

Carolina Freightways, Inc.

OTR Supply Chain Owner Operator

REQUIREMENTS:

Driver Requirements

1. Minimum age 24
2. Possess a class "A" CDL, hazmat helpful but not required
3. Minimum 3 years OTR tractor-trailer driving experience
4. Good MVR
 - No DWI or DUI
 - No excessive speeding – 15 miles per hour or greater above speed limit
 - No reckless driving
 - No more than two speeding ticket 15 miles per hour and less
 - No driving on a suspended, revoked or cancelled license
5. Good PSP (Safety Report)
 - No more than 1 Preventable Accident within a 3 year period
 - No more than 3 Non Preventable Accidents or Incidents within a 3 year period
 - No excessive log violations
 - Employment history in line with application
6. Stable work history
7. Must be able to pass a DOT physical with Carolina Freightways approved physician
8. Must be able to pass and meet all company, DOT and FMCSA requirements

Tractor Requirements

1. Tractor must pass a thorough mechanical inspection by Carolina Freightways before executing a contract.
2. Tractor must pass quarterly inspections by Carolina Freightways to remain under contract.
3. Tractor's preferred age should be 10 years or younger (older equipment will be considered if mechanically reconditioned).

COMPENSATION:

The rate will be paid on all dispatched miles (loaded & empty) and is based on a driver's total **verifiable** years of OTR experience.

Fuel Surcharge

The rate will be paid on all dispatched miles. The rate is determined on a week to week basis base on DOE Lower Atlantic weekly average cost of diesel fuel published Monday evenings or Tuesday evenings if Monday is a holiday. Attached is the fuel surcharge rate schedule.

Extra/Accessorial Pay

The following items are current additional pay items.

1. NY City Pay - is paid for congestion for delivering and/or picking up a load in the 5 boroughs of New York City.
2. Canadian Border Crossing Pay - is paid for costing and time incurred while delivering a load into Ontario Canada.
3. Detention – since most of Carolina Freightways customers take up to 5 hours to unload, there is no standard additional compensation for detention pertaining to Carolina Freightways normal

course of customer business. For excess detention, additional compensation will be determined and agreed to on a case by case basis.

4. Layover – per weekday and per weekend day. Carolina Freightways definition of a layover is 24 hours between time you called in emptied on your previous and time you are called with your dispatch on your next load. Additional compensation can be determined and agreed to on a case by case basis.
5. Loading/Unloading – Since Carolina Freightways customers do not require any driver loading, unloading or assist, there is no standard additional compensation. If a broker load requires unloading, Carolina Freightways policy is that the driver is to retain an unloading service (lumper) after they receive approval. The driver will be reimbursed the cost of lumper only if he turns in the receipt with his paperwork. All charges must be approved by dispatch before any loading or unloading occurs.

Paperwork

The following paperwork is required to be turned in per dispatch for Carolina Freightways to process and for the driver to be compensated.

1. Trip Sheet per dispatch
2. Signed Bill of Lading for delivered loads
3. Fuel Receipts
4. Reimbursement Receipts for Lumpers, Trailer Repairs, Trailer Tires and Truck Wash (explained below)
5. Vehicle Inspection Reports
6. Logs – If the last driver's log on file is 14 days or older, the driver's settlement will be held and he will be fined \$25 a day until he turns in all his current logs.

Settlements will be paid each Friday at 2pm for all work performed the previous week provided that all paperwork is properly completed and turned in by 12noon Tuesday. Work performed is at following,

1. Outbound loads dispatched over the weekend (Saturday/Sunday) scheduled to deliver Monday or Tuesday start the week.
2. Inbound loads that you pick up Thursday and you deliver on Friday or Saturday end the week. **OR** inbound loads that you pick Friday and you deliver it on Saturday or deliver it on Monday end the week.

ESCROWS:

All escrow accounts are per contracted equipment and not contracted owner. All escrow accounts are non interest bearing accounts.

1. Fuel Tax/Maintenance/Tag escrow account with a \$1000.00 minimum balance is required. This is paid at \$100.00 per week . This is to pay the contractor's quarterly fuel tax prepared by Carolina Freightways, to pay the contractor's maintenance performed by Carolina Freightways or its vendors and to pay for the contractor's annual tag. This escrow can also be used to coverage any excess liability exposure not covered by the security escrow.
2. Additional escrow accounts are available to the contractor. These accounts are capped at \$5,000 and are the contractor's funds..
3. The escrow minimum balance is set at \$1000.00. Upon termination of lease and returning of the Qualcomm unit, escrow(s) will be reimbursed back the later of 45 days after termination or 30 day's after the most recent quarterly fuel tax is prepared by Carolina Freightways and paid by the contractor.

