

# NorthAmerican Transportation Association Inc

## Exclusive Drug and Alcohol Testing Agreement

This Agreement is made by and between NorthAmerican Transportation Association Inc. (NTA), a Nevada corporation, EIN # 88-0289426 with its principal place of business located at 2533 N Carson St, Suite 346, Carson City, NV 89706-0147 and the Company signing this Agreement shown on the last page hereinafter referred to as (Client).

As a service to motor carriers NTA provides not only a Nationally Accredited Drug and Alcohol Testing Program in compliance with Federal Regulations (49 CFR Part 382 and Part 40) but also maintains the Official US DOT Training Site on the Internet. **The Client understands that it is ultimately responsible to the Department of Transportation for compliance (§390.3 (e)(1) & (2)) with all the drug and alcohol testing regulations.**

To ensure that NTA provides Client with correct statistics required by the US DOT, Client is entering into this exclusive yearly testing agreement. Client retains NTA to administer its complete drug and alcohol-testing program and chooses to ensure that ALL testing is done through NTA & to receive its substance abuse results directly and exclusively from NTA.

Now, therefore, the parties hereto, intending to be legally bound hereby, do promise and agree as follows:

I **PROGRAM TERM** – Subject to the provisions for termination as hereinafter provided, the term of this Agreement, as amended from time to time, shall become effective on the date on which a representative of Client signs it and this Agreement will remain in effect for the period of one (1) year and shall be automatically renewable thereon in the same increments until it is terminated by giving 30 days written notification by either party.

If Client institutes an early termination of the program, the Client is subject to a cancellation fee in that Client agrees to pay NTA Inc the applicable sum equal to the current number of individuals enrolled times the minimum percentage of drug and alcohol tests required by law for the entire contractual period. **CLIENT ACKNOWLEDGES AND AGREES** that this total sum (minimum Fee is \$500.00) is the full immediate and total value for the services under the contract and is earned and due immediately as liquidated damages.

II **PROGRAM SERVICES** – NTA agrees to provide the following services:  
*Services marked by an asterisk [\*] are optional services at additional cost*

5 Panel Drug Testing	Driver Record Administration *
DHHS Certified Laboratory	Statistical Reporting *
Program Certification & Verification	Evidential Breath Testing Products*
Alcohol Confirmation Reports*	Transportation of Specimen
Medical Review Services (MRO)	Test Reporting
Collection Site Selection	Collection Materials
Emit Screen & GC/MS Confirmation	Random Generated Selection
Drug & Alcohol Policy *	Substance Abuse Profession Referrals *
Consultation *	Employee and Supervisory Training *

III **FILE RETENTION** – Client as employer understands that he is required to keep the following files for the specified amount of time.

**Five Years**

All Alcohol tests showing an alcohol concentration of .02 or greater.  
Employee verified positive drug test results (MRO written report of verified test).  
Documentation of refusals to take required alcohol and/or drug tests including adulterated and substituted.  
All SAP reports  
All follow-up tests and schedules for follow-up tests.

**Three Years**

Records obtained from previous employers concerning drug and alcohol tests results of employees.

**Two Years**

Records of inspection, maintenance, and calibration of EBTs, if used

**One Year**

Negative and cancelled drug tests results and alcohol test results with an alcohol concentration less than .02.

IV **PROGRAM ADMINISTRATION RESPONSIBILITIES** – NTA's objective is to provide consistent, objective and complete drug and alcohol testing, training, data management and reporting for its Clients.

***All agreements and arrangements, written or unwritten, between NTA and the motor carrier/ client herein concerning the implementation of DOT drug and alcohol testing requirements are deemed, as a matter of law, to require compliance with all applicable provisions of Part 40 and DOT agency drug and alcohol testing regulations. Compliance with these provisions is a material term of all such agreements and arrangements. Therefore both parties are required to perform their respective duties in compliance with the regulations. This is true whether the parties sign a statement they will provide compliant services or not.***

**NTA agrees to provide all services concerning drug and/or alcohol tests required by the Department of Transportation regulations in full compliance with the provisions of 49 CFR Part 40. Compliance with Part 40 is a mandatory term of this agreement.**

NTA's drug and alcohol testing compliance program will be administered for its Clients as follows:

