

ELK LOGISTICS

Corporate Office

P.O. Box 1337, STAUNTON, VA 24402

PLEASE FAX COMPANY INFORMATION BACK TO:

(540) 886-2677

DATE: _____

CO. NAME: _____

ATTN: _____

FAX #: _____

FROM: ELK LOGISTICS

OF PGS : _____ 5 _____

DEAR NEW CARRIER:

THANK YOU FOR DOING BUSINESS WITH ELK LOGISTICS

ATTACHED, YOU WILL FIND:

1. **THE BROKER/CARRIER AGREEMENT**
2. **FEDERAL HIGHWAY ADMINISTRATION LICENSE**
3. **INSURANCE SURETY BOND**

PLEASE REVIEW AND IF AGREEABLE, PLEASE COMPLETE THE FOLLOWING FORMS AND RETURN IMMEDIATELY SO THERE WILL NOT BE ANY DELAYS IN DISPATCHING YOUR DRIVER:

1. **BROKER/CARRIER AGREEMENT**
2. **W-9 FORM**

IN ADDITION TO THESE PAGES, PLEASE PROVIDE US WITH THE FOLLOWING REQUIRED ICC ITEMS:

1. **INTERSTATE COMMERCE COMMISSION PERMIT**
2. **CERTIFICATE OF INSURANCE**
3. **STATE CORPORATION REGISTRATION (IF APPLICABLE)**

AGAIN, THANK YOU FOR YOUR PROMPT ATTENTION TO THE MATTER. WE LOOK FORWARD TO WORKING WITH YOU IN THE FUTURE.

**Elk Logistics
Broker / Carrier Agreement**

This agreement, dated for identification _____, is by and between **ELK LOGISTICS, (the Broker)** and _____
(The Carrier.)

WHEREAS, the broker is a licensed property broker engaged in the business of selling and offering for sale or negotiating transportation in interstate or intrastate commerce over public highways; and

WHEREAS, the carrier is a motor carrier operating in the interstate and/or intrastate commerce, pursuant to operating authority issued to it by the appropriate authorities or commissions.

THEREFORE, IN CONSIDERATION of the covenants and promises set forth in this agreement, the parties agree as follows:

1. **Term:** The term of this agreement shall be for a period of 12 months and from year to year thereafter, commencing _____, subject to the right of either party to terminate the agreement not less than 30 days written notice by one party to the other.
2. **Performance of Services:** The carrier agrees to transport commodities and perform ancillary services tendered to it by the Carrier in accordance with this agreement. The Carrier shall be responsible to comply at all times during the term of the agreement with all applicable regulations of the STB and DOT.
3. **Rates:** Rates may be established or amended verbally in order to meet specific shipping schedules, as mutually agreed; provided, however, that any verbal establishment of or amendment to rates shall be confirmed immediately by facsimile transmission. The parties further agree to confirm the facsimile by written confirmation sent by mail as soon as possible.
4. **Invoicing:** In all instances, the Broker shall invoice the shipper, and the Carrier shall invoice the Broker. The Broker guarantees payment of the Carrier's invoices. The Broker agrees to pay the Carrier's invoice (at the agreed rates) within 30 days after the Broker's receipt of signed clear delivery receipt and original shipper's bill of lading.
5. **Loss, Damage, or Destruction:** The Carrier shall be liable for all loss, damage or liability occasioned by the Carrier's negligence or intentionally tortious act. The Carrier shall promptly handle and resolve any claims submitted to it by the Broker or directly from a shipper for loss or damage to any of shipper's property transported by the Carrier. Any paperwork revealing evidence of potential claims for loss, damage, destruction, or shortage will result in payment being withheld until the Broker has determined the extent of any claim to be filed.
6. **Insurance:** The Carrier shall furnish written proof of insurance for personal liability, property damage, and cargo damage in amounts not less than the following: a. \$750,000 for personal liability and property damage; and b. \$100,000 for cargo damage. The certificate of insurance to be provided by the Carrier shall contain provision requiring that the Broker be given 30 days written notice prior to the effective date of any cancellation or material change in the policies.
7. **Independent Contractor:** The relationship of the Carrier to the Broker is that of independent contractor, and nothing contained in this agreement shall be construed to be inconsistent with that relationship. The Carrier agrees not to subcontract any portion of its duties pursuant to this agreement.
8. **Reputation of the Carrier:** The Broker shall uphold the good reputation of the Carrier and shall not misrepresent the services and abilities of the Carrier.
9. **Competition:** The Carrier agrees that it will support and protect the Broker's efforts under this agreement by refraining for solicitation of shippers and/or customers which the Broker introduces to the Carrier. The non-competition agreement by the Carrier shall be in effect during the term of the agreement and for a period of 12 months after the termination of the agreement, for whatever reason. In the event of a breach of this non-competition agreement by the Carrier, the Carrier agrees to pay the Broker, as liquidated damages, a commission of 15% of the total freight charges for all shipments tendered to the Carrier from shippers introduced to the Carrier by the Broker.
10. **Indemnification:** The Carrier shall indemnify and hold harmless shipper and the Broker from and against any and all claims, demands, direct and indirect damages, causes of action, liabilities, losses, suits, taxes, penalties, and fines from any source caused by or resulting from the actions or omissions of the Carrier or its agents or employees in providing services under this agreement or in failing to comply with any law or regulation.
11. **Notice:** All notices required or related to this agreement shall be in writing and shall be delivered personally, by facsimile, or sent by the U.S. registered or certified mail, return receipt requested, postage prepaid, addressed to the following facsimile numbers and addresses:

