

FORWARDER-CARRIER TRANSPORTATION AGREEMENT

This Agreement is entered on _____ between AIR GROUND LOGISTICS, INC. (referred to as "AIR GROUND"), an Illinois corporation whose address is 754 Foster Ave., Bensenville, Illinois 60106, and _____ (referred to as "SUBCONTRACTOR") whose principal place of business is _____.

SUBCONTRACTOR IS (CHECK ONLY ONE):

_____ corporation; state: _____
_____ limited liability company; state: _____

SUBCONTRACTOR's Federal Employer's Identification Number (FEIN) is _____.

SUBCONTRACTOR holds the following operating authorities and registrations:

_____ Federal Motor Carrier Safety Administration Authority No. MC-_____
_____ USDOT Number _____
_____ Illinois Commerce Commission Number _____ MC.
_____ Other: _____

AIR GROUND is a freight forwarder in the business of transporting shipments in interstate and intrastate commerce. AIR GROUND holds Federal Motor Carrier Safety Administration freight forwarder authority in No. FF-9838. AIR GROUND's FEIN is 27-4005205.

SUBCONTRACTOR is in the business of transporting shipments as a motor carrier. SUBCONTRACTOR represents that it has the authorities, licenses and equipment necessary to provide the services described in this Agreement. Under this Agreement, SUBCONTRACTOR will transport commodities and from and to the points requested by AIR GROUND, subject to the terms and conditions in this Agreement.

In consideration of the promises exchanged between them, AIR GROUND and SUBCONTRACTOR agree as follows:

1. SERVICES.

(a) SUBCONTRACTOR agrees to transport commodities from and to the points and at the rates and charges stated in Exhibit 1. Exhibit 1 may be amended from time to time by agreement between AIR GROUND and SUBCONTRACTOR, and, as so amended, shall be incorporated into this Agreement. Exhibit 1 may also be amended or supplemented by exchange of faxes between AIR GROUND and SUBCONTRACTOR.

(b) SUBCONTRACTOR is performing the service free from the direction or control over the means and manner of providing the service, subject only to the right of AIR GROUND (for whom the service is provided) to specify the desired result.

(c) SUBCONTRACTOR performs services for AIR GROUND under SUBCONTRACTOR's corporate, limited liability, sole proprietorship or partnership's name (as the case may be). SUBCONTRACTOR includes services rendered on a Federal Income Tax Schedule as an independent business or profession.

(d) SUBCONTRACTOR makes its services available to the general public or the business community on a continuing basis.

(e) AIR GROUND does not represent SUBCONTRACTOR as an employee of AIR GROUND to its customers.

2. TERM. The initial term of this Agreement shall be for 1 year from the date stated above. This Agreement will be renewed automatically for successive additional terms of 1 year each, unless either party gives the other party written notice of cancellation of the Agreement at least 30 days prior to the end of the then-current term. Notwithstanding anything else in this Agreement, AIR GROUND or SUBCONTRACTOR may terminate this Agreement at any time on 30 days' notice to the other party. SUBCONTRACTOR is not subject to cancellation or destruction upon the severance of the relationship with AIR GROUND.

3. AUTHORITY; INSURANCE.

(a) SUBCONTRACTOR agrees to provide AIR GROUND with copies of all of SUBCONTRACTOR's authorities and registrations which authorize SUBCONTRACTOR to provide service for AIR GROUND. SUBCONTRACTOR shall provide copies of those authorities and registrations as they are updated.

(b) SUBCONTRACTOR agrees that it will maintain in effect during each term of this Agreement, the insurance coverage required by federal and state laws and regulations applicable to the service being performed and commodities being transported by SUBCONTRACTOR for AIR GROUND. SUBCONTRACTOR accepts primary responsibility for knowing and keeping current with respect to the federal and/or state laws and regulations that are applicable to the service SUBCONTRACTOR is performing for AIR GROUND and the commodities SUBCONTRACTOR is transporting for AIR GROUND.

(c) SUBCONTRACTOR shall maintain public liability and property damage insurance with limits of liability of at least \$1,000,000.00 per incident on each vehicle used to perform its obligations under this Agreement. SUBCONTRACTOR shall also maintain cargo insurance with limits of liability of at least \$100,000.00 per incident on each vehicle used to perform its obligations under this Agreement. SUBCONTRACTOR will provide all workers' compensation insurance as required by law. SUBCONTRACTOR shall provide such additional insurance coverages and amounts as AIR GROUND may require from time to time.

(d) Upon AIR GROUND's request, SUBCONTRACTOR will provide copies of all of SUBCONTRACTOR's currently-effective insurance policies.

(e) SUBCONTRACTOR shall provide such additional insurance coverage types and amounts as requested by AIR GROUND from time to time.