- A. NTA will maintain information regarding the status of all drug testing enrollees in the NTA database and make such information available to Clients in good standing.
- B. NTA will provide for drug and alcohol testing under established Department of Transportation guidelines (49 CFR Part 40) to include the following types of tests and Client agrees to enroll all of its personnel to maintain compliance with §382.305 (j)(1).
  - 1. Pre-employment
  - 2. Reasonable Suspicion
  - 3. Random
  - 4. Post-Accident
  - 4. Return-to-Duty
  - 5. Follow-up
  - 6. Substituted
  - 8. Adulterated
- C. NTA will provide the Client with a approved specimen collection site for the collection of specimens. NTA will review collection sites' procedures and replace specimen collection sites if deemed necessary by NTA or the Client.
- D. Client will provide two individuals who will be the Designated Employer Representative (DER). The Client will provide the DER's name and phone number including how to reach the DER after hours and in an emergency. Client must use the designated assigned collection site per federal regulations otherwise Client will be responsible for any additional collection fees. There is an administrative charge for this type of billing listed under our service fees.
- E. NTA will provide reporting to Client DER of all test results performed by the authorized Medical Review Officers (MRO) contracted for, or use by, NTA. The actual hard copy signed by the MRO will not be released until payment is received.
- F. NTA will maintain Client Violation History and Driver History of all drug and alcohol records. Only information that is provided to NTA can be included in any Management Information System (MIS) reports as required by Section 382.403, and NTA will not be responsible for information that is not forwarded to them for inclusion in the MIS reports.
- G. NTA will provide and maintain Federal and Client reporting and certification.
- H. Client agrees to pay in full for all tests that are conducted pursuant to a chain of custody form provided to Client by NTA for the purposes of a drug test. The Client agrees to payment in the manner the Client has selected when signing up for services. If a credit card is authorized for use, NTA may access the credit card upon transmittal of the test results. If a credit card is given as security for payment, NTA may access the credit card if payment is not received within 20 days following the billing for that test.
- I. Client understands that each chain of custody form is similar to a "blank check" in that can be used for a drug test, and that therefore, the employer is held responsible and accountable not only for each form but for all the tests conducted pursuant to a chain of custody form issued to Client by NTA.
- J. Client agrees to validate and return any reports sent to verify enrollment in the drug and alcohol program within 72 hours to protect the validity and integrity of the random rate. NTA will supply a completed "**Random Notification Form**" and Client agrees to complete and return this form only when a person has left the program along with the applicable date. Client agrees to transmit in writing the disposition of each individual who tests positive and/or leaves the program for whatever reason.
- K. The Client has a mandated duty under federal regulations to uphold the random testing percentage rates; therefore it agrees that when its individuals are selected but not tested in the applicable selection quarter ( §382.305 (i)(3) ) they must be tested and/or replaced and spread out through the quarter (§382.305 (k)(2) in accordance with the federal alternative testing regulations ( §382.305). Client will be billed each quarter for these random drug and alcohol tests. If Client fails to test during the applicable time period and has paid the applicable fees for such, Client understands that he has forfeited these fees as a penalty for not testing and will be billed again for the applicable tests.
- L. Client understands and agrees that if its negligent actions or omissions thereof, in maintaining compliance of this program cause and/or subject NTA, in any way, to a Public Interest Exclusion (PIE) proceeding that NTA will have no other recourse but immediately terminate this contract with Client and to seek immediate remedy in a court of law.
- M. Price includes collection at a regular Quest Collection site. In order to make more location available to employers, Quest has also contracted with some third party locations that are designated "Quest Preferred Third Party" sites. NTA has received notice from Quest Diagnostic of a price increase when employers utilize these special third party collection sites. As a result, any time a NTA drug testing Client looks up a drug testing site and see the words, " Quest Preferred Third Party," please be aware that a surcharge will be added to the bill to reflect the increased cost. Because there can sometimes be delays in NTA being notified that a third-party collection site was used, there can be times when the extra fees for use of a Quest Preferred Third Party is billed later. To determine if you are utilizing a regular Quest collection site or a "quest Preferred Third Party" go to the Quest Diagnostics Patient Service Center website to look up the location tool at: [http://www.questdiagnostics.com/hcp/psc/jsp/hcp\\_psc\\_index.jsp](http://www.questdiagnostics.com/hcp/psc/jsp/hcp_psc_index.jsp). Then follow the directions to find the nearest collection site. If you see the words, "Quest Preferred Third Party", then the extra fee applies. If you have any problems in find a site, just call NTA and we will gladly walk you through the process.
- N. In addition, there are time that an NTA drug testing Client will need a location that is not in the Quest system. NTA will work to find a hospital, medical office or some other site that can accommodate these special testing needs. However, at this point the Client will have to choose in paying for these services directly or NTA will bill an additional surcharge called an "Out of Network Collection Fee". Because