INSURANCES:

Non truck liability (bobtail), physical damage and workers compensation (exempt for FL based drivers) are the responsibility of the contractor.

1. Proof of insurance coverage is required for all contracted equipment. Carolina Freightways needs to receive a certificate of insurance from contractor's insurance provider. Carolina Freightways needs to be named as certificate holder on certificate of insurance.
2. Workers compensation (exempt for FL based drivers) is available through Carolina Freightways if needed. The current cost of workers compensation is \$100 per week.

Truck liability and cargo liability insurance are provided by Carolina Freightways.

1. The contractor will be responsible for deductibles of truck and cargo liability if the contractor's actions resulted in the use of these policies.
2. The amounts of these deductibles are currently \$2,500 or less for each.

TRACTOR OPERATING COST:

Tires

\$30 per week will be held to cover container tire expenses. This will cover 5 tires per quarter that are not peeled caps holding air as these are not charged to you in the first place. After 5 you will be charged for the container tires.

Fuel

Contractor is responsible for purchasing fuel.

1. Fuel card,
 - a. Carolina Freightways will provide a fuel card for all contracted equipment,
 - b. The fuel card is authorized to be used at Pilot and Flying J locations,
 - c. Contractor will be charged a fuel fee of \$7.50 per transaction.
2. Contractor is required to submit a copy of all fuel receipts for each dispatch.

License Plate

Contractor is responsible to pay the cost of the base license plate.

1. Contractor is required to have the base plate apportion in all the states Carolina Freightways serve. AL,AR,CT,DC,DE,GA,IA,IL,IN,KS,KY,LA,MA,MD,MI,MN,MO,MS,NC,NE,NJ,NY,OH,OK,PA,RI,SC,TN,TX,VA,WI,WV
2. Contractor is required to submit a copy of the tractor's current cab card to Carolina Freightways.
3. Carolina Freightways will provide any necessary state permits.

Taxes

1. Fuel Taxes,
 - a. Contractor is responsible to pay the quarterly fuel taxes.
 - b. If contractor operates under Carolina Freightways IFTA, Carolina Freightways will complete and file the required paperwork and charge contractor their portion.
2. Federal Highway Use Tax (Form 2290) is the responsible of the contractor for their equipment.

Tolls

Carolina Freightways will provide an EZ-Pass to the contractor to them to use for tolls. The contractor will be charged upfront a one time fee of \$25 for the transponder.

1. Carolina Freightways will be responsible for the cost of the EZ-Pass account and pay all tolls charged to the EZ-Pass account.
2. Any tolls not covered by EZ-Pass are the responsibility of the contractor to pay.

Maintenance

Contractor is responsible for maintaining his equipment.

1. Contractor is required to maintain his equipment according to DOT and FMCSA regulations and requirements.

2. According to the DOT and FMSCA regulations, Carolina Freightways is required to maintain equipment and maintenance files. Therefore, contractor is required to provide Carolina Freightways a copy of all maintenance receipts.
3. Carolina Freightways will assist the contractor with the equipment scheduled preventive maintenance and maintenance recordkeeping.
 - a. During normal business hours (M-F: 8am – 5pm), the hourly labor rate will be Seventy Five (\$75.00) Dollars per person per hour with one hour minimum plus any material, parts and any other charges,
 - b. After business hours & on weekend, the hourly labor rate will be Ninety (\$90.00) Dollars per person per hour with one hour minimum plus any material, parts and any other charges,
 - c. With our assistance, you waive any rights against us for negligence in the maintenance work and hold us harmless.
 - d.

COMMUNICATION:

Daily Check Calls

Contractor is responsible to make following daily check calls. Failure to do so, contractor could be fined up to \$25 per each missed check call.

1. **Morning Check Call** – required to call dispatch between 7:30am and 10am Eastern Time.
2. **Empty Check Call** – required to call dispatch when you are empty in order to get your next dispatch assignment.
 - a. If you empty before 7:30am, you can make your empty call with your morning check call.
 - b. If you know you will be empty earlier than 7:30am the next morning, check with dispatch on your next load so you will know where to head when empty.
3. **Loaded Check Call** – required to call dispatch when you are loaded on your dispatch. This includes when you pick up a loaded trailer at a customer's location.
4. **Evening Check Call** – required to call dispatch by 5pm Eastern Time with a location update.
 - a. DO NOT call after 4:30pm if you need assistance with a broker load or directions because it will be difficult for us to contact someone to help after business hours.
 - b. Take care of normal daily business before the end of the normal day.