4. SUBCONTRACTOR'S VEHICLES.

(a) SUBCONTRACTOR agrees that it will maintain and operate its vehicles and provide its services at all times in an efficient, safe, and lawful manner, and shall comply with all lawful orders, rules and regulations of any governmental agency with jurisdiction. Each of SUBCONTRACTOR's vehicles will be identified so as to make it clear that the vehicle is being operated under the authorities and registrations issued to and held by SUBCONTRACTOR.

(b) SUBCONTRACTOR furnishes all of the tools and equipment necessary to provide the service.

(c) SUBCONTRACTOR has a substantial investment of capital in SUBCONTRACTOR's corporation, limited liability company, sole proprietorship or partnership (as the case may be) beyond ordinary tools and equipment and a personal vehicle.

(d) SUBCONTRACTOR owns the capital goods and gains the profits and bears the losses of SUBCONTRACTOR's corporation, limited liability, sole proprietorship or partnership (as the case may be).

(e) SUBCONTRACTOR owns or controls by long-term lease all of the equipment that will be used to provide service under this Agreement and that all of that equipment will be operated under SUBCONTRACTOR's authorities and registrations. SUBCONTRACTOR agrees that it may not delegate the performance of any of its duties to provide service under this Agreement to another carrier or to a broker.

(f) If necessary, SUBCONTRACTOR hires its own employees without approval from AIR GROUND, SUBCONTRACTOR pays the employees without reimbursement from AIR GROUND and SUBCONTRACTOR reports the employees' income to the Internal Revenue Service.

(g) When the service being provided require a license or permit, SUBCONTRACTOR obtains and pays for the license or permit in SUBCONTRACTOR's corporate, limited liability, sole proprietorship or partnership name, as the case may be.

5. BILLS OF LADING; RECEIPTS.

(a) SUBCONTRACTOR recognizes and agrees that it is transporting shipments for AIR GROUND and for no other person or entity. For each shipment transported under this Agreement, AIR GROUND shall prepare, or cause to be prepared, bills of lading which show AIR GROUND as the freight forwarder. SUBCONTRACTOR shall accept such bills of lading in the name of AIR GROUND and shall cause the consignee to sign those bills of lading upon delivery of the shipment.

(b) In turn, SUBCONTRACTOR shall issue a receipt to AIR GROUND for each shipment, which shows that SUBCONTRACTOR has accepted the shipment and agrees to transport that shipment from the stated origin to the stated destination. Under no circumstances will SUBCONTRACTOR represent to the consignor, the consignee or any other party involved in this shipment that SUBCONTRACTOR is the motor carrier that is responsible for the shipment. That receipt shall be prima facie evidence of receipt of those goods in good order.

(c) When SUBCONTRACTOR submits its invoice to AIR GROUND, SUBCONTRACTOR shall provide (1) the bill of lading, signed by the consignee upon delivery of the shipment and (2) a completed delivery receipt from SUBCONTRACTOR to AIR GROUND. Those documents shall be presented to AIR GROUND within five (5) days of the delivery of each shipment. Each receipt, bill of lading and freight bill shall contain the dispatch load number assigned to that shipment by AIR GROUND at the time of dispatch.

6. PICKUP AND DELIVERY. SUBCONTRACTOR shall pick up and deliver shipments requested by AIR GROUND with reasonable dispatch, except as otherwise agreed to between SUBCONTRACTOR and AIR GROUND.

7. SUBCONTRACTOR LIABILITY. SUBCONTRACTOR agrees to be liable for the full, actual loss of or damage to goods which SUBCONTRACTOR transports by virtue of this Agreement, and SUBCONTRACTOR shall reimburse AIR GROUND for all loss of or damage to goods and any costs or fees (including interest charges and attorneys' fees) which AIR GROUND may incur in pursuing any claim which may arise under this Agreement between AIR GROUND and SUBCONTRACTOR. SUBCONTRACTOR agrees to defend, indemnify and hold AIR GROUND harmless from and against any and all loss, damage, fees (including attorneys' fees) or injuries (including death) to the extent that such loss, damage, fees or injuries are caused or contributed to by the acts or omissions of SUBCONTRACTOR, its employees, agents, contractors or subcontractors.

8. CLAIMS.

(a) SUBCONTRACTOR shall promptly handle and attempt to resolve claims which are submitted AIR GROUND for loss of or damage to any property transported by SUBCONTRACTOR. SUBCONTRACTOR shall comply with all laws and regulations concerning handling and disposition of claims.

(b) Claims for loss or damage received by SUBCONTRACTOR within 2 years following tender of shipment to SUBCONTRACTOR shall be deemed timely filed with SUBCONTRACTOR.

