

## Paul Transportation Systems, Inc

AGREEMENT made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_  
Hereinafter referred to as **CARRIER**, and **PAUL TRANSPORTATION SYSTEMS, INC.** hereinafter referred to as **BROKER**.

### WITNESSETH:

**WHEREAS, CARRIER** is a motor contract carrier of property authorized by permit no MC \_\_\_\_\_ a copy of which permit is attached hereto and made a part hereof as Appendix (A) to provide transportation of property under contract with shippers and receivers of general commodities.

**WHEREAS, BROKER** needs adequate and dependable motor carrier transportation and related services to transport and handle the property of the shippers for whom it arranges transportation and related services, hereinafter simply referred to "transportation services". **CARRIER** is desirous and need to comply fully with requirement of 49 U.S.C. sect. 10102 and 49 C.F.R. 1053 in order to establish a motor carrier contract and qualify all transactions subsequent to this Agreement as those between a shipper and a contract carrier.

**NOW THEREFORE** in consideration of the foregoing promises and of the covenants, agreements and representations made herein, the parties agree as follows:

1. **CARRIER** agrees to transport and deliver specified commodities, in accordance with the shipping instructions issued to it by **BROKER**, for and on behalf of various beneficial owners, and where required, to have its driver(s) be responsible for the loading and/or unloading of required to load or unload said shipments, **CARRIER** shall have the duty to determine that each shipment is properly loaded and **CARRIER** agrees to indemnify, defend, and hold harmless **BROKER** against all loss, cost, damage, or liability of any kind or nature arising from or growing out of improper or unsafe loading or unloading of any shipment. **CARRIER'S** acceptance of any shipment, or its signature on the Bill of lading, signifies that the number of pieces shown on the Bill of lading is correct and that laden is in apparent good condition.
2. **CARRIER** shall bill **BROKER**, not shipper, for services hereunder. Under no circumstances shall **CARRIER** contact shipper or consignee regarding compensation for services rendered, if carrier does contact shipper or consignee regarding compensation for services will result in forfeiture of any and all payments due for services. **BROKER** shall, in return, bill shipper and be responsible to **CARRIER** for payment of **CARRIER'S** freight charges unto this Agreement. **BROKER** agrees to pay **CARRIER** for transportation services rendered by **CARRIER** that compensation which is provided for in Schedule of Rates which is attached hereof and made part hereof as Appendix C. Appendix C may be amended and revised at any time upon written agreement of the parties. Rates may be established or amended orally in order to meet specific shipping schedules, as mutually agreed, when time does not permit preparation and execution of a written schedule before the movement of the freight. However, in such instances the parties agree to reduce such oral agreements to writing as soon as possible, but not more than five (5) days after the movement of the involved freight. Said compensation shall be paid within thirty (30) days of the receipt by the **BROKER** of **CARRIER'S** invoice. **CARRIER** shall receive payment whether or not **BROKER'S** customer has paid **BROKER**.
3. **CARRIER** agrees to issue and sign a standard Bill of lading or receipt acceptable to **BROKER** and its underlying shippers on acceptance of goods. **CARRIER** assumes the liability of an interstate motor common carrier to the public, and any person entitled to recover under the Bill of lading or receipt from the time of receipt of said goods by **CARRIER** until proper delivery is made. **CARRIER** further agrees that the receipt or Bill of lading shall be prima-facie evidence of receipt of such goods in good order and condition unless otherwise noted on the face of such document. Subject to the provisions of Appendix C all such documents shall show the actual consignor and consignee and **BROKER'S** name shall appear in the "bill to" section and in the "special instructions" section as being "shipped under contract authority with broker". The liability imposed by this paragraph for cargo loss and damage is for the actual loss or damage to the property. The liability shall be for the full value of the items tendered to and accepted by **CARRIER**, which shall be understood to mean the replacement cost of the lost or damaged item(s). Failure to issue a Bill of lading or other receipt does not affect the liability of the **CARRIER**.
4. **CARRIER** shall maintain Public Liability, Property Damage, and Cargo insurance at all times, with at least the minimum coverage of \$100,000 cargo insurance, \$1,000,000 liability and property damage per incident on each vehicle. **CARRIER** shall cause its insurance carrier to forward forthwith to **BROKER** written notice thirty (30) days prior to the cancellation of such insurance. The insurance shall be in form required by 49 C.F.R. 1043.2 (b) and (c), and shall have no exclusions or restrictions that would not be accepted by the interstate Commerce Commissions for a filing under the statutory requirements of the above cited section, but shall, in all respects, be identical to the insurance filed in accord with the said sections.
5. Merchandise shall be picked up at point of origin and be delivered to point of destination at the time specified by **BROKER**. Delivery shall be made by **CARRIER** as specified in the Bill of lading or other shipping documents, which documents shall be picked up with the commodities transported and completed upon delivery at point of destination to reflect delivery. **CARRIER** shall provide a completed Bill of lading to **BROKER**, together with a Freight Bill and Rate Confirmation within ten (10) days of the delivery of each shipment.
6. **CARRIER** agrees to comply with all federal, state, and local laws, regulations and conditions governing its activities hereunder, and at all times to perform its services hereunder in a good and workmanlike manner in accordance with the highest standard of the trade. **CARRIER** agrees to indemnify, defend, release, and hold **BROKER** harmless from and against all liability, costs, and expenses from loss or damage to property and/or injury to or deaths of persons (including, but not limited to the property and employees of