Communication after normal business hours is also extremely important. Carolina Freightways will have the office phones forwarded to a dispatcher on call. If anything (from safety issue to a breakdown) comes up after hours that will make you late for your appointment, call our office number immediately.

Fuel Surcharge

A Fuel Surcharge will apply if fuel prices increase to or exceed \$1.50 per gallon during the term of this agreement.

The Department of Energy average cost as published Monday will be used to determine fuel prices.

Fuel Price Per Gallon		Rate Per Mile	Fuel Price Per Gallon		Rate Per Mile
\$ 1.500	- \$ 1.575	\$ 0.01	\$ 3.676	- \$ 3.750	\$ 0.30
\$ 1.576	- \$ 1.650	\$ 0.02	\$ 3.751	- \$ 3.825	\$ 0.31
\$ 1.651	- \$ 1.725	\$ 0.03	\$ 3.826	- \$ 3.900	\$ 0.32
\$ 1.726	- \$ 1.800	\$ 0.04	\$ 3.901	- \$ 3.975	\$ 0.33
\$ 1.801	- \$ 1.875	\$ 0.05	\$ 3.976	- \$ 4.050	\$ 0.34
\$ 1.876	- \$ 1.950	\$ 0.06	\$ 4.051	- \$ 4.125	\$ 0.35
\$ 1.951	- \$ 2.025	\$ 0.07	\$ 4.126	- \$ 4.200	\$ 0.36
\$ 2.026	- \$ 2.100	\$ 0.08	\$ 4.201	- \$ 4.275	\$ 0.37
\$ 2.101	- \$ 2.175	\$ 0.09	\$ 4.276	- \$ 4.350	\$ 0.38
\$ 2.176	- \$ 2.250	\$ 0.10	\$ 4.351	- \$ 4.425	\$ 0.39
\$ 2.251	- \$ 2.325	\$ 0.11	\$ 4.426	- \$ 4.500	\$ 0.40
\$ 2.326	- \$ 2.400	\$ 0.12	\$ 4.501	- \$ 4.575	\$ 0.41
\$ 2.401	- \$ 2.475	\$ 0.13	\$ 4.576	- \$ 4.650	\$ 0.42
\$ 2.476	- \$ 2.550	\$ 0.14	\$ 4.651	- \$ 4.725	\$ 0.43
\$ 2.551	- \$ 2.625	\$ 0.15	\$ 4.726	- \$ 4.800	\$ 0.44
\$ 2.626	- \$ 2.700	\$ 0.16	\$ 4.801	- \$ 4.875	\$ 0.45
\$ 2.701	- \$ 2.775	\$ 0.17	\$ 4.876	- \$ 4.950	\$ 0.46
\$ 2.776	- \$ 2.850	\$ 0.18	\$ 4.951	- \$ 5.025	\$ 0.47
\$ 2.851	- \$ 2.925	\$ 0.19	\$ 5.026	- \$ 5.100	\$ 0.48
\$ 2.926	- \$ 3.000	\$ 0.20	\$ 5.101	- \$ 5.175	\$ 0.49
\$ 3.001	- \$ 3.075	\$ 0.21	\$ 5.176	- \$ 5.250	\$ 0.50
\$ 3.076	- \$ 3.150	\$ 0.22	\$ 5.251	- \$ 5.325	\$ 0.51
\$ 3.151	- \$ 3.225	\$ 0.23	\$ 5.326	- \$ 5.400	\$ 0.52
\$ 3.226	- \$ 3.300	\$ 0.24	\$ 5.401	- \$ 5.475	\$ 0.53
\$ 3.301	- \$ 3.375	\$ 0.25	\$ 5.476	- \$ 5.550	\$ 0.54
\$ 3.376	- \$ 3.450	\$ 0.26	\$ 5.551	- \$ 5.625	\$ 0.55
\$ 3.451	- \$ 3.525	\$ 0.27	\$ 5.626	- \$ 5.700	\$ 0.56
\$ 3.526	- \$ 3.600	\$ 0.28	\$ 5.701	- \$ 5.775	\$ 0.57
\$ 3.601	- \$ 3.675	\$ 0.29	\$ 5.776	- \$ 5.850	\$ 0.58

For each \$0.075 per gallon increase in fuel prices above, the per mile rate will increase \$0.01 per mile.

Receipt

I hereby acknowledge receipt of the

“Owner Operator Handbook”

Signature

Print Name

Date