in detention charges, DRAYMAN assumes responsibility of such charges.
 - [c] DRAYMAN will assume personal responsibility for all losses because of the abandonment of equipment. Abandonment, for purposes hereof, shall be defined as leaving a trailer, loaded or unloaded, left unhitched from DRAYMAN'S tractor at a location other than SFC's facility, shipper's or consignee's premises.
 - [d] DRAYMAN shall have complete control and supervision of equipment while in its possession. The unauthorized use of equipment by DRAYMAN for movement of cargo for persons other than consignee and/or shipper shall entitle SFC to cancel this Agreement immediately and without notice.

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- [e] DRAYMAN will not sublease equipment to any third party without the written consent of SFC, and then, only to the extent of such written permission. NOTWITHSTANDING ANY SUCH SUBLEASE, DRAYMAN SHALL BE AND REMAIN RESPONSIBLE FOR THE PERFORMANCE OF THIS AGREEMENT AND SHALL BE JOINTLY AND SEVERALLY LIABLE FOR ANY OBLIGATIONS OF ANY THIRD PARTY TO WHOM EQUIPMENT IS SUBLEASED.
 - [f] DRAYMAN shall pay all fines arising out of acts or omissions in the operation of the equipment in connection with the Agreement. DRAYMAN shall pay all tolls, mileage taxes, parking fees, weight fees, additional license or permit fees and any other charges applicable with the use of operating vehicles employed by DRAYMAN in connection with this Agreement.
 - [g] DRAYMAN agrees to indemnify and hold SFC harmless from and against all liability for damages to person or property arising out of the use, operation, maintenance or possession of said equipment, or arising from any other cause, until said equipment has been returned to SFC or the owner and receipt issued therefor. The obligations assumed by DRAYMAN pursuant to this section shall apply regardless of any contributing acts or omissions, whether negligent or not, on SFC's part.
- [6] ACCESSORIAL ISSUES: In order for DRAYMAN to be paid for such additional services, DRAYMAN must call the SFC office in advance for approval.
- [7] DRAYMAN hereby agrees that during the term of this Agreement it shall carry insurance covering any liability which might arise during or out of the performance of the Agreement, as follows:
- [a] AUTOMOBILE LIABILITY INSURANCE: DRAYMAN shall obtain Automobile Liability Insurance with not less than \$1 million combined single limit per occurrence. Such insurance shall protect the interest of the DRAYMAN and SFC with respect to liability for personal injury and property damage arising out of the ownership, maintenance, use or operation of the vehicles employed by DRAYMAN in connection with this Agreement.
 - [b] PHYSICAL DAMAGE INSURANCE: Upon taking possession, DRAYMAN shall maintain comprehensive fire, theft and damage plus collision and upset insurance policy or policies covering all equipment belonging to or leased by SFC and/or clients of SFC from whom freight has been brokered by SFC to DRAYMAN in the following amounts:

Van trailers / Flatbeds / Containers / Chassis: \$25,000

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- [c] **WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE:** DRAYMAN shall maintain Worker's Compensation and Employer's Liability Insurance, with limits of liability under the Employer's Liability portion of not less than \$100,000 or as the law may otherwise prescribe in the particular jurisdiction to include a waiver of subrogation in favor of SFC.
- [d] **CARGO LIABILITY INSURANCE:** At all times during the term of the Agreement, DRAYMAN shall maintain a "All Risk" motor truck cargo liability policy with limits of not less than \$100,000 per occurrence. In addition, the parties recognize and agree that SFC may, on occasion, entrust to DRAYMAN for the transportation of high value shipments, which are defined for the purposes of this provision as any truckload shipment with a declared value of over \$100,000. If the declared value of the shipment exceeds the policy limit of the DRAYMAN, it shall be the sole responsibility of the DRAYMAN to obtain motor truck cargo insurance in an amount to cover said shipment. In addition, DRAYMAN assumes all liability and responsibility for all cargo claims in excess of its limits.