each party hereto) when arising or resulting directly, or indirectly, from any acts or omissions of **CARRIER**, its agents, employees, or invites associated with or arising out of this Agreement and to assume full responsibility and subcontractors in performance of this contract as now or hereafter may apply.

7. **BROKER** shall offer to **CARRIER** for shipment a minimum quantity of 1 pounds per year, or a minimum of 1 shipment for each year this agreement remains in effect, and the **CARRIER** shall agree to transport those shipments tendered during that period of time.
8. Both parties recognize that motor contract carrier service is based on the **CARRIER** either (1) assigning motor vehicles for a continuing period of time for the exclusive use of a shipper: or (2) providing a service designed to meet the distinct needs of a shipper. This agreement does not contemplate the assignment of motor vehicles under continuing agreements, but the contract arrangements has been designed to meet the distinct needs of the **BROKER**.
9. Claims for loss or damage received by **BROKER** within any period of limitation shall be deemed timely files with **CARRIER**. Documentation, which reasonably established the nature, extent and value of loss, shall be deemed adequate. Claims, liability and payment shall be directly to and for the benefit of the shipper. Cargo claims shall be settled in accordance with the regulations codifico in 49 C.F.R. 1005.
10. If any dispute (other than those involving cargo claims) arises about any matter covered by the terms of this Motor Carrier Agreement, the party who alleges a violation filing a complaint with the interstate Commerce Commission must submit the dispute. The complaint shall contain specific references to permanent statutory provisions and regulations of the Commission, and the terms of this contract that the complainant believes have been violated. Such a complaint shall be submitted in accordance with all the provisions of 49 C.F.R. 1111. Either party prior to the decision of the Commission can take no court action. If for any reason the Commission refuses to accept the complaint then the parties' recourse shall be to the judicial system, either state or federal.
11. It is in the intent of the parties that the **CARRIER** shall be and remain an independent contractor and nothing herein contained shall be construed to be inconsistent with that relationship. It is understood and agreed that **CARRIER** and its employees, sub-hauler, leased drivers, helpers, lumpers, and like are not employees or agents or authorized to act in a respect on behalf of **BROKER** or the beneficial owner(s) of the commodities transported pursuant to this agreement. **CARRIER** will provide adequate worker's compensation insurance for its employees in accordance with statutory limits and will have its insurance carrier maintain on file with **BROKER** at all times a copy of said workers compensation insurance policy or a certificate of insurance reflecting the required coverage. Said policy shall contain a clause requiring **BROKER** be provided thirty (30) days written notice prior to the effective date of any cancellation or material change in the policy.
12. **CARRIER** shall not solicit traffic from any shipper consignator, consignee, or customer of **BROKER** where; (1) the availability of such traffic first became known to **CARRIER** as a result of **BROKER'S** customers, and obtains traffic from such a customer. The **BROKER** then is entitled, for a period of 15 months after the involved traffic first begins to move, to a commission from the **CARRIER** of 15% of the transportation revenue received on the movement of the traffic.
13. Neither party hereto will be liable for the failure to tender or timely transport freight under this **AGREEMENT** if such failure, delay or other omission is caused by strikes, acts of God, war, accidents, civil disorder, or through compliance with legally constituted order of civil or military authorities.
14. In the event **CARRIER** fails to render services satisfactory to **BROKER** and/or its customers, **BROKER** reserves the right to utilize other motor carriers as necessary to insure prompt and efficient service to its customers. Nothing contained herein or otherwise shall limit **BROKER'S** right to rehire additional carriers from time to time as it sees fit at its sole discretion.
15. The **AGREEMENT** shall be governed by Title 49 of the United States Code and Title 49 of the Code of Federal Regulations.
16. This **AGREEMENT** is to become effective \_\_\_\_\_ and shall remain in effect for a period of one year from such date, and from year to year thereafter, subject to the right of either party here to cancel or terminate the **AGREEMENT** at any time upon not less than thirty (30) days' written notice of party to the other.
17. This Agreement may be executed in multiple copies and each such fully executed copy shall, for all purposes, constitute and be considered an original.

**IN WITNESS WHEREOF**, the parties have set their hands and seals this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

|                |       |                |   |
|----------------|-------|----------------|---|
| <b>CARRIER</b> | _____ | <b>BROKER</b>  | <u><b>PAUL TRANSPORTATION SYSTEMS, INC.</b></u> |
| <b>BY</b>      | _____ | <b>BY</b>      | _____   |
| <b>TITLE</b>   | _____ | <b>TITLE</b>   | <u><b>PRESIDENT</b></u>                         |
| <b>ADDRESS</b> | _____ | <b>ADDRESS</b> | <u><b>P.O. BOX 5006</b></u>                     |
|                | _____ |                | <u><b>ENID, OK 73702</b></u>                    |
| <b>PHONE</b>   | _____ | <b>PHONE</b>   | <u><b>580-237-5916</b></u>                      |



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

400 7th Street SW  
Washington, DC 20590

**SERVICE DATE**  
November 28, 2005

**LICENSE**  
**MC-539526-B**  
PAUL TRANSPORTATION SYSTEM INC  
ENID, OK

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.

Angeli Sebastian, Chief  
Information Systems Division

BPO

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 the Section of Administrative Services, Interstate Commerce Commission and the Office of Information and Regulatory Affairs, Office of Management and Budget.

B.M.C. 84

Approved by OMB  
3120-0081  
Expires 10/31/95

License No.

MC- 539526

Bond #CBB30768

PROPERTY BROKER'S SURETY BOND UNDER 49 U.S.C. 10927  
(EXECUTED IN DUPLICATE)

KNOW ALL MEN BY THESE PRESENTS, THAT we Paul Transportation System, Inc.  
(Name of Property Broker)

of Enid, Oklahoma as PRINCIPAL (hereinafter called Principal),  
(City) (State)  
and National American Insurance Company, a corporation, or a Risk Retention  
(Name of Surety)

Group established under the Liability Risk Retention Act of 1986, Public Law 99-563, created and existing under the laws of the State of Oklahoma as SURETY  
(State)

(hereinafter called Surety) are held and 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 the Interstate Commerce Act, and the rules and regulations of the Interstate Commerce Commission relating to insurance or other security for the protection of motor carriers and shippers, and has elected to file with the Interstate Commerce Commission such a bond as will ensure financial responsibility and the supplying of transportation subject to said Act in accordance with contracts, agreements, or arrangements therefor, 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. 10927(b), and the rules and regulations of the Interstate Commerce Commission, relating to insurance or other security for the protection of motor carriers and shippers, and shall inure to the 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 Interstate Commerce Act under license issued to the Principal by the Interstate Commerce Commission, 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 Interstate Commerce Commission forthwith of all suits filed, judgements rendered, and payments made by said Surety under this bond.

This bond is effective the 21st day of November, ~~19~~ 2005, 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 Interstate Commerce Commission at its office in Washington, D.C., such cancellation to become effective thirty (30) days after actual receipt of said notice by the Commission 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 Commission certifies that a Broker Surety Bond has been issued by the company identified on the face of this form, and that such company is qualified to make this filing under Section 1043.8 of Title 49 of the Code of Federal Regulations.