CARRIER: _____

BROKER:
PHONE: 540-886-0021
ELK LOGISTICS
PO BOX 1337
STAUNTON, VA 24402

ADDRESS: _____

CITY, STATE, ZIP: _____ PH _____

FAX: _____

Fax (540) 886-2677


All notices shall be effective on the date of receipt by the party to which it is addressed.

12. Governing Law: This agreement shall be governed by the Commonwealth of Virginia, and any action brought by any party pursuant to this agreement shall be commenced in the courts of the Commonwealth of Virginia, all parties agreeing to submit to jurisdiction of such courts.

WITNESS the following signatures:

(Legal name of Carrier)

By its: _____
(title)

Elk Logistics

by its: President _____
(title)

It is estimated that an average of 1/4 burden hour per response is required to complete this collection of information. This estimate includes time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed and completing and reviewing the collection of information. Comments concerning the accuracy of this burden estimate or suggestions for reducing this burden should be directed to Federal Highway Administration, HMS-12, 400 7th St., SW, Washington, DC 20590.

R.M.C. 84
(4/98)

Approved by OMB
2125-0576
Expires 9/30/98

FILER FHWA
ACCOUNT NO. _____

License No.
MC 414506-B

PROPERTY BROKER'S SURETY BOND UNDER 49 U.S.C. 13906 Bond No. 08599201

KNOW ALL MEN BY THESE PRESENTS, That we Elk Trucking, Inc D/B/A Elk Logistics
(Name of Property Broker)
of PO Box 200 Verona VA 24482
(Street) (City) (State) (Zip Code)

as PRINCIPAL (hereinafter called Principal), and Fidelity and Deposit Company of Maryland
(Name of Surety)

a corporation, or a Risk Retention Group established under the Liability Risk Retention Act of 1986, Pub.L. 99-563, created and existing under the laws the of the State of MD (hereinafter called Surety) are held and
(State or District of Columbia)

firmly bound unto the United States of America in the sum of \$10,000, for which payment, well and truly to be made, we bind ourselves and our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal is or intends to become a Broker pursuant to the provisions of Title 49 U.S.C. 13903, and the rules and regulations of the Federal Highway Administration relating to insurance or other security for the protection of motor carriers and shippers, and has elected to file with the Federal Highway Administration such a bond as will ensure financial responsibility and the supplying of transportation subject to the ICC termination Act of 1995 in accordance with contracts, agreements, or arrangements therefore, and

WHEREAS, this bond is written to assure compliance by the Principal as a licensed Property Broker of Transportation by motor vehicle with 49 U.S.C. 13906(b), and the rules and regulations of the Federal Highway Administration, relating to insurance or other security for the protection of motor carriers and shippers, and shall inure to benefit of any and all motor carriers or shippers to whom the Principal may be legally liable for any of the damages herein described.

