AMERICAN ALTERNATIVE INSURANCE CORPORATION

Surety Code 036

Agreement of Indemnity

2174

THIS AGREEMENT is made by the Undersigned in favor of AMERICAN ALTERNATIVE INSURANCE CORPORATION for the purpose of indemnifying it from all loss and expense in connection with the Property Broker Bond executed by AMERICAN ALTERNATIVE INSURANCE CORPORATION, as Surety, on behalf of

K & C LOGISTICS INC
Principal of the Bond

7180 E REED ROAD COAL CITY IL 60416
Complete Physical Address of Principal

as Principal, in favor of the United States of America, as Obligee.

In consideration of the execution of this Bond for Principal and as an inducement to such execution by Surety, the Undersigned, jointly and severally, agree as follows:

DEFINITIONS: Where they appear in this agreement, the following terms shall be considered as defined in this paragraph:

Principal: Any one, combination of, or all of the persons, firms or corporations set forth above or their successors in interest, whether alone or in joint venture with others not named herein, and any corporation which any of the undersigned shall represent in writing to be subsidiary to or controlled by or affiliated with undersigned, and any co-partnership or person upon written request of any of the undersigned.

Bond: Property Broker Bond No. 20130815201 and any renewals or extensions thereof executed by Surety.

Surety: AMERICAN ALTERNATIVE INSURANCE CORPORATION and any person or company joining with it in executing any Bond, executing any said Bond at its request, or providing reinsurance to it with respect to any said Bond.

INDEMNITY TO SURETY: Undersigned agrees to pay to Surety upon demand all loss and expense, including attorney fees, incurred by Surety by reason of having executed said Bond. An itemized statement of loss and expense incurred by Surety, sworn to by an officer of Surety, shall be prima facie evidence of the fact and extent of the liability of Undersigned to Surety in any claim or suit by Surety against Undersigned. Separate suits may be brought under this agreement as causes of action accrue, and the pendency or termination of any such suit shall not bar any subsequent action by Surety.

GENERAL PROVISIONS:

1. Assent by Surety to changes in said Bond or refusal so to assent shall not release or affect the obligations of Undersigned to Surety.
2. Surety shall have the right to decline to execute said Bond or any renewal, increase, or extension of said Bond.
3. Surety shall have every right, defense or remedy which a personal surety without compensation would have, including the right of exoneration.
4. Undersigned will, on request of Surety, procure the discharge of Surety from said Bond, and all liability by reason thereof.
5. Undersigned warrant that each of them is specifically and beneficially interested in the obtaining of said Bond.
6. In case the execution hereof by any of the Undersigned may be defective or invalid for any reason, such defect or invalidity shall not in any manner affect the validity of this obligation or the liability hereunder of any other of the Undersigned. Invalidity of any provision of this agreement by reason of the laws of any state or for any other reason shall not render the other provisions hereof invalid.
7. The obligation of the Indemnitors hereunder shall be continuous; provided, however, that any of the Indemnitors may give the Surety not less than thirty days written notice by registered mail of said Indemnitor's desire to terminate this Agreement, but any such notice of termination shall not operate to modify, bar, discharge, limit, affect or impair said Indemnitor's liability hereunder on or by reason of any such Bond executed prior to the termination of such thirty days. Further, such notice of termination shall not operate to modify, bar, discharge, limit, affect or impair said Indemnitor's liability hereunder with respect to a Bond which the Surety has become obligated to execute prior to the termination of such thirty days. Such notice of termination shall operate only with respect to those Indemnitors identified in such notice as requesting termination of this Agreement. Such notice shall not be deemed given until received by the Surety at its address above.

EXECUTED this 16 day of August 20 2013.

K & C LOGISTICS INC
Principal Name (Company, Individual, etc.)

Clardette M Schmitt
Signature

~~CALUDETTE SCHMITT~~ Claudette Schmitt
Printed or Typed Name of Signor

PRESIDENT
Title of Signor

BOND NO: 20130816301 ACCT LOC ID: 100116900

License No.: MC - 237276

Property Broker's Surety Bonds under 49 U.S.C. 13906

KNOW ALL MEN BY THESE PRESENTS, THAT we K & C LOGISTICS INC of
Property Broker Name

7180 E REED ROAD COAL CITY IL 60416
Principal Address

as PRINCIPAL (hereinafter called Principal), and AMERICAN ALTERNATIVE INSURANCE CORPORATION, a
Surety Name

corporation, or a Risk Retention Group established under the Liability Risk Retention Act of 1986, Public Law 99-563, created and existing under the laws of the State of New Hampshire (hereinafter called Surety) are held and firmly
Surety Incorporation

bound unto the United States of America in the sum of $ $75,000, for which payment, well and truly to be made, we bind
Bond Amount

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. 13904, and the rules and regulations of the Federal Motor Carrier Safety Administration ("FMCSA") relating to insurance or other security for the protection of motor carriers and shippers, and has elected to file with the FMCSA 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 FMCSA, 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 ICC Termination Act of 1995 under license issued to the Principal by the FMCSA, 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 FMCSA forthwith of all suits filed, judgements rendered, and payments made by said Surety under this bond.

This bond is effective the 16 day of August, 2013, 12:01 a.m., standard time at the
Date Month Year

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 FMCSA at its office in Washington, DC, such cancellation to become effective thirty (30) days after actual receipt of said notice by the FMCSA.

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.

BOND NO: 20130815301 ACCT LOC ID: 100110900

The receipt of this filing by the FMCSA 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 387.315 of Title 49 of the Code of Federal Regulations.

Falsification of this document 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 16 (Date) day of August (Month), 2013 (Year).

K & C LOGISTICS INC
Claudette M Schmitt, K+C Logistics
Principal Name (Company, Individual, etc.)

Claudette M Schmitt
Signature

~~CALUDETTE SCHMITT~~ Claudette Schmitt
Printed or Typed Name of Signor

PRESIDENT
Title of Signor

Georgine B. Gibbins
Witness Signature

Georgine B. Gibbins
Printed or Typed Name of Witness

AMERICAN ALTERNATIVE INSURANCE CORPORATION

Matthew L. Zehner
MATTHEW L. ZEHNER
Attorney-In-Fact

CORPORATE SEAL

Maya M. Mackey
MAYA M. MACKEY
Witness

2174

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ROANOKE

ITSFS Property Broker Bond Program
Risk Management Program Fee Disclosure

Roanoke Underwriting, a division of Roanoke Insurance Group Inc. ("Roanoke"), as administrator of the ITSFS Property Broker Bond Program ("Program"), requires a non-refundable, pre-paid risk management fee for all bonds written in the Program. This fee is assessed for the following:

1. Minimal or no financial underwriting review
2. Claims handling
3. Document processing
4. General administration costs

Roanoke Underwriting annually reviews the claims/loss activity of the Program and the success of the Program overall to determine if any additional fees may be assessed. The bondholder will be notified 60 to 90 days prior to the renewal date of the bond. Any assessment will be limited to 50% of the initial program fee in any given renewal year. Such fees, if applicable, shall be payable no later than 30 days prior to the bond renewal.

Acknowledged by: Date:

Claudette M Schmitt 8/16/2013

CLAUDETTE SCHMITT
PRESIDENT
K & C LOGISTICS INC

2174