

TRAILER INTERCHANGE AGREEMENT

THIS AGREEMENT is entered into by and between _____
("USER") and CPS Express, Inc. ("PROVIDER").

In consideration of the mutual undertakings of the parties hereto, as set forth herein, it is agreed that USER will transport motor vehicle trailing equipment ("Equipment") controlled by PROVIDER and interchanged to USER subject to the following terms and conditions.

1. **Points of Interchange.** The specific points of interchange shall be at the points mutually agreed upon between the parties. Interchange shall begin as soon as USER couples the Equipment to any tractor or other power unit operated by USER, its employees, agents, or subcontractors. The interchange shall terminate upon the earlier of USER uncoupling such Equipment at the location agreed upon by the Parties as set forth in Section 3 below, or upon coupling of the Equipment with any tractor or other power unit operated by PROVIDER.
3. **Use and Return.** USER agrees that the Equipment will be utilized only for transportation to complete promptly and expeditiously the motor vehicle movement for which the Equipment is initially interchanged for and shall return the Equipment to PROVIDER at the terminal where received, or at such other location or facility as otherwise specified by PROVIDER. USER shall be responsible for the safe and timely return of the Equipment to PROVIDER, ordinary wear and tear excepted. USER agrees not to interchange Equipment obtained from PROVIDER hereunder with third parties or to use such Equipment for any services beyond those for which the Equipment is originally interchanged.
4. **USER's Responsibilities.** USER shall accept responsibility for all owner operators and their leased power units as if they were USER's own employees and vehicles. Proper identification on tractors is mandatory and is an obligation of the USER. USER shall have complete control and supervision of such Equipment, and such Equipment shall be operated under its authority while in its possession, and PROVIDER shall have no right to control the detail of the work of any employee or agent operating or using said Equipment during such time. Any person operating, in possession of, or using said Equipment after parties hereto sign an Inspection Report and until proper form is signed returning the Equipment to PROVIDER, is not the agent or employee of PROVIDER for any purpose whatsoever. USER shall have sole responsibility for claims for loss, damage or delay to cargo occurring with respect to Equipment during the period of interchange.
5. **Taxes.** USER shall bear the cost of all federal, state or municipal taxes, fines, fees or charges levied or imposed or arising out of the use of the Equipment while in its possession, until its proper return to PROVIDER.

6. **Indemnification.** USER agrees to indemnify, defend and hold PROVIDER harmless from and against any and all loss, damage, liability, cost or expense, including but not limited to, attorney's fees, suffered or incurred in connection with injuries or death of any person, or loss of or damage to any property, arising out of use, operation or maintenance of said Equipment until such Equipment has been returned to PROVIDER and receipt issued therefor. The obligations assumed by USER pursuant to this paragraph shall not apply to the extent of any contributing negligent or wrongful act or omissions on PROVIDER's part.

7. **Insurance.** Before commencing any work hereunder, USER shall procure, and shall thereafter maintain in force during the period of this Agreement, all of its own insurance, with insurance companies satisfactory to PROVIDER, covering all of the work and services to be performed hereunder by USER and each of its subcontractors:
 - (a) USER agrees to maintain for the duration of this Agreement, insurance coverage for owned and hired automobile liability including bodily injury and property damage, with coverage of at least \$1,000,000.00 combined single limit or the equivalent, or such higher amount as required by governing law.
 - (b) USER agrees to maintain for the duration of this Agreement, insurance coverage for physical damage insurance for loss or damage to Equipment while in the care, custody and/or control of the USER. Such coverage may be written on an actual cash value basis per unit, but in no event less than \$25,000.00.
 - (c) USER agrees to maintain for the duration of this Agreement, insurance coverage for cargo loss insurance for loss and damage to lading contained in the Equipment while in the care, custody and/or control of the USER. Such coverage shall be in the minimum amount of \$100,000.00.
 - (d) PROVIDER shall be named as a certificate holder with respect to each of the foregoing coverages and all certificates of insurance must provide PROVIDER a minimum of thirty (30) days notice of cancellation.
 - (e) Under no circumstances shall USER be considered a "permissive USER" under PROVIDER's own automobile liability insurance policy (if any).