NOW, THEREFORE, the condition of this obligation is such that if the Principal shall pay or cause to be paid to motor carriers or shippers by motor vehicle any sum or sums for which the Principal may be held legally liable by reason of the Principal's failure faithfully to perform, fulfill, and carry out all contracts, agreements, and arrangements made by the Principal while this bond is in effect for the supplying of transportation subject to the ICC Termination Act of 1995 under license issued to the Principal by the Federal Highway Administration, then this obligation shall be void, otherwise to remain in full force and effect.

The liability of the Surety shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount in the aggregate to the penalty of the bond, but in no event shall the Surety's obligation hereunder exceed the amount of said penalty. The Surety agrees to furnish written notice to the Federal Highway Administration forthwith of all suits filed, judgements rendered, and payments made by said Surety under this bond.

This bond is effective the 7 day of September, 2001, 12:01 a.m., standard time at the address of the Principal as stated herein and shall continue in force until terminated as hereinafter provided. The Principal or the Surety may at any time cancel this bond by written notice to the Federal Highway Administration at its office in Washington, DC, such cancellation to become effective thirty (30) days after actual receipt of said notice by the FHWA on the prescribed Form BMC-36, Notice of Cancellation Motor Carrier and Broker Surety Bond. The Surety shall not be liable hereunder for the payment of any damages hereinbefore described which arise as the result of any contracts, agreements, undertakings, or arrangements made by the Principal for the supplying of transportation after the termination of this bond as herein provided, but such termination shall not affect the liability of the Surety hereunder for the payment of any such damages arising as the result of contracts, agreements, or arrangements made by the Principal for the supplying of transportation prior to the date such termination becomes effective.

The receipt of this filing by the FHWA certifies that a Broker has been issued by the company identified above, and that such company is qualified to make this filing under Section 387.315 of Title 49 of the Code of Federal Regulations.

Falsification of this documentation can result in criminal penalties prescribed under 18 U.S.C. 1001.

IN WITNESS WHEREOF, the said Principal and Surety have executed this instrument on the 7 day of September, 2001.

PRINCIPAL

Name Elk Trucking, Inc D/B/A Elk Logistics
By Muhall B. Johnson
(Signature and Title)
Witness [Signature]

SURETY

Name Fidelity and Deposit Company of Maryland (SEAL)
By [Signature]
(Signature and Title) Attorney-in-Fact
Witness Kathleen M. Tabor
John C Stanchina

Elk Logistics Inc.

Physical Address

25 Middlebrook Avenue
Staunton VA 24401

Billing Address

P.O. Box 1337
Staunton VA 24402

Telephone Numbers

540-886-0021 (local)
800-818-1874 (toll-free)

Fax Numbers

540-886-2677 (dispatch)
540-886-2678 (accounting)

CREDIT REFERENCES

Morristown Driver's Service

Morristown, TN

800-621-4306

Intertrans

Gordonsville, VA

800-692-7800

First Bank & Trust Company

Staunton, VA

540-885-8000



U.S. Department of Transportation
Federal Motor Carrier Safety Administration

400 Virginia Avenue, SW, Suite 600
Washington, DC 20024

SERVICE DATE
September 20, 2001

LICENSE

MC-414506-B

ELK TRUCKING, INC

D/B/A ELK LOGISTICS

VERONA, VA

This License is evidence of the applicant's authority to engage in operations, in interstate or foreign commerce, as a broker, arranging for transportation of freight(except household goods) by motor vehicle.

This authority will be effective as long as the broker maintains insurance coverage for the protection of the public (49 CFR 387) and the designation of agents upon whom process may be served (49 CFR 366). The applicant shall also render reasonably continuous and adequate service to the public. Failure to maintain compliance will constitute sufficient grounds for revocation of this authority.

Terry Shelton

Terry Shelton, Director
Office of Data Analysis & Information Systems