Out of Network Fees are completely outside of the normal NTA system, there is no way to list the fees in advance. This fee may also be billed after the test. If there is a question about such special fees, contact your NTA drug testing representative.

- V. **NO CONSORTIUM** – The Client understands that that the only pool will be Client’s own personnel. Client agrees to enroll all personnel, regardless of tax status, subject to the regulations for purposes of complying with Department of Transportation regulations. The Department of Transportation regulations are for the purpose of drug and alcohol testing and ensuring meaningful and valid drug and alcohol information for statistical analysis. Client agrees to fully abide by all the U.S. DOT’s regulations and shall follow testing notification procedures, enrollment procedures, and removal of personnel procedures in Client’s program. Client accepts total responsibility for any carelessness for its failure to follow federal regulations.

**It is understood that it is the responsibility of NTA because of its accreditation to notify the applicable state and/or federal agency if or when a client shows a continuous serious violation of the drug and alcohol testing regulations.**

Since it is the employer’s responsibility to ensure that an employee is removed from safety sensitive duty, and owner-operators do not have such an employer, NTA will act in place of an employer under circumstances where an owner-operator must be removed from a safety sensitive duty.

If Client’s program is suspended or when this Agreement is no longer in effect for any reason, Client agrees to not use any part of these materials whatsoever or otherwise will be liable for copyright and/or trademark violations to the fullest extent of the law. If Client uses any part of these materials including the Custody Control Forms, beyond the period of time in which Client is in good standing, or uses them to derive substitute materials, or attempts to copy any part of the educational materials provided hereunder, the minimum liquidated damages for using these materials will be \$2,500.00 and all reasonable legal fees.

Any increase in any component of product or service charges in future years (or when applicable mandated laws or regulations change during the term of this Agreement) may be proposed by NTA and agreed to by Client, provided that Client does not object to such a proposed price increase within fifteen (15) calendar days of the date of the invoice, this Agreement shall be deemed to be amended to reflect the increase in charges. In the event that Client does object to such a proposed price increase within fifteen (15) day period, this Agreement shall continue without such proposed price increase, but NTA may at any time thereafter terminate this Agreement by giving ten (10) days prior written notice to Client.

- VI. **INDEMNIFICATION** – NTA is an independent contractor providing the Client with the administration of mandated and/or non-mandated drug intervention programs described herein. Since NTA relies on Client to provide current and proper information, Client agrees to indemnify and hold harmless NTA from and against any and all claims arising out of NTA’s reporting of data or analytical results to Client, which are false or incorrect, whether as result of willful, intentional or negligent act or omission. NTA does not have any control over or assume liability for the enforcement of the Clients policies or for the actions of the Client’s personnel. As an independent contractor, NTA shall not be deemed to be engaged either directly or indirectly in the business of the Client nor deemed to be an agent of the Client, except to the extent necessary to comply with the Department of Transportation, or Client contract testing mandates. The Client agrees to indemnify and hold harmless NTA, its officers, employees, parent companies, subsidiaries and affiliates from any liability, loss, or damage resulting from any claim brought by third parties, of whatever nature, allegedly, arising out of or resulting from any willful act or any negligent act or omission on the part of the Client, regardless of whether or not the party bringing the claim actually prevails.

Indemnification of NTA shall in every case include attorney’s fees, investigator’s fees and court costs, incurred by NTA in connection with defending such claim or legal action and obtaining reimbursement from Client.

In the event of any asserted claim, Client shall provide NTA with written notice of any such claim within ten (10) days after such claim is made or threatened, which notice must specify in reasonable detail the nature and amount of the claim. Client shall further provide NTA with any information and cooperation with respect to the claim as NTA may reasonably require.

Further, Client shall cooperate and take all measures as NTA may reasonably request to preserve and protect any defense to the claim.