8. **Charges.** USER agrees to pay PROVIDER Five Percent (5%) of any revenue USER earns while using the Equipment to provide services to Coast Transportation & Warehousing, Inc. (d/b/a Coast 3PL) under those parties' separate broker/carrier agreement. Coast 3PL will bill USER on PROVIDER's behalf on a monthly basis and recover the accrued charges by deducting from compensation amounts owed by Coast 3PL to USER under the broker/carrier agreement and remitting them to PROVIDER. USER must submit billing disputes to PROVIDER within thirty (30)

days of invoice date. In the event USER fails to pay all uncontested amounts due within thirty (30) days of invoice date, this Agreement shall be subject to immediate suspension by PROVIDER without formal notice to USER.

9. **Maintenance of Equipment.** Ordinary maintenance and other service adjustments on Equipment, tires excluded, occasioned by ordinary use will be:
 - (a) Absorbed by the USER when costs thereof do not exceed \$50.00, exclusive of service charge.
 - (b) Billed to and borne by PROVIDER in its entirety when costs thereof would exceed \$50.00; provided, however, that PROVIDER's authorization is obtained prior to commencement of repairs when the costs thereof is estimated to exceed \$100.00. PROVIDER will not be responsible for any other consequential costs. Bills against PROVIDER for ordinary maintenance of Equipment shall be tendered within thirty (30) days from the date the repairs were completed, unless otherwise agreed upon.
 - (c) In the event that the Equipment to be interchanged consists of refrigerated trailers or "reefer units," the party utilizing such refrigerated Equipment shall be responsible for supplying the fuel required for its operations.
10. **Tires.** PROVIDER shall furnish Equipment with tires and tubes of proper size at the time of interchange. Thereafter, until the Equipment is returned to PROVIDER, repairs to tires and tubes shall be made by and at the expense of USER. When an unserviceable tire or tube is replaced, it must be with a new tire/tube or newly recapped tire. When a tire is replaced, the empty tube should be reapplied if serviceable. USER shall return the blown-out or unserviceable tire to PROVIDER.
11. **Damage or Loss to Equipment.** The USER shall be responsible for all damages and losses, occurring while in its possession, to the Equipment of PROVIDER. In the event of total loss of Equipment, USER shall pay to PROVIDER the commercial value of the trailer at the time it was interchanged.
12. **Dispute Resolution.** In the event of any dispute or disagreement arising from or related to this Agreement, such disagreements or disputes shall be submitted to a court of proper jurisdiction in Riverside County, California, and the Parties hereby agree to the exclusive jurisdiction of such court(s). The Parties hereby waive the right to claim lack of personal jurisdiction or inconvenient forum in the event of such suit. If any suit shall be brought against either party and a judgment recovered which such party will be compelled to pay and the other party shall, under the provisions of this Agreement, be solely liable therefore, such other party on demand shall promptly repay the party paying the same all money which it (the party paying the same) is required to pay, including damages, costs, fees, or other expenses. Neither party shall be bound by any judgment at law or in equity against the other

party unless it has had reasonable notice from such other party requiring it to appear in an action or suit and make defense thereto for its own account or jointly with the other party. If such notice shall have been given by either party to the other party and the party receiving the same shall fail to appear and make defense, thereupon it shall be bound by the judgment or decree in the suit. In the event any charge due hereunder remains unpaid more than sixty (60) days from invoice date and PROVIDER thereafter refers collection of such charge to an attorney, USER agrees to pay, in addition to said charge, an amount equal to 25% of said charge to represent attorneys' fees and collection expenses.

13. **Miscellaneous.** The laws of the State of California shall govern this Agreement in all of its aspects, including execution, interpretation, performance and enforcement. This Agreement together with all exhibits shall constitute the entire agreement between the parties, and no oral amendment or modification thereof shall be permitted.

14. **Term and Termination.** This Agreement is in effect from the date shown herein, and shall continue to in effect until terminated by either party giving the other party ten (10) days advance notice of termination, in writing, addressed to the other party. Any Equipment in possession of the USER on the date of termination must be returned to PROVIDER within seventy-two (72) hours. If Equipment is not returned by USER and it becomes necessary for PROVIDER to have the Equipment returned, USER shall bear all expenses for return of Equipment.

IN WITNESS WHEREOF, this Trailer Interchange Agreement is executed between the parties as of the _____ day of _____, 20__.

USER

PROVIDER

CPS Express, Inc.

By: _____

By: _____

Printed Name: _____

Printed Name: _____