## Request for Taxpayer Identification Number and Certification

**Give form to the  
 requester. Do not  
 send to the IRS.**

|   |  |   |
|---|--|---|
| <b>Print or type<br/>See Specific<br/>Instructions on<br/>page 2.</b> | Name (as shown on your income tax return)  |   |
|   | Business name, if different from above   |   |
|   | Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership<br><input type="checkbox"/> Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ ..... <input type="checkbox"/> Exempt payee<br><input type="checkbox"/> Other (see instructions) ▶ |   |
|   | Address (number, street, and apt. or suite no.)  | Requester's name and address (optional) |
|   | City, state, and ZIP code  |   |
|   | List account number(s) here (optional)   |   |

### Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

**Note.** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

|                                |
|--------------------------------|
| Social security number         |
| or                             |
| Employer identification number |

### Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

|                  |                            |        |
|------------------|----------------------------|--------|
| <b>Sign Here</b> | Signature of U.S. person ▶ | Date ▶ |
|------------------|----------------------------|--------|

## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

### Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

**Note.** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,



Paul Transportation, Inc.  
PO Box 5006  
Enid, OK 73702  
Phone: (580) 242-4129  
Fax: (580) 237-5916  
www.paulinc.com

## PAUL TRANSPORTATION SYSTEMS INC.

PO BOX 5006  
ENID OK 73702  
MC# 539526-B  
PHONE 580-242-4129  
FAX 580-977-2981

## CREDIT REFERENCES

Frontier Leasing  
5950 Gateway Drive, Joplin MO 64804  
Norm  
800-444-0472

Magill Truck Lines  
211 w 53<sup>rd</sup> St N, Wichita KS 67204  
Eddie  
800-558-1394

Hillin Sand and Gravel  
141 McLaughlin Rd, Waco TX 76712  
Mark  
888-235-4092

Custom Cartage  
PO Box 160, Antlers OK 74523  
Jerry  
866-587-2024

Miller Truck Lines  
105 N 8<sup>th</sup> Ave, Stroud OK 74079  
877-685-8782

Randy Morris Trucking  
200 S. Crestview, Atoka OK 74525  
Randy  
580-889-1268

## BANK REFERENCES

GE COMMERCIAL FINANCE  
300 E John Carpenter Frwy Suite 401  
Irving TX 75062  
469-586-2086 Ajay

To All Carriers:

Effective February 1<sup>st</sup> 2009

All Invoices must be mailed with:

\*\*\*The Original signed Bill of Lading. Any invoice turned in with a copy of a Bill of Lading will result in non-payment.

\*\*\*A copy of the Signed rate confirmation sheet, this is needed to insure proper payment of your invoice

\*\*\*Any permits, escorts, weight tickets, additional paperwork or information needed in order to haul the load

If you are hauling a load that requires you to have specific items for loading, as stated on the rate confirmation sheet, you are required to have the proper items for load securement. If arriving at Paragon Industries in Sapulpa OK for loading and you fail to have the required pipe stakes and dunnage, we will have the necessary items for purchase and they will be deducted from the amount owed to you, the Carrier. All receipts of purchase will be included in the check remittance.

All Invoices and back up paperwork must be received by Paul Transportation Inc. within 10 business days of the delivery date or there will be a deduction of \$50.00 from the amount owed to you, the Carrier.

Our pay terms are 30 days from the date we receive your invoice.

If you are carrier that uses the "Paperless Methods", don't hesitate to contact our Accounts Payable Department at the email listed below and we will try to accommodate.

Fax 580-977-2985

[ap@paulinc.com](mailto:ap@paulinc.com) or [carriers@paulinc.com](mailto:carriers@paulinc.com)

Mike Barnthouse CFO

Mike Forsyth A/P



Financial Solutions for the Transportation Industry

RTS Financial Service, Inc.  
8601 Monrovia  
Lenexa, KS 66215

August 28, 2009

***Re: Paul Transportation Systems Inc***

To whom it may concern:

This is to confirm that Paul Transportation Systems Inc. has entered into an agreement with RTS Financial Service, Inc. (RTS) for the purposes of providing carrier pay to qualified carriers.

This carrier pay will be made by RTS directly to carriers on or about 21 days after the receipt of complete and proper documentation from Paul Transportation Systems Inc.

This shall include but not be limited to:

An original; signed, free of defects, bill of lading  
Carrier freight invoice  
Load/Rate confirmation document between Paul Transportation Systems Inc and Carrier

RTS Financial Service, Inc.  
8601 Monrovia  
Lenexa, KS 66215  
Telephone: 866-292-2642  
Fax: 913.492.1998

Established 1986, MC# 196502

Federal Tax I.D. # 20-0925624

Financial Information:

Dun & Bradstreet #15-0439180  
Rating: 4A2, \$10,000,000 to \$50,000,000 working capital  
Clear history and strong financial condition  
Bank: Bank of America Kansas City, Mr. Mack Bowen 816- 292-4248

Should you require any additional information, please do not hesitate to contact the undersigned.

Sincerely,

Dawn Waisner  
Customer Service Representative