In the event that DRAYMAN does not provide proof of the insurance above, SFC shall have the right to obtain excess coverage on behalf of the DRAYMAN up to an amount of \$900,000 per shipment, which excess coverage shall apply only after the cargo insurance coverage required to be maintained by the DRAYMAN pursuant to the above has paid the full amount of the coverage (\$100,000) for any single occurrence. DRAYMAN hereby authorizes SFC to deduct the cost of this excess insurance as applicable per shipment.

In the event that a cargo loss, damage or delay claim, or any portion thereof, is excluded from coverage for any reason, DRAYMAN shall assume complete responsibility for all such uninsured loss and shall indemnify and hold harmless SFC for any loss, damage or delay claim asserted against SFC.

DRAYMAN shall furnish SFC certificates of such insurance evidencing the coverage described herein. Such certificates shall provide for 30 (thirty) days notice to SFC of cancellation or reduction of such coverage. All such policies, exclusive of worker's compensation insurance, and certificates shall show SFC as an additional named insured and shall provide that losses, if any, in respect to the equipment shall be payable to SFC.

- [8] **INDEMNITY:** DRAYMAN shall defend, indemnify and hold SFC 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 or breach of the Agreement by DRAYMAN, its

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employees or independent contractors working for DRAYMAN (collectively, the "Claims"), including but not limited to Claims for or related to personal injury (including death), property damage and DRAYMAN'S possession, use maintenance, custody or operation of the Equipment.

- [9] **DISCLAIMER OF WARRANTY:** SFC does not make any warranty or representation, express or implied, as to the fitness or condition of the equipment, including tires and tubes. The DRAYMAN acquires all equipment at its own risk.
- [10] **SEVERABILITY:** In the event that any of the terms or conditions of this Agreement shall be determined to be inoperative or unenforceable, said determination shall not affect the force and effect of any of the rest of the items in the Agreement.
- [11] **CARRIER'S OPERATING AUTHORITY AND COMPLIANCE WITH LAW:** DRAYMAN represents and warrants that it is duly and legally qualified to provide, as a contract DRAYMAN, the transportation services contemplated herein. DRAYMAN 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 the Agreement.
- [12] Termination of the Agreement shall not release either party in respect to any liability which shall have arisen hereunder prior to such termination. DRAYMAN shall not, other than by reason of cause or causes beyond its control, including, but not limited, to the authority of laws, strikes, acts of god, riot or other serious civil disturbance threatening violence or the apprehension of danger to persons or property, fail within 48 hours to perform any of the services herein provided. In the event of such default, SFC, may after giving verbal notice of such default, forthwith employ a substitute to perform said service and DRAYMAN shall promptly pay to SFC any additional costs incurred by SFC in employing such substitute.
- [13] DRAYMAN hereby agrees to comply at all times in its operation under this Agreement with the provisions of the Interstate Commerce Act and rules and regulations thereunder, applicable to its business. It is understood and agreed by the parties hereto that all of the terms and conditions constituting this Agreement are contained herein and may not be altered or amended, except in writing.

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- [14] This Agreement shall become effective the day and year first above written and shall continue in effect until terminated at any time, with or without cause, by the giving by either party to the other of no less than 30 (thirty) days written notice via registered mail, return receipt requested, of intention to terminate.

- [15] This Agreement shall be construed in accordance with the laws of the State of Florida and in the event of any disagreement or dispute the laws of Florida shall apply. Any action or lawsuit commenced in respect of this Agreement shall be brought in a state or federal court situate in Jacksonville, Florida, to the exclusion of any other court and both parties consent to the personal jurisdiction of said courts and accept venue therein.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and witnessed on the day and year first above written.

**SFS Holdings, LLC d/b/a Specialty
Freight & Courier**

By: _____
Authorized Agent or Attorney-in-Fact

Printed Name: _____

Address: 3728 Philips Highway
Suite 218
Jacksonville, Florida 32207

**List individual's name as company when
applicable**

DRAYMAN
COMPANY: _____

AUTHORIZED
SIGNATURE: _____

Print Name: _____

Print Title: _____

Address: _____

City/State/Zip: _____

Phone: _____

Fax: _____

Tax ID#: _____

USDOT#: _____

MC#: _____