9. PAYMENT. SUBCONTRACTOR shall invoice AIR GROUND for transportation services performed pursuant to this agreement. AIR GROUND shall pay SUBCONTRACTOR's invoice within thirty (30) days after receipt by AIR GROUND, provided that such charges are correct and that SUBCONTRACTOR has provided AIR GROUND with all the documents required by this Agreement for that shipment. AIR GROUND will not be responsible for any late payment charges or interest, or late payment penalties, or attorneys' fees and costs of any kind. Any document or other writing which attempts to impose such penalties or charges for shipments made under this Agreement shall be null and void.

10. RECOURSE. SUBCONTRACTOR shall look exclusively to AIR GROUND for payment of all applicable transportation charges due under this Agreement.

11. CONFLICTS. If there is any conflict between the terms of this Agreement and any bill of lading or shipping document executed by SUBCONTRACTOR or AIR GROUND, the terms of this Agreement shall supersede and control any conflicting terms in that bill of lading or other document, even if that bill of lading or other document was executed after the execution of this Agreement.

12. CONFIDENTIALITY.

(a) SUBCONTRACTOR agrees to forever protect and keep confidential AIR GROUND's trade secrets and confidential and proprietary information and will never, directly or indirectly, disclose any of AIR GROUND's trade secrets or confidential or proprietary information. SUBCONTRACTOR may disclose trade secrets or confidential or proprietary information only when authorized or directed to do so by AIR GROUND in writing.

(b) The following things are considered to be AIR GROUND's trade secrets and/or confidential or proprietary business information:

(1) The names and addresses of AIR GROUND's past or present customers, the products or services produced or used by those customers, and any other information relating to those customers;

(2) The names and addresses of people and entities whose business AIR GROUND may have solicited, bid for, or otherwise attempted to obtain, the products or services produced or used by those people or entities, and any other information relating to those people or entities, whether or not AIR GROUND actually obtained that business;

(3) The commodities shipped or otherwise handled by AIR GROUND, origin points from which those commodities have been, are or may be shipped, destinations to which those commodities have been, are or may be shipped, weights or volumes of commodities shipped or proposed to be shipped, prices quoted or charged by AIR GROUND for any actual or proposed shipments and any other information relating to shipments or services provided by AIR GROUND or which AIR GROUND may have at any time proposed to provide;

(4) Any and all of the methods or means by which AIR GROUND conducts its business, such as means or methods for directing movement of trucks; hiring, training, compensating, disciplining, or discharging employees or independent contractors; office, accounting and operating procedures; methods, techniques and programs for soliciting business; and billing and collection procedures;

(5) Costs and expenses of operating AIR GROUND's business and costs of operating on the part of independent contractors used by AIR GROUND, such as wages, fuel expenses, taxes of any type, permit and license fees and expenses, fines and penalties, repair costs and expenses, maintenance costs and expenses, financing costs and expenses, professional service fees, or any other similar or related costs, expenses or fees;

(6) Information concerning any of AIR GROUND's past, present or potential suppliers, the sources, types and quantities of goods or services and the prices at which those goods or services were or are furnished or offered; and

(7) Any other information which AIR GROUND tells SUBCONTRACTOR, either orally or in writing, is secret or confidential, or which, from all of the circumstances, it may reasonably be determined, assumed or inferred by SUBCONTRACTOR that the information is or should be considered secret or confidential.

AIR GROUND agrees that SUBCONTRACTOR will not be obligated to keep secret or confidential any of those things in (1) through (7) above which are public knowledge or which become public knowledge, provided that they have not become public knowledge through any direct or indirect act or omission of SUBCONTRACTOR.

(c) SUBCONTRACTOR has the right to perform similar services for others on whatever basis and whenever it chooses. Nothing in this paragraph shall limit SUBCONTRACTOR's rights in that respect.

13. AGREEMENT. The parties agree to the terms of this Agreement by executing this Agreement or by performance of any of the services stated in this Agreement.

14. WAIVER OF BREACH. Waiver by either party to this Agreement of a breach of any term of this Agreement shall not be construed as a waiver of any subsequent breach of that term or as a waiver of any other term of this Agreement.

The parties witness this Agreement by their signatures below.

AIR GROUND LOGISTICS, INC.
("AIR GROUND")

("SUBCONTRACTOR")

Signature Title

Signature Title

Printed name Date

Printed name Date

Dated: _____

COMPENSATION TO BE PAID TO SUBCONTRACTOR

AIR GROUND LOGISTICS, INC. agrees to pay SUBCONTRACTOR the following rates and charges:

AIR GROUND LOGISTICS, INC.
("AIR GROUND")

("SUBCONTRACTOR")

Signature Title

Signature Title

Printed name Date

Printed name Date