- VII. **FORCE MAJEURE** – As NTA is merely recording the drug test results of the Client, NTA will not be responsible or liable to the Client for its failure or delay in performance, which results from or is due to, directly or indirectly, and in whole or part, any cause or circumstance which is beyond the reasonable control of NTA.

- VIII. **PAYMENT TERMS – ALL ACCOUNTS ARE PREPAID UNLESS A BILLING ACCOUNT HAS BEEN APPROVED.** In any event all drug and alcohol fees must be paid within 15 days of occurrence. **ALL ACCOUNTS MUST BE SECURED BY A CREDIT CARD.** All approved accounts more than 31 days old are considered PAST DUE and maybe suspended, all test results may be withheld, and a minimum Late Charge of \$39.00 may be assessed. Any and ALL payments received will be applied first to any outstanding late charge, then to any past due balance, then to any new invoice. In the event of non-payment of invoice, the cost of collection including reasonable attorney’s and court costs shall be added to each invoice. For each dishonored or returned payment, Client will be charged NTA’s applicable returned check fee of \$35.00. NTA may terminate this Agreement if the Client does not pay any invoice within 61 days after the date of the invoice. The Client may be subject to a reinstatement fee. If the account becomes terminated for non-payment, the account will be turned over to Credit Bureau reporting agency and the appropriate State and/or Federal agency will be notified immediately of the existing non-compliance status.

- IX. **LOSS OF VERIFICATION** – Should the Client for any reason violate either any of the applicable DOT regulations and/or the terms of the contract Agreement, NTA will have the right to suspend, withhold any further services and/or terminate the Client’s Agreement if the violation cannot be corrected to NTA’s satisfaction. NTA will notify the appropriate state and/or federal regulating agency of the suspension or termination.

- X. **APPLICABLE LAW** – This Contract Agreement will be construed under the laws of the State of Nevada.

- XI **TERMINATION OF AGREEMENT** – If this Agreement is suspended or terminated for any reason, the Client assumes full responsibility for its own administration of Federally mandated drug and alcohol testing programs including but not limited to:
- (i) reporting,
  - (ii) records maintenance, and
  - (iii) ensuring confidentiality and security of any confidential information.

On request of the client, NTA, at any time on the request of the client, will transfer all records pertaining to the client and its employees to the client or to any other service agent the client designates. NTA will carry out this transfer as soon as the client requests it. NTA is not required to obtain employee consent for this transfer. NTA will charge a reasonable administrative charge as authorized by §40.349 (f) for conducting this transfer. NTA will not charge a separate fee for the release of records but all outstanding obligations due for open invoices must be paid in advance before this transfer is completed.

- XII **REPRESENTATIONS AND WARRANTIES** – Client represents and warrants that the person signing this Agreement has the right and capacity to enter into and perform its obligations under this Agreement, and that upon execution, this Agreement will be a valid and binding obligation to Client enforceable in accordance with its terms.

Client further represents and warrants to NTA that this Agreement has been duly authorized by all necessary corporate and shareholder actions.

- XIII **ENTIRE AGREEMENT** – This Agreement shall be deemed to express, embody and supersede all previous understandings, agreements and commitments, whether written or oral, between the parties hereto with respect to the subject matter hereof and to fully and finally set forth the entire agreement between the parties hereto. No modifications shall be binding unless stated in writing and signed by both parties hereto with the approval of the President of NTA.

- XIV **ATTORNEY’S FEES** – In the event of any litigation, including any appeal, mediation, arbitration, or other alternative dispute resolution proceeding, to enforce the terms of this agreement, the prevailing party therein is entitled to recover from the other party the prevailing party’s costs of litigation, appeal, mediation, arbitration, or alternative dispute resolution proceeding, including, without limitation, reasonable attorney’s fees.

I hereby agree to the terms of this Agreement, the parties have executed this Agreement as of the Effective Date, which is the date this Agreement is signed by NTA.

Program ENROLLMENT DATE:

PROGRAM START DATE: Circle one (Jan.1, Apr.1, Jul.1, or Oct.1)

Name of Company	
Address	
City, State, Zip	
Federal US DOT or MC or State Authority MCP#	
Print Authorized Company Representative	
Signed by Authorized Company Signature	Date: